

## **RENT CONSULTATION**

### **Rent Information**

We have produced this leaflet about your rent and the potential increase from April 2025. As you know, in most years your rent increases. This is to keep up with changing costs to the Association. There is pressure on the Association to increase rents to maintain services and investment in homes and we know that has an impact on our tenants. This leaflet is intended to lay out some of the issues we are facing and to also seek your opinions and views. We can assure you that your feedback will play an important role in any decision on rent increases.

The Rent Consultation will end at 3pm on Friday 24<sup>th</sup> January 2025.

### **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 work 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 we must make sure that we do not spend more than we bring in. The surplus is 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 can offer. Like all things in society, the costs we face are impacted by many things, but the biggest thing is inflation which impacts the costs of goods, services, and materials that we all need in society.

## Inflation and Rent

Everything we need to buy to run the Association or invest in our home is impacted by inflation. Each year the Association needs to check that its long-term plan still makes sense and that the finances are still in a good position for doing all the work 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 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.

The Association continues to work hard to keep rent increases as low as possible and with the exception of last year, our increases have been lower than the rate of inflation. The decision to keep rent increases below inflation in previous years was with the understanding that future rents would need to increase by at least CPI plus 1% for a few years. In October 2024 the CPI rate of inflation was 2.3%

## Past Rent Increases

Years	2024	2023	2022	2021	2020	2019	2018
CPI %	4.6%	11.1%	4.2%	0.9%	1.5%	2.4%	2.8%
Rent Increase %	5%	5%	3.5%	0%	1.00%	2.4%	2.5%

## Next Year

For next year the current rate of inflation stands at 2.3% (October 2024) and we've outlined the cost pressures the association, like all in the UK, is currently under.

For the year ahead, the Association has looked at our budgets and we believe that an increase of 3.5% could be contained in our plans. This is 1.2% higher than the rate of the rate of inflation however the rent increase will not be applied and charged until the second rental charge in the year 2025-26. An increase of 3.5% would mean an average weekly increase of £3.45 to your rent.

The investment for the year will include £1.5m on priority items such as window, bathroom and kitchen replacements.

## Rent Consultation

We want to get your opinions on a potential rent increase of 3.5% from April 2025. Your consultation and feedback are 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:

- Online survey [available here](#)
- Drop in and speak to staff during January 2025 at our office in the Tannahill Centre
- We will also be undertaking a telephone survey as well, this will be carried out by research Resource

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 rental increase and we are aware of and understanding of the pressures our residents are under. If you have any concerns about your rent and how to manage this please make contact with our staff team and we can work together to support and help.