

## Key information sheet

# How your rent is set 2011-12



### How are rents calculated for assured tenants?

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. This might be higher or lower than the rent you pay at the moment. We have to move your rent towards this target by March 2012 for general needs tenants and by March 2013 for supported housing tenants.

Each year the target rent for each property increases by inflation (which is measured by the Retail Price Index in the previous September) plus 0.5%.

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

In 2011-12 the caps are:

|                          |         |
|--------------------------|---------|
| Bedsit or 1-bedroom home | £119.67 |
| 2-bedroom home           | £126.70 |
| 3-bedroom home           | £133.74 |
| 4-bedroom home           | £140.78 |
| 5-bedroom home           | £147.81 |
| 6 or more bedrooms       | £154.85 |

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

In order to protect tenants from large rent increases, the maximum increase allowed each year is limited to inflation plus 0.5% plus £2 per week. This means that in April 2011 the maximum rent

increase was 5.1% plus £2 per week.

Example:

If your rent in March 2011 was £80 per week, the highest it could be from April 2011 would be £86.08.

If your rent was above the target or cap at April 2011 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 we have 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 do you spend my rent?**

We spend your rent money on managing and maintaining our homes. Every year the costs of these go up which is why your rents have to increase also. We are committed to providing you with the best possible value for money.

## **What can I do if I disagree with my rent charge?**

If you are an assured tenant and you disagree with the individual rent set for your home you can appeal to the Rent Assessment Committee. If you are a secure tenant you can appeal to the Rent Officer. If you want to appeal you should seek advice from a law centre or Citizens Advice Bureau.

Rent Assessment Committee

0845 600 3178

Rent Officer (Valuation Office Agency)

0845 026 4696

## **Where can I find out more information?**

Please get in touch. If you are having any difficulty in paying your rent please contact us for advice