

SHETTLESTON HOUSING ASSOCIATION

Annual Rent Review 2024

Information Sheet



Introduction

The Association is proposing an overall 5.5% increase in rent and service charge income from 1st April to ensure that we can continue to maintain our services and deliver the ongoing investment in our homes that is needed so they continue to meet modern standards.

Why do we need to increase rents?

We need to ensure that rents are sufficient to cover all of our costs. We have made some efficiency savings in recent years and procure goods and services competitively but have seen big increases in key costs such as:

- Building materials and repair costs
- Loan interest rates
- Insurance costs

We know that many tenants are still struggling with the cost of living. We set a below-inflation rent increase last year because general inflation was so high (around 10% in March 2023). The effect of this has been to significantly reduce the amount of money available to pay for our essential running costs and for future major repairs and improvements to tenants' homes.

Delivering value for money

With these rent proposals we aim to continue to provide good value for money by ensuring:

- Our homes are well-maintained and safe and we have a programme of major repairs and improvements to ensure our homes continue to meet modern standards.
- We provide customer-responsive landlord services from our Pettigrew Street office
- We let our homes to meet housing needs in the community and play our part in combatting homelessness.
- We provide other services to help tenants sustain their tenancies and deal with cost of living challenges including: welfare rights advice; money and debt advice; energy advice and help with IT/digital skills.
- We work with and support other local groups to deliver projects that help make Shettleston a better place to live, including: the Pantry; Shettleston Community Growing Project; the Men's Shed; FUSE and Shettleston Keenagers.

Our rents compare very well with those of other social landlords and are of course far lower than private sector rents. Full details about how our rents and services compare with others can be seen in our latest **Annual Performance Report** (<https://www.shettleston.co.uk/wp-content/uploads/2022/05/Annual-Performance-Report-2023.pdf>) on our website.

Investment Plans: what will we deliver?

We currently expect to have to invest over £90 M in existing homes in the coming 30 years just to maintain current standards. With the proposed 5.5% overall uplift in rents we estimate we can invest around £2.64 M in 2024/25 without incurring additional borrowing costs.

This to include:

- Replacement windows for around 50 homes
- New flat entry doors in 100 homes
- Replacement boilers for around 340 homes.
- New kitchens for around 50 homes
- New bathrooms for around 30 homes.
- Electrical rewires for around 30 homes
- Common/ close windows for 15 closes

We also aim to invest around £300,000 next year to improve **energy efficiency** and reduce fuel bills for some of our oldest and least energy efficient homes. From energy research on our homes carried out this year we know that these types of work can have the biggest impact on heat loss:

- Increasing the energy specification and fitting of windows at replacement and
- Installation of new front & rear close doors to stop leakage of heat into the close and we are currently working on plans to invest where we can in these items going forward.

How much will my rent increase?

Most tenants' rents and service charges would increase by a **standard** 5.5%: this works out at around **£21** more per month for a tenant on our overall average rent. However, a **variable** rate of increase (higher or lower) will be applied to around 20% of tenants who currently pay either less or more than the average rent for their particular property type and size. For historical reasons we have a complicated rent structure with a wide range of rents for each property size/type. We aim to address this in 2024/25 by developing plans for a single, "harmonised", rent structure. In the meantime, we propose the following:

- a 2.5% increase for those paying at least £100 per month more than the average
- a 3.5% increase for those paying £75 per month more than average
- a 4.5% increase for those paying £40 per month more than average
- a 6.5% increase in rent for those paying at least £40 per month less than average
- a 7.5% increase for those paying £75 per month less than average
- a 8.5% increase for those paying £100 per month less than average

If you currently receive any help with your housing costs then the increase in your rent should be covered through additional housing support. However, we know these would be significant increases and if you are at all worried about being able to pay your rent or would like more advice at this point then contact your housing officer as soon as possible.

More information about these proposals – including our current average rents for each property type and size - can be seen in the more detailed rent consultation information on our website. Please let us know if you would like a paper copy of this.