Rent Strategy 2026 - 2035

Our vision “More homes, bright futures”, recognises that a place to call home is the foundation for a bright future.

One of our three ambitions is to build trust with our customers. Part of building trust is to make sure our charges are fair, reasonable and make sense, which is a promise made within our Customer Experience Strategy. This strategy supports our vision and ambitions:



This strategy sets out how we will set our rents across all tenures. It confirms that we will work within the government’s Rent Standard 2026 for our social and affordable rented homes, comply with the lease agreements for our shared owners and set comparable rents for our market rented homes, commercial units and garages.

Our ambitious new-build programme shows our commitment to play our part to meet local housing need and provide homes that are affordable for everyone. We will balance the need to maximise our income so we can continue to invest in our existing homes, offer good quality, reliable services to our customers and invest in building more homes.

We are committed to ensuring that all our customers can sustain their tenancies and live comfortably.

We offer a robust support service to help customers to manage their income and claim the benefits they are entitled to, in addition to supporting customers in financial hardship. We have dedicated officers that help new customers get off to a successful start by making sure they have the essential items for their home, claim relevant benefits and set up their method of payment.

Rents are our main source of income and help us to generate a surplus that is reinvested into improving homes, building new homes and supporting our customers and the communities where they live. To maximise this opportunity, we will:

- Ensure that rents are charged at correct levels, reviewed in accordance with legislation, regulation and appropriate guidelines and collected in line with our policies
- Set rents on new developments in line with legislation and regulatory guidance to meet our stated ambitions of providing properties at both Affordable and Social Rent levels
- Set, charge and collect service charge expenditure in line with our service charge policy

How we set rents

The government has two main ways of setting rent for social housing: Formula Rent (previously known as Target Rent) and Affordable Rent. The calculation of these rents is detailed in legislation and the Rent Standard 2026 published by the Regulator of Social Housing. We always ensure that our rents comply with this.

We have the flexibility to set rents up to 5% above the Formula Rent (10% for supported housing), which is known as the 'rent flexibility level' or 'tolerance'. We set our Formula Rents to include the rent flexibility level.

The Rent Standard allows for a maximum annual increase of no more than the Consumer Price Index (CPI) as at September in any year, plus 1%. The rent cannot be increased above the calculated Formula Rent. No additional increases are allowed to customers' rent during the year and rents are normally adjusted in April or in line with the conditions in the tenancy agreement.

From April 2027, rent convergence is re-introduced as part of the Rent Standard 2026. This allows social rents, that are below the Formula Rent to be increased by up to £1 pw from April 2027 and by £2 pw from April 2028, in addition to the CPI plus 1% increase. We will apply this additional increase to any social rents that are below the Formula Rent, applying the appropriate increase to ensure the rent level does not exceed the Formula Rent.

Rent for shared ownership homes is set using the Affordable Housing Capital Funding Guide published by Homes England. Rents are calculated in accordance with the applicable guide at the time the home is built. After that, any changes to the rent follow the terms of the lease agreement between VIVID and the customer.

Rent for market rented, intermediate rented and residential leasing homes are all calculated with reference to the market rent levels in the area.

Rent and charges for commercial spaces and garages is based on market demand and property condition. We aim to set competitive prices that reflect current market rates and avoid long vacancies.

We'll adopt principles which mirror the assumptions in our Business Plan and for existing tenancies we will review our rents every year, in accordance with tenancy and lease agreements and maximise our rental income by:

Tenure	Initial rent setting	Rent review	Re-let rent review
Social Rents are low-cost, government-regulated rents set using a national formula based on local income levels and property values.	Social rented properties will be let at Formula (Target) Rent levels with additional service charges as appropriate	CPI at September each year plus 1% Under rent convergence up to an additional £1 per week (£2 from April 2028) will be applied to bring	Re-let at the calculated Formula Rent

		any social rents up to the Formula Rent	
Affordable Rent is a form of low-cost social housing where the rent is set at up to 80% of the local market rent	Affordable Rent levels will be set at 80% of local market rents	CPI at September each year plus 1%	At each new tenancy the rent will be set at 80% of local market rent
Secure rents are registered the Valuation Office Agency (VOA).	Rents are set at the registered rent or the Target rent level whichever is the lower	CPI at September each year plus 1%	Rents are registered every 2 years
Supported rents are treated the same as social rents with a service charge that reflects any support provided	Properties will be let at Formula (Target) Rent levels with additional service charges as appropriate	CPI at September each year plus 1%	Re-let at the calculated Formula Rent
Residential leasing homes are leased from private owners for the purposes of temporary accommodation	Rents are set in accordance with the occupancy agreement	Rents will increase in accordance with the occupancy agreement and the local authority agreement	Rents will be reviewed in accordance with the occupancy agreement and the local authority agreement
Shared ownership, the part purchase, part rent scheme with the rent set in accordance with the lease and share purchased	Rents are set in accordance with the Affordable Housing Capital Funding Guide	Rents will increase in accordance with the lease	There are no re-lets as leases are assigned
Commercial properties are leased	The rent is determined based on market rates and demand	Lease premiums increase in accordance with the lease	The lease premium will be reviewed at each new lease agreement
Intermediate market rents are rents set at 80% of the market levels These are free from any regulation	Rent will be set at 80% of the market rents levels Discretion of plus or minus 10% at letting is permitted based on demand which will be approved by the Chief Operating Officer, Customer Services Director, Chief Finance Officer or Director of Finance	Will increase based on market rent increases	The rent will be reviewed against the market at each new tenancy

Market rents are properties provided at market rent rates These are free from any regulation	Rents will be set in line with market rent levels Discretion of plus or minus 10% at letting is permitted based on demand which will be approved by the Chief Operating Officer, Customer Services Director, Chief Finance Officer or Director of Finance	Will increase based on market rent increases	Rents will be set in line with market rent levels Discretion of plus or minus 10% at letting is permitted based on demand which will be approved by the Chief Operating Officer, Customer Services Director, Chief Finance Officer or Director of Finance
Garages are let under license with a license fee charged	License fees are charged in accordance with local markets and demand	Increase will follow the CPI plus 1%	Will be reviewed based on local markets and demand

Supporting our customers

We aim to support all our customers to sustain their tenancies. Affordability checks are undertaken to ensure that customers are offered the right homes to suit their income levels. As noted above we offer a range of support services to help customers which include:

- Financial Inclusion services to help with claiming benefits and money management
- Welfare fund availability
- Intensive tenancy sustainment support
- Access to and support to use on-line services

Links to other strategies and policies

This strategy should be read in conjunction with the following:

- Development strategy
- Customer Influence strategy
- Customer Experience strategy
- Service Charge policy
- Income Management policy
- Lettings policy
- Tenancy Policy
- Service standards

Author	Approving Body	Date approved	Review date
Alex Nagle, Customer Services Director	VIVID Board	November 2025	November 2026
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