

Rent and Service Charge Policy

Pinnacle Group



1. Scope

This document sets out Pinnacles policy for setting rents and service charges for tenants and leaseholders, in accordance with the Government's Rent Policy Statement effective from 1 April 2023. It ensures that rents and charges are set in a fair, open, and transparent manner.

Key principles include:

- Promoting fairness and comparability between rent types
- Establishing objective and verifiable processes for setting and changing rents
- Setting formula rents for each property and aligning existing rents accordingly

2. Policy Statement

2.1 Rent Review

Rents for tenants and licensees will be reviewed annually in April, in line with the Rent Standard. Leasehold charges will be reviewed in September. All changes will consider statutory requirements, tenancy terms, Pinnacle Spaces' business plan, and affordability.

2.2 Social Rents (Formula Rents)

Social Rents are calculated using the Government's formula, which considers property value, number of bedrooms, and local average earnings. New tenancies will be set at formula rent unless exceptions apply. A rent flexibility of up to +5% above formula rent may be applied for new build social rent properties where justified.

2.3 Affordable Rents

Affordable Rents will be set at no more than 80% of the gross Market Rent at tenancy start. An affordability assessment will be conducted for each location, considering market rents, property demand, and Local Authority views. Service charges are included in the Affordable Rent. Only Fixed Term Affordable tenancies will be charged Affordable Rent.

2.4 Intermediate Rents

Intermediate Rents will be set at up to 99% of the Market Rent at tenancy start.

2.5 Mortgage Rescue Rents

Mortgage Rescue Rents are set at 80% of Market Rent and include service charges. Annual increases will not exceed the Retail Price Index (RPI) for the previous September plus 0.5%.

2.6 Tenant Service Charges

Tenants have fixed service charges set at the start of each calendar year using best estimates. Charges are apportioned among those who benefit from each service.

2.7 Leaseholders

Leaseholders, including Shared Ownership customers, have variable service charges calculated using actual and estimated costs. Charges are apportioned according to lease terms.

2.8 Shared Ownership

Shared Owners pay rent on the portion of the home not purchased. Other leaseholders pay ground rent. Rent changes follow lease terms.

2.9 Garages, Garage Plots and Accessways

Rents for these are charged per license agreement and reviewed annually.

3. Steps Before a Tenant Signs Up

To ensure transparency and fairness, Pinnacle will:

- Conduct an affordability assessment based on local income data and household circumstances
- Provide a clear breakdown of base rent, service charges, and any additional charges
- Explain the rent type: Social Rent, Affordable Rent, Intermediate Rent, or Shared Ownership Rent
- Inform tenants of annual rent reviews in April, compliant with the Rent Standard
- Share a summary of key rent-related clauses from the tenancy or lease agreement
- Inform tenants of their right to query or challenge rent calculations before signing