

**Our Mission: We will provide good quality affordable homes and services for the benefit of the people and communities of Orkney**



## Rent increase consultation 2025-26 What do I need to know?

### Rent Setting

Every year, housing associations review their budgets and hold statutory consultations with tenants on what level of rent is set – with any increases applied from April annually. Each year we look at the different challenges we need to meet and then consult our tenants.

Keeping your rent as reasonable as possible is important to us. What we do is about more than bricks and mortar. We retain a clear customer and community focus, as well as a commitment to making a sustainable contribution to society.

### Do rents have to increase?

We know that any rent increase is unpopular. However, as the main source of income for the Association, it enables us to continue to deliver our services, improve homes and build new properties.

The Association's policy is to increase rents in line with inflation (Retail Price Index or RPI) in September of the previous year. However, as rent increases have been significantly below inflation since 2022, this has consequences for our forward planning.

This has resulted in a reduced planned maintenance programme up to 2024-25, where a 7.5% increase meant we were able to deliver all of our planned upgrades to homes.

Since 2021, prices across the UK have been rising rapidly and the Association continues to be impacted by the large increases in construction materials.

You may recall we previously consulted with tenants on the option of a multi-year rent increase, however, due to significant world wide events, the rate of inflation exceeded any forecasted levels and resulted in extreme cost of living pressures.

As inflation rates have generally stabilised, we are again presenting the option of a 3 year increase plan, which our Management Committee believes will offer some certainty over the next few years.

### What about building new homes?

Our business plan states that we will build 20 new properties each year. These new properties are fully funded by grants from the Scottish Government and loans which are repaid from your rent payments. A rent increase of 4% will see us continue to build 20 properties each year.

### Are our rents affordable?

We understand that many people are struggling financially, so every year we check to make sure rent levels for the Association are affordable to those on low incomes.

We try to keep the annual increase as low as possible and to charge rents that are similar to those of other Rural Housing Associations such as Hjatland Housing Association in Shetland .

## Help we can offer

If you are struggling to make ends meet or to pay your rent, our Housing & Customer Service team can help. There are benefits and grants available that you may not be aware of and our team can support you to access these services.

We also have an Energy Advisor who can talk to you about your energy bills.

Call us on 01856 875253 for an appointment. Staff can meet you in your home, in our office or telephone you at a time that suits you. We also have lots of information available on our website [www.ohal.org.uk](http://www.ohal.org.uk).

## Rent Increase Options

Our Management Committee have recommended a 3 year option of 4% in year one, 4% in year 2 and 2.5% in year 3. This ensures the need to maintain core services for current tenants as well as meeting our Business Plan objectives in terms of new build properties.

Management Committee feel the 3 year option gives tenants added assurance and security for the next few years.

Proposed rent increase	Avg Weekly rent based on increase	What this means for you
2025/26 - 4% 2026/27 - 4% 2027/28 - 2.5% (Management Committee Recommended option)	£108.47 £112.81 £115.63	Planned maintenance works will be delivered across the 3 years. We will continue building 20 new build properties per year.
2025/26 - 4%	£108.47	Planned maintenance works will be delivered during 2025/26. We will continue building 20 new build properties per year.

## What happens next ?

We would like your views so please complete and return the enclosed questionnaire in the freepost envelope provided or, alternatively, if you have received this by email complete the link in the body of your email to take part in the online survey.

All responses will be collated and a report presented to the Association's Management Committee on 29 January 2025 for their consideration prior to them making a decision on the 2025/26 rent increase. You will be provided with the outcome of the consultation and decisions made by no later than 4 weeks prior to 1 April 2025 when the changes will take place.

The closing date for the responses to the survey is 5pm on Monday 20 January 2025.

If you want to be entered into the Prize Draw for a chance to win a cash prize of either £25 or £50 you will need to complete the survey and provide us with your contact details.

## Consultation Questions

The below questions have been provided to seek your views on the proposed rent increase.

Based on the information contained in the rent review leaflet what is your preference from the following options for the rent increase in 2025/26?

**Option 1**

**3 year increase: 2025/26 - 4%**

**2026/27 - 4%**

**2027/28 - 2.5%**

**Option 2**

**One year increase for 2025/26 - 4%**

If you are struggling with anything in particular at this moment and require advice/ assistance from your housing officer please provide details in brief below:

**Name**

**Address**

**Phone No**

**Email**

The consultation will run until the Monday 20 January 2025. The results will be presented to the Management Committee who will consider the responses with tenants being notified at the start of March of the outcome.

If you require any support completing the survey please contact the Association at:

01856 875253



enquiries@ohal.org.uk



www.ohal.org.uk



Orkney Housing Association

