

How we calculate your rent

How it works now

When we took over the management of Manchester City Council's housing stock in 2003, we gave all tenants that transferred a guarantee that their rent would not go up more than inflation + 50p each year, for the first five years following transfer. We also made a promise not to introduce any new service charges during this period.

We have kept this promise, which ends on the 7 September 2008.

How it will change

We have got to change the way we calculate the rent we charge for each of our properties - this process is known as 'Rent Restructuring'.

Using an agreed formula this will identify a 'target rent' for each property. This new method of calculating the 'target rent' is based on factors such as the value of your home as at January 1999, the number of bedrooms and local wage levels.

The target rent is based on two elements:

- 70% of the target rent is based on average earnings in Manchester (this figure is adjusted to reflect the number of bedrooms in a property). This percentage of the target rent is fixed and **cannot** be changed.
- 30% of the target rent is based on the open market value of properties in January 1999, which takes account of size and location. This percentage of the target rent **can** change depending on property values.

The Government's regulations only allow this 'target rent' to vary by 5%.

We remain committed to keeping our rents affordable. Rent re-structuring will mean that the rent for some of our tenants may rise. We have until March 2012 to implement the rent restructuring.

Why is it to change?

In April 2000, the Government introduced a requirement for what is known as 'Rent Restructuring' for social landlords such as Eastlands Homes to;

- Make rents fairer and help tenants to understand how rents are calculated.
- Reduce the difference between rent charged by different councils and landlords across the country.
- Make sure that rents reflect the size, location and condition of homes.

How our rent increases are approved

Our Board (which includes five tenant directors) approves our budgets annually, including rent levels. Rent increases will normally be effective from the first Monday in April each year and will be subject to controls imposed by the Government and will also be regulated by the Housing Corporation.

What this means for you

Your rent will continue to increase every year in line with our guarantee, but the increases from 2008 will now be based on our new rent plan that takes account of Government requirements. These changes will not affect your entitlement to Housing Benefit.

Contacting **Eastlands Homes: Call Eastline** (0161) 274 2390, **8.00am – 5.30pm weekdays**

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