

# PRESS RELEASE

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## Guarantee ends, but rents stay low

The end of an era is in sight, as the rent guarantee given to transferring tenants ends next month. But the good news is that New Charter rents will still be among the cheapest in the area.

When tenants voted to leave the Council and join New Charter, they did so with the benefit of a five-year guarantee that rents would only rise by inflation + 1% each year to September 2005.

New Charter kept its promise, and figures released by the Housing Corporation last year showed New Charter charge almost £8 a week LESS than other landlords in this area.

With the end of the guarantee, New Charter rents – like every other social landlord in England – have to conform to the government's wishes to converge rent levels by 2012.



Our rent levels are based on rents inherited at the transfer of homes from Tameside Council in 2000. Since then, rents increased yearly in line with the guarantee made to transferring tenants. But the new government rules mean rents will now increase at different rates for different types of homes. The situation is further complicated by a Court ruling a couple of years ago which only allows a rent increase no earlier than 52 weeks after the last. That's meant that rent increases start on different days.

Tenants receive rent increase notices from today which show the effect for their own home.

Group Director of Finance, Martin Frost said: "The government has made rents dearer for some of our tenants. Housing Benefit will still help the poorer tenants, but the aim is to bring rents charged for similar homes across the area to be broadly the same – what the government call a "target rent". As we are currently so much cheaper than other landlords, this will mean a slow increase over the next seven years for some tenants; but almost 10% of our customers will have no rent increase at all this October".

## **NOTES FOR EDITORS**

1. New Charter took the whole council housing stock of Tameside Metropolitan Borough Council in Greater Manchester on 27<sup>th</sup> March 2000. With a turnover of almost £60million a year and a workforce of 800, New Charter is one of the country's largest Registered Social Landlords. It now owns 14,600 homes.
2. All tenants who have been a tenant for more than 12 months receive a 'Section 13 Housing Act 1988' notice which is in prescribed form as detailed in the Housing Act 1988. Tenants have the right to refer their rent increase to a Rent Assessment Committee if they are feel unhappy about the increase. The Committee is an independent panel of three people who will assess whether the rent is reasonable. They can decide the rent is too high or too low. They do this by comparing rents in the area.

3. In our most recent survey (January 2005), nearly 80% of tenants said the rent we charge was good value.
4. The average rent before this October's rent increase was £55.57. After the rent increase, the average will be £58.33 (calculated on 50 weeks a year). Tenants retain two 'rent-free' weeks at Christmas.
5. There is a tenant hotline 0161 331 2050 mentioned on all correspondence for queries.
6. **iN business for neighbourhoods** is a long-term project to improve housing associations' performance, and challenge negative perceptions of the sector and its customers. The project was launched at the National Housing Federation's annual conference in 2003. To date, 80 per cent of the sector's stock – over 1.5 million homes – is managed by associations who have joined the initiative and made fresh commitments to neighbourhoods, customers and excellence.

**CONTACTS:**

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