

Leasing Scheme Wales

Information for Landlords

Overview

Leasing Scheme Wales (LSW) is a leasing scheme funded by Welsh Government and managed by local authorities. The scheme provides landlords in the private rented sector (PRS) with the opportunity to lease their property to the local authority for a guaranteed monthly rental income and full property management service for between 5 and 20 years.

The scheme will:

- **Improve Access to homes in the private rented sector**
Access to affordable and good quality homes in the PRS will be improved for those people who are on low income and at risk of homelessness.
- **Provide longer term security of accommodation**
Tenants will be able to access longer term, settled accommodation for up to 20 years.
- **Offer affordable accommodation**
Rents are restricted to local housing allowance levels to ensure affordability to tenants on low incomes and/or benefits.
- **Provide Support**
Regular support is provided to help tenants successfully maintain their tenancies.
- **Improve Standards**
Homes available through the scheme will need to meet a specific standard. Financial assistance will be provided to enable landlords to bring homes up to standard.
- **Contribute to Reducing Homelessness**
Properties will be used to help reduce homelessness.

Benefits to property owners who lease their property to the local authority

- Leases of between 5-20 years.
- Guaranteed rent every month for the length of the lease at the relevant Local Housing Allowance rate.
- Where necessary, an offer of up to £5000, as a grant, to bring properties up to an agreed standard and/or to increase the EPC rating to level C. Additional grant funding of up to £25,000 is available for long term empty properties.
- Property inspections, repair and maintenance throughout the term of the lease.
- The property returned in the same state as it was let, subject to reasonable wear and tear, and the landlord's liability for structural defects.
- Full management of the property for the term of the lease.
- Support given to the tenant throughout the tenancy. There will be no need for the landlord to have any contact with the tenant throughout the lease.

Rent Guaranteed

The rent is guaranteed to be paid to you for 12 months of the year, regardless of whether your property is occupied or not. The amount of rent you will receive will be equivalent to the Local Housing Allowance for your property size. In some circumstances this may be less than the market value, however there are no fees payable and therefore the amounts stated below are the amounts you will receive.

The rates we can offer for properties on the Scheme are as follows:

1 bed = £393.90 per calendar month

2 bed = £548.51 per calendar month

3 bed = £648.22 per calendar month

4 bed = £852.67 per calendar month

Under Leasing Scheme Wales, the rental amount for properties with more than 4 bedrooms is capped at £852.67 per calendar month.

Property standards

Properties are required to meet the following minimum standards. Grants are available to bring properties up to the standards, local authorities will provide landlords with additional guidance.

Requirement	Y/N
The property must be structurally stable and free from disrepair	
The property must be free from damp	
The staircase and balustrade must be safe	
The property must have adequate fire alarms	
Mains powered smoke detectors must be installed on every floor	
External doors and windows must give a reasonable level of physical security	
If there is a garden it must be easy to maintain, reasonably private, safe and suitable for young children to play in	
The heating system must be EPC E or above (LA's will advise on grants available to bring the property up to the agreed standard and/or to increase the EPC rating to a C)	
External doors and windows must be adequately draught proofed	
The hot water tank must be effectively insulated	
There must be mechanical extract ventilation in the kitchen and bathroom	
The kitchen should be in good working condition	
The bathroom and WC facilities should be in good working condition	
There should be a working shower (this can be an over bath shower)	
Thumb turn locks are required on all external doors	
A CO alarm should be in each room where there is a gas appliance	
An asbestos survey (conducted by the LA) will be required	

Grants

Grants of up to £5,000 are available to bring the property up to the agreed standard and/or to increase the EPC rating to a C.

For properties which have been empty for six months grants of up to £9,999 are available for five year leases and up to £25,000 for longer leases (see table below).

Grants are accessed on an individual basis and cannot be guaranteed.

Grants are non-repayable, where properties are removed from the scheme before the lease period has ended a default repayment will be charged. Grant funding **must** only be spent on identified works at the specified property.

Renovation grant	Minimum length of lease	Repayment of grant on default
£0 - £9,999	5 years	100% to be repaid
£10,000 – £14,999	10 years	Defaults between year 6-25 repayment amounts to be proportion above £10K reducing by £1K per annum.
£15,000 – £19,999	15 years	
£20,000 - £25,000	20 years	

A property survey will be undertaken and discussed with you to identify the need for improvements.

What you can expect from us

- We will undertake the day-to day management of your property.
- We will meet rent payments during any period of inoccupation.
- We will regularly inspect properties, monitor tenant activity, and promptly deal with any issues, should they arise.
- We will maintain your property throughout the term of lease.
- We will complete an inventory and, at the end of the lease period – subject to any wear and tear – the property will be returned in the same condition.
- You will receive regular communication regarding your property.
- We will be responsible for any bills/utilities if the property becomes unoccupied.

Requirements for landlords wanting to join the scheme

To lease your property on the scheme you will need to meet the following criteria:

Requirement	Y/N
Provide Gas Safety, Electrical Safety and Energy Performance Certificate (required at the handover stage)	
Provide Buildings Insurance (including Public Liability)	
Where relevant, provide written permission i.e. letter/email, confirming that your mortgage lender agrees to you leasing the property through the Scheme	
Meet mandatory property standard requirements set by Welsh Government (a grant is available to bring properties up to the agreed standard)	
Provide a copy of Land Registry to confirm ownership of property	
Provide ID documents	
Be responsible for paying any service charges related to the property and any external works to the property	
Provide a Fire Risk Assessment (if applicable)	

The above is not an exhaustive list

More information

If you would like more information about the scheme contact us at:

Email: leasing@cartreficonwy.org

Telephone: 07350446884 / 07551447322

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