

WDC HRA Rent Setting Report - Rent Comparisons 2024/25

Comparison to Local Market Rents - WDC Historic Rents Regime - Average Rents

- The overall average rents charged for HRA dwellings are compared with the average market rents
- Median local average private market rents (as at December 2019) from Hometrack
- The Council currently charges Historic Social Rent, Target Formula Social Rent, "Warwick Affordable Rents", National Level Affordable Rents (From April 2021) - All are inflated by (CPI+1%)
- Shared Ownership Rents are excluded from this exercise, existing Shared Ownership will be inflated by (RPI+0.5%) an new Shared Ownerships will be inflated by (CPI+1%) in line with the lease agreement

| Number of Bedrooms | 2023/24 WDC Proposed Average Weekly Rent (inflated by 7% Rent Cap) | 2024/25 WDC Proposed Average Formula (Target) Rent (inflated by CPI+ 1%) | Hometrack Local Average Weekly Market Rent (Dec 2023) | Difference between Proposed WDC Rent and Market Rent | Proposed 2024/25 WDC Rent as a % of Market Rent |
|---|--|--|---|--|---|
| 1 Bedroom | £91.88 | £98.95 | £183.00 | -£84.05 | 54% |
| 2 Bedroom | £100.53 | £108.27 | £242.00 | -£133.73 | 45% |
| 3 Bedroom | £111.89 | £120.51 | £323.00 | -£202.49 | 37% |
| 4 Bedroom | £121.57 | £130.93 | £414.00 | -£283.07 | 32% |
| Average 2024/25 Proposed WDC Rent as a % of Market Rent | | | | | 42% |

Comparison to Local Market Rents - Target Formula 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
- It is estimated that approximately 1600 HRA dwellings are currently paying Target Formula Rents

| Number of Bedrooms | 2023/24 WDC Average Formula (Target) Rent | 2024/25 WDC Proposed Average Formula (Target) Rent (inflated by CPI+ 1%) | Hometrack Current Local Average Weekly Market Rent (Dec 23) | Difference 2024/25 WDC Formula Rent to Market Rent | 2024/25 WDC Formula Rent as a % of Market Rent |
|--------------------|---|--|---|--|--|
| 1 Bedroom | £96.84 | £104.30 | £183.00 | -£78.70 | 57% |
| 2 Bedroom | £105.22 | £113.32 | £242.00 | -£128.68 | 47% |
| 3 Bedroom | £119.43 | £128.63 | £323.00 | -£194.37 | 40% |
| 4 Bedroom | £143.06 | £154.08 | £414.00 | -£259.92 | 37% |

Comparison to Local Market Rents - Affordable Rents (National Level)

- Prior to April 2021 "Warwick Affordable Rents" were charged but Homes England Investment Partner Status was achieved in 2020 so National Affordable Rent applies from April 2021 on all new Affordable tenancies

| Number of Bedrooms | 2023/24 Hometrack Local Average Weekly Market Rent (Dec 23) | 2024/25 Affordable Rent 80% Local Market Rent | Difference 2024/25 Affordable Rent to Local Market Rent | 2024/25 Affordable Rent as a % of Market Rent |
|--------------------|---|---|---|---|
| 1 Bedroom | £183.00 | £146.40 | -£36.60 | 80% |
| 2 Bedroom | £242.00 | £193.60 | -£48.40 | 80% |
| 3 Bedroom | £323.00 | £258.40 | -£64.60 | 80% |
| 4 Bedroom | £414.00 | £331.20 | -£82.80 | 80% |

Comparison to National Formula Rent Caps - Target Formula Rent

- Annual Target Formula Rent Caps represent the highest possible rents that can be charged to Social Housing tenants.
- The Rent Cap Data is as per the Regulator of Social Housing Publication "Limit on annual rent increases 2021-22"
- Formula Rent Caps are applicable from the 1st April each year

| Number of Bedrooms | Target Formula Rent Caps for 2024-25 (Dec 23) | WDC Average Formula Rents 2024/25 | Difference between WDC Average Formula Rents and Rent Cap | WDC Rents as a % of Formula Rent Caps |
|--------------------|---|-----------------------------------|---|---------------------------------------|
| 1 Bedroom | £188.04 | £104.30 | -£83.74 | 55% |
| 2 Bedroom | £199.09 | £113.32 | -£85.77 | 57% |
| 3 Bedroom | £210.15 | £128.63 | -£81.52 | 61% |
| 4 Bedroom | £221.19 | £154.08 | -£67.11 | 70% |

Comparison to Local Housing Allowance Limit - Target Formula Rent

- LHA (Local Housing Allowance) is the cap for housing benefit for those who rent privately, subject to other eligibility criteria.
- Rates shown are for the Warwickshire South Broad Rental Market Area, December 2020 sourced from the Valuation Office Agency via Direct Gov
- LHA does not apply to council tenants; it is shown to illustrate the highest rents that can be supported by housing benefit in the private rented sector.

| Number of Bedrooms | LHA Local Housing Allowance Limit ** (Dec 2022) | WDC Average Formula Rents 2024/25 | Difference between WDC Average Formula Rents and LHA | WDC Rents as a % of LHA Rent Caps |
|--------------------|---|-----------------------------------|--|-----------------------------------|
| 1 Bedroom | £143.84 | £104.30 | -£39.54 | 73% |
| 2 Bedroom | £172.60 | £113.32 | -£59.28 | 66% |
| 3 Bedroom | £207.12 | £128.63 | -£78.49 | 62% |
| 4 Bedroom | £276.16 | £154.08 | -£122.08 | 56% |