

SETTING YOUR RENT PAYMENTS

Normally, annual rent rises match the rate of inflation in the prior September, plus 1%.

As detailed below, this would have meant a rent increase of 11.1% this year (2023/24 rent year)

However, to protect customers from cost-of-living pressures, Government decided that rents could be increased by a maximum of 7%.

We set your rent payments for your home in accordance with Government regulation.

The key regulatory documents are:

- The Rent Standard, and
- The Policy statement on rents for social housing; and

The framework requires us and all other social landlords to set a 'formula rent' for each of our properties when a property is let. Formula rent is calculated using the following factors:

- National average rent
- National and local average earnings
- Number of bedrooms in property
- Value of property
- National average value of property.

The framework then also allows us to increase the rent annually:

- For social housing tenants, the maximum amount of increase in the net rent is the annual change in the consumer price index ("CPI") in September last year, plus 1%.
However, for rent increases between 1 April 2023 and 31 March 2024, rent increases are being capped at 7% as per the Government's instruction. This is because the usual increase level of CPI plus 1% would amount to a 11.1% increase, which in light of the cost of living crisis is considered too high.
Service charges for our social rent tenancies are variable service charges and based on actual costs incurred in a previous 12-month period.
- For affordable rent tenants, the maximum amount of increase of the total rent (i.e., including the cost of services) is the annual change in the CPI in September last year, plus 1%, as with social rent tenants.
However, for rent increases between 1 April 2023 and 31 March 2024, rent increases for affordable rent tenants are also being capped at 7% as per the Government's instruction and for the reasons stated above.

Despite rents being capped we have tried to balance a rent increase and rising costs, to avoid large rises, keep services running, and maintain an appropriate level of investment in homes.

Please note that the rent cap of 7% increase will apply to the 2023/24 rent year only, and future increases will be in accordance with government guidance as above.

For more information, please refer to our Rent Setting policy which can be found on our website.