

How your rent is set 2010-11

This leaflet explains how we set our rents. The government requires housing associations and councils to follow a single formula for setting their rents so that the different landlords in a particular area charge similar rents for similar homes. They have set a formula for calculating rents that all housing associations and councils must follow.

How are assured rents calculated?

The rent formula is based on a combination of property values, average earnings and the size of the property.

This formula generates a target rent for each property. Housing associations and councils must move the rent charged for each property towards its target rent over a period of 10 years from April 2002 for general needs tenants and from April 2003 for supported housing tenants.

Each year the target rent for each property increases by inflation (September RPI) plus 0.5%.

To keep rents affordable the government has also set caps for different sized homes. These increase by inflation plus 1% each year.

In 2010-11 the caps are:

- £113.32 for a bedsit or one bedroom home
- £119.98 for a two-bedroom home
- £126.65 for a three-bedroom home
- £133.31 for a four-bedroom home
- £139.97 for a five-bedroom home
- £146.64 for a 6-bedroom or larger home

Will there be a big increase in my rent each year?

In order to protect tenants from excessive rent increases the maximum increase allowed each year is inflation plus 0.5% plus £2 per week. This means that in April 2010 the maximum rent increase was minus 0.9% plus £2 per week. For example, if your rent in March 2010 was £80 per week, the highest it could be from April 2010 would be £81.28. If your rent was above the target or cap at April 2010 it was frozen at its existing level.

When do I find out what my new rent is each year?

We send out rent increase notifications for assured tenants by

early March every year. If you are a secure tenant you will receive your rent increase notification according to your usual date of increase.

Does this rent setting policy affect all assured tenants?

Some tenants currently have their rent set in different ways due to particular local reasons but these will move to the standard system over time.

I am a secure tenant. How is my rent set?

Your rent is set by the Government Rent Officer and Circle Anglia has a policy of applying for registration at the assured rent level for a property. Like assured tenants your annual rent increase is also restricted to inflation plus 0.5% plus £2 per week.

I have a furnished tenancy. How does this affect me?

Your weekly furniture charge is based on the cost of the furniture you have and is charged on top of the rent calculation.

What about service charges?

Some tenants, particularly those who

live on an estate, pay for services provided to communal areas, such as cleaning or gardening. We set variable service charges that reflect the actual cost of providing these services. Service charges are separate from the rent calculation. You will receive notification of any changes to your service charge in March each year, either included in your annual rent increase letter or as a separate letter if your rent does not increase in April.

I am a new tenant. How does this affect me?

For new tenants, the law prevents landlords from increasing the rent within the first year of the tenancy. The first rent increase you will get will be in the second April of your tenancy.

However, some tenancies allow for an increase on the first Monday in April after the start of the tenancy. Please refer to your tenancy agreement and contact your landlord if you have any questions.

How does Circle Anglia spend the rent it charges?

We spend your rent money on managing and maintaining our