

Dear Tenant,

Rent Increase 2019 / 2020: Tenants' Consultation

It is time for the Association to set its budget for 2019/20, and this includes looking at the rental income that is required to keep our properties managed and maintained in accordance with our legal obligations.

The Management Committee of Yorkhill Housing Association is committed to keeping rent levels as affordable as possible for tenants, especially those in low paid work. At the same time, we have to make sure that the Association has sufficient funds to cover its costs, for the coming year and for future years.

Rental income is the Association's primary source of funding for all tenant services.

Your rent is used to pay for:

- **Day to day repairs**

During 2017-18 a total of £143,233 was spent on reactive repairs. This includes the Association's share of common repairs. The cost of common repairs is shared between owner occupiers, private landlords and Yorkhill Housing Association.

- **Planned maintenance and investment works**

This is regular work undertaken to keep the buildings and backcourts in good condition. Examples include gutter cleaning, close painting and landscaping. Where appropriate, owners contribute to these costs.

We also carry out investment programmes to replace or upgrade boilers, kitchens, bathrooms, etc. Last year we spent £227,428 on planned works.

- **Services**

Services include gas safety, close cleaning, and fire alarm and lift services where relevant. Owners contribute to the costs of services where relevant. The total spent during 2017-18 was £77,553

- **Management, Administration and Office costs**

These are the business costs of maintaining and running the Association and include staff, IT and phone systems, overheads, office equipment and furniture, loan repayments and legal costs. Total spent during 2017-18 was £774,346

Our costs and spending are monitored carefully, and we work very hard to ensure our contractors and consultants provide value for money. However, we cannot control cost increases from our various suppliers and service providers, and therefore have to be confident that our budgets cover those higher costs for the year ahead.

We use the Retail Price Index (RPI) figure for October each year as our basis for rent increases, and in recent years have tried not to exceed this. Last year we set the increase slightly below inflation.

Our average rents compare favourably with other local social housing providers.

Average weekly rents 2017-18

| | Yorkhill HA | Glasgow West HA | Partick HA |
|--------------|--------------------|------------------------|-------------------|
| 2 apt | £69.29 | £77.88 | £72.20 |
| 3 apt | £78.74 | £85.68 | £80.96 |
| 4 apt | £89.71 | £96.31 | £92.62 |

(Figures sourced from Scottish Housing Regulator RSL Statistical data)

Setting Rents

For rent setting purposes, the Association has two groups of tenants.

Tenants (excluding former Glasgow Housing Associations tenants) who began their tenancies before 2nd January 1989 (formerly secure tenants) have their rents registered by the Rent Registration Service every three years. (Currently 22 tenants).

Tenants who began their tenancies on or after the 2nd January 1989 (formerly Assured tenants) have their rents set by the Association every year.

The rent setting process allows for these differences, and the Association aims to keep both sets of rent levels as similar as possible.

Rents are set using a weighting system based on the property's size and amenities. Living rooms, kitchens and bedrooms are all graded within three size bands. Central heating is included in the standard basic rent for all properties. For example, rent for a one bedroom property with a kitchen / living room is less than a one bedroom flat that has a living room and separate kitchen.

Some of the former GHA properties have a different rent structure dating back to pre-stock transfer days. We aim to have these properties brought into line with all other YHA stock through time. In the meantime, the rent increase levels for 2019-20 will be applied to all flats.

Proposed Increase for 2019 - 20

The October 2018 RPI figure was 3.3%. The Association's senior staff team is recommending to the Management Committee that this should be the maximum increase on rents for the next financial year.

Your feedback is a very important part of our decision making and will be considered at the Management Committee meeting on 13th December 2018. At this meeting, the committee members will carefully consider the Association's financial requirements for 2019-20 and make a decision on the increase.

It would therefore be appreciated if you could take a little time to provide some feedback.

You can contact the office to provide your comments / feedback by:

- 1. By email: administration@yorkhillha.org**
- 2. By completing the comment form and returning it to the office in the freepost envelope provided.**

All responses should be received by Friday 30th November 2018.

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| Name:..... |
| Address: |
| Comments:..... |