

## A guide to Intermediate Rent

### How does it work?

Intermediate Rent is an affordable way to rent to a home at a discounted rate with the protection of an Assured Shorthold Tenancy. The rent you would pay is based on the full market rent discounted by 20%. By paying a lower rent, this helps you to save for a deposit on a home of your own. It's a simple and affordable way to rent a home now, with the intention of buying a Shared Ownership home in the future, without over stretching your finances. Our fact sheet about Shared Ownership tells you more about buying a Shared Ownership home.

If you want to apply for the Intermediate Rent scheme, firstly we will need to assess your eligibility. Our Intermediate Rent policy ([www.knightstone.co.uk](http://www.knightstone.co.uk)) tells you more about how we do this but you are usually eligible if you can demonstrate a housing need for the property you are applying for and do not have a large enough deposit to buy a shared ownership home. You must be unable to afford the outright purchase of a similar home on the open market. Households with an income of more than £60,000 a year are not eligible for the scheme and you must be able to finance the rent payments without further assistance (Housing Benefit cannot be used). Before we can give final approval, you must also register with your local Homebuy Agent, who we can put you in touch with.

### What is an Assured Shorthold Tenancy?

The Assured Shorthold Tenancy is one of the most common types of tenancy agreement. It is a legally binding agreement which specifies the rent you will pay and when it is due, as well as the date the tenancy begins and ends, any rent review arrangements as well as other details about living in the property concerned, including your obligations as a tenant and ours as your landlord.

### What are the costs involved?

Before you decide to apply for an Intermediate Rent home, you will need to consider all the costs. This should include whether or not you will be able to buy a home at the end of your tenancy. Although it isn't compulsory, the Government's Homes & Communities Agency suggests that applicants should make a commitment to enter home ownership through low cost home ownership products in the short to medium term (within five years) and be able to demonstrate how the discounted rent will enable them to save a deposit. Our Shared Ownership fact sheet ([www.knightstone.co.uk](http://www.knightstone.co.uk)) tells you more about the likely costs of home ownership.

## To rent a home, you will need to be able to pay for:

### ■ **Reservation fee**

This is a non-returnable £150 fee which holds the property for you until you are able to move in and covers the cost of us processing your application, including a credit check and obtaining references.

### ■ **Security Deposit**

You will have to provide us with a security deposit, which is usually equivalent to one month's rent. This is to cover any unpaid rent or damage to the property when you move out, including cleaning carpets, redecoration and repairs. We hold deposits in accordance with the Government's Tenancy Deposit Protection Scheme. This guarantees that we will hold your deposit fairly and that it will not be unreasonably withheld at the end of your tenancy providing you are up to date with your rent payments and you hand the property back to us in the same condition it was in at the start of your tenancy, allowing for some fair wear and tear.

### ■ **Rent**

Rent is usually paid monthly in advance by direct debit and normally includes any service charges payable. Rents are usually fixed for the term of your tenancy but reviewed when a tenancy is renewed. It is important that you do not fall behind with your rent. If you have trouble paying your rent, you would need to discuss it with us as soon as possible.

### ■ **Utility bills**

You will be responsible for your household bills (sometimes called 'utility bills'). This type of bill usually includes gas, electricity, water and Council Tax.

## What is included in an Intermediate Rent home?

Our Intermediate Rent homes usually come with electrical appliances such as oven, hob and extractor, fridge and a washing machine. Most also have showers over the bath. The brochure for the home you are interested in will tell you what is included but you can ask us if you are not sure.

## What if something needs to be repaired?

As well as being the Landlord, we also manage our Intermediate Rented homes ourselves. You can call us with any queries you may have at any point during your tenancy. When you move in, we will give you contact details for the person to speak to at Knightstone Housing. If anything goes wrong with any fixtures, fittings or electrical goods we have a dedicated Maintenance Helpline who will send out qualified contractors to attend to any work (your tenancy agreement will tell you more about what we as your Landlord are responsible for).

## Can I leave during the term of the tenancy?

Our Assured Shorthold Tenancies are usually fixed term for 6 months or longer. If you want to move out before the end of the term, you can ask us to release you from the agreement. You will be contractually obliged to pay the rent for the entire length of the fixed term, however we

will try to help in these circumstances, for example, if we are able to re-let the property to a new tenant before your tenancy ends, we may be able to release you from your obligation to pay some or all of the remaining rent.

## What happens at the end of the tenancy?

There will be several options at the end of the fixed term tenancy, which could include selling you the property on shared ownership terms, or offering to renew the tenancy, assuming that your tenancy has been conducted satisfactorily and that you can demonstrate that you are saving towards a deposit for the purchase of your own home. We do not usually allow our tenancies to revert to periodic ('month by month') tenancies so in this situation you would be asked to enter into another fixed term agreement. We will contact you towards the end of your tenancy to discuss the options available to you and we would encourage you to contact us at any time to see how we can help you plan for and obtain accommodation that is right for you.

For more information about this scheme and to read more about how we assess applications for Intermediate Rent, please read our policy at: [www.knightstone.co.uk](http://www.knightstone.co.uk).