Davidson College Faculty/Staff Rental Housing – Rent Formula

(To be given to each new tenant and faculty candidate)

- The faculty/staff rental housing program is an auxiliary budget that must support itself.
- Davidson College follows IRS guidelines, which require that employees pay 5% or more of the appraised value of the property for rent; currently we are using 5%. *Note: Our 2008 research of rental properties in the Davidson area shows this to be approximately 60% of current area rents.*
- Houses are appraised every five years and reappraised if renovation occurs.
- The appraiser studies the property values over the past year and provides a letter for each non-appraisal year stating what the property values have shown for that year and the appraised value is adjusted.
- Example: If a house appraised at $100,000 in the fifth year and the following year the market increase was 6%, the value would be $106,000 x 5% or $5,300 divided by 12 months which equals $442 for the base rent of that property. If it is a property that consists of equal or different sized units, we convert the square footage to a percentage of the house used and apply this percentage to the formula.
- Some properties share utilities (electricity, gas, water/sewer) and separate metering is not possible. We use the past year’s history and project an average monthly cost that is added to the rent. If it is a furnished apartment used by different people each semester, a $ value is added in for furnishings, replacement, depreciation, etc.
- Davidson College maintains the grounds of each rental unit, carries a pest control contract for roaches, ants, mice, etc at no additional charge. (Flying insects such as wasps, yellow jackets, honey bees, flies, are normally the responsibility of the tenant. Flea control (when tenant owns a pet) is the responsibility of the pet owner.) Garbage and recycling pick up is provided by the contractor hired by the Town of Davidson.
- Tenants should obtain renters insurance.