

## 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%)	<b>49.70</b>
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)	<b>50.33</b>
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%)	<b>56.30</b>
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)	<b>55.67</b>
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%)	<b>78.64</b>
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	<b>68.84</b>
8	<b>But Maximum (- 0.9% + £2 on £64.52) is Actual rent 10/11</b>	<b>65.94</b>
9	Difference in Rent 2009/10 to 2010/11 (7 minus 2)	1.42
10	<b>"Lost" rent per week (7 - 8)</b>	<b>2.90</b>