

## HIGHLAND RESIDENTIAL MID MARKET RENT SETTING POLICY

| Document information                 |                           |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                         |                                                                                                                       |
|--------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>Version Number</b>                |                           | V4                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                         |                                                                                                                       |
| <b>Type</b>                          |                           | Corporate Policy <input type="checkbox"/><br>Customer Policy <input checked="" type="checkbox"/><br>Staffing Policy <input type="checkbox"/>                                                  | Operating Procedure <input type="checkbox"/>                                                                                                                                                                                                                                                            |                                                                                                                       |
| <b>Scope</b>                         |                           | Albyn Group <input type="checkbox"/>                                                                                                                                                          | Highland Residential <input checked="" type="checkbox"/><br>Albyn Housing Society <input type="checkbox"/>                                                                                                                                                                                              |                                                                                                                       |
| <b>Sponsor</b>                       |                           | Executive Director of Operations                                                                                                                                                              |                                                                                                                                                                                                                                                                                                         |                                                                                                                       |
| <b>Owner</b>                         |                           | Lettings and Sales Manager                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                         |                                                                                                                       |
| <b>For website publication (Y/N)</b> |                           | Yes – Highland Residential Website                                                                                                                                                            |                                                                                                                                                                                                                                                                                                         |                                                                                                                       |
| <b>Distribution</b>                  |                           | All Staff <input type="checkbox"/><br>Customers <input checked="" type="checkbox"/><br>Albyn Board <input type="checkbox"/><br>Highland Residential Board <input checked="" type="checkbox"/> | Finance <input checked="" type="checkbox"/><br>Corporate <input checked="" type="checkbox"/><br>Office of CEO <input type="checkbox"/><br>Human Resources <input type="checkbox"/><br>Customer & Property Services <input type="checkbox"/><br>Highland Residential <input checked="" type="checkbox"/> |                                                                                                                       |
| Approval Record                      |                           |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                         |                                                                                                                       |
| Version                              | Detail                    | Approver                                                                                                                                                                                      | Date                                                                                                                                                                                                                                                                                                    |                                                                                                                       |
| V2                                   | Review of existing policy | HRIL Board                                                                                                                                                                                    | January 2019                                                                                                                                                                                                                                                                                            |                                                                                                                       |
| V3                                   | Full review               | HRIL Board                                                                                                                                                                                    | 05 March 2026                                                                                                                                                                                                                                                                                           |                                                                                                                       |
| V4                                   | Amendment to Criteria     | HRIL Board                                                                                                                                                                                    | 25 June 2026                                                                                                                                                                                                                                                                                            |                                                                                                                       |
|                                      |                           |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                         |                                                                                                                       |
| <b>Date of next planned review</b>   |                           | February 2029                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                         |                                                                                                                       |
| Summary of changes to document       |                           |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                         |                                                                                                                       |
| Date                                 | Action by                 | Version updated                                                                                                                                                                               | New version number                                                                                                                                                                                                                                                                                      | Brief description<br>(e.g. updated job titles, reviewed section on delivery, whole document updated, corrected typos) |
| 2/2/26                               | Michelle Bowler           | V2                                                                                                                                                                                            | V3                                                                                                                                                                                                                                                                                                      | Complete review and update of policy to current Scottish Government guidance and Letting Agents Code of Practice.     |
| 12/06/26                             | Andrew Martin             | V3                                                                                                                                                                                            | V4                                                                                                                                                                                                                                                                                                      |                                                                                                                       |
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## **1 INTRODUCTION**

- 1.1 A key aim of Albyn Group is to build the mission, values and vision of the organisation into its decision making on a daily basis. The Albyn Group aims to follow its guiding principles in all policies and procedures: <https://www.albynhousing.org.uk/about-us/>
- 1.2 This policy sets out the approach that will be taken by Highland Residential (Inverness) Ltd to setting the rents for Mid-Market or Intermediate Rent of Albyn Housing Society owned properties.
- 1.3 Consistent with Government guidance, RSL's are required to make MMR allocations through a registered subsidiary (in this case Highland Residential (Inverness) Ltd) utilising an appropriate form of tenancy agreement such as the Private Rental Tenancy Agreement (PRT), which is similar to the tenancy agreement provided for private rented housing. The agreement will be in the name of Highland Residential (Inverness) Ltd which is a subsidiary of Albyn Housing Society.

## **2 SCOPE**

- 2.1 This policy applies to all tenants of Highland Residential (Inverness) Ltd.
- 2.2 The specific objectives of this policy are to:
  - Ensure that rents are set in accordance with the Scottish Government Guidelines.
  - That rents are set in accordance with the local housing allowance.
  - That rents are affordable to the target market.
  - That rents are set in a way to ensure that project viability is taken into consideration.
  - That rents are set in a clear and fair way.

## **3 RESPONSIBILITIES**

- 3.1 The Lettings & Sales Manager will be responsible for implementing the policy.

## **4 RELATED DOCUMENTS**

- 4.1 This policy has been prepared to take account of:
  - Scottish Government Guidance Note HSGN 2014/05.
  - Affordable Housing Supply Programme – Process and Procedures.
  - Highland Residential (Inverness) Ltd Operational Target – To develop Mid-Market rent within the Inner Moray Firth area as part of tenure diversification utilising current development opportunities.
  - Highland Council guidance consistent with the objectives of its Strategic Local Programme (SLA) and contribution to the delivery of the Local Housing Strategy (LHS).
  - The Local Housing Allowance set by The Highland Council.

## **5 RELEVANT LEGISLATION**

5.1 This policy has been prepared to take account of:

- The Housing (Scotland) Act 2004
- The Housing (Scotland) Act 2006
- The Tenancy Deposit Schemes (Scotland) Regulations 2011
- The Housing (Scotland) Act 2014
- The Letting Agent Code of Practice

## **6 POLICY / PROCEDURE DETAIL**

- 6.1 The rent set should be based on the local housing allowance and the current Scottish Government guidance. This currently states that rents should not exceed 100% of the local housing allowance (LHA) at the property's first let with deviation by exception.
- 6.2 Rents will be reviewed annually in line with the Mid-Market Rent Review Policy, and adjustments will be implemented to take effect on the 1<sup>st</sup> of August.
- 6.3 Rent levels will consider the accommodation size, location, condition and marketability of the individual property.
- 6.4 The Local Housing Allowance is set as a ceiling for accommodation size. Rents will be set at the following levels:
- 1-bedroom properties – 100% of LHA
  - 2-bedroom properties – 100% of LHA
  - 3-bedroom properties – 100% of LHA

Re-let rents will be set at the LHA or the MMR rent for similar properties within the HRIL portfolio, whichever is the higher.

- 6.5 By exception and when requested to do so by Scottish Government and Highland Council officers, first rents may be set at an initial rent level of up to 110% of the applicable LHA as long as the exception criteria listed in the Scottish Government guidance – Mid Market Rent Levels P29 – are met.

[Guidance+and+Procedures+-+MHDGN+2023-01+-+Affordable+Housing+Supply+Programme+%28AHSP%29+Process+and+Procedures.pdf](#)

## **7 DATA PROTECTION**

- 7.1 A Privacy Notice setting out how HRIL will process any personal information related to MMR is available on the HRIL website and is issued to all customers at point of contract. See: <https://www.highlandresidential.co.uk/data-protection/>

## **8 EQUALITIES**

- 8.1 The recommendations within this report do not require a change to current policy / procedure and so an equalities impact assessment is not required.

## **9 NOTIFIABLE EVENTS**

- 9.1 As Highland Residential (Inverness) Ltd is not a regulated body, compliance with Scottish Housing Regulator notifiable event requirements does not apply directly to this policy.

- 9.2 Any issues arising from the operation of this policy that may pose a material risk to the Albyn Group, including reputational, financial, legal, or service delivery risks will be escalated to the appropriate Albyn Housing Society executive lead in line with Group governance procedures.
- 9.3 It is the responsibility of Albyn Housing Society, as the regulated parent organisation, to determine whether any matter escalated from HRIL constitutes a notifiable event under Scottish Housing Regulator guidance.