

How rents are calculated

Rent calculations

In April 2002, Wakefield Council introduced a new way of working out rents in line with Government rent restructuring guidelines.

This new method was introduced so there would be a consistent approach to setting rents across the country. The rules apply to both Councils and Housing Associations and are aimed at harmonising rents between the two sectors.

Wakefield and District Housing (WDH) is a Housing Association which is currently registered with the Homes and Communities Regulatory Committee, so the rent restructuring rules continue to apply to us.

What does rent restructuring mean?

The rent restructuring formula works out a rent for each property based on a number of factors. These include the value of the property and the number of bedrooms.

Because the rent from the formula may be different from the rent people are already paying, the Government gave Councils and Housing Associations ten years to introduce the changes. This is so all the rents should be at the same level as the target rent by April 2012. However, because of certain circumstances a large number of WDH properties will take longer to reach their target rent.

How will it affect me?

When we consulted all our tenants about the proposed stock transfer, we made some promises:

- Existing tenants at the time of transfer

One promise was that we would continue to carry out rent restructuring, but there would be safeguards built into the process. In this way no one's rent could increase more than inflation, plus 0.5% plus £2.17 each week (on a 48 week basis). This promise has been and will be kept.

If your rent is not already at the target level, your annual rent increase will be made up of an inflationary increase, plus the adjustment towards the target rent.

The overall effect of these two must not be more than the maximum increase, as the promise to tenants (that is, it cannot be more than inflation, plus 0.5% plus £2.17 each week).

If you are already at your target rent, then the increase will be limited to inflation plus 0.5% each year.

- **New tenants joining WDH after transfer**

New tenants who move into a WDH property and were not a Council tenant at transfer, will begin to pay the target rent immediately.

The annual rent increase will then be limited to inflation plus 0.5% each year, as for existing tenants who are already at their target level.

If property values affect my rent, does this mean it will be going up at the same rate as house prices are going up?

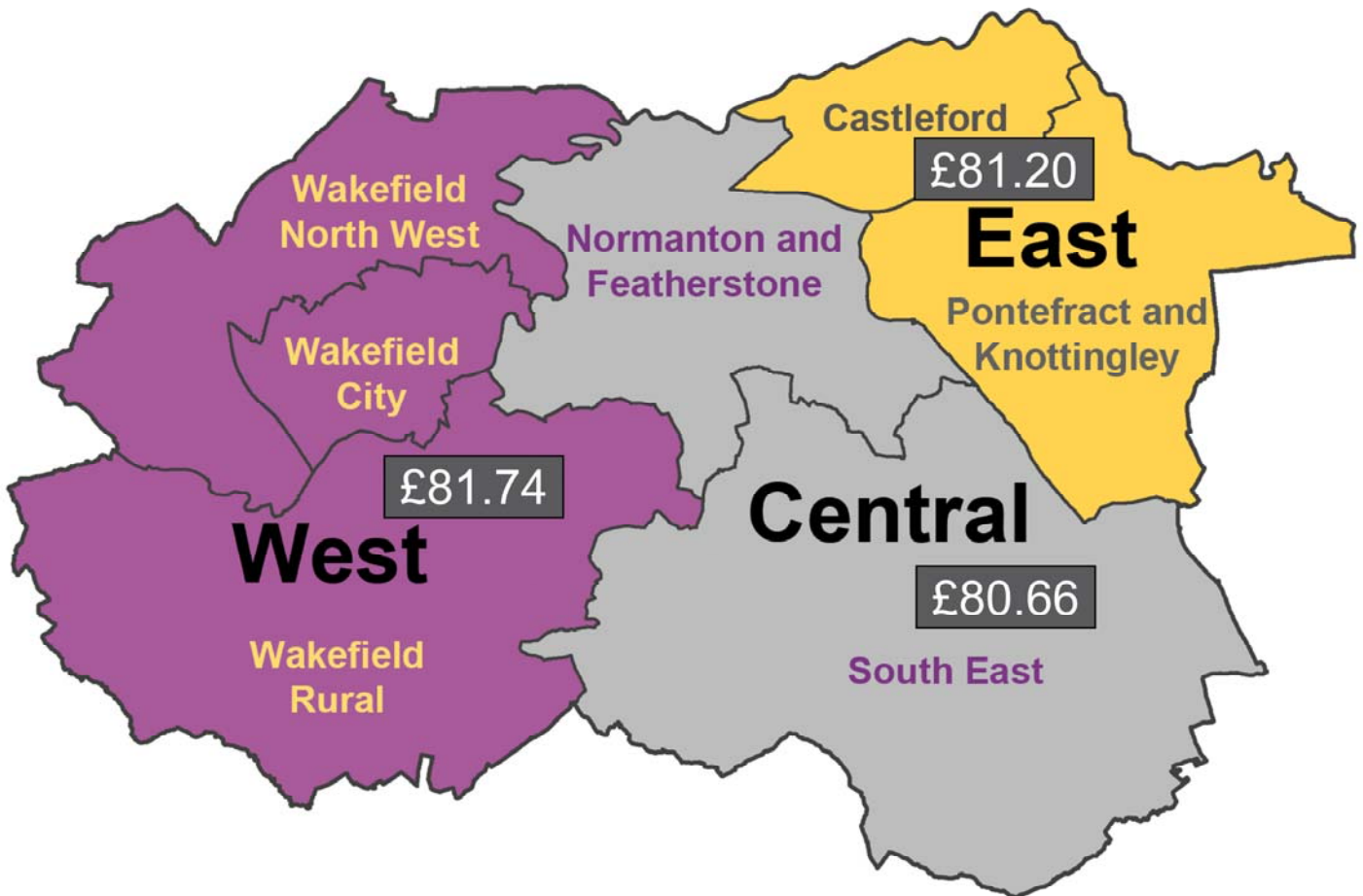
The answer is no. It is true the rent restructuring formula does use property values when working out rents. To ensure that all Councils and Housing Associations set their rents on a similar basis, they must use the property values based on a common point in time, this was January 1999.

To make sure this is done properly, property values are calculated by professional external valuers. They look at the current value of properties, and then backdate the value to January 1999 levels by looking at things, such as how local house prices have increased.

Because the value used in the formula is the one at January 1999, this means the effect of large increases in-house prices will not affect your rent.

What is the average rent level for 2012 / 2013, and how do these vary across the Wakefield district?

The following diagram shows the 2012 / 2013 average rent (excluding service charges) for properties at 4 April 2012 in each of the three Management Areas:



The 2012 / 2013 overall average rent for properties at 4 April 2012 is £81.27

Additional charges

As well as rent, you may also pay service charges. These are for services which may not be provided to everyone, or may be for shared facilities rather than for a particular home. Some tenants may receive different types of service according to their needs.

WDH will only make a service charge where it is considered necessary to do so.

Examples of service charges include:

- the cost of meals within Extra Care schemes;
- using the Care Link alarm system;
- use of communal facilities within a sheltered scheme;
- district heating.

WDH ensures that all service charges represent value for money, are based on high standards and are in line with current good practice. This is achieved by calculating charges to show the economic cost of providing the service to everyone who uses it.

Housing Benefit

Housing Benefit is available to eligible tenants to help with rent and Council Tax payments. To register a claim for Housing Benefit, either:

- complete a Housing and Council Tax Benefit application form, available from your local service access point or by phone from OneCALL - 0845 8 507 507
- call in or write to ask for an application form from
Wakefield Council Housing and Council Tax Benefit Section
Civic Centre, Ferrybridge Road, Castleford WF10 4JH

Completed forms can be handed in to your nearest local service access point or the Housing and Council Tax Benefit Section Civic Centre reception.

Want to know more?

If you have any questions about rent calculations, please contact your local service access point, or phone OneCALL on 0845 8 507 507.

**We are committed to providing equal access to information.
If you would like this information in another format, such as large print,
please phone us on 0845 8 507 507.**