

## A Guide to the Calculation of Rents for 2010/11

Rents are set at an amount to cover the cost of providing homes, managing and improving them for tenants.

Daventry and District Housing must follow government rules in setting rents, which require a target rent to be established for each property based on:

- The size of the property (number of bedrooms)
- The value of the property (set by an independent valuation)

This means that larger properties in areas where property is more expensive will have higher target rents than smaller properties in areas where property is less expensive.

Similar properties of the same size in a street may have slightly different target rents if they have slight differences that affect the property value. For example – an end terrace property may have a higher rent than a mid terrace.

In September 2009, the Government set the Retail Price Index (RPI) (Inflation) which was -1.4% plus 0.5%.

### Target Rents

For those tenants who's property has already reached the target rent their rent is calculated as follows:-

Current Rent + Retail Price Index (RPI) which was -1.4% at September 2009 + 0.5%

This means that their rent for 2010/11 will have decreased as September's RPI was a minus.

### Tenants who are not yet paying the Target Rent

For those tenants who are not yet paying the target rent, their rent is calculated as follows:-

Current Rent + Retail Price Index (RPI) which was -1.4% at September 2009 + 0.5% + £2.17 per week.

This means that their rent for 2010/11 will be increased.