

Discounted rents will help young Londoners with jobs to save for that all-important deposit, says **David Spittles**

How to turn your rent into a mortgage

WITH rents in London forecast to increase by 15 per cent this year, housing associations are stepping in to offer low-cost rental homes to people with jobs (earning less than £60,000 a year) who can show they are able to save to eventually buy a home of their own.

Open market renting is now more expensive than buying across 94 per cent of Britain, and the margin is biggest in London where the average rent is 31 per cent higher than the average cost of buying a property.

The reasons are familiar: to buy you need a big deposit, and young people don't have big savings so are forced to rent, but paying the rent makes saving for a deposit more difficult still. A quarter of Londoners rent in the private sector, many in shared accommodation. London's flatshare population of 653,000 will jump by at least 22,000 this year, and sharing rent, now averaging £520 a month, will rise.

Until recently, there was no housing association provision for "intermediate renters" – those who cannot afford to buy but whose income is too high for them to qualify for housing benefit.

The new schemes set rents at a discounted rate, 75 to 80 per cent of open-market rates, making it easier for people to build up a deposit. There are also "rent-to-buy" options where rent paid by tenants is deducted from a pre-agreed price to purchase the flat they live in.

In most cases, intermediate rental homes are part of new-build developments where shared-ownership and private sale flats are available, too. Housing associations also take nominations from council waiting lists so it is a good idea to register with your local authority, either the one where you live or where you work (or both).

Origin housing association, which operates mainly north of the river, has

homes for rent at **The Wrap**, a boldly designed new-build scheme connected to Watford FC's stadium. Rents

start at £520 a month for a one-bedroom apartment, excluding bills, and there is a £40-a-month service charge. Two-bedroom flats cost from £640 a month.

More than a third of the 221 homes at **The Bloc**, in Enfield, are intermediate rental flats and there are shared-accommodation units, too, typically four-bedroom apartments with a kitchen and bathroom. Rents from £549 a month. Call 01923 234483 or visit originrentals.co.uk.

London & Quadrant offers a "rent-to-buy" option called Up-to-You, which gives back part of the rent paid after five years.

For more details of lower-cost rental schemes and homes available, visit firststepslondon.org. The website lets you select a borough and price range.

A 'BORIS BADGE' WILL HELP TO REASSURE RENTERS

Other moves are afoot to make life better for renters. The London Assembly is calling for longer tenancies (at least five years) and tax incentives for landlords who improve their properties.

About a third of private-sector homes in London (about 280,000) fail to meet the Mayor's "decent homes" standard. He wants an "accreditation badge" so that tenants, estate agents and councils can have confidence that properties (and landlords) meet an acceptable standard.

Big financial institutions are targeting residential lettings for long-term property investment.

Aviva Investors is launching a property fund that will buy new-build flats in London and the South East for letting, partnering with volume house-builders such as Barratt and Berkeley Homes. The developments will operate like a branded midmarket hotel

chain, offering set room rates, standardised interiors and a menu of paid-for extras.

Young London, which manages hundreds of new-build rentals on behalf of developers and investors, targets young professionals who want to live close to the main employment hubs of the West End, City and Docklands. New apartments at **The Landmark**, 500 metres from the Canary Wharf trading rooms, cost from £350 a week. At **myBASEL**, a new apartment scheme in Borough, rents start at £325 a week. Call 020 7593 3300 or visit younglondon.co.uk.

Figures from London-wide estate agent Winkworth show a considerable variation in private rents.

In general, rents are lower in south London, outer north London and parts of east London. And for extremes, while the cost of a one-bedroom flat in Notting Hill ranges between £1,200 and £2,600 a month, in Crystal Palace similar property would range from £650 to £820. Visit winkworth.co.uk