

Rent Survey



Ferguslie Park
Housing Association



Rent Information

We have produced this leaflet in relation to your rent and the potential increase from April 2023. As you know, in most years your rent increases. This is to keep up with changing costs to the Association. We do know that this year is different from most years in living memory.

There is a pressure on the Association to increase rents to maintain services and investment in homes. However, we know that has an impact on tenants. This leaflet is intended to layout some of the issues we are facing and to also seek your opinions and views.

We can assure you that these views are not ignored and play an important role in any decision on rent increases.

What is Rent?

As a tenant you pay rent to the Association to live in your home. Rent is the main income that the Association gets. We sometimes get small grants to help with some other works however this is very small in comparison to rents. Therefore, whatever we invest in services and houses is based on the income from rent.

How is rent calculated?

Rents are generally based on the size of your home. In general, with FPHA the more rooms you have the higher the rent level.

What does rent pay for?

Rent goes towards a few key things which are as follows:

- Investment in the Houses – New Kitchen, Bathrooms, Heating, Windows etc
- Staff Costs
- Ongoing Repairs and Maintenance
- Loans for houses that have been built in the past

Each year the Association looks to make a surplus and it is very important that we make sure that we do not spend more than we bring in.

The surplus are kept in the bank and used by the Association for the investment in your homes.

Why does my rent increase?

Rent income pays for the services we are able to offer. Like all things in society the costs we face are impacted by many things, but the biggest thing is inflation which impacts on the costs of goods, services and materials that we all need in society.

Why does inflation matter?

First of all what is inflation? Inflation is an economic term that you will have heard a lot about recently. When the cost of goods and services increase this is called inflation. If the cost of goods and services increase but the money you get doesn't match this increase then it means you have less money to pay for things.

If a loaf of bread costs £1 and prices increase by 10% then the loaf will now cost £1.10. Inflation is important as it can impact most things in society including anything that the Association needs to buy.

Everything we need to buy to run the Association or invest in your home is impacted by inflation. Over the past 12 months the rate of inflation has risen dramatically. We have seen some significant price increases impact the Association. For example, we recently completed a contract for the installation of new kitchens which cost us about 46% more than the previous programme. Our day to day repairs costs have also increased by between 10 and 20%.

We know from talking to other Associations that they also have had significant price rises including some who have seen the costs for new windows and doors increase by over 50%. These type of improvement works are in line with what we have been doing recently and continue to plan to do. However, with these price increases we have to be very careful over how and when we decide to do these works to make sure we get the best value for money.

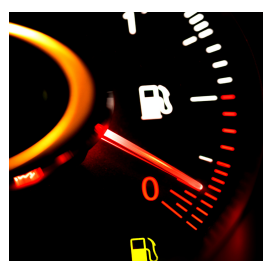
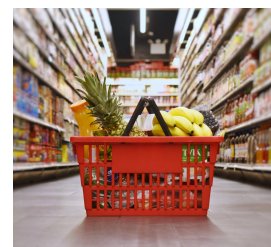
Inflation and Rent

Each year the Association needs to check that it's long term plan still makes sense and that the finances are still in a good position for doing all the works we plan and ensuring services continue. We usually start to assess what is needed around 6 months before the start of the new rent year (which is around the start of April). One of the things we consider is what is the rate of inflation in the October before the new rent year. We use something called the Consumer Price Index (CPI) as a guide to what we think inflation will be for the following year.

Consumer Price Index

The Consumer Price Index or CPI is an inflation tool used by the Government to get an idea on the impact of prices on many everyday goods and services.

CPI is made up of 700 different everyday goods and services and by keeping an eye on CPI we try to predict what the cost of items we buy will be. Most Housing Associations typically use this as a way of working out rent increases so that things can be paid for in future.



Past Rent Increases

The Association has worked hard to keep rent increases as low as possible. In the past 5 years our increases have been lower than the rate of inflation.

This has been down to how well the finances have been run and buying investment works to houses in the most efficient way.

We are aiming to be lower than the rate of inflation again for next year however, this year is different from many in living memory. At **October 2022** the rate of inflation is **11.1%**

Years	2022	2021	2020	2019	2018
CPI %	4.2%	0.9%	1.5%	2.4%	2.8%
Rent Increase %	3.5%	0%	1.0%	2.4%	2.5%

Next Year

For next year the current rate of inflation stands at 11.1% (October 2022) and we've outlined the cost pressures the association, like all in the UK, are currently under.

However, we also know that you are getting similar pressures from other cost increases such as utilities and shopping. Therefore, the Association has no intention to seek to apply an increase in rents that matches inflation.

For the year ahead the Association has looked at our budgets and we believe that an increase of 5% could be contained in our plans. This is significantly less than the rate of inflation. An increase of 5% would mean an average weekly increase of £4.95 to your rent.

However, to balance the books this means we will need use some of the surplus mentioned at the start and also to slow some spending plans we had to do works on the houses and the environment. Investment will still happen in the things that have been highlighted as a priority such as windows, doors, kitchens, bathrooms and heating systems. It just means these works may take longer than we originally had hoped.

If there was a rent increase higher than 5% then the investment in homes would happen faster however we do understand that there is a balance to be struck in how much of an increase can take place against the other pressures on households finances that everyone is facing.

Rent Consultation

We want to get your opinions on a potential rent increase of 5% from April 2023. Your consultation and feedback is important to us as the information we receive makes a difference.

There are a couple of ways in which we want to get feedback and these are as follows:



www.researchresource.co.uk/FPHArent.html



Drop in and speak to staff on Tuesday 10th January and Thursday 12th January 2023 at 1730 in the Tannahill Centre



We will also be undertaking a telephone survey as well



All tenants that take part in our surveys can be entered into a prize draw with four winners receiving vouchers

Worried about rent

We understand that the prospect of an increase in rent, on top of all the other cost of living rises people are experiencing is a worry. As we said we are working hard to minimise any increase to as low as possible.

However, we do know the pressures everyone is under.

If you do have any concern about your rent and how to manage this please do make contact with us as we are always wanting to find a way to support and help.

Contact Us



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Press 2 - Housing Staff

Press 3 - Welfare Rights Staff



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visit our office to talk to a member of staff



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