

Limit on annual rent increases 2025-26

From April 2025

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1. Annual adjustment of formula rent

- 1.1 In September each year the annual Consumer Price Index (CPI) figure is set which is used to establish the limit on annual rent increases for social housing. This document confirms how much formula rent can be increased by and additional data needed to work out formula rent for new properties. It also contains an adjusted table that includes the formula rent caps.
- 1.2 Full guidance on how to calculate formula rents can be found in the Policy Statement on Rents for Social Housing¹ (Policy Statement) which is published on the Ministry of Housing, Communities and Local Government website. The Policy Statement sets out the government's policy on rents that should be applied in the period 1 April 2025 to 31 March 2026.
- 1.3 The following tables should be considered as an update to the tables found at Appendix A, paragraphs 8 and 11, of the Policy Statement.

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¹Policy statement on rents for social housing - GOV.UK

2. Formula rent inflation

2.1 Subject to the Rent Cap stated below, the following tables must be used to adjust the 2000-01 formula rent to 2025-26 levels.

Table 1: Formula rent inflation

| Year | Inflation | Additional | Total |
|---------|-----------|------------|-------|
| 2001-02 | 3.3% | 1.0% | 4.3% |
| 2002-03 | 1.7% | 0.5% | 2.2% |
| 2003-04 | 1.7% | 0.5% | 2.2% |
| 2004-05 | 2.8% | 0.5% | 3.3% |
| 2005-06 | 3.1% | 0.5% | 3.6% |
| 2006-07 | 2.7% | 0.5% | 3.2% |
| 2007-08 | 3.6% | 0.5% | 4.1% |
| 2008-09 | 3.9% | 0.5% | 4.4% |
| 2009-10 | 5.0% | 0.5% | 5.5% |
| 2010-11 | -1.4% | 0.5% | -0.9% |
| 2011-12 | 4.6% | 0.5% | 5.1% |
| 2012-13 | 5.6% | 0.5% | 6.1% |
| 2013-14 | 2.6% | 0.5% | 3.1% |
| 2014-15 | 3.2% | 0.5% | 3.7% |
| 2015-16 | 1.2% | 1.0% | 2.2% |
| 2016-17 | N/A | N/A | -1.0% |
| 2017-18 | N/A | N/A | -1.0% |
| 2018-19 | N/A | N/A | -1.0% |
| 2019-20 | N/A | N/A | -1.0% |
| 2020-21 | 1.7% | 1.0% | 2.7% |
| 2021-22 | 0.5% | 1.0% | 1.5% |
| 2022-23 | 3.1% | 1.0% | 4.1% |
| 2023-24 | 10.1% | 1.0% | 11.1% |

| 2024-25 | 6.7% | 1.0% | 7.7% |
|---------|------|------|------|
| 2025-26 | 1.7% | 1.0% | 2.7% |

2.2 Different figures applied for the period from 2016-17 to 2019-20 where the type of property concerned was covered by a full or partial exception from the social rent requirements of the Welfare Reform and Work Act 2016:

Table 2: Supported Housing formula rent inflation

| Year | Inflation | Additional | Total |
|---------|-----------|------------|-------|
| 2016-17 | -0.1% | 1.0% | 0.9% |
| 2017-18 | N/A | N/A | -1.0% |
| 2018-19 | N/A | N/A | -1.0% |
| 2019-20 | N/A | N/A | -1.0% |

2.3 The above figures apply to supported housing for the period between 2016-17 to 2019-20 (except domestic violence refuge accommodation, as this is covered in table 3 below).

Table 3: Domestic Violence, almshouse, co-operative or fully mutual and community land trust formula rent inflation

| Year | Inflation | Additional | Total |
|---------|-----------|------------|-------|
| 2016-17 | -0.1% | 1.0% | 0.9% |
| 2017-18 | 1.0% | 1.0% | 2.0% |
| 2018-19 | 3.0% | 1.0% | 4.0% |
| 2019-20 | 2.4% | 1.0% | 3.4% |

2.4 The above figures apply to domestic violence refuge accommodation; almshouse accommodation; accommodation provided by a co-operative housing association or a fully mutual housing association; and accommodation provided by a community land trust between 2016-17 to 2019-20.

3. Rent caps

Table 4: Formula rent caps for 2025-26

| Number of bedrooms | Rent cap |
|--------------------|----------|
| 1 and bedsits | £194.06 |
| 2 | £205.46 |
| 3 | £216.87 |
| 4 | £228.27 |
| 5 | £239.69 |
| 6 or more | £251.10 |



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