

## • How does Rentplus work?

Rentplus buys new houses from developers. These are let on 5-20- rental terms before purchase. Rentplus Homes work with councils to allocate the Rentplus homes, usually through local choice-based lettings or local housing waiting lists. Successful applicants must want to own their own home, have a provable income, and they usually have a local connection to the area.

If your application is successful you can move into your new home without paying a penny in deposit. You pay affordable rent (usually 80% or LHA), which is cheaper than a private rental for similar accommodation. The rent is paid to Rentplus Homes and includes all repairs for the rental period, which ranges from 5 to 20 years.

The shortest rental period is five years and the longest is 20 years, giving you the chance to clear any residual debt. If you have a low credit score, the rental period gives you the time to build a stronger credit rating and save money. Residents report saving up to £200 a month from when they first move in. The monthly sum saved is often the difference between the private rent you were paying and the lower Rentplus Homes rent.

At the end of your agreed rental period, (either 5, 10, 15 or 20 years), you will have the option to buy your home. When you buy your home, Rentplus will give you 10% of the value of your home as a gifted deposit to help you with your mortgage.

Rentplus can be flexible, so if you want to buy earlier than planned then you may be able to swap the option to buy with another tenant who wants to rent their property for a longer period. If you are not able to buy at the end of your agreed rental period, then you must let us know as soon as possible as we may be able to swap your option with another tenant on a longer rental period who would like to buy early.

## How is Rentplus different from shared ownership or help-to-buy

Rentplus is the only rent-to-buy model that allows you to move without paying a penny's deposit into a brand-new home, rent it and then buy 100% of that home. This gives you time to save a deposit and build or rebuild a good credit rating – a requirement for any mortgage. We are also the only provider of affordable housing to give you 10% of your home's value when you come to buy, boosting the deposit you have already saved. What

is more, you are not responsible for repairs and maintenance bills while you are renting and there are no restrictions on what you can do to or how you sell your property.

This means our residents can move into new homes on a lower average income than needed for both shared ownership and rent-to-buy. The average household income of our residents is £33,000, compared with more than £50,000 for other schemes.

## Rentplus vs Shared Ownership and Help to Buy

	Rentplus	Shared Ownership	Help to Buy
<b>Ownership of the property</b>	Full ownership, with mortgage after as little as 5 years	Only a share of the property (plus rent, service charge and mortgage)	Full ownership with mortgage and repayable loan
<b>Average income of existing tenants/owners</b>	£31,600 (£23k in rural SW)	£43,748	£53,322
<b>Gifted deposit?</b>	Yes - 10% of sale price of property	No	No
<b>Tenant pays property maintenance during rental period</b>	No	Yes	Not applicable
<b>Amount of deposit needed</b>	No set amount. Willingness and ability to save during rental period must be proven	At least 5%	At least 5%
<b>A brand new home</b>	Yes	New and existing homes	Yes
<b>Repayments and Fees</b>	Affordable rent for renewable period (5, 10, 15 or 20 years.) No repairs/service charge costs. After this time, the property is mortgaged, standard fees may apply	Both rent and mortgage is paid for the property simultaneously; other fees may apply. Other costs include repairs and upkeep.	Mortgage repayments, then after 5 years, there is 1.75% (increasing every year) interest on the borrowed money from the HTB loan and costs, including repairs.
<b>Restrictions on selling</b>	No restrictions after buying	21 year right to buy back in favour of the original housing association	Equity Loan + mortgage repaid in full plus fees

<https://rentplus-uk.com/about-us/faqs/>