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# MARKET RENT POLICY

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Next Revision Due: [07 / 2028]

Policy Owner: [Customer and Communities / Allocations]

Policy Contact: [Carwyn George, Allocations Manager]



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## 1.0 SCOPE / PURPOSE

- 1.1. The purpose of this policy is to:
- detail Adra's approach to the management and allocation of its market rent properties
  - ensure that rent levels set within 'market rent' properties are set at the private market rental amount for a similar home in the same area
  - create sustainable occupation contracts and communities
- 1.2. The policy relates to all identified Adra market rent properties only and does not remove or dilute any policy or procedures for social or affordable rented properties.
- 1.3. The policy has been developed to ensure that when granting occupation contracts of its market rental properties Adra will ensure that the contracts are given to eligible persons who are able to meet the cost of the rent, who satisfy the application process and have passed the pre-contract checks (see 3.1 and 3.2 below).

## 2.0 POLICY DETAIL

- 2.1 This policy will apply to an identified proportion of new build/refurbished properties developed or purchased by Adra as part of its development programme that have been designated as '*market rent properties*'. Adra is committed to providing affordable homes for people and will offer a standard occupation contract of these properties in accordance with this policy.
- 2.2 Adra aims to provide good quality homes at market rents to meet the demand for market rental accommodation, irrespective of housing need provided that the applicants can meet the cost of the rent.
- 2.3 Through the delivery of market rented properties and in conjunction with its social and affordable properties and services, Adra aims to provide sustainable communities with a mixture and flexibility in regard to tenure types and housing options.
- 2.4 Adra is a not-for-profit housing provider and will ensure all revenues secured through the delivery of market rent properties, above and beyond operating costs are reinvested in the improvement and development of new and existing social and affordable housing.
- 2.5 Adra aims to diversify its housing stock as much as possible to suit different markets, housing needs and aspirations
- 2.6 Adra will work with Local Authority partners to deliver Housing Strategy objectives



2.7 The policy will be applied to the following:

- Application / Pre-contract process.
- Family size in relation to the property.
- Contract terms.
- Contract management.
- Property standard and maintenance

### **3.0 PROCEDURES**

#### **3.1 Application/ Pre-Contract Process**

3.1.1 Applications for Adra Market Rent properties will initially be administered and assessed through a 'lettings agency' on behalf of Adra.

3.1.2 Prospective contract-holders are required to:

- be over 18 years old
- provide satisfactory immigration status information
- be able to meet the cost of open market rents
- not create statutory overcrowding in the property
- provide a satisfactory reference (as requested from lettings agents and/or Adra- which must include references from a current and/or former landlord if previously held an occupation contract or an employer)
- pass Adra's pre-contract checks which includes affordability and credit checks and suitability assessment. (This is to ensure that they are financially able to maintain a contract at the specified rent level and are suitable to hold the contract of the particular property in the proposed location)

3.1.3 Prospective contract-holders will be advised that a Market Rent Policy applies when relevant and that they will be required to satisfy the criteria above to be considered suitable for a contract.

3.1.4 Priority will be given to eligible applicants based on suitability following initial interview, reference, and assessments.

3.1.5 Market rent properties will be advertised using a variety of media and through a 'lettings agency'. Demand for the type of property in that area is considered prior to obtaining approval for any development.

#### **3.2 Family size in relation to property**

3.2.1 Adra will aim to ensure that properties are not overcrowded and will aim to match the property to the correct family composition and permitted numbers. Applicants will be refused if granting a contract would lead to statutory overcrowding at the property.

### **3.3 Contract Terms – Type of Occupation Contract**

3.3.1 All market rental properties will be let on a Standard Contract in accordance with the Renting Homes (Wales) Act 2016.

3.3.2 The standard occupation contract will set out the obligations of both Adra and the contract-holder.

3.3.3 Adra can end a Market Rent tenancy under *Section 173* of the Renting Homes (Wales) Act 2016 or by obtaining a court order for possession on one or more of the grounds listed in The Renting Home (Wales) Act 2016

### **3.4 Contract Terms - Joint Contract-holders**

3.4.1 Adra will grant joint contracts as best practice from the outset at commencement of a contract if requested by the prospective contract- holders, where there is a long-term commitment to the home, and subject to each contract-holder passing the referencing procedure and meeting the eligibility criteria.

3.4.2 Joint contracts mean that more than one person is named (maximum of four persons) on the contract

3.4.3 Adra will ensure that joint contract- holders are aware of the implications of a joint contract before they sign the contract.

3.4.4 Joint contract-holders are jointly and severally responsible for all aspects of the contract– i.e. rent payments and keeping to the terms and conditions. If only one contract-holder is in breach of the contract, then all the contract-holders on the contract are held responsible

### **3.5 Contract Terms - Market Rental Amount**

3.5.1 The rental amount will normally be set at the private market rental amount for a similar home in the same area.

3.5.2 Adra may increase or decrease the rent in April after the contract is granted by giving not less than two calendar months’ notice in writing. The revised rent shall be the amount set out in a rent increase notice given to the contract-holder by Adra

3.5.3 The current market rent levels for the locality will be reviewed on a periodic basis.

### **3.6 Market Rental property – standard**

3.6.1 Properties will be let unfurnished, with the exception of floor coverings. Built-in cooker integrated hob and extractor fan will be standard in all kitchens, some properties may benefit from additional integrated appliances.

3.6.2 A full inventory and property inspection (including photos) will be undertaken prior to tenancy commencement (check-in process) and at tenancy termination (check out process). Any rechargeable works not carried out by the contract-holder to Adra's standard before they vacate the property will be undertaken by Adra and the cost of the works will be recharged to the former contract-holder. Monies shall also be deducted from the tenancy Deposit in respect of all reasonable costs and expenses incurred by Adra as set out in the occupation contract.

3.6.3 All properties will be safe, secure and clean and comply with legislation such as gas safety, electrical safety and fire safety regulations.

3.6.4 Adra's Void property standard for market rental properties will be met for all Adra properties becoming void before re-let.

### **3.7 Maintenance of the Property**

3.7.1 On the occupation date the new contract-holders will be provided with a Customer Handbook.

3.7.2 All market rental properties repair and maintenance issues will be dealt with in accordance with Adra's responsive repairs service

3.7.3 Contract-holders have a duty to take proper care of the property and to notify us of any defects or disrepair to the property or the common parts as soon as possible.

### **3.8 Contract Management - General**

3.8.1 These occupation contracts are in keeping with the private sector and are managed differently from Adra's secure contracts. We will endeavour to provide a high standard of service to our market rented contract-holders.

3.8.2 Adra expect all contract-holders to adhere to the terms of their contract. Full details of market rent contract-holder's' rights and responsibilities are outlined in the contract.



- 3.8.3 Rent must be paid monthly in advance. Monthly payments by Direct debits or similar payment method as agreed by Adra will be set up with the contract-holder before the occupation date.
- 3.8.4 The equivalent of one months’ rent will also be taken as a deposit at the sign up.
- 3.8.5 The purpose of the Deposit and the circumstances when all or part of the deposit may be retained by Adra are set out in the contract.
- 3.8.6 Adra will transfer the deposit for each property to the *Deposit Protection Service* (The DPS) custodial scheme, no more than 30 days after receipt.
- 3.8.7 Rent payments will be monitored, and any arrears dealt with in accordance with Adra’s Rental Income Policy.
- 3.8.8 Property inspections will be carried out to ensure that the property is being kept in a good condition.
- 3.8.9 Communal areas are inspected regularly to carry out fire safety checks and ensure that the areas are clean and tidy.
- 3.8.10 Adra will provide appropriate/basic advice and assistance where required in the case of neighbour disputes and allegations of anti-social behaviour. Adra will follow our NSpol01 - Anti-social Behaviour and Hate Crime Policy when dealing with complaints of ASB from or about tenants living in Adra market rented properties.

**3.9 Ending the Contract**

- 3.9.1 Contract-holders are required to give us at least four weeks written notice to end the contract, in accordance with the standard contract terms.
- 3.9.2 Contract-holders must remove all personal belongings at the end of the contract and the property must be left as it was in on the occupation date and return to us all keys which enable access to the dwelling. The contract will not end until the contract holder returns the keys to the property giving Adra vacant possession of the dwelling.

**4.0 RESPONSIBILITY AND ARRANGEMENTS**

4.1

Role	Responsibility
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Director of Customer and Communities	For the purpose of this policy the Customer and Communities Director will ensure that this policy is applied effectively, and that staff are trained appropriately in the procedures associated with this policy
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## 5.0 DEFINITIONS

5.1 Market Rent - the amount of rent that can be expected for the use of a property, in comparison with similar properties in the same area.

## 6.0 ASSOCIATED DOCUMENTS

- Welfare Reform Act 2012
- CCpol01 – Complaints and Concerns Policy.
- RMpol05 - Rechargeable Repairs Policy
- BDf28 - Adra Standard Occupation Contract – Market Rental
- LFpol03 –Improvements and Alterations Policy
- ALLpol14 – Intermediate Rental Policy
- RIpol01 – Rent and Income Policy
- NSpol01 – Anti-Social Behaviour and Hate Crime Policy
- CCp04 – Review of Decision Process
- Renting Homes (Wales) Act 2016

## 7.0 RECORD OF REVISIONS TO THIS PROCESS

Issue	Date	Comments (What has been revised?)	Written By	Approved for content
2	05/2020	<i>Policy updated to refer to Adra.</i>	JW	MP
3	07/2022	Policy reviewed to ensure compliance with Renting Homes (Wales) Act 2016 & 3 year review due	MP	
3	07/2025	Policy due 3-year review. This review contains minor amendments only.	CG	TyP / CT (15/7/25)

## 8.0 EQUALITY AND DIVERSITY

8.1 Adra recognises the needs of a diverse population and always acts within the scope of its own *Equality and Diversity Policy*.

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8.2 Adra will ensure that the individual needs of applicants in accordance with this policy, regardless of age, gender, race, class, culture, sexuality or disability are considered when assessing applications for accommodation.

8.3 As part of its development, this document and its impact on equality has been screened for relevance and no detriment has been identified.

## **9.0 GENERAL DATA PROTECTION REGULATIONS (GDPR)**

9.1 Personal information contained in applications for market rental properties will be kept confidential.

9.2 Adra will administer the granting of tenancies of Market Rental properties within the legal framework of the *Data Protection Act 2018*.

9.3 As part of its development, this document and its impact on data privacy has been assessed and a recommendation that a full DPIA is undertaken.

## **10.0 COMPLAINTS**

10.1 Adra recognises your right to bring forward a complaint in relation to the exercise of this policy. Any such complaint will be dealt with under the CCpol01 – Complaints and Concerns Policy.

10.2 Adra will ensure that any decisions relevant to this policy are reasonable and comply with relevant policy and legislation

## **11.0 REVIEW OF DECISIONS**

11.1 Adra recognises the right to request a review of any decision relating to this policy. Any such review will be dealt with following our CCp04- Review of Decision process.

11.2 Adra will ensure that any decisions relevant to this policy are reasonable and comply with relevant policy and legislation.