

# M&G Affordable Living RP Limited (“MAL”)

## Rent and Service Charge Standard Policy

Landlord: MAL Affordable Living RP Limited “MAL”

Version: MAL 1.0

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Author: Director Asset Management

### 1. Introduction

This document sets out MAL’s policy for setting rents and service charges for tenants and leaseholders, in accordance with the Government’s Rent Policy Statement effective from 1 April 2023. It ensures that rents and charges are set in a fair, open, and transparent manner.

Key principles include:

- Promoting fairness and comparability between rent types
- Establishing objective and verifiable processes for setting and changing rents
- Setting formula rents for each property and aligning existing rents accordingly

### 2. Policy Statement

#### 2.1 Rent Review

Rents for tenants and licensees will be reviewed annually in April, in line with the Rent Standard. Leasehold charges will be reviewed in September. All changes will consider statutory requirements, tenancy terms and affordability.

#### 2.2 Affordable Rents

Affordable Rents will be set at no more than 80% of the gross Market Rent at tenancy start and are reviewed by the respective client. An affordability assessment will be conducted for each location, considering market rents, property demand, and Local Authority views. Service charges are included in the Affordable Rent. Only Fixed Term Affordable tenancies will be charged Affordable Rent.

#### 2.3 Mortgage Rescue Rents

Mortgage Rescue Rents are set at 80% of Market Rent and include service charges. Annual increases will not exceed the Retail Price Index (RPI) for the previous September plus 0.5%.

#### 2.4 Tenant Service Charges

Tenants have fixed service charges set at the start of each calendar year using best estimates. Charges are apportioned among those who benefit from each service and are assessed against comparative pricing.

#### 2.5 Leaseholders

Leaseholders, including Shared Ownership customers, have variable service charges calculated using actual and estimated costs. Charges are apportioned according to lease terms.

#### 2.6 Shared Ownership

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Shared Owners pay rent on the portion of the home not purchased. Other leaseholders pay ground rent. Rent changes and review dates follow lease terms.

### 2.7 Garages, Garage Plots and Accessways

Rents for these are charged per license agreement and reviewed annually.

## 3 Steps before a tenant signs-up

To ensure transparency and fairness, MAL / managing agents will:

- Conduct an affordability assessment based on local income data and household circumstances
  - Provide a clear breakdown of base rent, service charges, and any additional charges
  - Explain the rent type: Social Rent, Affordable Rent, Intermediate Rent, or Shared Ownership Rent
  - Inform tenants of annual rent reviews in April, compliant with the Rent Standard
1. Share a summary of key rent-related clauses from the tenancy or lease agreement
  2. Provide a shared ownership user guide and welcome pack to leaseholder residents where applicable to provide information on their lease and service charges.
  3. Inform tenants of their right to query or challenge rent calculations before signing and provide a welcome pack to residents.

## 4 Policy review

We will review this policy every year to make sure it remains relevant and accurate, or more frequently where:

Legislation, regulation or industry changes require otherwise, making sure that it continues to meet our aims and industry best practice.

We identify any problems or failures in this policy or procedure as a result of customer, colleague or stakeholder feedback, complaints, or findings from an independent organisation.

We become aware of any circumstances which may affect the content of this policy.

## 5 Version Control

Version	Checked by	Amendments	Date of Approval	Review date
MAL Affordable Living Limited.	Director Fund Management	Policy adoption.	Feb. 2026	Feb 2027