

HRA Rent Setting Report - Rent Summary

Historic Rent Regime Weekly Rents - Formula, Current and Proposed Social Rents

- The Historic Rent Regime levels are slightly lower than Target Formula Rent
- It is estimated that approximately 2000 HRA dwellings are currently paying Target Formula Rents with approximately 400 dwellings per year transferring from the historic rents policy

Number of Bedrooms	2021/22	2022/23	2022/23	
	Historic Rents - Weekly Rent - Averages	Historic Rents - Proposed Weekly Rent - Averages	Proposed Average Weekly Rent 4.1% (CPI 3.1% + 1%)	Increase in
Studio	£63.81	£66.43	£2.62	4.1%
1	£80.44	£83.73	£3.30	4.1%
2	£88.46	£92.08	£3.63	4.1%
3	£100.13	£104.24	£4.11	4.1%
4	£109.24	£113.71	£4.48	4.1%
5	£148.29	£154.37	£6.08	4.1%
Averages Based on all HRA Social Rent Stock	£90.39	£94.09	£3.71	4.1%

Target Formula Weekly Rents - Formula, Current and Proposed Social Rents

- From April 2016 the national rent policy was updated with all NEW Social Rent Tenancies being charged Target Formula Social Rent
- Target Formula rents are applied when a dwelling becomes void and re-let, existing tenancies prior to this policy change continue under the historic rent regime with inflation linked in line with national rent policy

Number of Bedrooms	2021/22	2022/23	2022/23	
	Target Formula Rent - Averages	Target Formula Rent - Proposed Weekly Rent - Averages	Proposed Average Weekly Rent 4.1% (CPI 3.1% + 1%)	Increase in
Studio	£67.27	£70.03	£2.76	4.1%
1	£85.84	£89.36	£3.52	4.1%
2	£94.19	£98.05	£3.86	4.1%
3	£107.87	£112.29	£4.42	4.1%
4	£120.46	£125.40	£4.94	4.1%
5	£163.55	£170.25	£6.71	4.1%
Averages Based on all HRA Social Rent Stock	£96.72	£100.69	£3.97	4.1%

"Warwick" Affordable Rent - Existing Schemes Only from April 2021

- Prior to April 2021 "Warwick Affordable Rents" were charged which was a local policy to charge a mid point between National Affordable Rents and Target Social Rent
- In 2020 Homes England Investment Partner Status was achieved so National Affordable Rents will now apply from April 2021 on all new Affordable tenancies
- Existing tenants will continue to pay "Warwick Affordable Rents" for the remainder of their tenancy to ensure financial hardship is not caused by this policy change
- The average market rent for "Warwick Affordable Rent" Schemes is based on independent valuations prepared upon completion of Sayer Court (2016) and Bremridge Close (2019) by a RICS registered Valuer.
- The average market rent is based on median weekly rents data from Hometrack .
- Affordable rent is calculated at 80% of the market rent
- "Warwick" affordable rent is calculated at the midpoint between affordable rent and target social rent
- Some affordable rents properties are subject to a service charge of £7.39 per week

Number of Bedrooms & Property Type (sc/B denotes different schemes)	2021/22 Rent Per Week	2022/23 Rent Per Week		
	Average "Warwick" Affordable Rent (existing tenancies)	Warwick Affordable Rent *** (existing tenancies Only)	Average Proposed increase for Existing Tenants Only from 1st April 2021	
1 Apartment (SC)	£109.54	£114.03	£4.49	4.1%
2 Apartment (SC)	£132.84	£138.29	£5.45	4.1%
2 Bungalow (SC)	£144.77	£150.71	£5.94	4.1%
3 Bungalow (SC)	£169.82	£176.78	£6.96	4.1%
2 House (B)	£129.60	£134.92	£5.31	4.1%
3 House (B)	£152.13	£158.37	£6.24	4.1%
2 Bungalow (B)	£129.60	£134.92	£5.31	4.1%

National Affordable Rent - New Affordable Schemes from April 2021

- National Affordable Rents Policy will apply to all Affordable Tenancies from April 2021.
- Historic Affordable Housing Stock currently paying "Warwick Affordable" Rents will transfer to the National Affordable rent levels when dwellings become void and are re-let.
- Affordable rent is calculated at 80% of the market rent using the Average Market Rents sourced from Hometrack for the Warwick District area at December 2020

Existing Tenancies

Number of Bedrooms	2021/22 Rent Per Week		2022/23 Rent Per Week		
	Average Local Market Rent (Hometrack Dec 2020)	Average Affordable Rent - 80% of local Market Rent	Average Affordable Rent - 80% of local Market Rent	Proposed increase for Existing Tenants Only	2022/23 Proposed Average Increase in Weekly Rent 4.1% (CPI 3.1% + 1%)
1	£159.00	£127.20	£132.42	£5.22	4.1%
2	£196.00	£156.80	£163.23	£6.43	4.1%
3	£259.00	£207.20	£215.70	£8.50	4.1%
4	£350.00	£280.00	£291.48	£11.48	4.1%

New Tenancies from April 2022

Number of Bedrooms	2022/23 Rent Per Week	
	Average Local Market Rent (Hometrack Dec 2021)	Average Affordable Rent - 80% of local Market Rent
1	£162.00	£129.60
2	£206.00	£164.80
3	£283.00	£226.40
4	£391.00	£312.80

5 Bed Properties

11 Campion Terrace £131.25 (target rent £174.91)
2 Lancaster Place £113.65 (target rent £131.04)
8 Regent Street £112.25 (target rent £174.91)
173 Rugby Road £173.35 (target rent same) sublet to Coventry Cyrenians Ltd
Average Weekly Rents

	Current Year 2021/22	Current Year 2021/22
	Old Rent Regime	Target Formula Rents
	131.25	174.91
	113.65	131.01
	174.91	174.91
	173.35	173.35
	148.29	163.55

RE: 5 Bed Housing Rents Query - Message (HTML)

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RE: 5 Bed Housing Rents Query

hsgfin
To: Victoria Bamber
Cc: Anna Monkton; Dominic Linton; Daniel Leach

Not Classified
You replied to this message on 27/01/2022 10:07.

From: Victoria Bamber <Victoria.Bamber@warwickdc.gov.uk>
Sent: 25 January 2022 17:42
To: hsgfin <hsgfin@warwickdc.gov.uk>
Cc: Anna Monkton <Anna.Monkton@warwickdc.gov.uk>; Dominic Linton <Dominic.Linton@warwickdc.gov.uk>
Subject: 5 Bed Housing Rents Query

Hello Housing Finance


I am just pulling together the Appendices for the Rent setting report and was wondering if you could let me know the weekly rents for the 5 bedroom houses in the Social housing stock, I have it noted that we only have 4x 5 Bed houses which is skewing my rent %'s so I was wondering if you could please send me a list of their current weekly rents please? Could you also advise if they are under the old rent policy or the new Target Formula rent policy?

I would be very grateful for your help

Many thanks

Victoria Bamber CMA Dip MA
Principal Accountant – (Housing & Property Services)

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