

**PRIVATE SECTOR RENT LEVELS  
(Report by the Head of Customer Services)**

**1. INTRODUCTION**

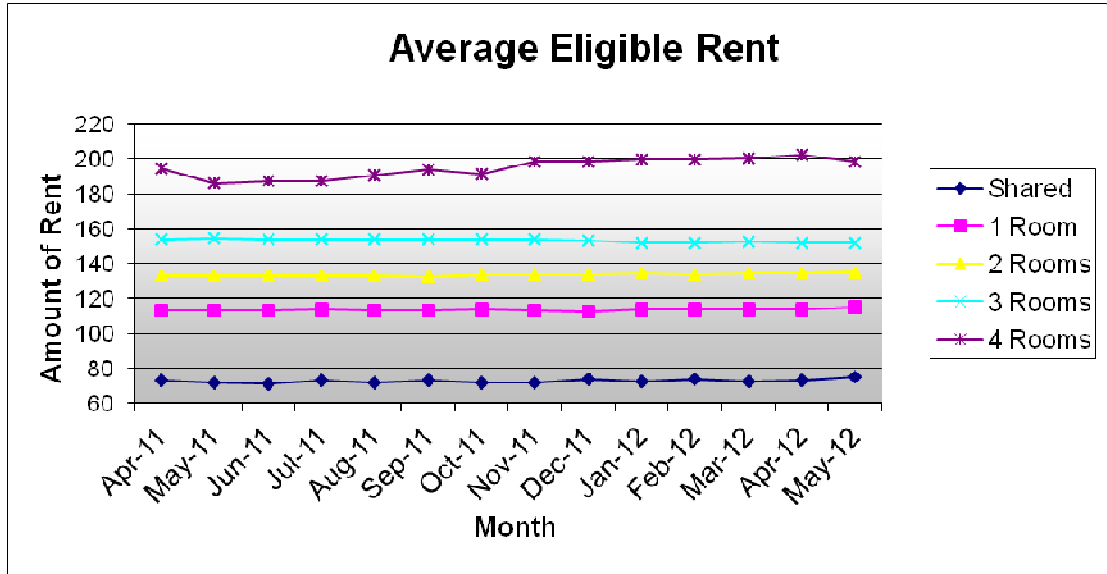
- 1.1 The Government's policy on the welfare reforms relating to the Housing Benefit system is partly based on the belief that Housing Benefit has driven private sector rent increases in recent years. The Social Well Being Panel received a report at its June meeting updating on the position on the number of households affected by the range of welfare reforms.
- 1.2 The Panel has also requested quarterly updates on rent levels within Huntingdonshire, in particular whether the rent levels charged by landlords are reducing in light of the changes within the Housing Benefit system.

**2. RENT LEVELS FOR HOUSING BENEFIT CLAIMANTS**

- 2.1 The welfare reforms relating to Housing Benefit offered a period of 'transitional protection' for existing claimants. This means that although changes were introduced in April 2011 most existing claimants who are due to have a reduction in their entitlement will not experience this until nine months after the review date of their claim (which means it will be sometime between January and December 2012).
- 2.2 Landlords may, therefore, not have existing tenants who have yet had a reduction in the Housing Benefit and had the need to discuss whether they would be willing to reduce the rent they charge their tenant.
- 2.4 Anecdotal evidence on the rent levels that landlords are charging on properties coming to the market also suggests that there has been little or no movement in market rent levels on re-lets.
- 2.5 The table below and accompanying graph shows the rent levels charged for Housing Benefit claimants, by size of property, since April 2011. These show that for each property size rent levels have remained constant, or even increased, since the Government introduced the reforms.

	<b>Average Eligible Rent in Benefit Calculation</b>				
	<b>Shared</b>	<b>1 Room</b>	<b>2 Rooms</b>	<b>3 Rooms</b>	<b>4 Rooms</b>
Apr-11	73.36	113.16	133.09	153.72	194.85

May-11	72.00	113.40	133.37	154.49	186.10
Jun-11	71.58	113.34	133.05	153.75	187.38
Jul-11	73.04	113.63	133.13	154.25	187.38
Aug-11	72.19	113.17	133.08	154.25	190.97
Sep-11	73.12	113.24	132.93	154.28	193.87
Oct-11	72.15	113.65	133.66	153.90	191.24
Nov-11	72.02	113.15	133.87	153.68	198.49
Dec-11	73.88	112.92	134.12	153.07	198.44
Jan-12	72.51	113.76	134.46	152.00	200.09
Feb-12	73.59	114.05	134.09	151.75	200.18
Mar-12	72.83	113.65	134.59	152.57	200.84
Apr-12	73.37	113.67	134.42	151.91	202.28
May-12	75.46	115.20	135.40	151.98	198.89



**3. CONCLUSION**

4.1 For existing private sector tenants, and for properties that are becoming available to let, there is no evidence to suggest that landlords are adjusting their rents downwards as a result of the changes to the Housing Benefit system, although the rent for larger properties has dropped slightly.

**4. RECOMMENDATION**

4.1 The Panel is asked to note the contents of this report and receive quarterly updates on this issue.

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