

Housing associations and the movement to target rents, 2006 to 2007

**Chihiro Udagawa
December 2007**

Further Information:
Dataspring,
Cambridge Centre for Housing and Planning Research,
University of Cambridge,
19 Silver Street, Cambridge,
CB3 9EP
Tel: 01223 337118
www.dataspring.org.uk



This paper compares actual net rents to target rents as at 31 March 2006 and 31 March 2007 and examines the extent to which actual rents have moved towards target rents. It also describes the annual change in gross rents for the period 1 April 2006 to 31 March 2007.

Key findings

- In 2007 the average actual rent (excluding service charges) for England was £66.67 and the average target rent was £69.68. At the national level the gap between the average actual and target rents has marginally widened from £2.74 in 2006 (target 4.3% higher than actual rent) to £3.01 in 2007 (target 4.5% higher than actual rent).¹
- In 2007, in all regions, with the exception of London, the difference between the regional average actual rent and the target rent was 5% or less. In London the average target rent (£89.24) was 9.4% above the average actual rent (£81.60). This is a smaller percentage difference than in the previous year (10.8%). In the rest of the country outside London the average difference was 3.3%.
- In 2007, London had a large proportion (15.7%) of average target rents reported by individual HAs that were above the rent cap which limits the actual rent on individual properties. Other regions were less affected by the potential rent cap - in the South East 3.5% of reported average target rents were higher than the rent cap and in all other regions the proportion was less than 1%.
- At the local authority area level, the number of local authorities where the HA average actual rent for two bedroom properties was within $\pm 5\%$ of target rent rose to 209 out of 354 local authorities (59.0%) in 2007 from 196 (55.4%) in 2006.
- The number of local authorities where the HA average actual rent was more than 10% **below** target fell from 32 (9.0%) in 2006 to 30 (8.5%) in 2007. In 2007 the majority of such local authorities were either in Central or London (9 local authorities in each region).
- The number of local authorities where the HA average actual rent was more than 10% **above** target fell from 22 (6.2%) in 2006 to 7 (2.0%) in 2007.

¹ The comparison this year is based on Housing Associations with 1000 plus properties which filled in the long RSR form in both years.

- A higher proportion of average actual rents reported by individual housing associations were within $\pm 10\%$ of target rents in 2007 (78.7%) than in 2006 (72.8%). This improvement can be observed across all property sizes comparable with previous year's categorisation.
- Focusing on the differences between average actual and target rents reported by individual housing associations for two bedroom properties:
 - In 2007 a higher proportion of average actual rents for two bedroom properties were within $\pm 10\%$ of target (77.6%) than in 2006 (72.9%).
 - Large-sized HAs (5,000-9,999 units) reported the highest proportion of average actual rents within $\pm 10\%$ of target (80.7% in 2007). This was followed by Medium-sized HAs (1,000-4,999 units) (79.9% in 2007).
 - In 2007 a higher proportion of LSVT HAs reported average actual rents that were within $\pm 10\%$ of target (79.0%) than non - LSVTs (77.4%).
 - In 2007 the proportion of BME HAs reporting average actual rents that were within $\pm 10\%$ of target (79.8%) was higher than the equivalent for non - BME HAs (77.6%).
- Across all social general needs tenancies, the average gross rent increase over the year to 31 March 2007 was 4.0%, above the guideline limit for net rents of 3.2%. However this is not unexpected given increases in service charges.

Introduction

In April 2002 the Government introduced the rent-restructuring regime (*Quality and choice: A decent home for all*, DETR, 2000) with the aim of bringing greater coherence to rents in the social housing sector. From 1 April 2002 housing associations (HAs) have been required to calculate a target rent for each of their social housing properties and to adjust the actual net rent to meet the target rent in real terms over a ten-year period.² At the end of the ten-year restructuring period rents on individual properties should normally be within a band of five percent either side of the target rent.

Housing associations calculate the target rent for each property using the formula and data set out in the *Guide to Social Rent Reforms* (DTLR, December 2000). The formula is based on a 70/30 split between relative county earnings and the relative value of each individual property, together with a bedsize weighting to help create differentials between property sizes. In order to mitigate the effect of the formula on a small proportion of properties in high value areas, all target rents are subject to a rent cap that varies by property size. In 2006/07 the rent cap was £97.83 for bedsits and one bedroom properties, £103.57 for two bedroom, £109.33 for three bedroom, £115.08 for four bedroom, £120.83 for five bedroom and £126.59 for six or more bedrooms.³ Both target rents and rent caps are set in relation to net rents, i.e., exclusive of service charges.

To avoid excessive year-on-year increases in rents whilst allowing gradual convergence between actual rents and target rents, the Government sets a guideline limit for rent increases in any one year of RPI (all items) +0.5 percent. In addition, individual property rents may change by up to a further plus or minus £2 per week to enable the move to target rents. For the period 1 April 2006 to 31 March 2007 the guideline limit was 3.2% (2.7% + 0.5%).⁴

HAs are not compelled to increase actual rents to meet target rents (or rent caps), providing that they are able to fulfil their commitments to tenants, lenders and other stakeholders, as well as meeting future repairing obligations on their stock. By the same token, where target rents are lower than actual rents, HAs can reduce actual rents to meet target in less than ten years, providing they can continue to meet their commitments.

The analysis looks first at national, regional and local authority patterns of average actual and target rents and examines whether there has been a general movement towards target rents over 2006 to 2007; and second at the comparison between actual and target rents in both 2006 and 2007, with respect to property size and type and size

² The Government recognises that a very small proportion of HAs will be prevented for financial reasons from completing their restructuring within ten years. Those that are unable to do so are permitted, with agreement from the Housing Corporation, to adhere to restructuring plans that deliver as much progress as is considered possible. In addition some HAs (for example some LSVT HAs) have been permitted to defer the implementation of target rents although they should still aim to achieve target rent levels by the end of the implementation period in March 2012 if possible.

³ See Housing Corporation; *Circular 04/06r: Rents, Rent Differentials and Service Charges for housing associations*; November 2006.

⁴ Ditto.

of housing association. Finally, it describes the annual change in gross rents (i.e. rents plus service charges) between 31 March 2006 and 31 March 2007.

Methodology

Movement to target rent analysis (Tables 1 to 5 and Map 1)

- Data for target rent analysis are taken from Part I of the 2006/07 Regulatory and Statistical Return (RSR) and 2005/06 RSR.⁵
- For 2006/07, HAs that reported their target rents in the long version of the RSR (Part I) and made a valid return are analysed.
- For 2005/06, among HAs that reported their target rents in the long version of the RSR (Part I) and made a valid return, HAs that own or manage 1,000 units (i.e. homes and/or bedspaces, including shared ownership dwellings) or more are analysed.⁶
- Only self-contained stock is included.
- Data include social general needs housing.
- Estate Renewal Challenge Fund stock is included.
- Target rents are compared to net rents (average assured and secure weekly rents combined – service charges are excluded).⁷
- All rent data are expressed in pounds (£s) per week.

Increase in gross rents (Table 6)

- Data for rent increase analysis are taken from Part H of the 2006/07 RSR and 2005/06 RSR.⁸
- For 2006/07, HAs that reported their target rents in the long version of the RSR (Part H) and made a valid return are analysed.
- For 2005/06, among HAs that reported their target rents in the long version of the RSR (Part H) and made a valid return, HAs that own or manage 1,000 units (i.e. homes and/or bedspaces, including shared ownership dwellings) or more are analysed.⁹
- Data include social general needs housing.
- Estate Renewal Challenge Fund stock is excluded.
- Rent increases cover the period 1 April 2006 to 31 March 2007. Percentage change in rents is calculated on gross rents, that is, average assured and secure weekly rents combined plus service charges eligible for housing benefit.
- All rent data are expressed in pounds (£s) per week.

⁵ Data are as reported by HAs. Extreme values as well as values which are associated with those outliers (in total 4 values from 1 case in 2005/06 RSR and 52 values across 13 cases in 2006/07 RSR) were excluded from the analyses in order to avoid any possible biases.

⁶ In general, HAs that own or manage 1,000 units or more completed the long version of the RSR 2006/07, while HAs with 250 or more units filled the long version of RSR 2005/06. For comparability, therefore, HAs that owned or managed 1000 units or more (including staff housing) and all parent HAs of a group structure were selected from RSR 2005/06. Source: RSR 2005/06 Parts A, B and C2.

⁷ Due to rounding at the data process stages, percentage figures may contain .1-errors.

⁸ Data are as reported by HAs. Extreme values as well as values which are associated with those outliers (in total 12 values from 2 cases in 2006/07 RSR) were excluded from this table in order to avoid any possible biases.

⁹ As Footnote 6.

Regional average actual rents and target rents

Comparison of the differences between average regional actual rents and target rents in 2006 and 2007 gives a broad indication as to whether actual rents are converging towards target rents. Table 1 describes average regional and national actual and target rents as at 31 March 2007 and 31 March 2006. The final column shows how much of a difference exists between the regional (and national) average actual rent and target rent in 2007 and in 2006. The difference is calculated by subtracting the average actual rent from the average target rent and is expressed as a percentage of actual rent. A negative percentage indicates that the average actual rent is higher than the average target rent.

The data indicate that all regions in England except London kept their differences between the regional average actual rent and the target rent within a $\pm 5\%$ range. London, however, witnessed convergence to target rents between 2006 and 2007. In 2007, the difference between the regional average actual rent and the target rent in London (9.4%) narrowed by 1.4 percentage points. In the South East (1.9%), South West (1.1%), and the North (5.0%) the gap widened from the previous year by 1.4, 0.3 and 0.8 points respectively. The equivalent for Central region (3.2%) decreased by 0.1 points from the previous year.

Although the difference between the regional average actual rent and the target rent in London was more than 5%, the average actual rent for London, in effect, does not need to make a large upward adjustment to meet target. This is because London had a relatively large proportion (15.7%) of the average target rents reported by individual HAs that were above the rent cap, which limits the target rent on individual properties according to property sizes.¹⁰ Other regions were less affected by the rent cap - in South East 3.5% of reported average target rents were higher than the rent cap and in all other regions the proportion was less than 1%.

At the national level the gap between the actual net rent and the target rent has marginally widened from £2.74 in 2006 (target 4.3% higher than actual rent) to £3.01 in 2007 (target 4.5% higher than actual rent).

¹⁰ Based on the number of cases reported, i.e., not on a stock base.

Table 1 Average regional actual (net) rents and target rents (£s per week) at 31 March 2007 and 31 March 2006

	Average actual rent for region	Average target rent for region	Percentage difference ^a
	2007 2006 £	2007 2006 £	2007 2006
HC investment region			
London	81.60	89.24	9.4%
	77.95	86.35	10.8%
South East	77.40	78.87	1.9%
	74.93	75.34	0.5%
South West	66.77	67.51	1.1%
	64.52	64.02	-0.8%
Central	63.87	65.92	3.2%
	61.16	63.17	3.3%
North	57.35	60.19	5.0%
	55.37	57.72	4.2%
England	66.67	69.68	4.5%
	64.40	67.14	4.3%
England excluding London	63.79	65.90	3.3%
	61.66	63.23	2.5%

Note: The difference is calculated by subtracting average actual rent from average target rent and is expressed as percentage of actual rent. A negative percentage indicates that the average actual rent is higher than the average target rent.

Differences in average actual rents and target rents for two bedroom properties by local authority area

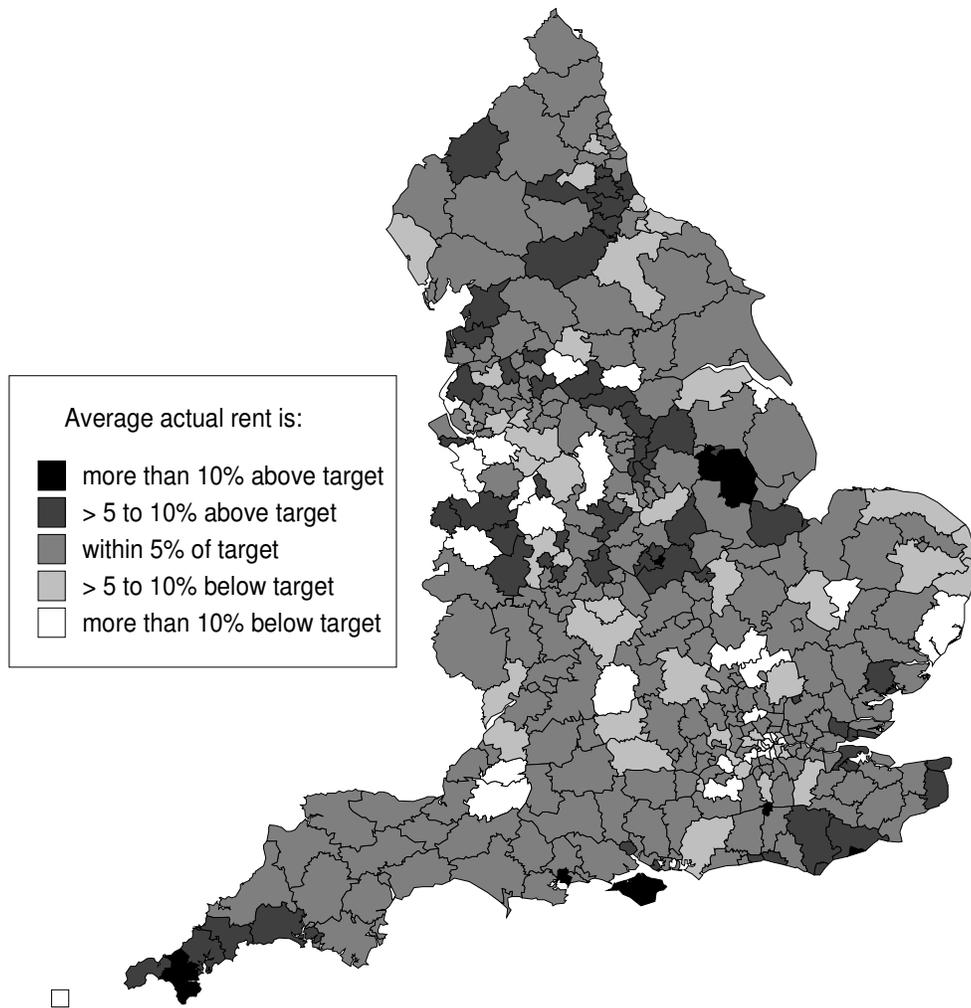
Map 1 illustrates the variation in the differences between average actual and target rents across England at the local authority level as at 31 March 2007. Two bedroom properties are selected as an example because they form the largest proportion (37.0% in 2007) of self-contained target rent stock.¹¹

The difference for each local authority area is calculated by subtracting its average actual rent from its average target rent and is expressed as a percentage of the average actual rent. The map groups the average percentage differences for the 354 local authority areas into five bands:

- Average actual rent is > 10% **above** the average target rent
Percentage of local authorities 2006: 6.2%
Percentage of local authorities 2007: 2.0%
- Average actual rent is >5% to 10% **above** the average target rent
Percentage of local authorities 2006: 18.1%
Percentage of local authorities 2007: 17.2%
- Average actual rent is within $\pm 5\%$ of the average target rent
Percentage of local authorities 2006: 55.4%
Percentage of local authorities 2007: 59.0%
- Average actual rent is >5% to 10% **below** the average target rent
Percentage of local authorities 2006: 11.3%
Percentage of local authorities 2007: 13.3%
- Average actual rent is > 10% **below** the average target rent
Percentage of local authorities 2006: 9.0%
Percentage of local authorities 2007: 8.5%

¹¹ The second largest proportion was three bedrooms property (36.5%).

Map 1 - Difference in average actual rents and average target rents for two bedroom properties by local authority area, 31 March 2007



The number of local authorities where the HA average actual rent was within $\pm 5\%$ of target rent rose to 209 out of 354 local authorities (59.0%) in 2007 from 196 (55.4%) in 2006. However, with the exception of London and North, every region had at least one local authority in every band of difference. None of the local authorities in London had an HA average rent that was more than 5% **above** the average target rent. In North, there were no local authorities having an HA average rent that was more than 10% **above** the average target rent.

The number of local authorities where the HA average actual rent was more than 10% **below** target fell from 32 (9.0%) in 2006 to 30 (8.5%) in 2007. In 2007 the majority of such local authorities were either in Central or London regions (9 local authorities for each region).

The number where the HA average actual rent was more than 10% **above** target fell from 22 (6.2%) in 2006 to 7 (2.0%) in 2007. Of the 7 local authorities, 3 were in South East and 2 each in Central and South West regions.

Differences in average actual rents and target rents by property size and type and size of housing association

This section examines the differences between average actual and target rents in 2007 in comparison with 2006 by:

- Bedsize
- Size of HA (for two bedroom properties)¹²
- LSVT HAs and non - LSVT HAs (for two bedroom properties)
- BME and non - BME HAs (for two bedroom properties)

HAs report average target and actual rents by bedsize for each local authority area in which they own stock in Part I of the RSR. The unit of analysis used in Tables 2 to 5 is the percentage difference between the reported average actual and target rent. Thus an HA that owns two bedroom properties in six different local authority areas contributes six cases to the data presented in the tables. The percentage differences for each case are grouped into one of three categories:

1. Average actual rent is more than 10% **above** the average target rent
2. Average actual rent is within $\pm 10\%$ of the average target rent
3. Average actual rent is more than 10% **below** the average target rent

Columns two to four of Tables 2 to 5 show the percentage of cases falling within each of the three categories of actual to target rent difference. The final column gives the number of cases included in the analysis.¹³ Cases that fall within the middle category have an average actual rent that is already close to, or on target. Cases falling within the other two categories have an actual rent that requires more adjustment in order to converge with the target rent.

¹² Two bedroom properties are selected as an example because they form the largest proportion of stock.

¹³ It should be noted that each case represents an average that is based on varying quantities of stock. Depending on the degree of rental variation an HA has within each property size and local authority, the average may or may not be an accurate reflection of all their rents.

Difference between average actual and target rents by property size

Table 2 gives a breakdown of the three categories of actual to target rent difference by size of property. A higher proportion of average actual rents reported by individual housing associations were within $\pm 10\%$ of target rents in 2007 (78.7%) than in 2006 (72.8%). This improvement can be observed within all bedsizes (see Column 3 of Table 2).

The data suggest that there was particularly rapid progress of 8.2 percentage points for three bedroom properties (78.1% of reported actual rents were within $\pm 10\%$ of target rent in 2007 compared to 69.9% in 2006). This was followed by two bedrooms, bedsits and one bedroom – the increases were 4.7 points (77.6% in 2007 from 72.9% in 2006), 4.6 points (68.6% in 2007 from 64.0% in 2006) and 4.2 points (76.1% in 2007 from 71.9% in 2006) respectively. The proportions of larger sizes were 72.7%, 55.2% and 41.5% for four bedrooms, five bedrooms and six-plus bedrooms respectively in 2007. The largest three categories had been reported as a single category until last year. 2006 had 66.2% for four-plus bedrooms, while the stock-weighted average of the largest three categories in 2007 was 71.7%.

Table 2 Difference^a between average actual and target rents (percentage of cases^b within each bedsize category) at 31 March 2007 and 31 March 2006

Bedsize	Actual rent more than 10% above target rent	Actual rent within ± 10% of target rent	Actual rent more than 10% below target rent	Total number of cases
Bedsits				
2007	10.3%	68.6%	21.0%	870
2006	9.8%	64.0%	26.2%	867
One bedroom				
2007	11.8%	76.1%	12.1%	3077
2006	14.3%	71.9%	13.8%	3037
Two bedrooms				
2007	12.2%	77.6%	10.2%	3748
2006	15.5%	72.9%	11.6%	3708
Three bedrooms				
2007	10.6%	78.1%	11.4%	3478
2006	18.7%	69.9%	11.4%	3435
Four-plus bedrooms^c				
2007 ^d	9.5%	71.7%	18.8%	2134
2006	18.9%	66.2%	14.9%	2084
Four bedrooms^c				
2007	9.1%	72.7%	18.2%	2093
2006	N/A	N/A	N/A	N/A
Five bedrooms^c				
2007	11.6%	55.2%	33.2%	674
2006	N/A	N/A	N/A	N/A
Six-plus bedrooms^c				
2007	18.0%	41.5%	40.5%	289
2006	N/A	N/A	N/A	N/A
All properties				
2007	10.4%	78.7%	10.9%	4194
2006	15.7%	72.8%	11.5%	4159

Notes

- The difference is calculated by subtracting average actual rent from average target rent and is expressed as percentage of actual rent.
- Each case represents the difference between the average target rent and average actual rent reported by each HA for each of the local authority areas within which it owns stock.
- RSR 2007 has introduced new size categories of four bedrooms, five bedrooms and six-plus bedrooms. Up to RSR 2006, these three had been aggregated into one category of four-plus bedrooms. The figures in the table are based on the number of cases reported, i.e., not on a stock base. This means that simple aggregation of the largest three categories for 2007 cannot be compared with four-plus bedrooms category for 2006 due to double- or triple- counting.
- Thus the four-plus bedrooms category for 2007 is calculated by stock-weighted averages.

Difference between average actual and target rents by size of housing association

Table 3 gives a breakdown of the three categories of actual to target rent differences by size of HA for two bedroom properties. Overall the data indicate that there has been a continued convergence towards target rents.

The most marked improvement was within the very large HA ($\geq 10,000$ units) category. The proportion of average actual rents that were within $\pm 10\%$ of target rent increased by 7.4 percentage points from 67.0% in 2006 to 74.4% in 2007.

Large-sized HAs (5,000-9,999 units) reported the highest proportion of average actual rents within $\pm 10\%$ of target (80.7% in 2007). This was followed by medium-sized HAs (79.9% in 2007).

Table 3 Difference^a between average actual and target rents for two bedroom properties (percentage of cases^b within size^c of HA category) at 31 March 2007 and 31 March 2006

Housing association size	Actual rent more than 10% above target rent	Actual rent within $\pm 10\%$ of target rent	Actual rent more than 10% below target rent	Number of cases
Small				
($<1,000$ units)				
2007	19.2%	69.9%	11.0%	73
2006	18.0%	68.5%	13.5%	89
Medium				
(1,000 – 4,999 units)				
2007	8.6%	79.9%	11.5%	1335
2006	10.5%	76.9%	12.6%	1440
Large				
(5,000-9,999 units)				
2007	11.2%	80.7%	8.1%	830
2006	12.0%	76.9%	11.2%	753
Very large				
($\geq 10,000$ units)				
2007	15.5%	74.4%	10.1%	1510
2006	22.4%	67.0%	10.6%	1426
All Sizes				
2007	12.2%	77.6%	10.2%	3748
2006	15.5%	72.9%	11.6%	3708

Notes

- The difference is calculated by subtracting average actual rent from average target rent and is expressed as percentage of actual rent.
- Each case represents the difference between the average target rent and average actual rent reported by each HA for each of the local authority areas within which it owns stock.
- HA size is calculated on ownership of stock (units and bedspaces, including leasehold housing where less than 100% of the equity has been purchased, but excluding leasehold housing where 100% of the equity has been purchased and excluding staff units). Source: RSR Parts A and B.

Difference between average actual and target rents for two bedroom properties by LSVT and non- LSVT housing associations

In 2007 a higher proportion of LSVT HAs reported average actual rents that were within $\pm 10\%$ of target (79.0%) than non - LSVTs (77.4%).

Over 2006 to 2007, the proportion of average actual rents that were within $\pm 10\%$ of target rent for LSVT HAs increased by 2.6 percentage points, while the equivalent for non - LSVT HAs rose by 5.1 points.

Table 4 Difference^a between average actual and target rents for two bedroom properties (percentage of cases^b within LSVT and non - LSVT categories) at 31 March 2007 and 31 March 2006

Type of housing association	Actual rent more than 10% above target rent	Actual rent within $\pm 10\%$ of target rent	Actual rent more than 10% below target rent	Number of cases
LSVT				
2007	7.1%	79.0%	13.9%	562
2006	9.5%	76.4%	14.2%	529
Non - LSVT				
2007	13.1%	77.4%	9.5%	3186
2006	16.5%	72.3%	11.1%	3179
All types				
2007	12.2%	77.6%	10.2%	3748
2006	15.5%	72.9%	11.6%	3708

Notes

- a. The difference is calculated by subtracting average actual rent from average target rent and expressed as percentage of actual rent.
- b. Each case represents the difference between the average target rent and average actual rent reported by each HA for each of the local authority areas within which it owns stock.

Difference between average actual and target rents for two bedroom properties by BME and non- BME housing associations

In 2007 the proportion of BME HAs reporting average actual rents that were within $\pm 10\%$ of target was 79.8%. The equivalent for non - BME HAs was 77.6%.

Both groups continued to make progress towards target rents over 2006 to 2007. The proportion of average actual rents that were within $\pm 10\%$ of target rent for BMEs increased by 13.1 percentage points, while the equivalent for non - BME HAs rose by 4.5 points.

Table 5 Difference ^a between average actual and target rents for two bedroom properties (percentage of cases^b within BME and non - BME categories) at 31 March 2007 and 31 March 2006

Type of housing association	Actual rent more than 10% above target rent	Actual rent within ± 10% of target rent	Actual rent more than 10% below target rent	Number of cases
BME				
2007	13.1%	79.8%	7.1%	84
2006	13.7%	66.7%	19.6%	102
Non - BME				
2007	12.1%	77.6%	10.3%	3664
2006	15.6%	73.1%	11.3%	3606
All types				
2007	12.2%	77.6%	10.2%	3748
2006	15.5%	72.9%	11.6%	3708

Notes

- a. The difference is calculated by subtracting average actual rent from average target rent and expressed as percentage of actual rent.
- b. Each case represents the difference between the average target rent and average actual rent reported by each HA for each of the local authority areas within which it owns stock.

Changes in gross rents

As we have seen in Table 1, the average net rent in England rose by 3.5% - only slightly above the RPI+1/2% requirement, but reflecting the need to adjust rents towards their target levels. The largest increases were in London and Central regions.

The discussion of rents presented so far relates only to net rents. Tenants actually pay gross rents, i.e. rents including service charges, which may rise at a different rate than net rents. It is therefore important to monitor the changes in rents across the sector including service charges.

Across all social general needs tenancies, the average gross rent increased over the year to 31 March 2007 by 4.0% (see Table 6) – rather above the net rent increase. Even though there are clearly other pressures at play this increase is reasonably close to the bounds set at the national level in the context of net rents.

Table 6: Average assured and secure gross rent ^a

2006		2007		2006/07		
No. of HAs	Social general needs stock (total units)	Average gross rent	No. of HAs	Social general needs stock (total units)	Average gross rent	Increase
380	1,418,490	66.07	369	1,503,165	68.72	4.0%

Notes:

- a. Average gross rent increase includes service charges eligible for housing benefit.

Conclusion

A comparison of the differences between average actual rents and average target rents in 2006 and 2007 indicates a mixed picture of progress – the differences in three out of five regions across England were slightly wider than the year before but kept within a $\pm 5\%$ range; in one region the difference marginally decreased; in the remaining region, London, the difference was still above 5% but this had narrowed as compared to the previous year. At the national level, the difference has therefore slightly increased but remained comfortably within the $\pm 5\%$ range.

At the local authority level the proportions of average actual rents that were within $\pm 10\%$ of target have increased, reflecting continued movement towards target rents.

London and Central regions stood out as having a relatively high proportion of local authorities with average actual rents that would need to increase by more than 10% in order to meet their targets – and as having had the largest rent increases during the year. However, in a number of cases the target rent on an individual property will be subject to the rent cap, which means that the actual rent adjustment must be kept below target. In addition, HAs are not compelled to increase actual rents if they can demonstrate that without such increases they can fulfil their commitments to tenants, lenders and other stakeholders, as well as meet future repairing obligations on their stock.

A detailed examination of differences between actual and target rents for two bedroom properties, by size and type of HA shows that progress has been made almost throughout the sector. In particular very large HAs significantly increased the proportion of average actual rents that were within $\pm 10\%$ of target. Nearly 80% of LSVT HAs and BME HAs also reported average actual rents that were within $\pm 10\%$ of target.

At the national level the overall increase in gross rents, at 4.0% for 2007 is higher than the RPI +1/2% (3.2%) guideline limit for net rents. However it is well within what might have been expected, given increases in service charges.