

RENT EXAMPLES

Example 1 - Rent Reduction

£:p

1	Formula Rent 2009/10	50.15
2	Actual Rent 2009/10	51.11
3	Formula Rent 2010/11 (less 0.9%)	49.70
4	Actual Rent Reduced by 0.9% = Base	50.65
5	Difference between Formula and Base (3 minus 4)	-0.95
6	1/3 of Difference in 5	-0.32
7	Actual Rent 2010/11 (4 add 6)	50.33
8	Difference in Rent 2009/10 to 2010/11 (7 minus 2)	-0.78

Example 2 - Maintain Current Rent

£:p

1	Formula Rent 2009/10	56.81
2	Actual Rent 2009/10	55.86
3	Formula Rent 2010/11 (less 0.9%)	56.30
4	Actual Rent Reduced by 0.9% = Base	55.36
5	Difference between Formula and Base (3 minus 4)	0.94
6	1/3 of Difference in 5	0.31
7	Actual Rent 2010/11 (4 add 6)	55.67
8	Difference in Rent 2009/10 to 2010/11 (7 minus 2)	-0.19

Still below formula

Example 3 - Constrained Rents

£:p

1	Formula Rent 2009/10	79.35
2	Actual Rent 2009/10	64.52
3	Formula Rent 2010/11 (less 0.9%)	78.64
4	Actual Rent Reduced by 0.9% = Base	63.94
5	Difference between Formula and Base (3 minus 4)	14.70
6	1/3 of Difference in 5	4.90
7	Actual Rent 2010/11 (4 add 6) - before cap	68.84
8	But Maximum (- 0.9% + £2 on £64.52) is Actual rent 10/11	65.94
9	Difference in Rent 2009/10 to 2010/11 (7 minus 2)	1.42
10	"Lost" rent per week (7 - 8)	2.90