

How to request compensation for eligible improvements when you have given notice to end your tenancy

- fact sheet



As set out in the Right to Repair Regulations, you may be able to secure compensation for eligible improvements that you have made to your home. Compensation can be claimed for the cost of materials and labour. It is payable to a maximum of £3,000 for any one improvement. No payment will be made if the level of compensation is less than £50.

Compensation is paid when your tenancy ends. You cannot claim if we have started repossession proceedings. The right to compensation for improvements does not apply to leaseholders or to customers in the probationary period of their tenancy.

Before you request compensation for improvements that you have made, check that your claim meets the following conditions:

- ◆ Permission has been granted from us for the improvements
- ◆ Your claim will be made within 28 days of your tenancy ending
- ◆ You have not exercised a Right to Acquire or Right to Buy the property
- ◆ There is no outstanding order for possession

No compensation is payable for:

- ◆ Professional fees, eg. those charged by architects
- ◆ Any relevant planning permission or consent under Building Regulations
- ◆ Appliances such as cookers and fridges
- ◆ Your own labour costs
- ◆ Work undertaken for which a grant was payable
- ◆ Work for which original receipts are not provided

Compensation will be adjusted to reflect the life expectancy of the improvement, up to the statutory maximum amount payable. You should receive an offer letter from us showing the compensation figure and explaining how this has been calculated.

Any rent arrears or other monies owing to us will be deducted prior to payment

Qualifying improvements

Improvement	Notional life (years)
Any object which improves the security of the property but excluding burglar alarms	10
Bath or shower	12
Double glazing or other external window replacement or secondary glazing	20
Draught proofing of external doors or windows	8
Insulation of pipes, water tank or cylinder	10
Kitchen sink	10
Loft insulation and cavity wall insulation	20

Improvement	Notional life (years)
Rewiring or the provision of power and lighting or other electrical fittings (including smoke detectors)	15
Smoke alarms	10
Space or water heating	12
Storage cupboards in kitchen or bathroom	10
Thermostatic radiator valves	7
Toilet	12
Wash hand basin	12
Worktops	10

Compensation is calculated using a standard formula, which takes into account wear and tear, and depreciation.

$$\text{Compensation} = C \times [1 \text{ minus } Y \div N]$$

- C** = original cost of the improvement. Financial assistance, including grants for the work carried out, are deducted from the cost
- Y** = the number of years the improvement has been in place (with part of a year being rounded up to a complete year) starting on the date the improvement was completed and ending on the date the compensation is claimed
- N** = the notional life of the improvement

Example

Replacement windows were fitted 10 years ago costing £2,000. The notional life of these windows is 20 years.

$$\text{Compensation} = 2000 \times (1 \text{ minus } 10 \div 20 = 0.5)$$

$$2000 \times 0.5 = \text{£1,000}$$

$$\text{Total compensation} = \text{£1,000}$$

Compensation will be reduced if:

- ◆ The cost of the improvement was excessive
- ◆ The improvement is of a higher quality than it would have been if we had carried out the work
- ◆ The improvement has deteriorated at a faster rate than the notional life in the table above
- ◆ There are rent or service charge arrears, rechargeable repairs or court costs owing to us on your account

Compensation may be **increased** if the improvement has deteriorated at a slower rate than the notional life in the table above.

An improvement will not qualify for compensation if:

- ◆ It not in keeping with the rest of the property
- ◆ It would have been carried out in our planned improvement programme within five years
- ◆ It will make the property difficult to re-let in the future
- ◆ It will be unduly expensive to maintain

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