

THE  
GOOD  
ECONOMY

# Rentplus-UK Limited

## Annual Impact Report 2022

July 2023



This report has been commissioned by Rentplus-UK Limited ("the Organisation") and prepared by The Good Economy Partnership Limited ("The Good Economy" and "TGE"), a specialist social advisory firm with expertise in impact measurement and management.

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# 1/ Executive Summary

Established in 2013, Rentplus-UK Limited [Referred to as “Rentplus” or “the Organisation” for the purpose of this report] operates an affordable rent-to-buy model. The Organisation aims to enable working households to purchase their home.

As of December 2022



£89.6M  
INVESTED



550  
HOMES



616 HOMES  
IN THE PIPELINE



10 ACTIVE HOUSING  
PROVIDER PARTNERS



### Provide an affordable route to home ownership

Rentplus sets rents at either 80% of market rent or the Local Housing Allowance (LHA), whichever is lower. TGE's calculations show that rent and property prices are mostly affordable for lower income working households who cannot afford a home deposit. Although the Organisation has mitigation strategies, there is still a risk that residents cannot afford to buy their property within the agreed sales period.

- > Average discount of £148 per month compared to equivalent private rental homes.\*
- > Residents receive a 10% gifted deposit at point of sale.
- > 22 properties had reached their scheduled sale date by the end of 2022, of these, 18 (82%) have sold or are currently being sold to residents.\*\*



### Increase supply

Rentplus is increasing the supply of affordable housing by forward-funding the construction of rent-to-buy homes. This is done across both small, rural developments and larger urban developments.

- > 66% of operational properties are in substantially rural areas.
- > 109 homes were new to sector in 2022.
- > Rated as 'High' on the TGE Additionality Scale.\*\*\*



### Increase access to quality homes

The vast majority of residents surveyed (84%) are satisfied with their homes, and most homes are built to a good energy efficiency (89% EPC rating B+). Rentplus informed us that they often work collaboratively with developers to improve scheme specifications on a site by site basis.

- > 89% of homes have an EPC grading of A or B.
- > 73% of homes meet the National Designated Space Standards (NDSS).
- > 84% of survey respondents reported being satisfied with their home overall. 7% either didn't know or were neither satisfied nor dissatisfied.



### Ensure quality services and partnerships

All of the partner organisations that we spoke to (including RPs, developers and local authorities) had good working relationships with Rentplus.\*\*\*\*

- > 100% of qualifying Registered Providers (RPs) rated as G2/V2 or higher.
- > 49% of survey respondents were satisfied with the time taken to complete the most recent repair (16% were neither satisfied nor dissatisfied).\*\*\*\*\*
- > Only 16% of survey respondents reported being dissatisfied with their landlord's approach to handling complaints. 28% were neither satisfied nor dissatisfied, while the remaining 56% were satisfied.\*\*\*\*\*



### Resident survey results\*\*\*\*\*

62% of respondents reported an improvement in their mental health

[32% reported no change]

46% of respondents feel confident that they will be able to purchase their home

[23% either didn't know or were neither confident nor unconfident]

39% of respondents reported an improvement in their financial situation

[24% either didn't know or reported no change]

51% of respondents reported that they were satisfied that their landlord listens to their views and acts upon them

[35% either didn't know or were neither satisfied nor dissatisfied]

\*Based on the average of rental savings accrued by residents in Rentplus properties when comparing to upper quartile, median and lower quartile rents in the private rented sector. Comparison was made to ONS PRS data April 2021- March 2022. In the 12 months to January 2023, private rents across the UK saw an average increase of 4.4% [\[ONS\]](#).

\*\*Sales status of the properties due to be sold in 2022 and before is up-to-date as April 2023.

\*\*\*The TGE Additionality Scale is a standardised approach to evaluating the contribution of a housing fund to delivering new social housing that would otherwise have not been delivered.

\*\*\*\* All RPs and local authorities we spoke to were selected by us, while developers were those who were willing to speak to us and availability.

\*\*\*\*\*Rentplus's housing partners do not have control over the repairs and maintenance for properties in the snagging period, which is typically 12 months. At the time of distributing the survey, 31% of properties were in the snagging period. This calculation excluded 'I don't know' responses.

\*\*\*\*\* We have removed the 'I don't know' responses from this calculation. The survey did not ask whether the resident had a complaint, and we are therefore making the assumption that 'I don't know' indicated that the resident had not had a complaint.

\*\*\*\*\*From a sample of 82 residents, which represents 17% of households living in Rentplus properties. Note that survey was conducted before the release of TSM guidelines in April 2023.

## Conclusions and next steps

Rentplus' rent-to-buy model differs from other existing low-cost home ownership products as it helps lower income households to own a home outright. Its two-pronged approach of affordable rent and gifted deposits targets the challenge faced by many UK households of not being able to save for the deposit necessary to buy a home.

## Strengths

### > Financial contribution to deposit

At the point of purchasing their property, Rentplus gives residents a contribution of 10% of their property value toward their deposit. This financial gift differentiates Rentplus from other schemes designed to increase asset ownership and directly targets one of the main barriers to asset ownership – sufficient funds for a deposit. In addition to this contribution, the rents meet affordable rent standards (80% of private market rents or at local housing allowance), enabling many residents to increase their savings.

### > High presence in rural locations

TGE heard from multiple sources that an advantage of Rentplus is that it purchases developments that have low levels of demand from other investors or affordable housing providers<sup>1</sup> due to their small size and rural location. Some of these developments were at risk of not having an affordable housing element due to the lack of demand from potential

landlords. Rentplus therefore facilitates the incorporation of S106 affordable housing in smaller developments as well as generally increasing the supply of affordable housing, which TGE considers high additionality. Currently, investing in such developments is not explicitly outlined in Rentplus' strategy. However, given the substantial impact, TGE recommends that the Organisation incorporates investment in small rural developments into its strategy as it expands and gains more options for the types of schemes it acquires.

### > High resident satisfaction

84% of residents surveyed were very or fairly satisfied with their home, and only 9% were dissatisfied. In addition, respondents indicated that their satisfaction with their home and wellbeing had increased since moving into their Rentplus home – only 47% were satisfied with their previous accommodation and 62% reported that their mental health had improved since moving into a Rentplus home (32% reported no change).

## Areas for improvement

### > Reduced risk of homes being sold on the open market

Wherever possible, Rentplus aims to sell homes to residents; however, this outcome is not guaranteed under the current model. Out of the 22 homes that have been sold or are currently for sale, four will be sold on the open market.<sup>2</sup> This situation arises because some residents leave the properties within the last two years of their agreed sales period. Rentplus could enhance its impact by implementing additional mechanisms into the model to decrease the number of homes sold on the open market.

### > Improved resident satisfaction with repair and maintenance services

29% of survey respondents expressed dissatisfaction with the time taken to complete repairs, while an additional 18% reported being neither satisfied nor dissatisfied. The levels of satisfaction [55%] and dissatisfaction [24%] regarding

the repairs themselves were relatively similar. Interviews conducted with residents also highlighted inconsistencies between housing providers in terms of repair quality, and of the homes managed by Rentplus Homes, 59% of repairs were completed within the designated timeframe. As a result, TGE recommends prioritising efforts to improve consistency in responding to repair requests in the upcoming year.

### > Proactive inputs to housing quality

EPC, NDSS, and resident satisfaction data indicate that, for the most part, Rentplus purchases high-quality homes. The build quality is determined by Rentplus's developer partners. Rentplus could enhance its impact by establishing stronger minimum standards for quality and exclusively purchasing from developers with a proven track record of constructing high-quality homes.

1. Referred to throughout the rest of report as 'housing providers'.

2. One of the homes sold on the open market was sold to a relative of the tenant. Rentplus has informed us that the tenant is still living at the property and is paying below market rent.



## 2 / Introduction

### Rentplus-UK Limited

Established in 2013, Rentplus-UK Limited (“the Organisation”) operates a unique affordable rent-to-buy model. The Organisation seeks positive impact alongside high-quality, inflation-linked yields for investors.

Rentplus’s low-cost home ownership model helps lower income families to buy their own home by:

- 1 Offering discounted rents so households can save towards the purchase of a property.
- 2 Contributing 10% of the market value when households are ready to buy, therefore covering the minimum deposit amount needed to purchase a property.
- 3 Not imposing any additional service charges.

Rentplus buys homes directly from developers and sells them to residents at 5, 10, 15 and 20-year intervals, with the number of homes sold split evenly across each timeframe. During the rental period, homes are let to housing providers on full repairing leases (FRIs). These organisations retain 25% of the rent and work with local authorities to allocate properties to people on housing lists who want to buy their own home.

As of December 2022, Rentplus owned 550 homes and had an additional 616 in the pipeline. Rentplus has invested £89.6 million across 33 schemes spanning England. It aims to replace the homes that it sells on a minimum of a one-for-one basis.

### SOCIAL NEED

The ongoing gap between house prices and average earnings has made it difficult for middle and low-income households throughout the UK to purchase their own home without external assistance. Currently, house prices are sitting at 8.8 times average earnings, approximately double the ratio in the 1970s.<sup>3</sup>

Low-cost home ownership models, such as shared ownership<sup>4</sup> and rent-to-buy are designed to help households part-purchase (shared ownership) or purchase outright (rent-to-buy) property they would otherwise be unable to afford. This increases their access to stable housing that meets their needs, as well as levels of asset ownership across the UK.

Similarly, the National Housing Federation has reported that more and more people are living in expensive and inadequate private rented housing. As a result, they are calling for 145,000 social and affordable homes to be built each year to meet current and rising demand.<sup>5</sup>

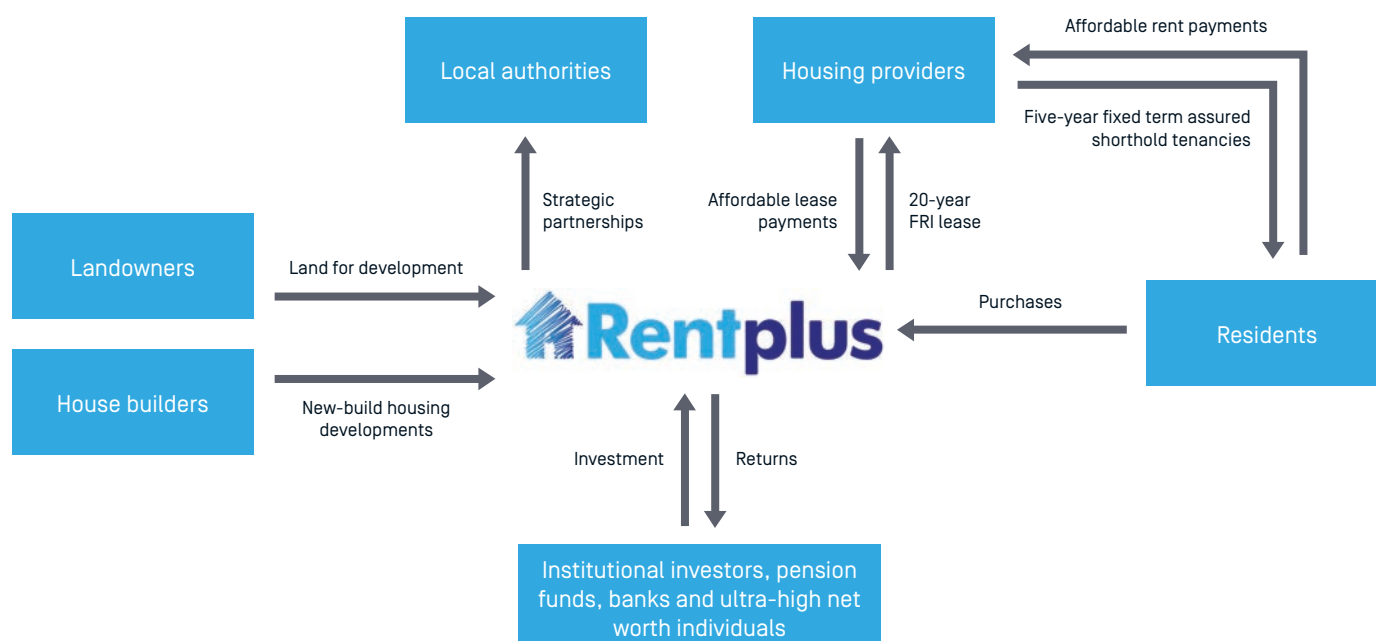
3. Financial Report, ‘Income to house price ratio more than doubles since the 70s’, July 2023, <https://www.financialreporter.co.uk/income-to-house-price-ratio-more-than-doubles-since-the-70s.html>.

4. The shared ownership model of housing involves residents purchasing a portion of the property and paying rent to a landlord for the remaining portion of the property.

5. National Housing Federation, ‘Our Spending Review submission to end the housing crisis.’ <https://www.housing.org.uk/resources/our-spending-review-submission-to-end-the-housing-crisis/>.

## Stakeholders

Rentplus works with a range of stakeholders to deliver its low-cost home ownership model.



## About this report

This is the first impact report produced by The Good Economy (TGE) for Rentplus UK. It covers the period from launch in 2013 to December 2022 and aims to measure the Organisation's impact through two key lines of inquiry:

- > The extent to which Rentplus is achieving its defined impact objectives – the specific objectives and targets within the Organisation's direct control or influence.
- > The extent to which Rentplus has contributed towards measurable, positive change in outcomes for its stakeholders.

### Methodology

TGE used a mix of quantitative and qualitative data to inform this assessment, including:

- > Analysis of Rentplus portfolio data
- > Interviews with Rentplus staff
- > Interviews with five Rentplus residents (one during a site visit, four over the phone)
- > Interviews and feedback from partners and stakeholders, including three housing provider partners, three local authorities and two developers
- > Two site visits
- > Responses to a resident outcomes survey which received 82 responses, representing 17% of households.

The rent-to-buy model functions within a long-term timeframe, resulting in Rentplus having sold only 18 homes to residents as of December 2022. This report evaluates the progress achieved thus far while also assessing the potential impact of the Organisation's strategy. We will continue to monitor the impact and long-term outcomes in forthcoming reports as more sales are completed.



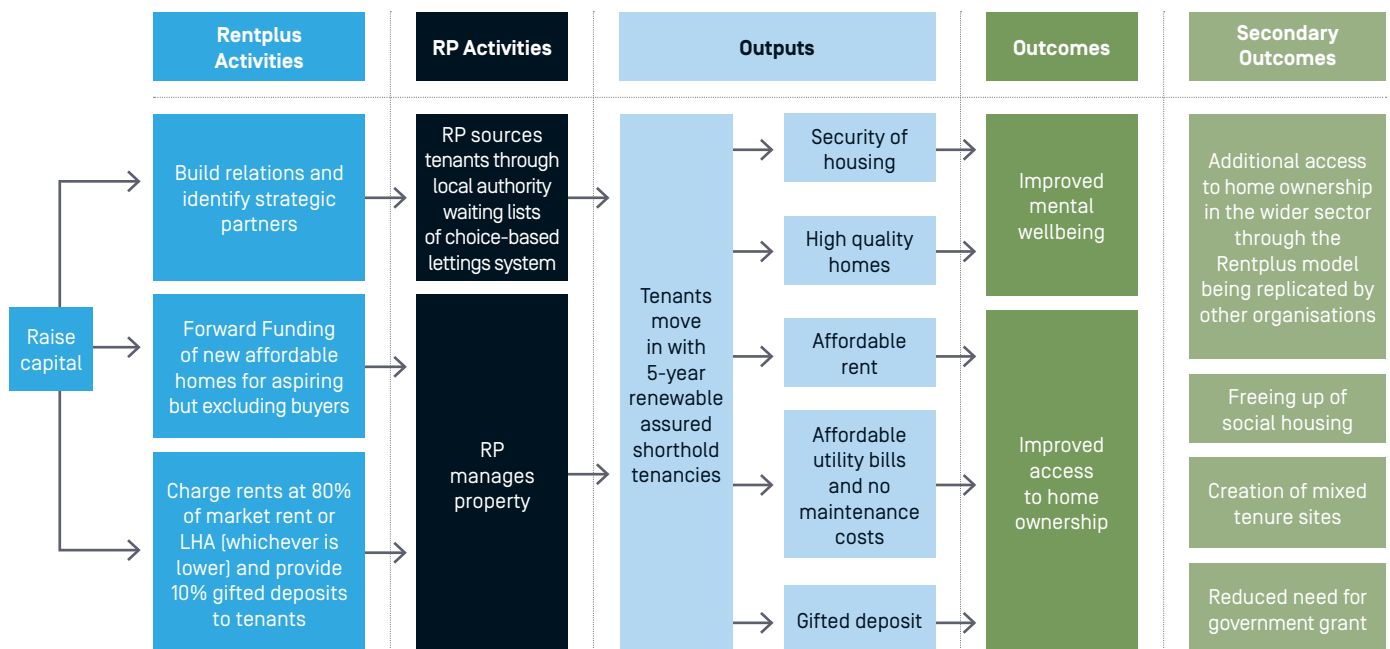
# 3 / Social Impact Framework

Rentplus has one over-arching Impact Goal: to broaden access to home ownership, by helping households who could not afford to buy a property without the support of its low-cost home ownership model.

In order to accurately gauge Rentplus's impact, TGE first worked with Rentplus to design an impact measurement and management (IMM) framework. This included developing impact objectives and a Theory of Change. Our impact assessment is based on a review of the Organisation's performance against the objectives and outcomes identified in the IMM framework.

## Theory of Change

The Theory of Change outlines how Rentplus' core activities are designed to lead to positive social outcomes for the residents in its homes.



## Mapping impact onto the SDGs

In 2015, every UN Member State adopted the 17 Sustainable Development Goals (SDGs), as part of the 2030 Agenda for Sustainable Development. Rentplus’s investment strategy has the potential to make a positive contribution to the following SDGs:

### Contribution towards SDGs

#### Improved access to home ownership



**10.1** – By 2030, progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average.



**11.1** – By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

## Impact objectives and outcomes

### Impact Objectives

These objectives are under the direct control of Rentplus. They frame the Organisation’s intention to contribute to a change in outcomes for stakeholders.



**Provide an affordable route to home ownership**



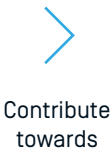
**Increase supply**



**Increase access to quality homes**



**Ensure quality services and partnerships**



### Outcomes

These refer to the outcomes experienced by people living in Rentplus homes. They are contingent on many factors, including the activities of Rentplus.



**Improve tenant wellbeing**



**Improve access to home ownership**



# 4 / Performance against Impact Objectives



## Provide an Affordable Route to Home Ownership

Ensure funded developments are affordable for working households who cannot afford to buy on the open market or through other affordable home ownership products.

| Impact Metrics                                                       | Results |
|----------------------------------------------------------------------|---------|
| Occupancy                                                            | 89%     |
| Average discount to private rental homes per month*                  | £141    |
| Percentage of local households who can afford to rent Rentplus homes | 65%     |

**Rentplus rents and property prices are mostly affordable to its target market: working households who cannot afford to purchase a home through the private market. The rent-to-buy model and discounted rent is designed to help residents save more than they would on the private market. Although Rentplus has adopted various mitigation strategies, there is still a risk that residents cannot afford to buy their property at the end of the agreed sales period.**

\*Based on the average of rental savings accrued by residents in Rentplus properties when comparing to upper quartile, median and lower quartile rents in the private rented sector. Comparison was made to ONS PRS data April 2021- March 2022. In the 12 months to January 2023, private rents across the UK saw an average increase of 4.4% [\[ONS\]](#), therefore TGE adjusted the rent figures by 4.4% for the purpose of the analysis.

## Affordability to rent



**On average residents pay £141 less per month on rent when compared to equivalent PRS homes.**

[See Table 1]

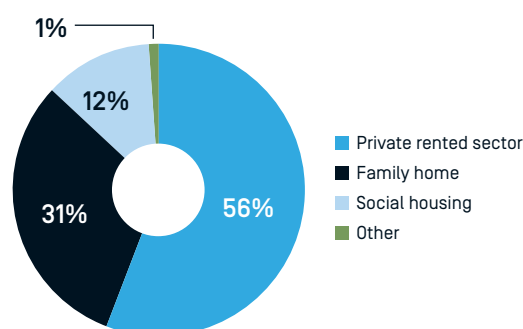
As such, Rentplus residents should be able to save substantially more money than they would, if they were renting privately. This analysis was confirmed by both local authorities and residents – who reported substantially more savings than they would be able to make if they were renting privately.

**Table 1: Average difference in monthly rents between Rentplus homes and PRS homes of equivalent size properties in the same local authority<sup>6</sup>**

|                       | Upper quartile | Median | Lower quartile |
|-----------------------|----------------|--------|----------------|
| <b>Actual savings</b> | £223           | £138   | £61            |
| <b>% discount</b>     | 24%            | 17%    | 8%             |

Many Rentplus residents applied through the local authority housing register and 56% of residents rented privately before moving into a Rentplus home (see Figure 1). This indicates that many, but not all residents, will benefit from the discounted market rates of Rentplus's properties, therefore enabling them to save more than if they had remained in their previous accommodation.

**Figure 1: Residents by previous accommodation type**



Rentplus is targeting economically active households. On average Rentplus properties are rented at 95% of local housing allowance (LHA), with 26% above LHA rents.<sup>7</sup> Our analysis showed that on average 65% of households in the local authority could live in Rentplus properties without being overburdened by rent (See Data Sources appendix on page 38 for a description of the methodology).

Despite the discount to market rent, only 39% of residents reported that their financial situation had improved since moving in. Despite rent initially being set at a level that residents could afford to pay, an increase in rent charges was the most cited reason for residents' financial situation growing worse. In some cases, this is likely due to inflation since moving into the property and/or their previous rent being discounted (e.g., social rent or family home). Nevertheless, TGE and Rentplus will continue to monitor this impact as it is an important prerequisite for households increasing their saving potential.

### Rent setting and increases

The Rentplus portfolio is classified as intermediate rent accommodation, so it is not subject to the rent standard. Nonetheless, Rentplus aims to adhere to all aspects of the government's affordable rent criteria. Rents rise by CPI+1% each year and are reset to 80% of market rent every five years. To mitigate the impact of the current cost-of-living crisis on residents, Rentplus plans to implement a 7% cap on rent increases from April 2023 – March 2024. This is in line with government guidance for affordable rented housing.

6. Comparison was made to ONS PRS data April 2021– March 2022. In the 12 month to January 2023, private rents across the UK saw an average increase of 4.4% (ONS), therefore TGE adjusted the rent figures by 4.4% for the purpose of the analysis.

7. 530 properties included in the analysis.

Affordability to buy

22 homes have reached their sale date. 18 of these have been, or are in the process of being, sold to residents.<sup>8</sup>

[See Figure 2]

Therefore, our analysis in this section assesses the affordability of the model rather than the extent to which residents have been able to buy or their perceptions of affordability.

Figure 2: Overview of the number of properties sold to date, broken down by year<sup>9</sup>



Of the 22 homes that were scheduled to sell to residents in 2021 and 2022, 12 were sold to the residents that originally intended to buy them. A further six have been bought by residents with later buying schedules, because the initial buyer was unable to buy the property. Therefore, of the homes that were due to sell in this period, 82% have been sold to residents. The remaining 18% [4] are in the process of being sold on the open market<sup>10</sup> [see page 32 for more information on the sale of properties on the open market].

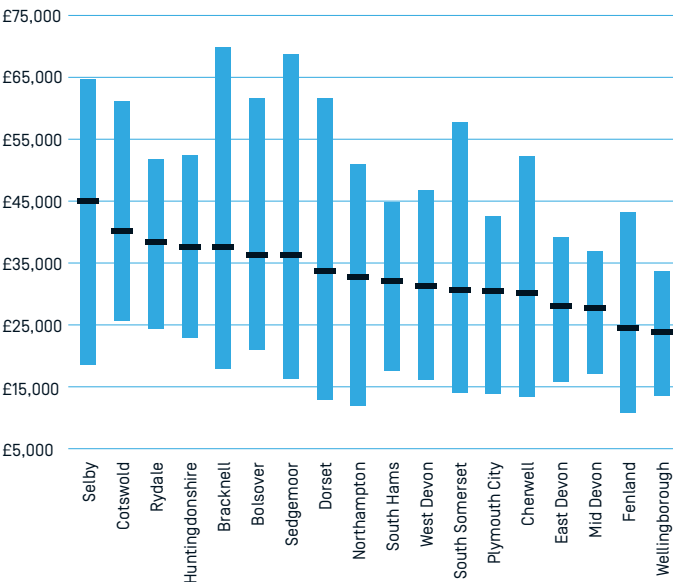
Of the six residents that were unable to buy their properties at the end of the selling period, the most commonly cited reason for this was affordability [see page 32 for more information on the risks of residents being unable to afford their properties]. All these residents continue to live in their properties as renters, with a new buying schedule, showing that to date, the cascade approach of swapping buying schedules has been successful.

At the point of initially renting the home, Rentplus’ partner housing providers screen households against a set of criteria to ensure they will be able to buy within a given timeframe. This includes credit checks and ensuring potential residents have a stable income, with one housing provider indicating they look for a joint household income of £30-40k. They will also often look at

future earning potential, to assess potential residents’ suitability over the long-term. This enables households to get the homes they need right now, which they can live in whilst they save and increase their earnings, rather than having to move into worse quality accommodation until their earnings increase.

At the point of moving in, Rentplus residents’ gross household income ranges from £14,000 to £70,000, with an average of £33,000. Figure 3 shows variations based on location, from £45,000 in Selby to £23,700 in Wellingborough. Many households will increase their income prior to purchasing their property.

Figure 3: Rentplus residents’ gross household income at the point of moving in<sup>11</sup>



8. This is as of April 2022 and pertains to properties scheduled to sell in 2022 or before. Of the four properties sold on the open market, one was sold to the tenant’s relative and the tenant still lives at the property, paying below market rent.

9. This is as of April 2023.

10. This is as of April 2023. Of the four properties sold on the open market, one was sold to the tenant’s relative and the tenant still lives at the property, paying below market rent.

11. This data has been provided to us by Rentplus via their Tenant Data Summary [July 2022].



Photography © Rentplus-UK Limited, 2023.



Photography © Rentplus-UK Limited, 2023.

### House prices

Our affordability analysis shows that, on average, Rentplus homes are affordable to purchase for 54% of the local population within the area in which they are located. This figure varies by location, with the properties in East Hampshire being the most affordable to local residents and Devon having some of the least affordable properties.

When comparing the monthly housing costs experienced by a resident of the Rentplus model to a typical shared ownership approach, shared ownership appears to be affordable to a higher proportion of the local population, with percentages ranging from 68% to 74% of local households being able to afford to purchase the property at 25% equity share.<sup>12</sup> However, this doesn't factor in the ongoing maintenance costs or the need to raise a deposit. Speaking with external stakeholders, including local authorities and a resident, shared ownership tends to attract more affluent households. We would suggest two key reasons for the disparity between data and practice:

- The rent-to-buy model allows people to start the journey towards home ownership several years before final purchase. They also benefit from discounted rents and a subsidised deposit [see page 14].
- Under the shared ownership model, residents begin with partial ownership [averaging 43% in England],<sup>13</sup> increasing their level of asset ownership overtime through "staircasing."
- Residents are required to fully maintain their home for shared ownership.

Despite the support provided to residents, one local authority we spoke to thought that residents on longer buying schedules (10+ years) are less likely to buy their properties within the allotted

time-frame. This was echoed by Rentplus housing officers, who said they expected to see multiple households live in the homes with longer sale timeframes prior to the sale, as well as survey respondents. 30% of survey respondents reported that they were fairly or very unconfident that they would be able to purchase their property in the designated time frame. A further 18% were neither confident nor unconfident. See page 29 in the outcomes section for further insights into survey responses on financial stability and likelihood of purchasing their property.

### Financial support



**At the point of purchase, residents receive 10% of the value of their home to either partially or fully cover their deposit.**

**Contributing to deposits:** Unlike most other low-cost home ownership models, Rentplus makes a financial contribution to the purchase of each property. It gives residents a contribution to their deposit, equating to 10% of the value of their home, which they keep even if they sell the property in the future.<sup>14</sup> As saving for a deposit is one of the main barriers to home ownership,<sup>15</sup> this substantially increases the affordability of Rentplus homes to potential residents and ensures that advantage continues to be felt across future moves. TGE therefore considers this component of the model as best practice.

**Overcoming low credit scores:** Rentplus also lowers barriers to home ownership for those with lower credit scores, by enabling people with lower credit scores to move into its homes and increase those scores throughout their tenancy.

12. 68% affordability assuming 50% ownership, 74% affordability assuming 25% ownership [see the Data Sources Appendix on page 38 for more detail about the methodology].

13. <https://www.cih.org/media/hs5hfkkg/shared-ownership-21.pdf>.

14. The house is valued by a RICS certified valuator. Residents can contest the Organisation's valuation and get their own valuation as long as the valuator is RICS certified.

15. Rentplus gave TGE an example of where they reduced the cost of the property based on a resident's valuation.

15. [Clyde property](#) – 59% of the 2,000 plus UK adults who were surveyed cited the deposit as the main barrier.

## Risks to affordability

**Current challenges:** The high inflation and high interest rate economic environment has constrained residents' ability to purchase their home in the short term. If a resident is unable to purchase their home at the end of their chosen time frame, Rentplus will try to identify an alternative household in their portfolio, who would like to bring forward their purchase. They will then allow an "exchange of purchase timeframes" between the two households, creating an extension for the household that cannot afford to purchase. However, this is not always possible. In such cases, Rentplus will sell the property to a housing partner or on the open market. Rentplus has told TGE that it aims to sell these properties to the managing RP. But, if this is not possible, properties are sold on the open market. In this scenario 7.5% of the sale value is given to the local authority for investment in further affordable housing, and the benefits of low-cost home ownership are largely lost.



**Four homes are currently being sold outside the low-cost home ownership structure, equivalent to 23% of all sales thus far.<sup>16</sup>**

**Open market sales:** All four open market sales thus far have been due to residents voluntarily relocating before the end of their tenancy. When a resident moves out within the two years prior to their sale date, Rentplus can make the decision to sell or rent to another resident or on the open market rather than renting it to another potential buyer. Although the current sales data demonstrates the strength of the substitution system in place when a buyer cannot buy at the end of their agreed sales period, it also highlights the risk posed by the policy of selling homes when a resident moves out within the final two years of their tenancy.

**Impact risks:** TGE views the sale of properties outside the low-cost home ownership structure as the main risk to the Rentplus model. In such instances, the Organisation's target outputs and outcomes are either not realised at all or realised to a lesser extent than initially planned. In addition, if residents cannot purchase their home within the agreed sale period and Rentplus cannot make concessions, they may also lose their spot on the local authority housing register and so find it hard to access alternative affordable housing. However, we have seen evidence that Rentplus applies a flexible approach to these scenarios that aims to reduce any risks to the resident. In particular, we spoke to one resident who at the very last minute was unexpectedly not able to purchase her home within the agreed sales period – she was able to stay renting on short-term leases until a buyer in another development was found to take her place. She now has a new buying period agreed with Rentplus and was extremely pleased with the Organisation's flexibility and communication when dealing with the situation.

**Risk mitigation:** Although we recognise that the Organisation's financial structure requires the debt/equity of each house to be released at set times, we would recommend that Rentplus explores ways to reduce the risk of residents not being able to purchase their homes within pre-agreed timeframes. Rentplus check-in with residents about their financial situation and progress towards purchasing their home every five years. However, one local authority suggested that Rentplus could be even more proactive in their savings support and communicate with local authorities at set intervals throughout the tenancy so they could do the same. TGE agrees that Rentplus would be more likely to achieve success with its model and deliver greater impact if it pursued such an approach. However, we also recognise that some residents may be reticent to having full financial check-ins yearly, meaning any approach to financial check-ins would need to minimise invasiveness. The Organisation could also mitigate the risk of homes being sold on the open market by choosing to re-let them if they are vacated prematurely. This would help ensure households who cannot afford to purchase on the open market are still benefiting from the investment.

16. This is as of April 2023 and pertains to properties scheduled to sell in 2022 or before. One of the four homes was sold to the tenant's relative, and the tenant continues to live at the property paying below market rent.





Increase Supply

Drive delivery of affordable housing to increase levels of homeownership.

| Impact Metrics                                | Results                   |
|-----------------------------------------------|---------------------------|
| Number of households living in Rentplus homes | 550*                      |
| Total number of new Rentplus homes delivered  | 109 new to sector in 2022 |
| TGE Additionality Scale                       | High                      |

Rentplus increases the supply of affordable housing by forward funding rent-to-buy homes. Although it aspires to start purchasing larger groups of housing, currently many of its schemes are relatively small. Local authorities told us that investments in smaller, often rural, developments provide the greatest additionality, as without Rentplus’s purchase there is a risk that these homes would not be affordable housing.

\*60 homes are currently unoccupied.



**Overall, TGE assesses that Rentplus has a ‘High’ level of additionality on the TGE Additionality Scale.<sup>17</sup>**

Rentplus mostly focuses on purchasing S106 properties within larger developments.<sup>18</sup> A range of external stakeholders, including two local authorities, informed us that Rentplus often purchases S106 units in small developments which other organisations are not interested in. The low number of properties, and the isolated location of these developments, makes the schemes unviable for other companies to purchase. Therefore, developers may be able to exclude affordable units on these sites without Rentplus’s support. This further illustrates the Organisation’s contribution to the supply of affordable housing. Figure 4 supports this, illustrating that most of Rentplus’s properties (66%) are in substantially rural areas.<sup>19</sup>

Rentplus has informed TGE that investing in smaller, rural, sites is not currently part of its strategy, and it aspires to make more investments in larger sites. However, given the high levels of additionality from investment in smaller schemes, we would recommend that Rentplus builds this into their strategy going forward.



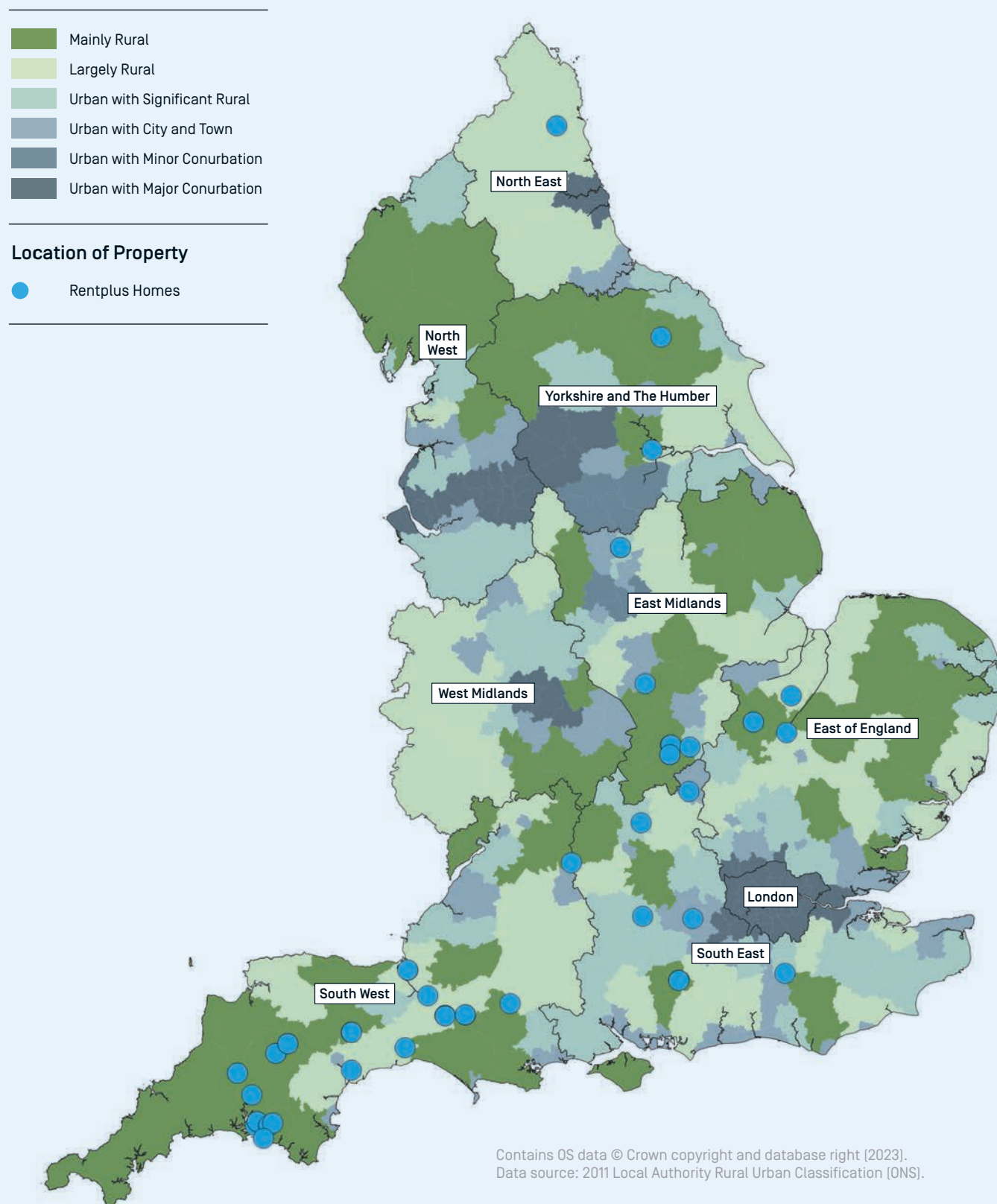
Photography © Rentplus-UK Limited, 2023.

17. The TGE Additionality Scale is a standardised approach to evaluating the contribution of a housing fund to delivering new social housing that would otherwise have not been delivered.

18. Section 106 units refer to units in housing developments that must be allocated to some form of affordable housing, while market units refer to units not legally required.

19. 59% of homes are in rural areas (local authorities classified as ‘largely rural’ or ‘mainly rural’). A further 7% are in areas classified as ‘urban with significant rural,’ and the remaining 34% are in ‘urban with city and town.’

Figure 4: Rural urban classification (by local authority)



Rentplus generates further impact by focusing on new-build properties and adding to the stock of affordable housing:

- All homes are new to the sector.
- 96% of homes are new builds, forward purchased from developers, and 4% are converted from office buildings.
- 90% are acquisitions of S106 properties and 10% are self-funded developments [see Figure 6].
- 109 new homes were acquired in 2022. This is an upward trend from the previous two years (see Figure 5), indicating that Rentplus is returning to pre-pandemic levels of acquisition.

Figure 5: Rentplus properties completions per year

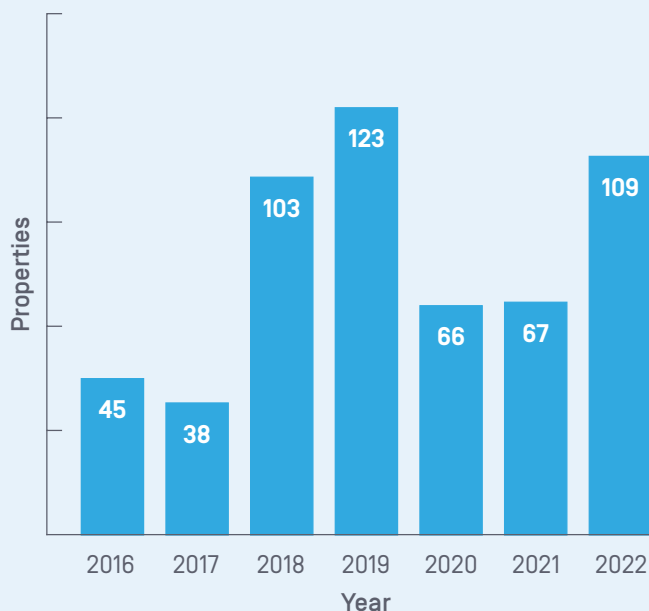
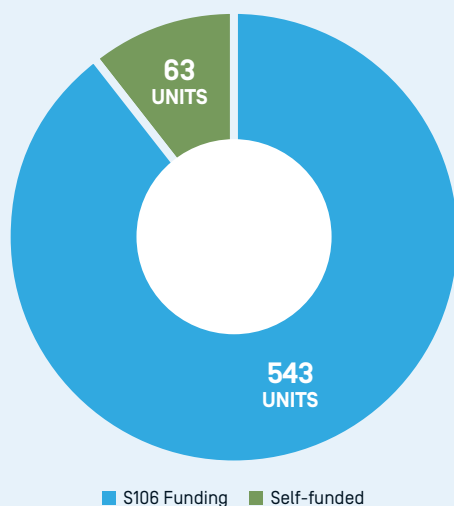


Figure 6: Breakdown of self-funded vs. S106 unit



## WITHOUT RENTPLUS'S INVESTMENT

Every local authority we spoke to informed us that without Rentplus, most of its properties would have been developed as shared ownership rather than social/affordable rent. In the case that no RP wants to buy a scheme for social/affordable rent, local authorities often enable a change in tenure from social/affordable rent to low-cost home ownership to avoid the properties being sold or rented at private market rates. Most local authorities we spoke to approved of the Rentplus rent-to-buy model because it targets households earlier in their home ownership journey and the outcome is complete rather than partial ownership.

One local authority pointed to a downside of the rent-to-buy model: that properties do not stay in the low-cost home ownership sector after being sold to residents or if residents cannot afford to buy. Of the 22 homes that have been sold, or are currently for sale thus far, four will not be sold to residents.<sup>20</sup> Nevertheless, Rentplus have informed TGE that their preferred option when a resident is not buying the property is to sell to the housing partner. They are successfully doing this for one property currently.

20. One of these four properties was sold to the tenant's relative, and the tenant continues to live at the property paying below market rent.



Increase Access  
to Quality Homes

Enable more people to own high-quality  
homes which improve their wellbeing.

| Impact Metrics                                             | Results |
|------------------------------------------------------------|---------|
| Percentage of homes with EPC rating of B or A              | 89%     |
| Percentage of homes meeting the NDSS*                      | 73%     |
| Percentage of properties rated at or above EPC rating of C | 96%     |

EPC and NDSS analysis indicate that most homes are of a good quality. Rentplus informed us that they often work collaboratively with developers to improve scheme specifications on a site by site basis.

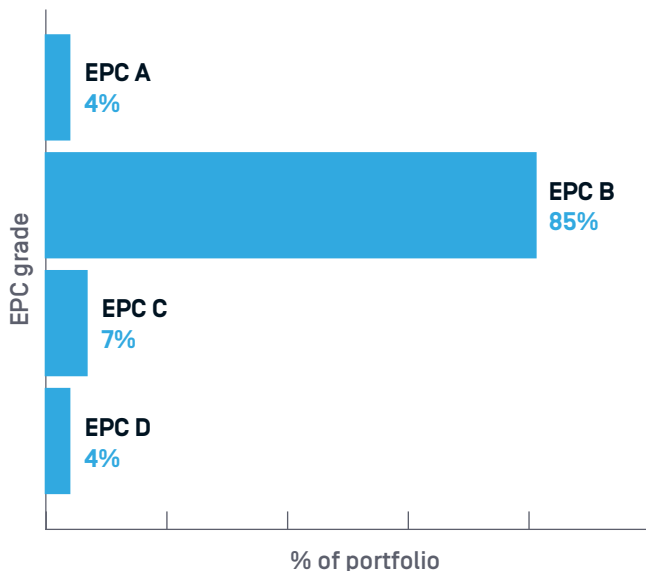
\*NDSS - National Designated Space Standards.

## Environmental

Although Rentplus has no minimum standard regarding the energy efficiency of its new build homes, 89% of its homes have an EPC rating of B+. However, 7% are rated C and 4% are rated D [see figure 7]. The D-rated sites are the only two older properties in the portfolio, comprising 48 apartments converted from offices to residential units and purchased from a developer between 2020 and 2021.

TGE recommends that Rentplus invest in these properties to improve their EPC rating prior to sale. Additionally, TGE suggests that Rentplus aligns with industry standards by mandating a grade of B or above for all new-build properties and setting a target for the number of A-rated properties.

Figure 7: EPC breakdown of portfolio



Rentplus does not include renewable energy at its schemes, and a developer we spoke to indicated that environmental considerations are not a key factor at the planning stage. TGE recommends that Rentplus considers introducing renewable energy at new and existing properties, particularly those which are not expected to sell within five years. Rentplus could also work with developers to ensure they incorporate environmental considerations early in the planning process.

## Home quality



**73% of homes meet or exceed the National Designated Space Standard (NDSS).**

This is below the Rentplus target that 100% of properties should meet NDSS. TGE recommends that Rentplus works with developers during the planning stages to ensure homes meet or exceed quality standards such as the NDSS.

**84% of residents were very or fairly satisfied with the home, and only 9% were dissatisfied.**

When asked what they felt regarding the quality of their current home, only one out of five residents who we spoke to one on one were relatively positive. Another was neutral, while the remaining three believed there was a significant issue with the quality of their new build home. One of the residents commented that they felt the developments were put up very quickly using cheap materials.

We spoke to a resident in a West Sussex scheme who was pleased with the quality of her home, saying that the bedrooms and garden were large, and the property had plenty of storage compared to her previous accommodation. She also noted that several amenities were nearby, including schools, supermarkets and her and her partner's workplaces.

Some of the other residents we spoke to, however, were less happy with the quality of their newbuild home and the communication with their housing provider regarding repairs and maintenance. One resident's home has had issues with a crack in the wall and the doorbell not working properly. This general feeling was echoed by a respondent to the survey who has had issues with their property for the past seven years. These issues are causing the resident to seriously consider whether they will proceed with the purchase of the home.



Ensure Quality Services  
and Partnerships

Ensure housing partners deliver quality services and outcomes for residents. Create strong working relationships with partners and design appropriate financing terms for them.

| Impact Metrics                                                    | Results                                                                        |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------|
| RSH rating of partner RP (where relevant)                         | 100% rated G2/V2 or higher                                                     |
| % Repairs completed within the target timeframe                   | 59%* completed within the timescales set out in Rentplus Homes' repairs policy |
| % Survey respondents satisfied that their home is well maintained | 66%<br>(18% were neutral or didn't know)                                       |

Rentplus appears to have good working relationships with its partner RPs, developers, and local authorities although the quality of partners varies. Every partner organisation we interviewed said they would recommend working with Rentplus to others, but the quality of partner housing providers and developers varies across different indicators. Additionally, Rentplus does not gather regular feedback from residents in its homes.

\*This figure only applies to Rentplus's in-house housing provider, Rentplus Homes, not any other housing providers it partners with. In addition, this figure is skewed due to an outlier scheme which was undergoing long-term repairs and maintenance.

## Housing partners

Rentplus works with 10 housing partners (eight RPs, one charity, and Rentplus Homes – a subsidiary housing provider in the process of applying to be an RP) to deliver tenancy management services. It is crucial that Rentplus has sufficient oversight regarding quality of tenant management provided by housing providers to ensure that residents are achieving the outcomes intended.

Rentplus has quarterly meetings with each RP partner and arranges an annual collective meeting to review management service provision, improve product offering and facilitate learning. Under RP leases, managers are also required to distribute resident feedback surveys at the Organisation's instructions. While these would deliver valuable insights, Rentplus's first survey was commissioned as part of this impact report.

## Partner quality

Opinions of housing provider partners vary across different sources.

- Five of the Organisation's housing partners have reviews listed on Google's review database. Out of 286 reviews, scores range from 1.7 to 3.8 out of five, with the lowest score given to an RP that manages four Rentplus homes.
- Resident criticisms centre on delays in response to complaints, miscommunication, and poor customer service. A significant number of reviews claim that housing providers had either failed to respond or were slow to respond to emergency repair requests.
- But four of Rentplus's housing provider partners have been graded by the Regulator of Social Housing and they all meet Rentplus targets of G2/V2 or higher.
- Responses to the survey indicated that 56% of residents were satisfied with their landlord's approach to handling complaints [28% were neutral].<sup>21</sup> 51% of residents were satisfied that their landlord listens to their views and acts upon them [35% didn't know or were neither satisfied nor dissatisfied].

Some survey respondents indicated dissatisfaction with repair services, which may be bringing down levels of satisfaction with housing management.<sup>22</sup> 29% reported that they were dissatisfied with the time taken to complete the most recent repair and a further 18% were neither satisfied nor dissatisfied. Levels of satisfaction [55%] and dissatisfaction [24%] with repairs themselves was at a similar level.<sup>23</sup> Compared to a sample of over 100 social landlords across the UK, the level of satisfaction

of repairs recorded for Rentplus [55%] is less than the median baseline figure of 80%.<sup>24</sup> However, satisfaction that the home is well maintained is substantially higher at 68% (with 19% either not knowing or neither satisfied nor dissatisfied). See page 29 in the outcomes section for further details on resident satisfaction with landlord services.

One resident we interviewed said they were satisfied with the communication and service quality provided by their housing provider (Rentplus Homes) and the company that manages a significant portion of the home (Connells Group). The resident did note, however, that the property came uncarpeted. This meant they could not move into their home straight away, had to pay rent on two homes while the new property was carpeted and cover the cost of the carpeting itself.

Another resident commented on the lack of action from the housing provider in implementing a repair. The housing manager insisted that it was not their responsibility and that the resident would need to pay for the repair. After the repair was completed, the same issue took place within two weeks. The resident reported that they were scared to ring up the housing manager again as they felt that their complaint would not be taken seriously.

The above two cases illustrate the variability in housing management quality across the Organisation's portfolio. TGE recommends that Rentplus includes timeliness of repairs as part of the regular reporting they receive from their housing managers and works with housing managers to improve the service where response times and/or resident satisfaction levels are poor.

## Developer partners



**Rentplus has worked with 33 different developers, which vary in service quality.**

They range from larger developers to smaller, family-owned businesses. One of the Organisation's largest developer partners has previously faced criticism for the poor quality of its builds and insufficient adherence to health and safety standards. Although Rentplus informed TGE of several steps they took to ensure high quality from this developer, two residents interviewed who live in properties built by them commented on the low quality of build and finish. TGE recommends that Rentplus limits or reduces the extent to which it works with developers that have a negative record on build quality and/or health and safety standards.

21. We have removed the 'I don't know' responses from this calculation. The survey did not ask whether the resident had a complaint, and we are therefore making the assumption that 'I don't know' indicated that the resident had not had a complaint.

22. Rentplus's housing partners do not have control over the repairs and maintenance for properties in the snagging period, which is typically 12 months. At the time of distributing the survey, 31% of properties were in the snagging period.

23. These two repair survey calculations exclude 'I don't know' responses.

24. Housemark, 'Tenant satisfaction measures,' January 2023. <https://bloom-digital.s3.eu-west-2.amazonaws.com/housemark/wp-content/uploads/2023/01/17122448/Tenant-satisfaction-measures-January-2023.pdf>.



# 5 / Contribution to Outcomes

This section assesses the change in outcomes experienced by Rentplus residents.

These outcomes are influenced by many factors, including Rentplus's activities as well as a range of factors which are beyond its control. Therefore, Rentplus's activities only partially contribute to them. Nonetheless, understanding and assessing outcomes is an essential part of an impact assessment. They provide insight into the ultimate real-world outcomes for people, places and the planet that Rentplus's activities contribute towards.

Rentplus, in partnership with TGE, has identified the main target outcomes to which it aims to contribute:

- > Improve tenant wellbeing
- > Improve access to home ownership.

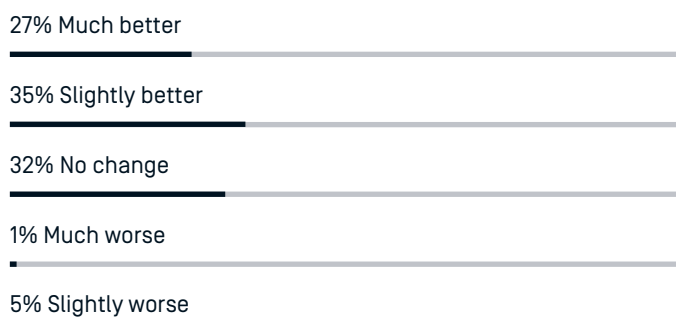
## Improving tenant wellbeing

62% of survey respondents reported an improvement in mental health since moving into the property, and only 6% reported that their mental health had got worse [see Figure 8]. This demonstrates the positive impact of Rentplus housing on resident wellbeing.

Similarly, 44% of survey respondents reported an improvement to their physical health, and 48% reported no change [see Figure 9].<sup>25</sup>

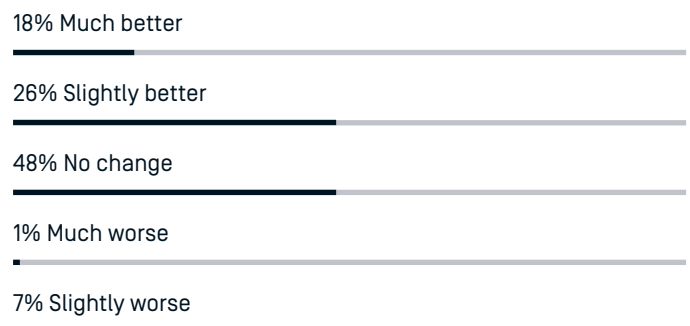
When asked about their mental and physical health in their Rentplus home compared to their previous housing situation, four out of five residents interviewed face to face or over the phone suggested that their mental wellbeing had somewhat improved since moving into their new home. The fifth noted no change. The most cited reasons for improvements in mental wellbeing include moving into a higher quality or more appropriate home, increased stability, and finally being on a realistic path towards home ownership.

**Figure 8: Difference that moving into their current home has made to respondents' mental health**



Rentplus has adopted a novel approach to housing and has thus far sold insufficient homes to gauge the long-term outcomes they may help to generate. This section focuses on the experience of residents to date, who are mostly renters. In future reports, we will continue to monitor the impact it has had on people who have bought their home.

**Figure 9: Difference that moving into their current home has made to respondents' physical health**



**84% of survey respondents were very or fairly satisfied with their home, and only 9% were dissatisfied. In contrast only 47% were satisfied with their previous accommodation.**

High levels of satisfaction with one's home is key to resident wellbeing. Therefore, the above indicates the positive impact that Rentplus housing is having on residents.

25. This is based on a survey with 82 respondents, which represents only 17% of residents in occupied homes. These views cannot, therefore, be taken as representative of all residents.

## Improving access to home ownership

The Rentplus model is designed to increase access to home ownership in the UK. Properties are sold to residents on fixed 5-, 10-, 15-, and 20-year schedules. At this stage of the company's development, only 22 homes have reached their allotted sale time. Of these, 18 have been sold to, or are being sold to, residents.<sup>26</sup>

Survey responses indicate that although the model is increasing access to home ownership, there is a risk that the extent of impact is lower than intended. 46% of survey respondents reported that they were fairly or very confident that they would be able to purchase their property within the agreed sales period. A further 30%, however, reported feeling fairly or very unconfident, and the remaining 23% reported that they were neither confident nor unconfident or didn't know.

When asked where they would be living without access to their Rentplus home, more than half (56%) of respondents answered they would be living in private rental homes. A further 34% said they would be in designated affordable rent housing or living with family, and only 1% said they would have been able to buy another home. Interview responses echoed this, with four out of five residents informing us that they would be in living in private rental homes if not for Rentplus, and only one respondent claiming they would have been able to purchase a home outside of the low-cost home ownership model.

Current barriers of high interest rates and high property prices have made it difficult for residents to afford mortgages and therefore purchase their Rentplus home. While four out of five residents we interviewed indicated that they felt they would be able to purchase their home within the agreed sales period, one was very unconfident. This resident informed us that they have been unable to save sufficiently due to the current economic environment and annual rent increases.

One resident indicated that they would appreciate more guidance from either Rentplus or the housing manager on the purchasing process, such as a handbook on exactly what the process entails.

We have not been able to speak to any residents who have purchased their homes and are therefore unable to comment on this aspect of residents' experience with Rentplus.

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26. This is as of April 2023 and pertains to properties scheduled to sell in 2022 or before.

## Impact Management Project Dimensions of Impact

Social impact measurement within the social housing sector has attracted increasing attention in recent years. The Impact Management Project (IMP) has developed an approach to impact analysis, based on five dimensions: who is being impacted; in what way; by how much; the contribution of the Organisation to the change in outcomes; and the risk of target outcomes not being met.

### Applying the IMP dimensions of impact to the Organisation's portfolio

| IMP dimension                                                         | Definition                                                                   | Improve tenant wellbeing                                                                                   | Improve access to home ownership                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WHAT impact is the Organisation having?                               | The outcome experienced by the stakeholder when engaging with the enterprise | Residents improve their wellbeing, both mental and physical                                                | Working households who would be unable to purchase a home on the open market are able to pay either 80% of market rent or the local housing allowance as rent, and are able to purchase their home within an agreed sales period (5, 10, 15 or 20 years) with a gifted deposit of 10% from Rentplus |
| WHO is experiencing the impact?                                       | The type of stakeholder experiencing the outcome                             | Working households who are unable to purchase a home on the open market                                    |                                                                                                                                                                                                                                                                                                     |
| HOW MUCH impact is the Organisation creating?                         | The scale, depth, or duration of the outcome                                 | Provision for up to 550 households                                                                         | Rentplus has invested £83 million to date as of December 2023, increasing the supply of low-cost home ownership properties by 550 across 33 schemes thus far                                                                                                                                        |
| How much CONTRIBUTION is the Organisation making towards this impact? | The additional outcomes that will be experienced because of the organisation | 62% of survey respondents reported an improvement in mental health since moving into the Rentplus property | 22 homes have reached their sale date. 18 of these have been, or are in the process of being, sold to residents                                                                                                                                                                                     |
| Impact Risk                                                           | See Impact Risks table                                                       |                                                                                                            |                                                                                                                                                                                                                                                                                                     |

## 6 / Impact Risks

Impact Risk is the likelihood that impact will be different than expected, and that the difference will be material for those being affected. TGE has analysed the potential Impact Risks relating to Rentplus using the IMP's Impact Risk assessment framework.

The IMP identifies nine types of Impact Risk that enterprises and investors may face. We have identified five categories of risk as potentially material for Rentplus. In the table below, we describe these risks, the level of risk to the Fund, and potential mitigating measures.

| Impact risk type                                                                                                                   | Level of impact risk | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Evidence risk</b><br><br>The probability that insufficient high-quality data exists to know what impact is occurring            | Medium               | <p>The model is relatively novel and Rentplus has not been operating long enough for a substantial number of its residents to reach their agreed sales period. This means that we cannot be certain of the long-term impact of the model, especially in relation to enabling home ownership, beyond the small amount of existing sales data and survey results on residents' perception of their ability to purchase within the agreed timeframe.</p> <p>Rentplus and TGE will continue to monitor the impact of property sales as they increase over the coming years.</p>                                                                                                                                |
| <b>Drop-off risk</b><br><br>The probability that positive impact does not occur and/or that negative impact is no longer mitigated |                      | <p>There is a risk that the resident will be unable to purchase their property within their agreed sales period. This can potentially lead to one or both of the following:</p> <ul style="list-style-type: none"> <li>&gt; The home being sold on the open market, which removes the property from the affordable housing stock and means that there are no beneficiaries of the low-cost homeownership model.</li> <li>&gt; Residents having to move into less suitable housing and potentially losing their spot on the housing register.</li> </ul>                                                                                                                                                    |
| <b>Alignment risk</b><br><br>The probability that impact is not locked into the enterprise model                                   | Medium               | <p>Rentplus is mitigating these risks by adopting a cascade model of sales whereby one resident's buying schedule can be swapped out with another's, to enable that resident to purchase earlier and the other resident to increase the time left on their buying schedule.</p> <p>Where this is not possible Rentplus will try to sell the home to a housing association, which would likely keep the property within the affordable housing sector. Selling on the open market is a final resort.</p> <p>TGE has seen evidence of Rentplus' flexible approach, including taking substantial steps not to evict residents who are unable to buy their properties according to their selling schedule.</p> |

| Impact risk type                                                                                                                                                 | Level of impact risk | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>External risk</b><br><br>The probability that external factors disrupt the ability to deliver impact                                                          | Medium               | <p>Economic fluctuations, including factors such as high interest rates, inflation and rising house prices, can result in residents not being able to buy their properties according to their buying schedule. This can potentially result in the negative outcomes outlined above, as Rentplus has minimal flexibility to change its selling timetable.</p> <p>These factors could also lead to the property rent being less affordable for residents generally.</p> <p>Rentplus is mitigating this risk by adopting a cascade model whereby they can substitute two different buying schedules to enable residents who are struggling to secure a mortgage to continue living in the Rentplus property under a longer buying schedule.</p>                                                                                                                                                                                                    |
| <b>Stakeholder participation risk</b><br><br>The probability that the expectations and/or experience of stakeholders are misunderstood or not taken into account | Medium               | <p>The Organisation's most important stakeholders are the residents living in its homes. Yet as the property owner, Rentplus is several steps removed from residents' experiences. It is essential that the Organisation puts in place processes to gather feedback from residents, and partners with housing managers that deliver a high-quality of service.</p> <p>To date, Rentplus has not had a survey or other resident voice system in place to systematically gather feedback from the residents living in its homes.</p> <p>The Organisation is mitigating this by including a clause in its agreement with housing provider partners that they would need to carry out a survey of the residents if asked to do so. Rentplus also administered its first resident feedback survey via TGE in 2023 and plans to track resident feedback in the future (including through the Tenant Satisfaction Measures introduced by the RSH).</p> |



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# 7 / Conclusions and Next Steps

Rentplus' rent-to-buy model differs from other existing low-cost home ownership products as it helps lower income households to own a home outright. Its two-pronged approach of affordable rent and gifted deposits targets the challenge faced by many UK households of not being able to save for the deposit necessary to buy a home.

## Strengths

### > Financial contribution to deposit

At the point of purchasing their property, Rentplus gives residents a contribution of 10% of their property value toward their deposit. This financial gift differentiates Rentplus from other schemes designed to increase asset ownership and directly targets one of the main barriers to asset ownership – sufficient funds for a deposit. In addition to this contribution, the rents meet affordable rent standards (80% of private market rents or at local housing allowance), enabling many residents to increase their savings.

### > High presence in rural locations

TGE heard from multiple sources that an advantage of Rentplus is that it purchases developments that have low levels of demand from other investors or affordable housing providers<sup>27</sup> due to their small size and rural location. Some of these developments were at risk of not having an affordable housing element due to the lack of demand from potential

landlords. Rentplus therefore facilitates the incorporation of S106 affordable housing in smaller developments as well as generally increasing the supply of affordable housing, which TGE considers high additionality. Currently, investing in such developments is not explicitly outlined in Rentplus' strategy. However, given the substantial impact, TGE recommends that the Organisation incorporates investment in small rural developments into its strategy as it expands and gains more options for the types of schemes it acquires.

### > High resident satisfaction

84% of residents surveyed were very or fairly satisfied with their home, and only 9% were dissatisfied. In addition, respondents indicated that their satisfaction with their home and wellbeing had increased since moving into their Rentplus home – only 47% were satisfied with their previous accommodation and 62% reported that their mental health had improved since moving into a Rentplus home (32% reported no change).

## Areas for improvement

### > Reduced risk of homes being sold on the open market

Wherever possible, Rentplus aims to sell homes to residents; however, this outcome is not guaranteed under the current model. Out of the 22 homes that have been sold or are currently for sale, four will be sold on the open market.<sup>28</sup> This situation arises because some residents leave the properties within the last two years of their agreed sales period. Rentplus could enhance its impact by implementing additional mechanisms into the model to decrease the number of homes sold on the open market.

### > Improved resident satisfaction with repair and maintenance services

29% of survey respondents expressed dissatisfaction with the time taken to complete repairs, while an additional 18% reported being neither satisfied nor dissatisfied. The levels of satisfaction (55%) and dissatisfaction (24%) regarding

the repairs themselves were relatively similar. Interviews conducted with residents also highlighted inconsistencies between housing providers in terms of repair quality, and of the homes managed by Rentplus Homes, 59% of repairs were completed within the designated timeframe. As a result, TGE recommends prioritising efforts to improve consistency in responding to repair requests in the upcoming year.

### > Proactive inputs to housing quality

EPC, NDSS, and resident satisfaction data indicate that, for the most part, Rentplus purchases high-quality homes. The build quality is determined by Rentplus's developer partners. Rentplus could enhance its impact by establishing stronger minimum standards for quality and exclusively purchasing from developers with a proven track record of constructing high-quality homes.

27. Referred to throughout the rest of report as 'housing providers'.

28. One of the homes sold on the open market was sold to a relative of the tenant. Rentplus has informed us that the tenant is still living at the property and is paying below market rent.

# 8 / Appendix

## Appendix 1 – Impact Data



### Provide an Affordable Route to Home Ownership

| Impact Metrics                                                       | Results |
|----------------------------------------------------------------------|---------|
| Occupancy                                                            | 89%     |
| Average discount to private rental homes per month*                  | £141    |
| Percentage of local households who can afford to rent Rentplus homes | 65%     |

\*Based on the average of rental savings accrued by residents in Rentplus properties when comparing to upper quartile, median and lower quartile rents in the private rented sector. Comparison was made to ONS PRS data April 2021- March 2022. In the 12 months to January 2023, private rents across the UK saw an average increase of 4.4% [\[ONS\]](#).



### Increase Supply

| Impact Metrics                                | Results                   |
|-----------------------------------------------|---------------------------|
| Number of households living in Rentplus homes | 550*                      |
| Total number of new Rentplus homes delivered  | 109 new to sector in 2022 |
| TGE Additionality Scale                       | High                      |

\*60 homes are currently unoccupied.



### Increase Access to Quality Homes

| Impact Metrics                                | Results |
|-----------------------------------------------|---------|
| Percentage of homes with EPC rating of B or A | 89%     |
| Percentage of homes meeting the NDSS*         | 73%     |

\*NDSS - National Designated Space Standards.



## Ensure Quality Services and Partnerships

| Impact Metrics                                                    | Results                                                                        |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------|
| RSH rating of partner RP (where relevant)                         | 100% rated G2/V2 or higher                                                     |
| % Repairs completed within the target timeframe                   | 59%* completed within the timescales set out in Rentplus Homes' repairs policy |
| % Survey respondents satisfied that their home is well maintained | 66%<br>(18% were neutral or didn't know)                                       |

\*This figure only applies to Rentplus's in-house housing manager, Rentplus Homes, not any other housing managers it partners with. In addition, this figure is skewed due to an outlier scheme which was undergoing long-term repairs and maintenance.

## Appendix 2 – Data Sources

| Data Source/Evidence                      | Overview                                                                                                                                                                                                                                                                                                                                                                   | Evidence Risk | Limitations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Unit level portfolio data                 | Unit-level breakdown of properties in Rentplus's portfolio                                                                                                                                                                                                                                                                                                                 | Low           | Reliant on accuracy of data provided by Rentplus                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Resident information summary              | Summary of data related to the income occupation and location of residents living in Rentplus properties                                                                                                                                                                                                                                                                   | Low           | Reliant on accuracy of data provided by Rentplus                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Resident outcomes survey                  | Survey data collected remotely from a sample of 82 residents living in Rentplus homes. Collected between March and April 2023. Residents completed the surveys using an online form                                                                                                                                                                                        | Medium / High | Small sample size collected through opportunity sampling - outcomes data disclosed by surveyed residents may not be representative of other residents in the portfolio and their experiences. 82 responses – 17% of households living in Rentplus properties                                                                                                                                                                                                                                 |
| Qualitative interviews with residents     | Interviews carried out with residents during site visits and over the phone to gain qualitative insight into their experience living in Rentplus homes                                                                                                                                                                                                                     | Medium        | The interviews were in-depth, and we gained an understanding of the residents' opinion on their housing and the rent-to-buy scheme. We spoke to five residents in total, one in person during a site visit and the other four over the phone. However, five is a small subset of the Organisation's wider portfolio so views cannot be taken as representative. Further, residents weren't randomly selected and were interviewed based on their willingness to participate and availability |
| Interviews with partner housing providers | Interviews carried out with Rentplus's partner housing providers. Through these interviews, TGE aims to find out about the providers' general relationship with Rentplus, how they operate, and details related to selected schemes. For this report, we spoke to three of the Organisation's housing provider partners, including its in-house tenancy management service | Medium        | Rentplus works with 10 housing provider partners across its portfolio. We have spoken to representatives from three. All housing providers we spoke to were selected by us                                                                                                                                                                                                                                                                                                                   |
| Interviews with local authorities         | Interviews carried out with local authorities in which Rentplus's schemes are located. Through these interviews, TGE look to find out about specific schemes, including the delivery process, details of nominations rights and the general views of the scheme from the local authority's perspective. For this report, TGE spoke to three local authorities              | Medium        | Properties in the Organisation's portfolio span across 25 local authorities, and TGE has only spoken to representatives of three. All local authorities we spoke to were selected by us.                                                                                                                                                                                                                                                                                                     |

| Data Source/Evidence                                                                                         | Overview                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Evidence Risk | Limitations                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interviews with developers                                                                                   | Interviews carried out with developers that Rentplus buys properties from. Through these interviews, TGE aims to learn more about the development process and sustainability practices undertaken by partner developers                                                                                                                                                                                                                                                                                                                                                                                                  | Medium        | Rentplus has purchased homes from 30 developers across its portfolio. We have spoken to representatives from the developers we spoke to were selected based on willingness to participate and availability.                                                                                                                                                                                                                                                            |
| Site visits to selected schemes                                                                              | Site visits carried out by TGE to selected Rentplus schemes. On these visits, TGE aim to speak to support staff and residents to understand the real-world impact these homes are having on residents                                                                                                                                                                                                                                                                                                                                                                                                                    | Medium        | Once at a scheme, TGE can develop a reasonable idea of the quality of the site, although it is a snapshot rather than an in-depth understanding of the impact delivered. However, the Organisation's portfolio consists of 550 properties and so TGE has only visited a small subset. We visited two schemes and were able to speak to one resident, but were not able to view any empty properties                                                                    |
| Affordability calculations for renting the property, purchasing the property and shared ownership comparator | <p>TGE performed affordability calculations based off the cost of rent information provided in the portfolio data. The affordability calculator is based off the percentage of households which can afford to live in a property without being over-burdened by rent (less than 35% of net household income goes towards rent payments). It uses government data on income by local authority, which is the equivalised to bring it to the household level.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> <li>&gt; For shared ownership comparison: 25% ownership</li> <li>&gt; 5% interest rate</li> </ul> | Medium        | The calculation produces an estimate of the proportion of local households that can afford to live in these households. It underpinned by ONS data on household incomes for the area and assumptions of what affordable is, deposits paid, and mortgage interest rates. For the instances where local authority data was unavailable or too incomplete, using the data from the Unitary Authority or Regional level means that the calculations could be less accurate |
| Monthly cost savings model (versus PRS)                                                                      | Model created by TGE to calculate the average monthly housing cost savings of the Organisation's properties versus renting privately (PRS costs). The model compares costs to Rentplus residents (Rentplus provided data to TGE) to (2021-2022) data on rental prices for similar size properties in the same local authority                                                                                                                                                                                                                                                                                            | Medium        | Reliant on information provided by Rentplus. Although the model was adjusted for inflation since the last ONS publication of rent data [4.4%], this will not exactly reflect rent fluctuations in each area as it is a national average                                                                                                                                                                                                                                |

# THE GOOD ECONOMY

## CONTACT

4 Miles's Buildings, Bath BA1 2QS  
City Tower, 40 Basinghall Street, London EC2V 5DE

+44 [0] 1225 331 382  
[info@thegoodeconomy.co.uk](mailto:info@thegoodeconomy.co.uk)

[thegoodeconomy.co.uk](http://thegoodeconomy.co.uk)