

Housing Costs – Joint Tenancies

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Introduction

A joint tenant is someone who legally shares responsibility for a property and for paying rent.

A joint tenancy is where more than one person is liable for the rent. If a group of friends share a house and are all listed on the same tenancy agreement, they are joint tenants. However, if they each have a separate tenancy agreement they are not classed as joint tenants.

The tenancy agreement should be checked for any notification of a joint tenancy, any discrepancies should be queried by contact with the landlord or relevant local authority point of contact.

Universal Credit checks the claimant has been asked and has answered the question: 'what is the number of people that are living with them?'

Untidy Tenancies

An 'untidy tenancy' is one in which a joint tenant(s) has left the property and is not paying rent, if, for example, a relationship has broken down, but the landlord is unable to remove them from the tenancy for legal reasons.

Universal Credit would normally divide the rental liability equally among joint tenants when calculating housing costs. Universal Credit provisions can sometimes allow a claimant to be treated as liable for rent which they do not have a formal liability to pay. In such 'untidy tenancy' cases, this provision can be used to allow the housing costs to be calculated based on the full rent, despite a claimant having shared liability for the rent under a joint tenancy. These circumstances occur more often in the social rented sector.

Costs

When calculating the costs for housing, no rooms are allocated for joint tenants outside of the extended benefit unit (EBU). The only joint tenants in the EBU would be a claimant couple.

The Removal of the Spare room subsidy does not apply to joint tenants, except where they are a couple in the same benefit unit.

Housing costs will normally be split equally between joint tenants, although there is discretion to adjust this in certain circumstances, for example, different size bedrooms.

Illustrative example

Will shares a house with 3 friends. All 4 people are listed on the tenancy agreement; therefore they are all joint tenants. The Universal Credit housing costs are divided by 4, assessed at that rate and usually allocated equally.

However decision makers can change this, if appropriate. For example, joint tenants may pay different rates, reflecting the size of the property and the number of occupants.

All 4 tenants could be eligible for Universal Credit if they applied independently. A non-dependant can only be linked to one Universal Credit claim, in this case.

Permitted Occupiers

If people are named on a tenancy as a permitted occupier, for example, they have been given permission to live at a property; they are not liable for rent or eligible to claim Universal Credit housing costs.

For example, a claimant and his wife are both named on the tenancy as permitted occupiers; they are not classed as joint tenants.

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