

Rent Setting Policy Consultation 2012/2013

The Association needs to regularly review its rents and service charges and this is your opportunity to comment on our proposals for the charges that will apply from 1st April 2012.

What does your rent pay for?

All rental income received by the Association is set aside to pay for the cost of the services we provide to tenants.

Included within these costs are:-

- The management of our housing stock, including items like staff costs, insurance premiums and office expenses.
- Day-to-day repairs, e.g. faulty heating systems, electrical problems, burst pipes, etc.
- Cyclical Maintenance which includes our external painting and ground maintenance programmes.
- Planned Maintenance involving replacement kitchens, bathrooms, doors, windows and heating systems.
- Loan charges on the money we borrow to construct our properties.

How do our rents compare to other similar landlords?

As part of our Policy, we need to ensure that our rents are similar to the rents charged by other social landlords. A comparison of our rents and those of the other main housing providers in the Highlands and Islands area is shown below.

	2 Apt	3 Apt	4 Apt	5+ Apt	All Units
Orkney Housing Association	54.76	59.69	64.17	70.30	58.89
Lochalsh & Skye Housing Association	54.40	59.20	65.22	69.28	60.05
Pentland Housing Association	48.88	51.37	64.60	74.13	61.27
Albyn Housing Society	54.06	62.34	69.27	78.46	62.15
Lochaber Housing Association	57.96	60.70	67.16	76.47	63.08
Hjaltland Housing Association	60.59	68.23	71.98	81.60	66.57
The Moray Housing Partnership	54.68	66.64	73.33	81.26	68.43
West Highland Housing Association	57.84	71.23	82.06	97.57	69.61
Aberdeenshire Housing Partnership	59.89	69.32	80.47	88.54	72.13

Average Weekly Rents for 2010/2011 sorted by All Units

What is the proposed rent increase in 2012/2013?

The Association is proposing to increase rents from 1st April 2012 by the rate of inflation measured by the Consumer Price Index as at December 2011. This is the increase we calculate that we require in order to continue to provide the level of services that tenants require.

Why the increase?

The Association's costs are subject to inflationary pressures and many of our costs are increasing by more than the rate of inflation, particularly insurance premiums, repair charges and fuel and energy costs.

Will Service Charges increase?

Yes. It is proposed that these increase in line with the change to rents.

What happens next?

We are inviting all our tenants to respond to this consultation exercise by **31st January, 2012**. All comments and submissions will be considered by our Management Committee who will take the final decision on rent levels for 2012/2013. We will then advise tenants of their new rent figure no later than the **end of February 2012**.

PLEASE LET US HAVE YOUR VIEWS NO LATER THAN 31st JANUARY 2012