



SOUTHSIDE
housing association

**Rent Consultation and Information
for tenants of
Southside Housing Association 2024/25**

Why do rents have to increase?

Each year we consult with our tenants to help us set the rental increase for the coming year. This year has continued to present difficult decisions as the cost of living crisis continues, although we have seen some improvements from the level of inflation that we were seeing this time last year.

Southside Housing Association is committed to providing high quality services and homes to meet the needs of our tenants. We know that rent increases are unpopular – any cost increase is, and so any proposed increase is considered carefully and your feedback helps us to do this. We consider a number of factors when reviewing rent levels, including the following.

- **The on-going effects of the cost of living crisis**, both on us as an organisation and on you as the tenant. We know for example that the cost of energy has continued to stay high and that some families are making difficult choices between buying food and heating their homes. Increased costs affect everyone – as costs increase for essential services, for example – insurance, materials, labour etc, then we need to spend more, and therefore need to increase our income.
- **The affordability of any increase on you.** We always test the affordability of any proposed increase by running the figures through an affordability calculator, which takes into account things like the minimum wage and the number of people living in a property.
- **The impact any increase will have on our existing services, and future improvements and investment in your homes.**

You may recall in the past that we have provided you with a range of options, where tenants could vote on the level of rental increase they felt was right. This was linked to the services we provided and there would be different levels of service provision for different levels of rental increase. However this year has continued to be challenging with inflation rates sitting higher than what we've been used to in the last decade or so, therefore like last year we feel it is more realistic to get your views on one option.

Last year rents went up by 6%. We appreciate this was not insignificant for many, but was still well below inflation and other rising costs. Throughout the year inflation rates stayed above this, meaning that the Association were absorbing these extra costs.



Southside Housing Association's Rent Proposal for 2024/25

Throughout 2023 we focussed on making efficiencies and savings where possible and continued to figure out how we, as a social landlord and local business, can continue to deliver services and make improvements against a backdrop of increasing costs. Staff at the Association work hard to minimise costs so as not to pass on unnecessary increases to you, our tenants. Staff also access grants where these are available, but rent is our core source of income; which is why we need to review it and set it right each year.

To help guide our proposed rent increase we consider the Consumer Price Index (CPI). This gives a national indication of the rate of inflation, which is the change in prices for goods and services. We look at the rate in September 2023 which is also what many state benefit increases are based on. Last year we advised that our rents would be above CPI in future years as we attempt to recover from below inflationary increases in recent years and make up the shortfall. However September's CPI was 6.7% and we appreciate this is still higher than forecast – our proposal therefore is to hear your views on matching the September CPI this year at 6.7%.

Although we have seen a drop in this rate, core inflation is still high, with the cost of things such as materials for repairs and services still sitting above 6.7%. This means that we need to ensure that Southside Housing Association remains financially viable in the long term, alongside balancing what is affordable for you, our tenants.



We carried out a large Tenant Satisfaction Survey in 2023 which told us that the top three priorities for tenants were:

- **The overall quality of your home (83%)**
- **Repairs and maintenance (78%)**
- **Keeping residents informed (35%)**

These are clearly the things that are most important to our tenants, and we need to deliver on these priorities. This rent increase will enable us to focus on these priorities and make the improvements that are required.

The following table shows what a 6.7% increase would look like for the average property size.

Property Size	2 Apt (1 bed)	3 Apt (2 bed)	4 Apt (3 bed)	5 Apt (4 bed)	6+ Apt (5+ bed)
Average current weekly rent 2023/24	£73.03	£86.16	£101.97	£112.24	£120.69
Average additional cost to weekly rent at 6.7%	£4.89	£5.77	£6.83	£7.52	£8.09
Average weekly rent 2024/25 at 6.7%	£77.92	£91.93	£108.80	£119.76	£128.78

Community Benefits

Southside HA is aware of the need to ensure that both the Association and our contractors deliver value for money and also ensure that we are always looking to improve either homes or the communities in which we serve. As a result of engaging new contractors in September 2023, we have managed to make it a condition that each contractor provides benefits to our communities each year. This can be some form of activity or offering which helps our communities and will be up to the value of **£55,000** per year spread across our communities.

In the feedback form we will ask you to highlight which three areas you think would benefit most from contractors' community investment.



Investing in our Communities

Our Welfare Rights and Money Advice Team, as well as our Community Initiatives Team have provided a range of support to our tenants and the wider southside community over the last year. We do this through a range of funds, both from rental income and grant income, and given the financial pressures on everyone, this type of support can make a big difference to individuals and families. Some examples include:

4335 cases assessed with financial gains of **£2,284,597**

Over £200,000 in grant funding to support food and fuel costs.

22 Starter packs to help new tenants who were homeless to move to their new home.

98 paint packs.
158 carpet vouchers.

debt write offs
£160,202

We supported the set-up of the Cardonald Larder, which now has over **200** members

We supported **162** applications to the Scottish Welfare Fund to provide furniture, carpets and white goods, and to provide emergency grant payments to clients in destitution.

We delivered **50** breakfast sessions at 150 Berryknowes Avenue and **49** breakfast sessions at Herriet Court.

3,905 lunches,
920 breakfasts
360 Eid bags
To **1,564** children

Investing in Your Homes

From 1st September 2023 we introduced our new repairs contractors to help us keep your home up to a good standard. It had been a difficult few years and our repairs standard was not what it should have been, but we are well on our way to the level of service we expect our tenants to receive and we hope you've noticed this improvement too.

By the end of this financial year we will have invested over **£3 million** in improvements to things like the lifts in some properties, sprinkler systems, heating and hot water systems, extractor systems and window replacements. It is important that our rental increases meet the financial costs of maintaining your homes to a good standard.



£50

Please give us your views on the 6.7% proposal by scanning the QR Code or completing the enclosed feedback form and returning to us by **2nd February 2024**. You will be in with a chance to win a **£50** shopping voucher. We really appreciate you taking the time to share your views to help our Management Committee make an informed decision on the rent increase that is agreed for 2024/25.



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