



# Our Complete Guide To London Living Rent





# Introduction

At L&Q, we understand that buying your own home can feel exciting and overwhelming in equal measure. You will have lots of questions such as... Can I afford it? Am I able to save for a deposit? Can I afford the monthly costs? Perhaps you are currently renting and are dreaming of buying your first home. We are here to help you throughout the process.

If you feel that buying a new home is unattainable, London Living Rent (LLR) could be the perfect way to help you towards homeownership.

If you're wondering whether London Living Rent might be the right choice for you, this guide is a good place to start.

We will explain every aspect of London Living Rent, including the advantages and criteria required to rent a home this way.

L&Q

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# Who is L&Q?

**We are one of the UK's leading housing associations and developers** - we believe passionately that people's health, security and happiness depend on where they live. That's why we're more than a registered charitable housing association. We want to provide homes and neighbourhoods everyone can be proud of by delivering safe, high-quality homes, services and support for all of our residents.

Social purpose is at the core of everything we do. As a not-for-profit organisation, we reinvest all the money we make back into delivering new homes and supporting those in greatest need.

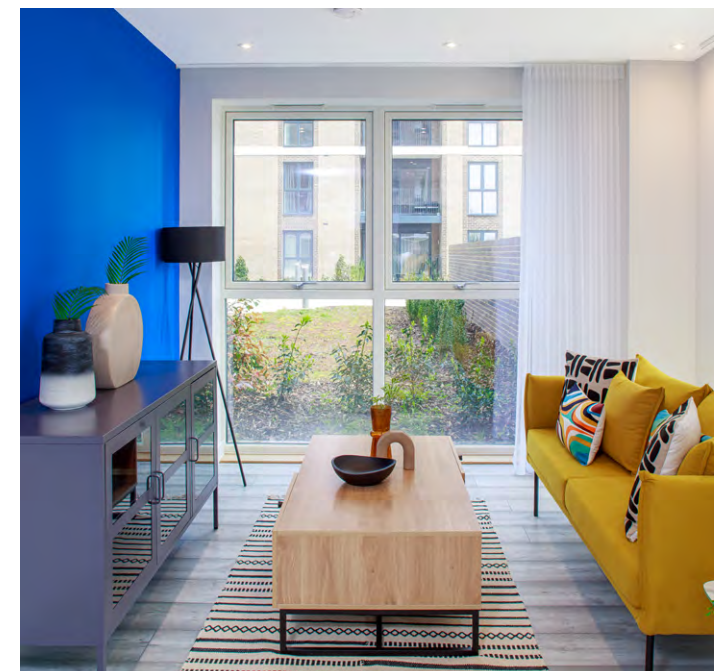
**Our 250,000 residents are our priority**, so the quality and sustainability of the places we build and manage, and the ongoing involvement in these neighbourhoods, is very important to us.

## L&Q and London Living Rent

If you choose LLR, you can have the pick of our properties so you can find the one that best suits your needs, your lifestyle and your budget.

As one of London's most experienced landlords with over 60 years' experience in the rental market, L&Q is one of the capital's largest landlords and providers of affordable homes. If your ultimate goal is to buy a new home but you haven't been able to save for a deposit, LLR could be just the answer.

We have been a landlord and developer for over 60 years, so we're in it for the long term. As well as building homes for sale and to rent across the country, we also provide support to our residents and their communities if they need us.



# L&Q's core values

We firmly believe that our values should sit at the foundation of everything we do.



**People** - We care about the happiness and wellbeing of our customers and our employees



**Passion** - We approach everything with energy, drive, determination and enthusiasm



**Inclusion** - We draw strength from our differences and work collaboratively



**Responsibility** - We own problems and deliver effective, lasting solutions



**Impact** - We measure what we do by the difference we make.





## London Living Rent **with L&Q**

If you're looking to get onto the property ladder in the capital, London Living Rent (LLR) could be the perfect first step – helping you save more money each month to ultimately put towards your deposit.

London Living Rent lets you:

- ▶ Rent a home at a significantly lower cost when compared to renting privately
- ▶ Save towards a deposit each month
- ▶ Buy a share of your home through Shared Ownership with L&Q within 10 years\*
- ▶ Rent a home from a choice of London locations

Rent a stylish LLR home and you could benefit from:



Properties provided  
with white goods



Amenities and shops  
within walking distance



Green open  
spaces nearby



Excellent transport  
links close by



A variety of bars  
and restaurants  
on your doorstep



Local supermarkets  
close to home

\*Terms and conditions apply. All homes are subject to eligibility criteria and availability. Please speak to a Lettings Associate for more information.

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# The origins of London Living Rent

London Living Rent was introduced by the Mayor of London in 2017. It's uniquely designed to assist Londoners who wish to transition from renting to homeownership. Homes are offered at below-market rents across a range of boroughs creating an opportunity for individuals and families to save towards a deposit.

LLR is part of Homes for Londoners and the homes are built using funding from the Affordable Homes Programme. L&Q has been a provider of London Living Rent since 2018 with the launch of our first development L&Q at The Sugar Works, in Royal Wharf. L&Q offers homes available to rent as well as to buy on the open market and through buying schemes such as Shared Ownership.

## Why London Living Rent?

**London Living Rent provides high quality rented homes on assured shorthold tenancies, with rents based on one-third of average local household incomes for the borough, as defined by the Greater London Authority (GLA). The money you save on rent can go towards a deposit for your own home.**

Designed as a “stepping-stone” to homeownership, LLR properties are offered on tenancies of a minimum of three years. L&Q offer a below-market rent when compared to renting privately. During their tenancy, residents have the opportunity to save for a deposit and purchase the home they are currently residing in through Shared Ownership, subject to affordability. This arrangement allows tenants to build savings towards homeownership over a maximum of 10 years.

To qualify for LLR, your household income must not exceed £75,000\*. Initially, the tenancy is for 3 years. If you decide to renew the tenancy, we can consider household income levels up to £90,000, in line with the Shared Ownership income threshold. To be eligible to renew your tenancy, it's important to meet all other eligibility requirements for LLR and maintain the ability and willingness to save towards a deposit.

\*Correct at time of publication



## Who is LLR for?

- ▶ Those living or working in London
- ▶ Those who do not currently own a property in the UK or abroad
- ▶ Those who wish to save a deposit to purchase a home within 10 years.

## What is the criteria?

- ▶ Renters unable to afford a home via Shared Ownership or outright purchase
- ▶ Those with a total household income of less than £75,000\* (on application)
- ▶ Meet the minimum income and affordability standards, dependent on the price of the home you are interested in
- ▶ Right to rent in the UK.

\*Correct at time of publication



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# Move into your LLR home in 10 easy steps:



\*Note LLR is a stepping stone for those who are currently unable to purchase a home via Shared Ownership or through the open market and wish to transition from renting to homeownership.

^Please note L&Q are unable to confirm tenancy start dates prior to this stage.

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# LLR eligibility explained

If you would like to rent an LLR home from us, you must:



Live or work in London



Have a maximum household income of £75,000\*



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



Not own any other residential home; and be unable to currently buy a home (including through Shared Ownership)

# LLR eligibility criteria

If you would like to rent an LLR home from us, you must:

- ▶ Live or currently work in London
- ▶ Be able to provide one month's rent in advance and five week's rent as a tenancy deposit
- ▶ 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 is dependent on the price and type of the home you are interested in and will vary for each development
- ▶ 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.

You must not:

- ▶ Be able to afford a similar home through Shared Ownership or on the open market
- ▶ Already own a property or be in the process of buying
- ▶ Have a household income that exceeds £75,000\*
- ▶ Have an adverse rental history, for example, rent arrears or damage to a property
- ▶ Have a history of bankruptcy, defaults, late payments, county court judgements (CCJs) or Individual Voluntary Agreements (IVAs).

\*Correct at the time of publication.

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# The affordability assessment












**When you apply to rent a LLR home with L&Q you will be subject to a full financial assessment with a Specialist Mortgage Adviser. This will determine if you meet the eligibility and affordability criteria for your desired LLR home or are in a position to purchase through Shared Ownership.**

After you have completed your application form with a Specialist Mortgage Adviser, you will be required to provide documents to support your application. We understand that financial assessments can sometimes feel a bit overwhelming so we've made a handy checklist for you to ensure you have everything you need to submit.\*

With all the required paperwork at your fingertips, you can speed up the process and ensure you meet your submission deadlines.

**Please also see our financial assessment frequently asked questions on page 26.**

## Required documents checklist

- Proof of ID - valid Passports. 
- Proof of Address - utility bill, council tax statement or bank statement. Dated in the last 4 weeks' with your name and address visible. 
- Credit Report – report from [Checkmyfile](#) 
- Bank Statements - last 3 months' statements for all banks and building societies that are shown on your credit report. 
- Bank Statements if self-employed - last 6 months' business accounts and all banks and building societies that are shown on your credit report for your personal accounts. 
- Employed Proof of Income - last 3 months' payslips. Last 13 weeks' payslips if paid weekly. 
- Employed Proof of Income - latest P60. 
- Sole Trader - last 2 years' SA302's and tax overviews. 
- Limited Company - last 2 years' final certified company accounts, personal SA302's and tax overviews. 
- Proof of any State Benefits - last 3 months' Universal Credit statements. 
- Full Proof of Savings - if any of the deposit is a gift then we will require a gift of deposit letter, a copy of the gift donor's ID and a statement showing the money in their account. 

\*Please note that although your household will undergo a financial assessment, this does not determine your ability to rent a home with L&Q. There will be an additional referencing process that needs to be undertaken once a holding deposit has been made. Once we have received satisfactory references for your household, we will then be able to confirm your eligibility and tenancy start date.



## How do we allocate homes?

Allocation of homes may depend on the development and area you're renting in. There may be specific criteria set by the local authority as part of the planning permission.

### For example

Some councils prioritise those who live or work in their borough. Each development will advertise if there are any specific allocation criteria and this could only be for an initial period before it becomes available to all applicants.

If a development is oversubscribed and we receive multiple expressions of interests for the same property, we will review the circumstances of each applicant based on factors such as:

- ▶ Are you a first-time buyer?
- ▶ Do you already live or work in the same borough as the home you want to rent?
- ▶ Do you work for the Ministry of Defence?
- ▶ Are you an existing local authority or housing association tenant?
- ▶ Would you be living in the home with children?

Please note our allocation prioritisation policy may be subject to change.

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# What are the costs associated with London Living Rent?

Cost	What is it? What does it pay for?	When is it paid?	How much will I pay?	Will it change in the future?
<b>Security deposit</b>	A sum of money held for the duration of your tenancy as security for the landlord against damage/unpaid bills etc.	At the deadline for agreement which is a mutually agreed date before your tenancy is executed.	The sum equating to four weeks' rent. As a further sum of one week's rent paid towards the reservation fee. This totals your security deposit to 5 weeks' rent.	N/A
<b>Reservation fee</b>	A sum of money to secure the property which also acts as your security deposit.	Once you have accepted a formal offer on the property.	The sum equates to one week's rent.	N/A
<b>Rent</b>	Money that is paid to the landlord each month. Subject to property value and within the GLA guidelines.	Monthly.	Amount due is subject to property value.	Yes, each April in line with the Consumer Price Index (CPI) during your tenancy term. When your tenancy comes to an end, a further financial assessment will be undertaken to determine your affordability and eligibility for Shared Ownership and London Living Rent.
<b>Service charges</b>	During your tenancy your service charge is paid by L&Q.	Monthly.	N/A	Service charge is payable once you purchase your LLR home.
<b>Utility bills, Council Tax, Buildings and Contents Insurance</b>	Household bills to cover items not provided by the landlord, eg personal electricity and water.	Monthly or quarterly.	Subject to each household.	Subject to change depending on utility tariff and council rates.

# Landlord obligations

## We will agree to do the following:

- ▶ We will give you possession of the property at the start of the tenancy
- ▶ We will not interrupt your right to peacefully occupy your home
- ▶ We will maintain the exterior and structure of your home
- ▶ We will carry out repairs we are responsible for, such as repairing or replacing fixtures and fittings which we own to ensure that they are in a safe and functioning condition
- ▶ We will maintain common entrances, halls, stairways, lifts, passageways and other communal areas (where these areas are not managed by a separate management company or managing agent).

## Our legally binding responsibilities:

- ▶ To enforce the terms of the tenancy agreement
- ▶ To keep the common parts in a good state of repair and redecoration
- ▶ To provide buildings, public liability and staff insurance
- ▶ To ensure all service charges are properly demanded and paid.



**Note:** This is a snapshot of some of the key points, your tenancy agreement will set out all the conditions which will need to be adhered to. It is important you have read and understood your draft tenancy agreement before proceeding with your application.

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# Tenant obligations

## You must agree to do the following:

- ▶ You must live at the property, and it must be your only home
- ▶ You, your family, friends and relatives, and any other person living with or visiting your home, including children, must not use the property for any other purpose other than as a private home
- ▶ You must use your home for residential purposes only and you must not run a business from your home
- ▶ You must not use the property for any criminal, immoral or illegal purpose.

## Your legally binding responsibilities:

- ▶ Keep your home in good condition and report any issues to your L&Q property manager
- ▶ Pay all rent payments on time. Failure to pay could result in repossession of your home
- ▶ Respect your neighbours and do not cause a nuisance - everyone has a right to quiet enjoyment of their home
- ▶ Keep us up to date with who is living in your property - sub-letting is not permitted but may be considered in extreme circumstances
- ▶ Request permission from us before making any alterations to your home.

- ▶ You or anyone living with you or visiting you must not commit anti-social behaviour
- ▶ You are responsible for keeping the inside of your home clean and in good condition
- ▶ You must promptly report to us any repairs needed that we are responsible for
- ▶ You must allow our staff, agents and contractors to enter your home to inspect or carry out repairs at reasonable hours of the day.



**Note:** The above gives a snapshot of some of the key points, your tenancy agreement will set out all the conditions which will need to be adhered to. It is important you have read and understood your draft tenancy agreement before proceeding with your application.



## L&Q's property management service

### Our team

It's no small admission to say that our success as a landlord is due in part to the strength of our team here at L&Q.

We've cultivated our Lettings team over the years by bringing on board some of the industry's most qualified and experienced people.

But there's more that goes into the management of our homes than just the customer-facing elements.

We need to make sure all our homes are kept in the best possible condition for incoming tenants, which is where our maintenance team comes into the picture.

### Help and support

We'll allocate a Property Manager to your home, to make sure you have access to a fully manned support network.

You will be introduced to your Property Manager via email ahead of moving into your new home including the details of how to contact them when needed.

Shortly after you've unpacked and settled in, your Property Manager will give you a courtesy call to check everything is as expected.

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# From LLR to homeownership

When you're ready to purchase your LLR home through Shared Ownership, we have a friendly homeownership team on hand who can help guide you through the next steps. We also have trusted Specialist Mortgage Advisers and Mortgage Brokers who can assist in your buying journey.



\*Please note the standard valuation fee will be payable by you. On receipt of the valuation, L&Q will ensure that the value is above the reserve price. If the value is below the reserve price, you will be unable to proceed with buying the home at this time. Your home is at risk if you fail to keep up repayments on a mortgage, rent or other loan secured on it. Please make sure you can afford the repayments before you take out a mortgage.

# What are the costs of Shared Ownership?

## Initial buying costs

Cost	What is it? What does it pay for?	When is it paid?	Amount	Will it change in the future?
Reservation fee	An initial payment to secure your interest in the property, subject to eligibility and contract.	At point of reservation. For new build sales, this will be deducted from completion monies, for resales, it will be refunded upon completion.	Standard Fee is £500.	N/A
Buying costs inc. solicitor's fees, mortgage costs and moving costs	All third party costs in relation to progressing the purchase of your property.	During purchase process.	Approx. £3,500 - £5,000.	N/A
Deposit	Your contribution towards the purchase of your property.	When contracts are exchanged.	10% of the share you are purchasing (5% if purchasing with a 95% Loan to Value mortgage). Although 10% is due upon exchange, you may require a higher deposit to obtain a mortgage subject to your individual circumstances.	N/A
Stamp duty	A government tax payable to purchasing property.	At completion. There are two options for paying this, it can either be paid based on the share being purchased, with further stamp duty payable upon future staircasing or it can be paid in full based on the full market value at the time of purchase.	Depends on % share & home's value.  Further Guidance can be found here - <a href="https://www.gov.uk/guidance/sdl-t-shared-ownership-property">https://www.gov.uk/guidance/sdl-t-shared-ownership-property</a>	Additional stamp duty may be payable subject to initial stamp duty payment option. Also subject to government legislation.
Notice of Transfer and Charge fees	Notification that ownership of the home has been transferred to you. And, that your mortgage lender has a legal charge.	On completion.	Approx. £125.00 per notice.	Benchmarked regularly with other organisations.

Charges are correct at time of going to print in June 2024.



# Ongoing costs

Cost	What is it? What does it pay for?	When is it paid?	Amount	Will it change in the future?
Mortgage	Money loaned to a purchaser from a financial institution (bank/building society) to part fund the purchase.	Monthly.	Subject to property value and mortgage product (fixed or variable rate).	Subject to change depending on the mortgage product, future borrowing, overpayments or staircasing.
Rent	Money that is paid to the landlord each month. The rent is paid on the unowned share of the property.	Monthly.	Subject to property value and % of ownership.	Yes, increases each year by 0.5% above RPI. N.B Historic leases may vary. Rent will reduce upon staircasing.
Service charges	Costs in relation to services that are provided by the landlord to cover different elements in the communal/shared areas within the building and wider estate. For example grass cutting/communal cleaning.	Monthly.	This is scheme specific and can vary across developments.	Yes (reviewed annually, based on expenditure of the previous year). Usually service charges increase each year in line with inflation/cost of works.
Ground rent (if applicable)	An amount payable under the terms of the lease to the landlord.	Annually.	Fixed every 12 months and is scheme specific.	Yes (reviewed annually in line with lease).
Utility bills, Council Tax and Content's Insurance*	Household bills to cover items not provided by the landlord, e.g. personal electricity and water.	Monthly or quarterly.	Subject to each household.	Subject to change depending on utility tariff and council rates.

\*General wear and tear should be budgeted for. Charges are correct at time of going to print in June 2024.

## Further costs

Cost	What is it? What does it pay for?	When is it paid?	Amount	Will it change in the future?
Staircasing costs inc. solicitor's fees, mortgage costs & admin fee	The cost payable by the shared owner to purchase further shares in their property.	During staircasing process.	Approx. £1,000 - £3,500 N.B Excludes Stamp Duty that may be payable.	Costs will be payable on future staircasing transactions. Staircasing costs are subject to change given third parties involved.
Home improvements – survey, legal and admin fees	The cost payable by the shared owner in order for home improvements to be carried out.	Home improvement (permission request basic - up to five requests) £65.00. Home improvement (permission request - complex) £270.00.	Minor Home Improvements Approx. £150.00 - £250.00, Major Home Improvements Approx. £1275.00 - £1375.00.	N/A
Lease Extensions inc. premium, solicitor's fee, valuation and admin fee	The costs payable by the shared owner to extend their lease term.	During lease extension process.	Extension premium subject to each property value. Solicitor/Valuation/Admin fees Approx. £2,500.	Subject to any future lease extensions and length remaining on lease.
Selling costs	Our fees payable for marketing your home and securing a buyer.	Payable upon completion if L&Q secure the buyer.	Standard fee is 1.25% exc VAT of the full market value N.B Historic leases may vary.*	N/A
Utility bills, Council Tax and Contents Insurance*	Our fees payable to provide your buyer, and their solicitors with leasehold information related to your home.	Payable once a buyer has been found.	Pre-sale enquiry pack (landlords enquiries) £280.00. Pre-sale enquiry pack (updated information if the original pack is under six months old) £75.00.	Only in line with any government recommendations.

\*Unless otherwise stated within the lease document. Charges are correct at time of going to print in June 2024.



# Customer charter - our promise to you

Here at L&Q we aim to make your move as seamless as possible and provide you with a home of the highest quality, which you can be proud of.

## The level of service and the standards that you can expect from L&Q are set out in our customer charter:

- ▶ Before reserving your new home **we will provide you with all the essential information you need to make an informed decision.** This includes the layout and specification of your home, in addition to any development specific information
- ▶ We will offer a welcoming environment within our lettings offices, providing an **informative lettings process with support and guidance throughout**
- ▶ We will endeavour to provide you with the **opportunity to view your new home** at the earliest convenience, health and safety permitting
- ▶ **We will provide you with regular and clear communication** regarding the progress of your new home and your move in date

If you have applied to rent a home that is still under construction, the timeframes below give an indication of the frequency in which we will contact you:

- Within two months of estimated handover - every two weeks
- More than three months prior to estimated handover - every three weeks
- It is important to remember that whilst homes are under construction any dates provided are estimated and subject to change as building work progresses
- Once your home is ready, we will mutually agree a deadline for agreement and a provisional move in date with you
- ▶ Prior to renting your home, we will contact you to **arrange a demonstration of your new home's many features, including the heating system and appliances. This will be conducted by one of our Inventory Clerks**

We will also offer you advice on how to maintain your new home and information on how L&Q's Aftercare Service works.

The appointment will take approximately one hour and will include an induction on how to use your heating system, consumer unit and location of the stopcock.

- ▶ **We will provide you with a Home User Guide** to help you get acquainted with your home. The Guide will identify useful information, any contact details you may need and how to maintain your home
- ▶ Shortly after you have moved in, **we will make courtesy calls** to ensure you are happy with your new home

- ▶ **We will provide you with health and safety advice where appropriate.** Your health and safety is extremely important to us and in return we ask you that you comply with any instructions given when visiting our developments or moving into your new home
- ▶ We will provide you with an **out-of-hours service in case of emergency**
- ▶ We will provide you with the contact details of your **dedicated Property Manager.**

# Frequently asked questions

**Q: Who is LLR for?**

**A:** The LLR scheme is for people who cannot afford to buy a property through Shared Ownership or on the open market. The aim is to have the capacity to buy a share of the property at any time within ten years.

**Q: How long will my tenancy be?**

**A:** An initial 3 years Assured Shorthold Tenancy (AST) will be given with an option to renew at the end of the term, subject to eligibility. The maximum rental term of 10 years applies.

**Q: How is my rent calculated?**

**A:** LLR rents are based on one-third of average local household incomes, as defined by the GLA.

**Q: Will my rent increase?**

**A:** Yes, each April in line with the Consumer Price Index (CPI) during your tenancy term. When your tenancy comes to an end, a further financial assessment will be undertaken to determine your affordability and eligibility for Shared Ownership and London Living Rent. If eligible and should you wish to renew your tenancy, please note that the rent will be set at the relevant Greater London Authority (GLA) level.

**Q: What happens if I am unable to buy after ten years?**

**A:** You will be unable to renew your tenancy and the property will be returned to L&Q.

# Frequently asked questions

**Q: What happens if my income changes throughout the tenancy?**

**A:** Should your circumstances change within your tenancy term, you will be required to inform your Property Manager who will advise you accordingly.

**Q: Can I take in a lodger or a paying guest?**

**A:** No, only those named on the tenancy agreement are permitted to live with you in the home.

**Q: Can I upsize or downsize?**

**A:** Yes, following an initial 12-month period, subject to availability and meeting eligibility criteria.

**Q: Can I add or remove someone from the tenancy?**

**A:** Yes, following an initial 12-month period, subject to eligibility and written consent. You will be required to undertake all reference checks again should the household change.

**Q: Is there a break clause?**

**A:** Yes, a 12-month break clause within the three years fixed term AST.

# Frequently asked questions

**Q: Can the terms in the tenancy agreement be amended?**

**A:** No, all terms and clauses in the tenancy agreement cannot be amended. You will be given a draft tenancy agreement to review before signing.

**Q: Will my savings be assessed throughout the tenancy?**

**A:** During the tenancy, although the more you save the quicker you will likely be able to progress to homeownership, we may from time to time contact you to discuss and review your plans and progress towards saving for a deposit.

**Q: Is there a set amount of money I need to save every month?**

**A:** No, L&Q do not determine a fixed monthly saving as part of the LLR tenancy, although the more you save the quicker you will likely be able to progress to homeownership.

**Q: Who is my security deposit protected and registered with?**

**A:** Your security deposit will be registered and protected by the Tenancy Deposit Scheme (TDS).

**Q: When will my security deposit be returned?**

**A:** You will be contacted by your Property Manager and negotiations surrounding the release of your security deposit within 10 working days of your tenancy end date.

**Q: Can I take in a lodger or a paying guest?**

**A:** No, only those named on the tenancy agreement are permitted to live with you in the home.

# Frequently asked questions

**Q: Is there gas in the property?**

**A:** Most of our properties do not have gas. Where there is no gas at a development, heating and hot water will be supplied by a communal heating system. In these cases, your household will sign up to a fixed supplier who supplies the energy throughout your tenancy.

**Q: Is there parking available?**

**A:** This varies by development. However, most of our developments do not have parking available and due to local restrictions, you will likely be unable to apply for a resident parking permit.

**Q: Are pets permitted?**

**A:** Pets may be permitted with prior written consent. There may be additional charges from our freeholders and third-party agencies.

**Q: What happens after my tenancy is up?**

**A:** When you're ready to purchase your LLR home, we have a friendly Homeownership team on hand who can help guide you along the next steps. We also have trusted Specialist Mortgage Advisors who can assist in your buying journey, if required.

**Q: Where can I find out more about buying my LLR home?**

**A:** You can contact our Homeownership team via email: [purchaseoptions@lqgroup.org.uk](mailto:purchaseoptions@lqgroup.org.uk) or by calling: 0300 456 9997. Alternatively, you can find more information on our website [here](#).

# Financial assessment frequently asked questions

## Q: How is my affordability assessed?

Our assessments are carried out to ensure all tenants meet the London Living Rent eligibility criteria, which are:

- ▶ Your annual household income must not exceed £75,000
- ▶ You must live or work in London
- ▶ You must be unable to buy a home, including through Shared Ownership
- ▶ You must not own a residential property in the UK or overseas
- ▶ You must meet the minimum income required for your preferred property

A:

As part of the financial assessment, all household members aged 18 or above will be required to provide documentation to enable an assessment of eligibility and affordability.

## Q: I meet the minimum income required; however, I have been advised that I do not meet affordability; why?

Minimum income requirements should be used as a guide and can vary depending on a household's individual circumstances.

The minimum income is provided on the basis that alongside your monthly rent, you will have no other financial commitments apart from living expenses.

A: Salary deductions or financial commitments; for example, credit cards or loans, will be factored into your affordability assessment and may impact the minimum income requirement for your household. This means that in some instances, although you may meet the minimum income, you are unable to proceed based on affordability.

The target is for your monthly rent and financial commitments not to exceed 40%-45% of your monthly net income once all have been considered. The actual percentage will be dependent on the development you have applied for.

## Q: How do you set the affordability requirement for each property?

A: We use the Greater London Authority and Homes England guidance to set our affordability parameters.

# Financial assessment frequently asked questions

**Q: I've recently started a new job. Can I still apply?**

As part of the financial assessment, you will be required to provide 3 months' payslips to evidence your income.

**A:** If you have changed employers within the last 3 months, your application may still be considered if you are able to supply two consecutive payslips from your previous employment and one full month's payslip from your new employer.

**Q: I am due a pay rise, will my new salary be considered?**

**A:** Yes. We will assess your application using your new salary if you are able to supply at least one month's full payslip at the increased amount.

**Q: What income is taken into consideration during the affordability assessment stage, and what documentation will I need to provide?**

Employed Income – You must have 3 months' consecutive pay slips from your previous or current employer

- ▶ Self-Employed Income – A minimum of 2 Years SA302's and Tax overviews are required for sole traders and Limited Company Directors (the average net profit of the last 2 years will be used)
- ▶ Fixed Term Contractors – You must have a minimum of 3 months' pay slips and a minimum of 12 months remaining on your current contract at the time of the tenancy start date

**A:** Zero Hour Contract Workers – You must have a minimum of 6 months' consecutive pay slips available

- ▶ Pension Income – Last 3 Month's Pay slip/statement
- ▶ Universal Credit Statement or Award Letter – (Excluding the housing element)
- ▶ Disability Living Allowance – Latest Annual Statement required
- ▶ Court Ordered Child Maintenance – Copy of court order and evidence of payments received.

# Financial assessment frequently asked questions

**Q: I receive bonuses and or commission payments. Will this income be considered?**

Overtime, bonuses, and commissions are examples of non-guaranteed income. These will be considered and calculated using the average amount over the last 3 months' consecutive payslips or, if paid annually, the latest two payment amounts.

When calculating this non-guaranteed income, 50% of the total will be taken into consideration.

**Q: Why is the income cap £75,000?**

London Living Rent is a government-funded scheme targeted at middle-income households working or living in London and looking to build up savings for a deposit to purchase a home. As part of the criteria set by the Greater London Authority (GLA) the maximum household income is £75,000.

**Q: Do I need savings to qualify?**

As part of your financial assessment, you will be required to provide evidence of all savings accounts held by your household. Your savings will be reviewed to demonstrate that you have a minimum of one month's advanced rent and five weeks' rent as a tenancy deposit.

**Q: Why have I been advised I can purchase a property via Shared Ownership?**

During your financial assessment, your household's current financial position and ability to obtain a mortgage will be assessed using guidance from the Greater London Authority (GLA) and Homes England.

The London Living Rent scheme is designed for Londoners who wish to build a deposit to transition from renting to homeownership. In line with the criteria for the scheme, your household must not be able to purchase a property via Shared Ownership or on the open market to be eligible for the scheme.

# Financial assessment frequently asked questions

**Q: What happens if I do not want to buy on Shared Ownership and would prefer to rent?**

To be eligible for London Living Rent, your household must not be able to purchase a property via Shared Ownership or on the open market.

**A:** If your household has been advised that they are able to purchase a property via Shared Ownership, unfortunately, your household will not qualify for the scheme.

**Q: Will County Court Judgement and, or Defaults affect my application?**

When applying for a London Living Rent home, you will be required to demonstrate a good credit history. We are unable to proceed with applications where members of the household have any of the following registered on their credit file:

- ▶ County Court Judgement
- ▶ Defaults which include late payments
- A:** ▶ Individual Voluntary Arrangement (IVA)
- ▶ Credit agreement missed payments
- ▶ Bankruptcy

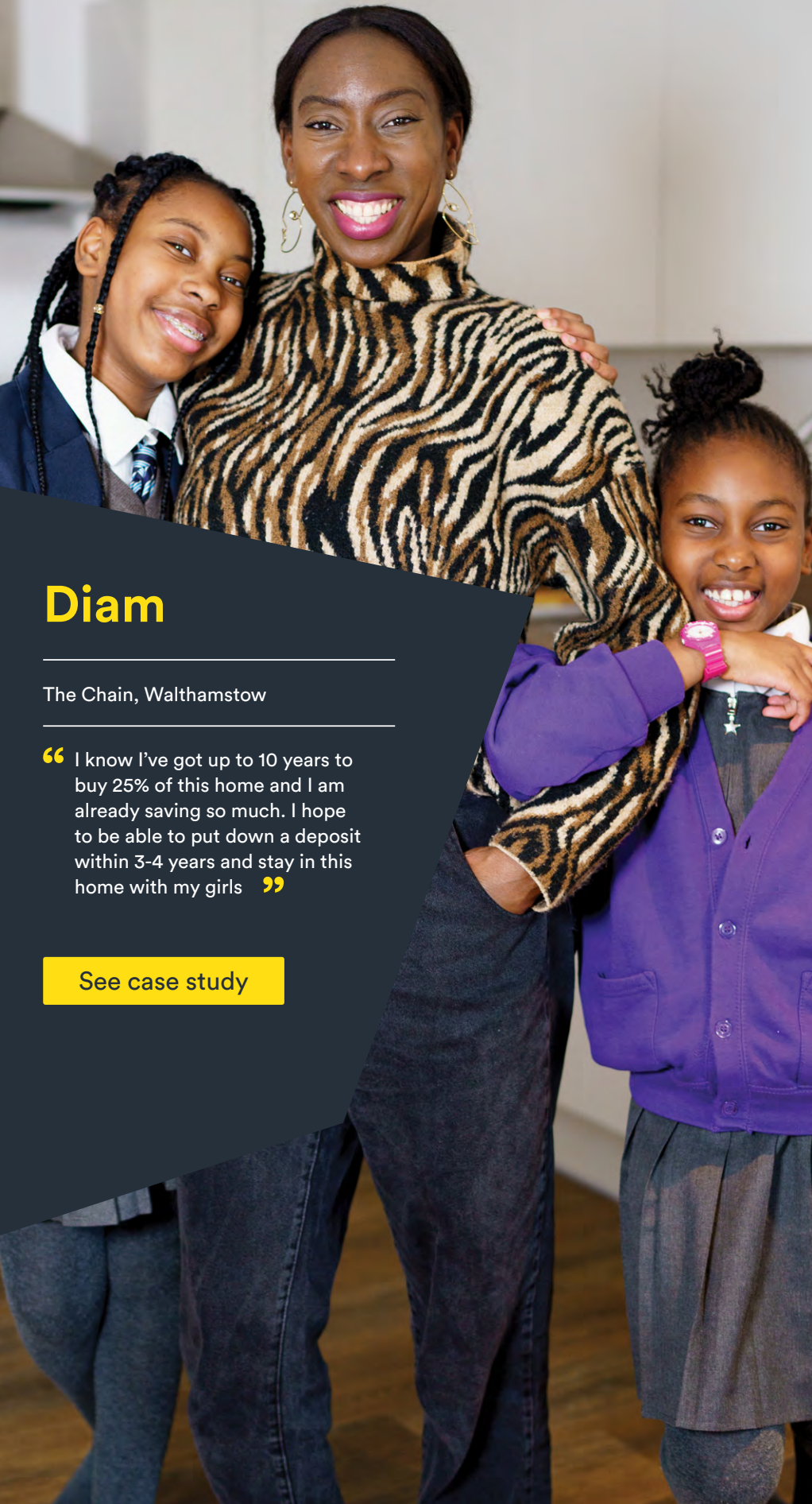
We will ask that you provide a copy of your Check My File credit report when you apply. Check My File is a multi-agency credit report provider.

**Q: I am taking maternity/paternity leave. Will this impact my assessment?**

The financial assessment will review your current circumstances to ascertain suitability and affordability for the scheme.

**A:** This will also entail an assessment of any impending changes to your financial circumstances which may impact on your households ongoing affordability.

# Case studies

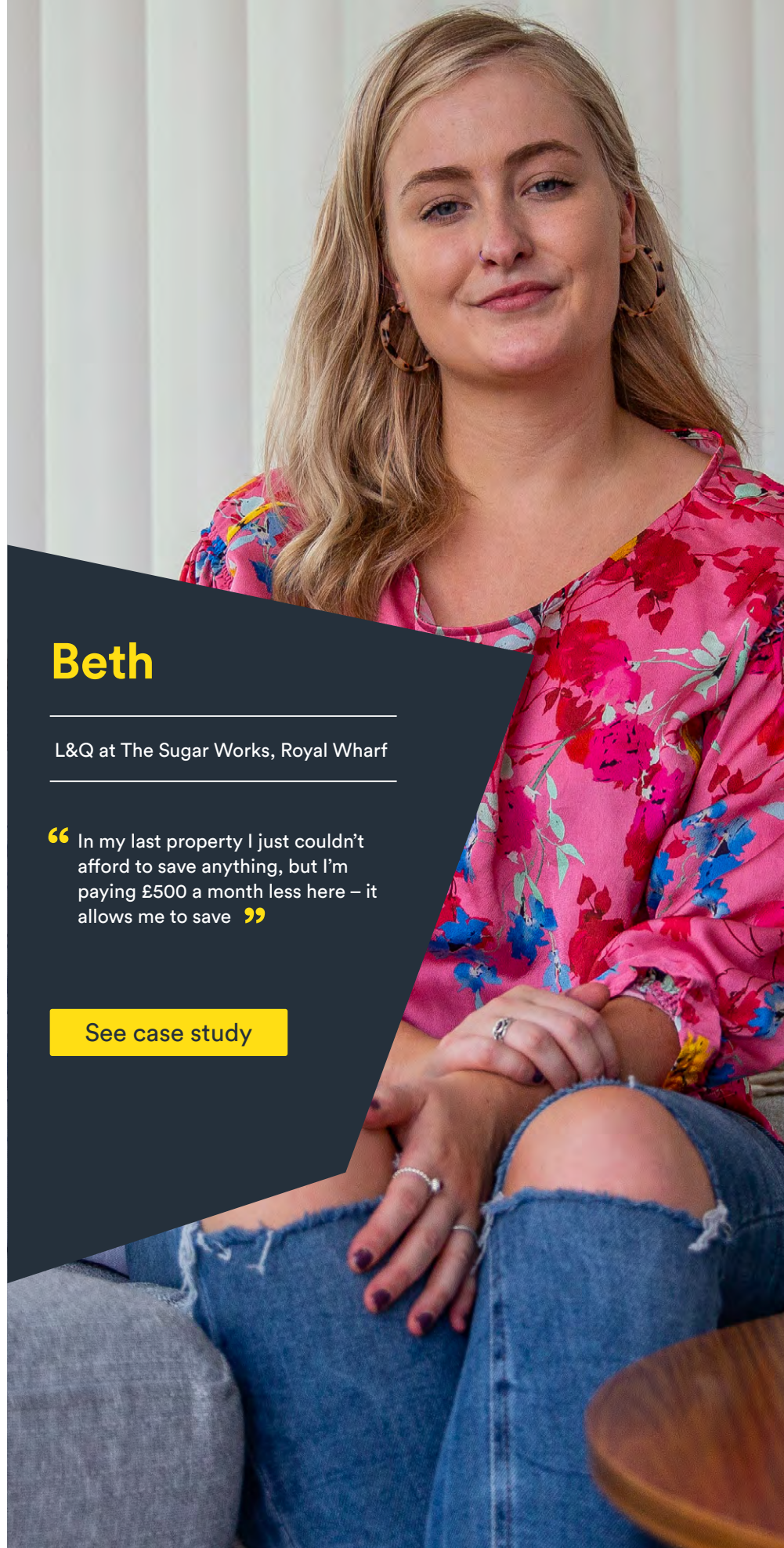


## Diam

The Chain, Walthamstow

“ I know I’ve got up to 10 years to buy 25% of this home and I am already saving so much. I hope to be able to put down a deposit within 3-4 years and stay in this home with my girls ”

[See case study](#)

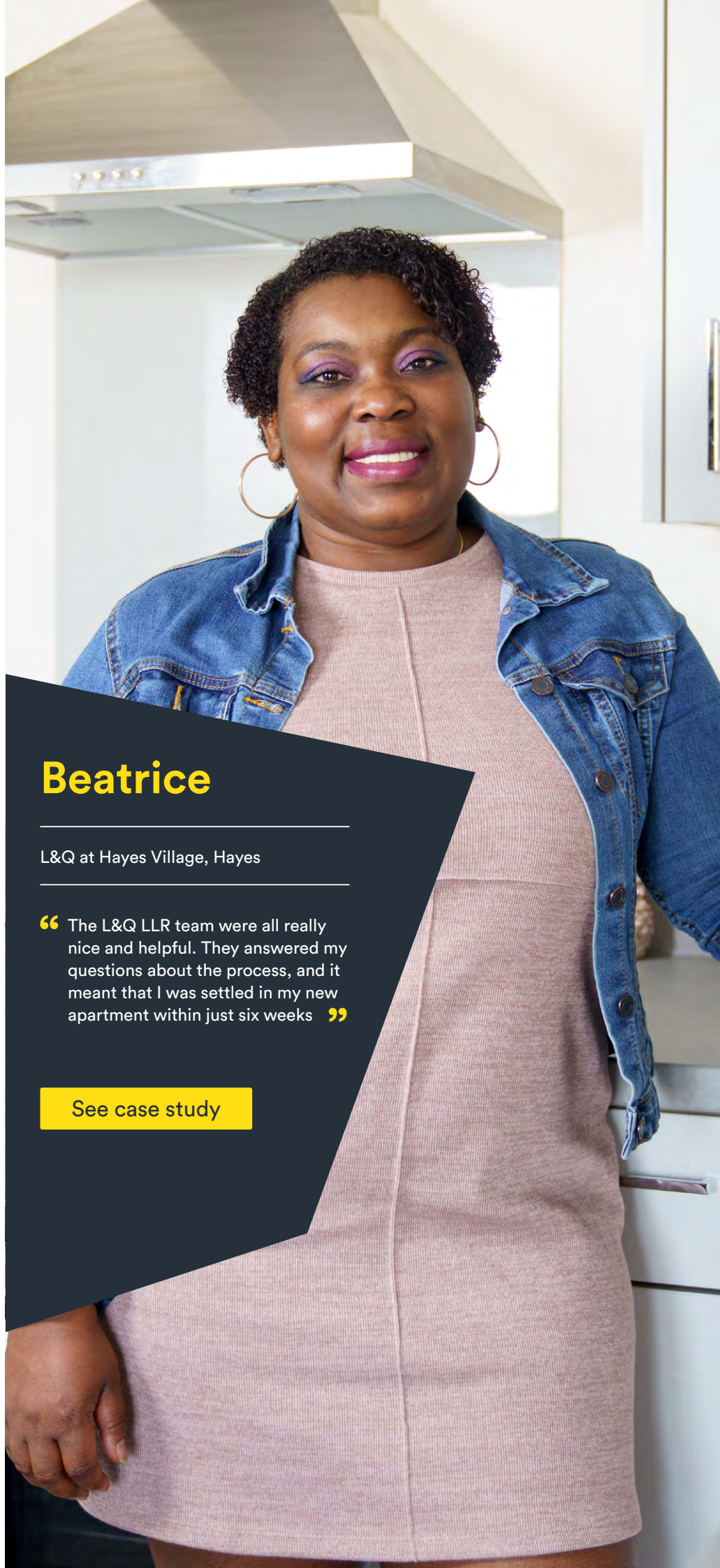


## Beth

L&Q at The Sugar Works, Royal Wharf

“ In my last property I just couldn’t afford to save anything, but I’m paying £500 a month less here – it allows me to save ”

[See case study](#)



## Beatrice

L&Q at Hayes Village, Hayes

“ The L&Q LLR team were all really nice and helpful. They answered my questions about the process, and it meant that I was settled in my new apartment within just six weeks ”

[See case study](#)



For more information visit

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