

# L&Q Tenure Policy



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## 1 Purpose

- 1.1 L&Q's purpose is to provide homes and neighbourhoods everyone can be proud of. We provide housing in a variety of formats or 'tenures' designed to suit the differing needs of residents who live in L&Q homes. We also try to stay responsive to the range of housing needs and demand, to ensure we make the best use of resources.
- 1.2 This policy sets out the types of tenure that L&Q offers, including homes for sale, and is intended to give some general guidance on those tenure options.
- 1.3 We want to make sure people have a good experience when entering into a contract with L&Q for their home. We also want residents to be aware of their rights and responsibilities in line with that contract.
- 1.4 We will offer residents the most secure form of tenure available to them, ensuring it is compatible at the time of let with:
  - The purpose of the accommodation,
  - The needs and circumstances of the household,
  - The sustainability of the community; and
  - Efficient and appropriate use of our housing stock.
- 1.5 There are laws that govern the housing sector, and rules that apply within the areas we operate. This includes, for example, arrangements we have in place with local authorities, where applicants are nominated to us from their waiting lists. (For more information, please see our Allocations and Lettings policy).

## 2 Scope

- 2.1 This Policy aims to give an overview of the types of tenure we offer, key aspects of each tenure, and circumstances where we might offer that tenure. We offer different types of sales and rental tenure.
- 2.2 We have a range of tenancy agreements and occupancy agreements in place which currently include:
  - Starter tenancies
  - Assured tenancies - including some with protected rights
  - Secure Tenancies
  - Periodic Assured Shorthold (ASTs) and Fixed term ASTs
  - Licences and excluded licences

- 2.3 The circumstances in which we offer these types of tenancies will vary. (For more information see section 4).
- 2.4 L&Q also offer sales tenure, including homes for outright sale, leasehold and shared ownership. (See section 5).
- 2.5 We also operate other types of agreements, such as Commercial lets, and garages, but these fall outside the scope of this policy, which focuses on residential tenure.

## 3 Legislation and Regulation

- 3.1 The following legislation and regulation is not exhaustive, but is key to our approach:
- The Housing Act 1985 created the concept and rules of secure tenancies.
  - The Housing Act 1988 created the concept and rules of assured (periodic) and assured shorthold tenancies, issued since 15 January 1989.
  - The Housing Act 1996 created the concept of starter tenancies, which housing associations have been permitted to use since 1999.
  - The Localism Act 2011 permitted housing associations to use fixed term tenancies since 1 April 2012.
- 3.2 The Regulator for Social Housing sets out relevant consumer standards including:
- The Tenancy Standard – this sets out requirements for the types of tenancies Registered Providers may grant, and their expectations regarding security for tenants.
- 3.3 Where social rent tenants who already have a lifetime tenancy transfer to another social rent home, they will be offered another lifetime tenancy. This does not apply to Affordable Rent tenure.

## 4 Rental Tenure

### A range of offerings

- 4.1 As a charitable housing association committed to tackling the UK's housing crisis, the majority of our homes are let as a social or more affordable type of rent, when compared to typical market rent equivalents.
- 4.2 Homes rented at a social rent rate generally have a greater discount than other below-market price rents. These are generally let to those nominated by their local authority as being in housing need.

- 4.3 The level of discount available on other below-market rents depends on several factors, such as the rules and regulations in place at the time the property was built or let.
- 4.4 The range of options we offer may include but not be limited to:
- Supported Housing
  - Rented housing for older people
  - Intermediate Market Rent
  - London Living Rent
  - London Affordable Rent
  - Rent to Buy
  - Other intermediate products
- 4.5 This range of tenures also means we use, or have used, many different tenancy agreements. The tenancy agreement is key. We provide different types of housing in a range of buildings, but it is the tenancy agreement which sets out the contractual relationship between L&Q and the tenant. This includes the intended length of occupation, the rights and duties of each party, and the right to seek a remedy for breaches of those duties.
- 4.6 At times the agreement may provide extra, specific information that goes beyond a more general approach that L&Q may have in place. This might mean extra rights or services, or specific restrictions. For this reason, we direct people to check their own particular tenancy agreement. Unless it is a matter of law, where there is a difference between our policy and a tenancy agreement, it is the agreement that is usually followed.

## **Tenancy Sustainment and Enforcement**

- 4.7 We are committed to helping all of our tenants to successfully sustain their tenancy. However, we take breaches of tenancy seriously and these will be resolved in line with our policies, the terms of the agreement, and available legal tools. For example, we have specific policies and processes in place to:
- Manage arrears
  - Tackle fraud
  - Tackle ASB
  - Obtain access for required checks – for example gas safety
  - Support residents with additional needs, including making reasonable adjustments

## **Assured Shorthold Tenancies**

- 4.8 Assured Shorthold Tenancies (ASTs) are granted for a minimum period of 6 months. We will issue ASTs only where necessary, and this will usually be due to specific circumstances. For example, if a tenant moves somewhere that is designed to be temporary, or where it is intended that the tenant will move on (perhaps after establishing their ability to live independently).

## **Starter Tenancy**

- 4.9 A Starter Tenancy is a type of Assured Shorthold Tenancy which allows for a probationary period, usually 12 months, to establish whether the tenancy has been successfully managed.
- 4.10 We will issue Starter tenancies for all new tenants on a social housing rent, unless they are already transferring from an Assured or Secure tenancy with us or another landlord.
- 4.11 We monitor Starter tenancies, and give appropriate advice and assistance aimed at helping tenants to maintain their tenancy during a probation period. This includes:
- Arranging a settling-in review shortly after a tenant moves in
  - Identifying and carrying out further reviews or visits where issues arise, including if there are tenancy breaches, and/or identified support issues. This may also include referrals to internal or external support.
  - Giving clear written information about any specific breach of tenancy along with guidance and advice on how to resolve the issue(s)
  - Arranging more home visits or additional contact if required.
- 4.12 After successful completion of the starter period, the tenancy will usually automatically convert to an Assured tenancy.
- 4.13 Where there are unresolved issues during the starter period, we may extend this period for up to a maximum of six months, to give the tenant an opportunity to resolve the issues.
- 4.14 We will outline the reasons if we need to extend or end the Starter tenancy. The tenant can appeal our decision within 10 working days of our decision to end or extend the tenancy. When the resident has not taken actions to resolve the issues, or if there have been other issues with the tenancy, we may begin the eviction process.

## **Assured Tenancies**

- 4.15 An Assured (periodic) tenancy is our standard occupancy agreement for accommodation which is intended to be permanent. This includes most of our

housing suitable for general needs as well as tenants in Sheltered housing. Some properties may be eligible for a Right to Acquire. (See the terms of your agreement).

- 4.16 An Assured tenancy with protected rights, (Protected Assured), is a type of Assured periodic tenancy with additional provisions, usually including the preserved right to buy. These will only be issued when stock is transferred from a Local Authority to L&Q, with terms negotiated as part of the transfer process. The protected rights will not carry over if the tenant moves to a different housing provider or the tenancy ends, and will not transfer to someone else through mutual exchange.

**Note:** For tenants who have transferred, please refer to the individual tenancy agreement for any conditions.

## Secure Tenancies

- 4.17 Prior to the introduction of assured tenancies, the standard public sector tenancy type (social rent) used was the secure tenancy. For many of our tenants who still hold a secure tenancy, their tenancy will have begun before 15 January 1989. Secure tenancies are still issued by local authorities.

- 4.18 Secure Tenancies can generally only be ended by:

- The tenant giving notice to L&Q
- L&Q obtaining a Court Order for possession.

- 4.19 Housing associations are restricted in their use of secure tenancies. We will use secure tenancies in the following circumstances:

- When an existing secure tenant transfers to another property within L&Q or changes their tenancy from joint to sole, the new tenancy will be secure.
- Where a secure tenancy has been inherited through succession rights - the inheriting tenant will retain a secure tenancy

## Fixed Term Tenancies

- 4.20 L&Q does not offer fixed-term tenancies to new general needs tenants. However, some existing tenants may still have a fixed-term tenancy. Upon the expiry of the fixed term, these tenancies will automatically convert to an assured tenancy. This conversion provides tenants with additional protection, and does not alter the original tenancy start date. Tenants will not be required to sign a new tenancy agreement.

## Intermediate Market Rent

- 4.21 This scheme enables us to offer homes on the private market at a discounted rent of 80%. This is aimed at residents who either wish to save towards purchasing a home or those who may not qualify for social housing but cannot afford to rent on the private market.

4.22 These tenancies are offered on a 12-month AST and are subject to a tenancy renewal and rental increase (subject to market values) at the end of the fixed term.

4.23 The IMR tenure is not covered by the Social Rent Standard.

## **London Living Rent**

4.24 The scheme enables us to build housing that will then be let at a discounted rent for a minimum of 10 years, enabling households to save towards a deposit to purchase the home they are renting or elsewhere.

4.25 After the initial let, we may continue offering the property as London Living Rent but can also consider selling the home to the current tenant or a new purchaser after the 10-year period has ended.

4.26 Our London Living Rent homes are subject to the regulations found in the Shared Ownership and Affordable Homes Programme (SOAHP) and these will be applied to the provisions of our London Living Rent Homes.

4.27 This type of tenure is governed by the GLA stipulations in addition to the tenancy agreement.

4.28 The tenancy will be reviewed at the end of the three-year period with the aim of rebasing the rent which is set by the GLA.

4.29 There is an expectation at the end of the three years that the tenant be able to provide evidence of their savings and L&Q reserves the right to refuse a renewal if the tenant is found in breach of the terms.

4.30 The London Living Rent Scheme is not subject to local authority nominations, but applicants must be working households, prospective first-time buyers, or those returning to the market following a relationship breakdown. The household eligibility criteria for this tenure is as follows:

- Live or work in London
- Either have a formal tenancy (for example, in the private rented sector) or live in an informal arrangement with family or friends as a result of struggling with housing costs
- Have a maximum household income in line with the relevant GLA income household income threshold at the time of application
- Not own any other residential home
- Be unable to currently buy a home (including through shared ownership)

## Rent to Buy

- 4.31 The scheme enables us to build housing that will then be let at affordable rent for a minimum of 5 years, enabling households to save towards a deposit to purchase their home.
- 4.32 After the initial let, we may continue offering the property as Rent to Buy, but can also consider selling the home to the current tenant, converting the home to affordable rent, or selling it as a shared ownership home when the previous tenant moves, with the current tenant being given first right of refusal. We may also consider renting the home on a market rent basis.
- 4.33 Our Rent to Buy homes are subject to the regulations found in the Shared Ownership and Affordable Homes Programme (SOAHP) and these will be applied to the provisions of our Rent to Buy homes.
- 4.34 The Rent to Buy scheme is not subject to local authority nominations but applicants must be working households, first time buyers, or those returning to the market following a relationship breakdown. Eligibility is as follows:
- Be a first-time buyer
  - Be in full-time employment
  - Have the right to rent – proven by possession of British/EU/EEA Citizenship or a valid UK residency visa
  - Meet the minimum income and affordability standards – this will depend on the price of the home you are interested in. Minimum income requirements should be used as a guide and can vary depending on a household's circumstances and financial commitments
  - Have the intention to purchase a home at the time of application

## Licences and Excluded Licences

- 4.35 We will only use licences and excluded licences in very limited circumstances, such as when the conditions for a tenancy are not met.
- 4.36 We will use Licences to Occupy where residents are required to move temporarily from their home into another property while work is carried out. Meanwhile, they keep their tenancy for their main home. (**Note:** Residents who are required by L&Q to move permanently from their home will not lose their security of tenure).
- 4.37 Excluded licences will be used in supported, sheltered and agency managed schemes where the occupant does not have exclusive possession of the premises.



## **Under-18's/Capacity limitation**

- 4.38 People under-18 cannot legally hold an interest in land, however, we may provide accommodation in certain circumstances.
- 4.39 We will use an agreement intended to meet the needs of young people and who do not have the right to enter into a legally binding agreement. For example, leaving the care of the Local Authority, or others who need support to maintain their tenancy.
- 4.40 We also offer a type of Assured Tenancy Agreement intended for use where a person over 18 lacks capacity to enter into a contract. i.e. sign a tenancy agreement, and their affairs are being conducted by others who have obtained the power of attorney (for all affairs) through the Courts to sign and guarantee such an agreement on the individual's behalf.

## **5 Homes for Sale**

### **Sales – freehold and leasehold**

- 5.1 In order to support L&Q's core social purpose, we build homes for sale on the open market to customers who are not in housing need. Any surpluses we generate are used to enable us to provide the other tenures listed. These homes for sale may be offered as a freehold or a leasehold purchase. We are unable to offer freeholds on a flat in a shared block, but we will always seek to sell a house as a freehold.
- 5.2 To understand more about purchasing a home with L&Q, please visit [www.lqhomes.com](http://www.lqhomes.com)

### **Shared Ownership**

- 5.3 L&Q also offers Shared Ownership. This is a government-backed low-cost home ownership product designed to help those who would not be able to purchase a home outright. The scheme is designed to help people secure their first step on the property ladder. Shared Owners purchase a percentage share of the property by value and pay a rent for the unpurchased portion, becoming a leaseholder. Over time, Shared Owners have the opportunity to increase the percentage of the home they own – up to 100% or the maximum available for that scheme.
- 5.4 To qualify for Shared Ownership, you need to meet certain criteria. For more details on the Shared Ownership scheme, please see <https://lqhomes.com/shared-ownership/>
- 5.5 Shared Ownership is generally offered only on newbuild properties or, in some circumstances, at the end of a fixed term tenancy in a rented property.
- 5.6 The particulars of each shared ownership scheme will be determined by our Board and the rules and regulations in force at the time.

## 6 Monitoring and Controls

- 6.1 We will check that we are complying with this policy in the following ways:
- Effective monitoring of new tenancies and sales
  - Complete and accurate record keeping – right information, right systems and correct tenancy agreement issued
  - Monitoring surveys, complaints and other feedback

## 7 Equality, Diversity and Inclusion

- 7.1 Our Allocations and Lettings policy sets out how we work in partnership with local authorities and others to ensure we provide appropriate property and types of agreements, suited to an applicant's needs, including household composition. For example, a person applying for Sheltered Housing or an adapted property must meet certain qualifying criteria. Please see our Allocations and Lettings policy.
- 7.2 We aim to offer an applicant the most secure form of tenancy available to them at that point (see 1.4). This means the tenancy provides a reasonable degree of stability, particularly where a household may be vulnerable by reason of age, disability or illness, and households with children.
- 7.3 We capture equality data at point of let or sale, and monitor it to ensure we are providing a fair and equitable service.
- 7.4 As well as providing appropriate accommodation through our tenure options at the point of let/sale, we continue to offer assistance and advice, to help residents sustain their tenure. See also our Supporting Residents with Additional Needs policy.

## 8 Policy controls sheet

**Date of approval:** 18/03/25

**Approved by:** Customer Group

**Effective date:** 01/04/25

**Next Review date:** 31/03/28

**Policy owned by:** Director of Customer Services

**Associated documents:** Allocations and Lettings policy

Main change	Key points
Updated policy to more fully reflect the different types of tenure L&Q offer	<ul style="list-style-type: none"> <li>• Separate sales tenure section has been added</li> <li>• Tenancy management and sustainment elements will now be covered in more detail in a separate document</li> </ul>
Reviewed by: Policy team	
Approved by: Customer Group	