



## **Haig Housing Rent Setting: Our Policy**

When setting rents, Haig Housing aims to ensure that rent levels are affordable and that the geographical spread of the Trust's homes and the facilities provided in each home are taken into account. Rental income must be at a level to provide sufficient income to enable Haig Housing to manage, maintain, repair and improve its properties and to meet the Trust's financial commitments to lenders.

Haig Housing is committed to follow Government guidelines on setting rents.

This leaflet is designed to provide information for tenants on how Haig Housing sets rents for each property.

A full copy of the Rent Setting Policy is available from Haig Housing – please see over for details

## HOW RENTS ARE CALCULATED

The Government aims for social housing rents to be, on average, below those in the private sector for similar properties and which reflect size, property value and local earnings.

Haig Housing achieved this target by March 2012 using the regulator's Target Rent Formula to calculate rents. This formula aims:

- to ensure that rents are set on a consistent and non-subjective basis for all properties
- to ensure that rents remain affordable, competitive and fair to all tenants

### The 'Target Rent' Calculation

The Target Rent is the net weekly rent for a property and is calculated as follows:

70% of the average rent for Housing Association Sector  
X relative county earnings  
x bedroom weight + 30% of the average rent for the HA sector  
X relative property value

## RENT INCREASES/DECREASES

In any one year, the maximum annual increase/decrease in rent is determined by Trustees

Where improvements are carried out by the Trust, eg installation of central heating, increases will be applied on the next rent review date immediately following the improvement work

## WHAT RENT COVERS

### Basic Rent

This covers the cost of management, maintenance and improvement of all Trust properties, including paying mortgages and private loans.

The basic rent also contributes to a 'surplus fund', which is used when major repairs are needed.

### Service Charges

This charge, which is reviewed annually, is added to the basic rent and pays for local services e.g. gardening, cleaning and lighting to the communal areas.

Haig Housing's Service Charge Policy is available on a separate leaflet. Garages are also charged for separately.