

Rental income / tenure categories and basis of rent increases

Prepared from the Rent Policy 2026/27. Figures shown reflect the approved 2026/27 rent-setting basis where specified in the policy.

Key point: For 2026/27, the regulated rent increase basis is September 2025 CPI of 3.8% plus 1%, giving 4.8%. The policy also confirms rent convergence of £0 per week for 2026/27.

Detailed table

Rental category / tenure	Basis of rent setting	Basis of annual rent increase
Social Rent	Formula Rent under the Rent Standard. General needs housing is subject to a ceiling of 105% of Formula Rent; supported housing is subject to a ceiling of 110% of Formula Rent.	4.8% for 2026/27, excluding any increase in service charges. Where existing Social Rent is below Formula Rent, convergence applies only at the level permitted by Government. For 2026/27 this is £0 per week. Where rent is above the relevant Formula Rent ceiling, the increase is 3.8% CPI only or aligned to the relevant ceiling.
Affordable Rent	Existing Affordable Rent and new/re-let Affordable Rent are linked to up to 80% of gross market rent, or the level required by a Section 106 agreement where lower.	4.8% for 2026/27, inclusive of any service charge increase. If service charges increase by more than 4.8%, the overall Affordable Rent increase is capped.
Fair Rent for Secure Tenancies	Maximum weekly rent is the lower of the fair rent set by the Valuation Office Agency Rent Officer and Formula Rent, subject to rent caps and rent flexibility.	If a fair rent recalculation is requested, any annual increase is limited to 4.8%, even if the Valuation Office Agency fair rent is higher.
Market Rent / Student Housing	Set by the tenancy agreement and checked against local market appraisal systems so that rent levels are consistent with the local private rented sector.	Increases are in line with the tenancy agreement and/or market appraisal, rather than the Rent Standard CPI + 1% basis.
Shared Ownership	Rent is determined by the individual lease agreed with the customer.	Increases are determined by the lease mechanism.
Intermediate Rent	Applies to eligible sub-market accommodation/keyworker housing and must meet the policy criteria for this tenure.	4.8% each year inclusive of service charges, with the rent level kept in line with any funding or planning obligations that apply.
Rent to Buy	Treated as a regulated rent product.	CPI + 1%, currently 4.8% for 2026/27.
Garages	Separate rent charge for properties that are not homes.	September CPI + 1%, exclusive of VAT where applicable. For 2026/27 this is 4.8%.
Commercial Properties	Rent is determined by the lease.	Increases and reviews are governed by the lease provisions.