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

Previous calculation			Effective from 1 April 2015		
Purchase Costs:			Purchase Costs:		
Open Market Value		80,000.00	Open Market Value		80,000.00
Add:			Add:		
Repairs	6,2	256.00	Repairs	6,256.00	
Administration	Q	900.00 7,156.00	Administration	900.00	7,156.00
Total approved cost		87,156.00	Total approved cost	=	87,156.00
Scottish Government Assumptions			Scottish Government Assumptions		
Rent Calculation			Rent Calculation		
Annual Rent (£75.23 per week)	3.9	911.96	Annual Rent (£71.61 per week)	3,723.72	
Less Void allowance (1%)	-	39.12	Less Void allowance (1%)	- 37.24	
Annual Rent less 1% voids allowance		3,872.84	Annual Rent less 1% voids allowance		3,686.48
7 William From 1995 176 Volue allewands		3,372.31	7 Hilliad Holl 1666 176 Volde dile Walled		0,000.10
Capitalised Rent (A)	(A)	68,041.55	Capitalised Rent (A)		64,766.00
Based on SG factor of 17.5689	()	,	Based on SG factor of 17.5689		•
Operating Cost Calculation			Operating Cost Calculation		
Management allowance	3	330.00	Management allowance	330.00	
Maintenance allowance	Ç	959.00	Maintenance allowance	959.00	
Major repairs allowance	5	576.00	Major repairs allowance	576.00	
Annual operating costs		1,865.00	Annual operating costs		1,865.00
Capitalised operating costs (B)	(B)	32,766.00	Capitalised operating costs (B)		32,766.00
Funding of Mortgage to Rent Property			Funding of Mortgage to Rent Property		
Costs to be Funded by Rent (A)-(B)		35,275.55	Costs to be Funded by Rent (A)-(B)		32,000.00
Based on rent of £75.23 per week		00,270.00	Based on rent of £71.61		02,000.00
Scottish Government Funding		51,880.45	Scottish Government Funding		
Open Market Value (60%)			Open Market Value (60%)	48,000.00	
Repairs Costs			Repairs Costs	6,256.00	
Administration			Administration	900.00	
Revised Scottish Government Funding			Revised Scottish Government Funding		55,156.00
Total Funding (£)		87,156.00	Total Funding (£)		87,156.00
Net rent per Scottish Government benchi	mark:	£75.23	Net rent to break even:		£71.61