



Rent Increase Consultation for 1st April 2022

Forth Housing Association applies a rent increase each year from the 1st of April, in accordance with our tenancy agreements. We have always aimed to keep rent increases as low as possible so that our rents are affordable, and we continue to provide excellent services.

We plan for rent increases that do not exceed the inflation rate and are consistent with other Housing Providers. The table below shows the rent increases applied in the previous 3 years:

	2021/22	2020/21	2019/20
Forth HA	1%	2.1%	2.4%
Scottish Average	1.2%	3.2%	3.0%

We have reviewed the most recent inflation figures both CPI (Consumer Prices Index) and RPI (Retail Prices Index) shown in the table below.

	November 2021	October 2021	September 2021
CPI	5.1%	4.2%	3.1%
RPI	7.1%	6.0%	4.9%

The assumption we have used to draft our budget for the coming year including the rent increase is October's CPI of 4.2%. However, we do not finalise our budget until after we have consulted with tenants on the rent increase.

We would like you to consider the following 3 proposed rent increases:

- 1. Inflation only increase of November CPI – 5.1%**
- 2. Inflation only increase of October CPI – 4.2%**
- 3. Below Inflation increase – 3.6%**

In the table below is the new average weekly rents by size of property for each of the proposed increases:

Size of home	average weekly rent	3.6% increase	4.2% increase	5.1% increase
1 bedroom	£73.59	£76.23	£76.68	£77.34
2 bedroom	£82.18	£85.13	£85.63	£86.37
3 bedroom	£89.81	£93.04	£93.58	£94.39
4 bedroom	£95.84	£99.29	£99.86	£100.72

The level of rent increase will change our overall income and we would alter our budget and spending plans to reflect that income. The table below shows the effect of a different rent increase from that used to draft our budget:

Basic rent increase	Difference from 4.2% increase
3.6%	£23,145 less income
5.1%	£34,718 more income

In simple terms, if we applied an increase of 3.6% the Association would have to find savings in our costs of £23,145 to ensure that we remained within budget. An increase of 5.1% would allow us to absorb inflationary increases in our operating costs eg repairs, improvements etc and consider additions to our services.

Whichever increase is approved Forth wants to ensure that rents remain affordable. To help housing organisations to check that their average weekly rents are affordable an on-line tool was created, and calculations have been completed for Forth. The vast majority of Forth’s rents fall within the affordable bracket. The exception is where a single person occupies a property larger than they require. However, this is an average calculation and if you are concerned about your rent payment, please contact your Housing Services Officer to discuss.

We want your opinion on the options that are being considered and of any additional services you would like to be considered if there was a budget available. To help gather this information, can we ask that you complete the options below and return this sheet to our office by the **24th January 2022** in the freepost envelope enclosed. Alternatively, if you sign-up to My Forth, you can complete this form on-line. To sign-up for My Forth and for further details on this service, please contact us on Tel 01786 446066 or email info@forthha.org.uk

My preferred rent increase for 2022 would be: (please tick one option)

- 1. Inflation only increase of November CPI – 5.1%
- 2. Inflation only increase of October CPI – 4.2%
- 3. Below inflation increase – 3.6%

Any additional service you would like considered, alternative increases or comments, please note below:

Would you be happy to be involved in other consultations with Forth HA?

Yes	No
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Name:

Address:

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(Return by 24th January 2022 in freepost envelope – Thanks)