

WDC HRA Rent Setting Report - Rent Comparisons 2023/24

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 and inflated by RPI+0.5% in line with the lease agreement

Number of Bedrooms	2022/23 WDC Average Weekly Rent	2023/24 WDC Proposed Average Weekly Rent (inflated by 7% Rent Cap)	Hometrack Local Average Weekly Market Rent (Dec 2022)	Difference between Proposed WDC Rent and Market Rent	Proposed 2022/23 WDC Rent as a % of Market Rent
1 Bedroom	£83.73	£89.60	£173.00	-£83.40	52%
2 Bedroom	£92.08	£98.53	£219.00	-£120.47	45%
3 Bedroom	£104.24	£111.54	£300.00	-£188.46	37%
4 Bedroom	£113.71	£121.67	£392.00	-£270.33	31%
Average 2022/23 Proposed WDC Rent as a % of Market Rent					41%

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	2022/23 WDC Average Formula (Target) Rent	2023/24 WDC Proposed Average Formula (Target) Rent (inflated by CPI+ 1%)	Hometrack Current Local Average Weekly Market Rent	Difference 2023/24 WDC Formula Rent to Market Rent	2023/24 WDC Formula Rent as a % of Market Rent
1 Bedroom	£89.36	£95.62	£173.00	-£77.38	55%
2 Bedroom	£98.05	£104.91	£219.00	-£114.09	48%
3 Bedroom	£112.29	£120.15	£300.00	-£179.85	40%
4 Bedroom	£125.40	£134.18	£392.00	-£257.82	34%

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	2023/24 Affordable Rent 80% Local Market Rent	Difference 2023/24 Affordable Rent to Local Market Rent	2023/24 Affordable Rent as a % of Market Rent
1 Bedroom	£173.00	£138.40	-£34.60	80%
2 Bedroom	£219.00	£175.20	-£43.80	80%
3 Bedroom	£300.00	£240.00	-£60.00	80%
4 Bedroom	£392.00	£313.60	-£78.40	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 2023-24 + 7% Rent Cap as data not yet published.	WDC Average Formula Rents 2023/24	Difference between WDC Average Formula Rents and Rent Cap	WDC Rents as a % of Formula Rent Caps
1 Bedroom	£166.63	£95.62	-£71.02	57%
2 Bedroom	£176.41	£104.91	-£71.50	59%
3 Bedroom	£186.21	£120.15	-£66.06	65%
4 Bedroom	£196.00	£134.18	-£61.82	68%

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 2023/24	Difference between WDC Average Formula Rents and LHA	WDC Rents as a % of LHA Rent Caps
1 Bedroom	£143.84	£95.62	-£48.22	66%
2 Bedroom	£172.60	£104.91	-£67.69	61%
3 Bedroom	£207.12	£120.15	-£86.97	58%
4 Bedroom	£276.16	£134.18	-£141.98	49%