

## Summary Guide to the Rent Reduction Policy as set out in the Welfare Reform and Work Bill as at 25 November 2015

SOCIAL HOUSING (Excluding affordable rented)				
Tenancy Starts	Condition	Rent in Relevant Year 2016/17	2017/18 to 2019/20	Ref
Before 8th July 2015		1% less than in preceding 12 months	less 1% each year	Para 21(1)
After 8th July 2015	Social housing between 8th July 2015 and start of tenancy	Higher of: Formula Rent at 8th July 2015 less 1% Actual rent at 8th July 2015 less 1%	less 1% each year less 1% each year	Schedule Para 1
After 8th July 2015	NOT social housing before the tenancy	Formula Rent at 8th July 2015 (as if it had applied)less 1%	less 1% each year	Schedule Para 2
AFFORDABLE RENTED				
Tenancy Starts	Condition	Rent in Relevant Year 2016/17	2017/18 to 2019/20	Ref
Before 8th July 2015		1% less than in preceding 12 months	less 1% each year	Para 21(1)
After 8th July 2015	Tenancy begins before relevant year	80% of market rent at start of tenancy	less 1% each year	Schedule Para 3(2)
	Tenancy Begins after the start of the relevant year	80% of market rent in the relevant year	less 1% each year	Schedule Para 3(3)

## Notes:

Market rent must be determined using a RICS valuation method

## Fixed Exemptions

low cost home ownership accommodation	Clause 22(1)
Both low cost home rental and low cost home ownership accommodation	Clause 22(1)
Accommodation subject to a mortgage or financing arrangement	Clause 22(2) and 22(3)
accommodation owned by a fully mutual housing co-operative	Clause 22 (amendment made on 25 November 2015)

## Exemptions that may be contained in regulations

types of tenants that may be specified in regulations	Clause 22(4)
types of tenancies that may be specified in regulations	Clause 22(5a)
types of accommodation that may be specified in regulations	Clause 22(5b)
accommodation which satisfies conditions regarding the funding of its building or refurbishment	Clause 22(5c)
events prescribed by regulations	Clause 22(5d)
	Clause 22(5e)

Note - Specific exemptions are yet to be confirmed. However, the DWP's Impact Assessment indicates that circumstances where exemptions may be made within the regulations may include the following:

- 1 Specialist supported housing
- 2 Temporary social housing
- 3 PFI accommodation
- 4 student accommodation
- 5 Intermediate rent accommodation
- 6 Care homes and nursing homes