



Department  
for Work &  
Pensions

# Housing Costs & Universal Credit



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# Housing Element

You can get help paying for your housing if you're [eligible for Universal Credit](#). This is called your housing payment.

Your housing payment can help you pay your:

- [rent to a private landlord](#)
- rent and service charges if you [rent from a housing association or local authority](#), for example council housing
- service charges if you or your partner [own the property you live in](#)

Once you've started claiming you need to [report any changes in your circumstances](#). If you do not, your benefits may stop.

# Claiming Housing Costs



When you make a new claim for Universal Credit your housing costs will usually be paid as part of your Universal Credit payment. If you are receiving Housing Benefit, the Department for Work and Pensions will contact your local authority to stop your Housing Benefit payments. At this point you will receive an additional payment of 2 weeks' worth of Housing Benefit to support you as you move to Universal Credit.



It is your responsibility to make sure you pay your rent and other housing costs to your landlord in full. If you are having trouble managing your money, or live in Scotland, you can ask to have your housing costs paid straight to your landlord. Talk to your work coach, use your journal or call the [helpline](#) for more information.



If you are making a new Universal Credit claim it may be 5 weeks until you receive your first payment. It's a good idea to tell your landlord that you are claiming Universal Credit so that they understand your situation. You will need to tell them that you have made a new claim to Universal Credit and that a claim for housing costs has been included as part of your claim.

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# Information you need to make a claim

If you are applying for housing costs for rented property as part of your Universal Credit claim, you will need to bring evidence of how much your rent is to your new claim interview. This could be:

- a current tenancy agreement
- a current rent statement
- a current rent book, or
- a signed letter from your landlord

If you live in social rented property you won't need to bring this information to your new claim interview. Instead you will enter details of your housing costs online, and the Department for Work and Pensions will contact your landlord to confirm that these are correct.

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# Types of Housing Costs



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# Mortgages

If you have a mortgage, Universal Credit may provide help towards the cost of your mortgage payments. It may also be able to help with loans (up to £200,000) you have taken out that use your property as security.

To get this help you will need to provide evidence of your mortgage or loan. This could be:

- a mortgage agreement
- a current mortgage statement
- a loan agreement, or
- bank statements showing the payment of the mortgage or loans

Help with mortgage payments or loans is provided as a loan. You will only be asked to pay back this loan if the property it was claimed for is sold or transferred to someone else. If you're buying a new home you may be able to transfer the loan to it. You can choose to pay the loan back early if you wish.

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# Mortgages

You can only get help with mortgage payments if you have been claiming Universal Credit for 13 weeks or more, with no breaks or earned income in that time. Earned income can include earnings from paid work or, for example, statutory sick pay or tax rebates.



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# Shared Ownership Schemes

A shared ownership scheme is usually provided by housing associations where you part rent and part buy your home. You normally have to pay a mortgage amount and a rent amount. If you get help with this, your Universal Credit housing costs payment will include help towards your rent amount with any help towards your mortgage interest usually being paid direct to your mortgage lender.



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# Renting from your Local Authority & Service Charges

Your landlord will be sent a housing costs verification HCV form. Once they've completed it and sent it back, it will be checked against your claim and uploaded to your online account.

Some people are expected to pay a service charge on their rented property, in addition to their normal monthly rent. If you have to pay a service charge this will be shown on your service charge statement from your landlord. Universal Credit can help towards this cost, but you will need to show evidence of any service charges that you have to pay.

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# Paying rent on 2 homes

Universal Credit can help towards the costs of 2 homes if:

- a family is too large to live in one home
- a family member leaves their home through fear of violence or abuse, but intends to return, or...
- a family member who receives a benefit because of disability has to wait to move into their new home because it needs to be adapted for them to live in it

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# Rented Accommodation

The amount of housing support you receive is based on the size of the property that you need.

The following are expected to share a bedroom:

- an adult couple

- 2 children under 16 of the same gender

- 2 children under 10 (regardless of gender)

The following can have their own bedroom:

- a single adult (16 or over)

- a child that would normally share but shared bedrooms are already taken, for example you have 3 children and 2 already share

- a couple or children who cannot share because of a disability or medical condition

- an overnight carer for you, your partner, your child or another adult – this is only if the carer does not live with you but sometimes has to stay overnight

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# Spare Bedrooms

The amount you receive towards your housing costs may be reduced if your home has spare bedrooms.

**If you pay rent to a local authority, council or housing association** you will get your full rent as part of your Universal Credit payment. This will be reduced by 14% if you have one spare bedroom, or 25% if you have 2 or more spare bedrooms. This is known as Removal of the Spare Room Subsidy.

Your Universal Credit housing costs may also be reduced if someone aged 21 or more lives with you who is not a dependant.

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# Spare Bedrooms

**If you pay rent to a private landlord** the amount of Universal Credit housing costs you receive will be worked out by looking at the number of people who live in your home. The actual size of your home doesn't matter – the amount you get will be calculated by how many people live there. So if you have spare bedrooms you will only get housing costs to cover a smaller property. The amount you get is set by the [Local Housing Allowance](#) rate in your area.

There are a number of circumstances which allow for an additional bedroom, such as where a member of the household is unable to share due to disabilities or where someone requires and receives overnight care on a regular basis providing, they meet the qualifying criteria.

Your Universal Credit housing costs may also be reduced if someone aged 21 or more lives with you who is not a dependant.

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# Temporary accommodation

If you live in temporary accommodation and make a new Universal Credit claim, your payment will not include an amount to help towards your housing. You will need to claim [Housing Benefit](#) from the local authority who placed you in temporary accommodation to get help with your housing costs. You can still receive Universal Credit to help with your other costs.

If you already receive help with temporary accommodation housing costs through Universal Credit this will continue until there is a change to the amount of rent you pay. If that happens you will need to claim Housing Benefit as well as Universal Credit.

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# Supported or sheltered housing

You can apply for Universal Credit to help with living costs. Whether it can help with housing costs depends on your accommodation and how it supports you.

You can apply for Universal Credit to help with housing costs if both apply:

- you live in supported or sheltered housing
- you're not getting 'care, support or supervision' through your housing

You cannot get Universal Credit to help with housing costs if any of the following apply:

- you're living in supported or sheltered housing (such as a hostel) which provides you with 'care, support or supervision'
- you're living in temporary accommodation, such as a B&B arranged by your council
- you're living in a refuge for survivors of domestic abuse

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# Your Circumstances





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# If you are under 35 years old and you live in private housing

If you do not live with a partner, the most you can usually get is based on the cost of renting a room in a shared house in your area, even if you do not live in shared housing. This is called the Local Housing Allowance shared accommodation rate (SAR).

The amount you get is set by the [Local Housing Allowance](#) rate in your area.

There are circumstances in which you may be able to receive higher housing payments, for example if you are responsible for a child, have a disability, or are a care leaver.

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# If you live with someone who is 21 or older

If you live with someone who is 21 or older who is not your partner, your housing payment will usually be reduced.

Universal Credit will see someone of 21 years of age as an adult who needs to contribute towards housing costs.



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# If you live with someone who is 21 or older

Your payment will not be reduced if you're any of the following:

- getting the care component of Disability Living Allowance (DLA) at the middle or highest rate
- getting the daily living component of Personal Independence Payment (PIP)
- getting Attendance Allowance
- getting Armed Forces Independence Payment
- registered as blind
- getting Pension Credit
- getting Attendance Allowance
- getting Armed Forces Independence Payment
- getting Carer's Allowance
- responsible for a child under 5
- a member of the armed forces away on operations, and is your child or step-child
- your sub-tenant, lodger or boarder
- a prisoner

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# Help with managing housing payments



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# If you are behind on your rent

If you are 2 months or more behind on your rent, your landlord can apply to have the housing costs part of your Universal Credit paid directly to them. If you fall behind on your rent you may want to talk to your landlord about this.

This is one of the ways in which Universal Credit payments can be changed to help you manage your money. To find out more see the section on [Alternative Payment Arrangements](#)

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# If you are behind on your utility bills

Utility bills are for water, gas and electricity. It's up to you to pay these out of your Universal Credit payments, and if you don't pay them in full your suppliers could cut them off.

If you are struggling to manage your payments and are in danger of being cut off, it may be possible for part of your Universal Credit to be paid straight to your utility supplier. Talk to your work coach if you would like to know more about this.

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# Local Council Tax Reduction

If you receive Universal Credit you may have to pay less in Council Tax. This will depend on your circumstances and where you live.

You can start the process to [apply for Local Council Tax Reduction](#) on GOV.UK. It will take you to your local council's website, which will tell you what you need to do.

If you are claiming Universal Credit for the first time you should apply for Local Council Tax Reduction straight away, as many local councils will not backdate it for you. You do not need to wait until your claim for Universal Credit has been approved or paid.

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# Discretionary Housing Payment

If changes to your benefits mean you receive less money, you may be able to get extra help towards your housing costs from your local council. These are called Discretionary Housing Payments.

You will need to contact your Local Authority to find out more.

