

Appendix 1 - Example of Rent Calculation
(before and after Scottish Government changes)

	<u>Prior to 1 April 2015*</u>		<u>Effective from 1 April 2015**</u>
Open Market Value	80,000.00		80,000.00
Repairs	6,256.00		6,256.00
Administration	900.00		900.00
Total approved cost	87,156.00		87,156.00
	3,872.84		3,686.40
	net rent as per SG Benchmark £75.23 pw		net rent required £71.61 pw
capitalised rent	68,041.55		64,766.00
Management allowance	330.00		330.00
Maintenance allowance	959.00		959.00
Major repairs allowance	576.00		576.00
Operating costs	1,865.00		1,865.00
Capitalised operating costs	32,766.00		32,766.00
To be funded by rents (borrowin	35,275.55		32,000.00
Grant available	51,880.45	(capped)	55,156.00
Total income	87,156.00		87,156.00
Purchase price	87,156.00		87,156.00
Shortfall	-	Shortfall	0.00

*Scottish Government Benchmark Rent applied prior to 1 April 2015.

** Individual rent calculated from 1 April 2015, with reference to available subsidy and to achieve financially neutral position for HRA.