hebridean housing partnership

# Rent Consultation 2026/27

*Making our house Your home*

Tenant Rent and Service charges require to be regularly reviewed. Before we make any changes it is important to know what you think about our proposals. This is an opportunity for you to share your views with us before we set the rents for 2026/27.

## MESSAGE FROM THE BOARD

Our commitment on rent levels is to keep rents affordable. To ensure there is money available for replacing kitchens, bathrooms, windows, etc we prepare long term plans every year and we make assumptions about inflation rates and what income we need to cover planned expenditure. Our plans assume that rents increase in line with inflation.

You may remember that last year the Board took the decision to keep the rent increase as low as possible at 4.4%. Inflation has been increasing over the last 12 months with September RPI sitting at 4.5%. Whilst inflation is forecast to reduce next year, our costs locally are rising above inflation.

Having reviewed our long term commitments, we are able to offer two options for the 2026/27 rent increase:

Option 1: 4.5% Rent Increase (RPI Only)

Option 2: 5.5% Rent Increase (RPI Plus 1%)

We would really appreciate your views on our proposals. Our Board's preference would be Option 1 as it will still allow us to deliver our key commitments whilst keeping your rents affordable. Option 2 would allow us to bring forward some investment plans as shown below.

## RESPONSES

There are a number of ways in which you can respond to this consultation. You can let us know your views using any of the ways below:

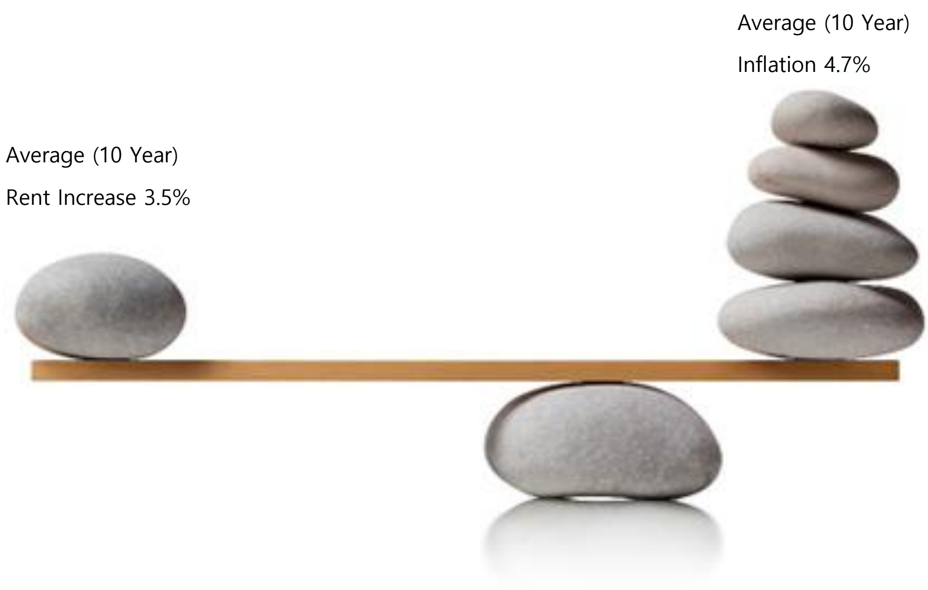
- Scan the QR code on the Winter Homeward newsletter you will receive in the post;
- Completing online at www.hebrideanhousing.co.uk or through the link provided on our Facebook page;
- If you are signed up to the tenant portal, please look out for a link being sent to your email to allow you to complete the survey;
- Printing and returning the attached response paper to HHP by 16th January 2026;
- Phoning our Customer Services Team on 0300 123 0773 or calling in at our offices to collect a form for completion.

Completed responses will be entered into a prize draw. There will be four prizes of £100 to be won which will be randomly drawn.

## SETTING THE SCENE

HHP like everyone else have experienced the challenge of increased costs. We do our best to balance what we need to spend to provide an excellent service and meet our legal obligations with what is affordable for tenants.

Over the last 10 years we have held our rent increases below average inflation.



During that time we have delivered:


Our 2025/26 investment programme is progressing well and we are on track to complete an additional 55 heating replacements as we were successful in our application for grant funding under the Social Housing Net Zero Heat Fund Grant.

31 new homes have been completed so far this year with a further 26 homes under construction.

According to our 2025/26 plans we will spend in the region of £15.9M improving and repairing current homes and building new homes throughout the islands. The level of spend also supports a significant number of jobs.

## RENT INCREASE 2026/27

There are some years when the income we get from rent doesn't cover our planned expenditure and when that happens, we borrow money from a Funder. You will be aware that Funders put conditions on any money they lend and if the conditions aren't met then they can ask for their money back immediately or charge penalties. When we set the rents, we need to make sure that our service standards can be maintained and that we meet the conditions of our Funders.

Having looked at our Business Plan requirements and legal obligations, we can offer the following options for 2026/27:

| | **Option 1** | **Option 2** |
|---|---|---|
| Average Rent 2025/26 | £99.19 | £99.19 |
| Sep Retail Price Index (RPI) – 4.5% | | |
| Rent increase 4.5% (RPI) | £4.46 | |
| Rent increase 5.5% (RPI Plus 1%) | | £5.46 |
| **Average Rent for 2026/27** | £103.65 | £104.65 |

In view of the continued cost of living pressures, the Board's preference is Option 1, an increase of 4.5%. This will allow us to deliver:

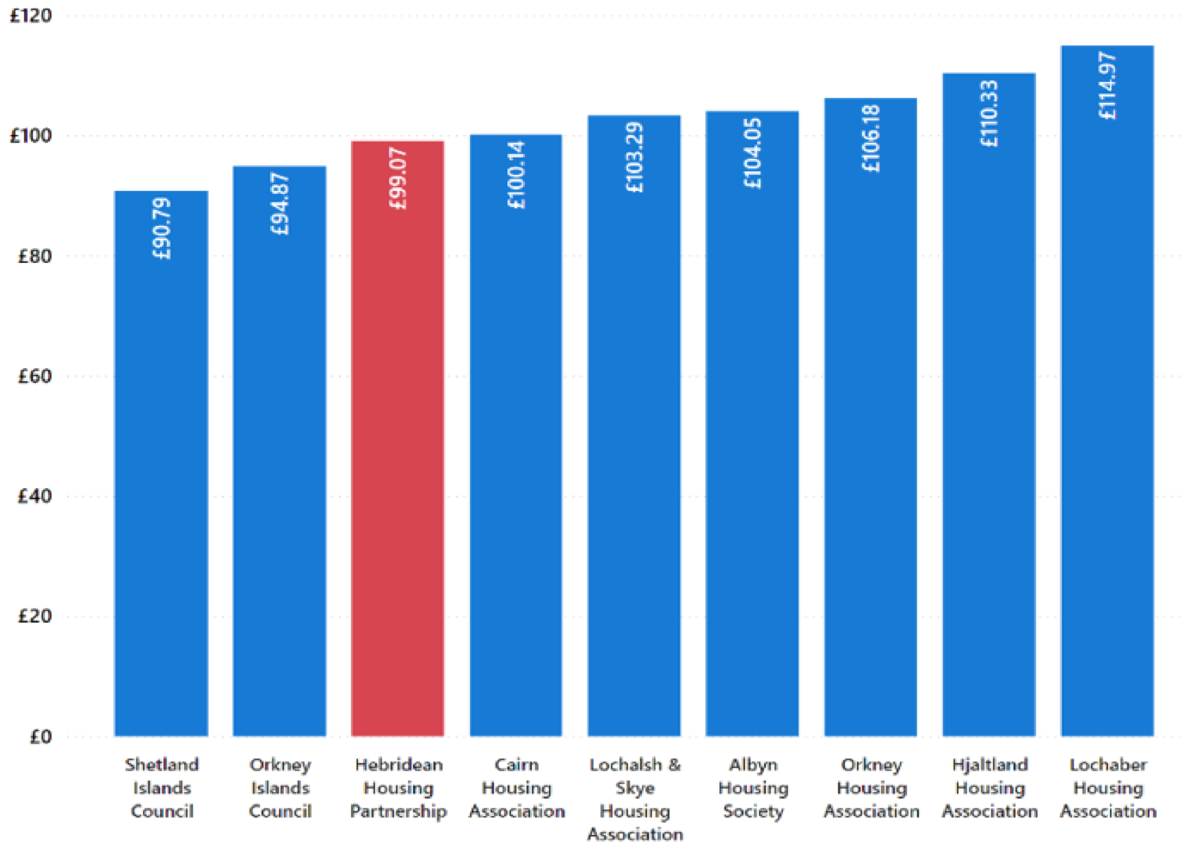
a) Investment of £4.835M over the next year in current stock delivering:

- 34 Kitchen replacements
- 109 Bathroom replacements
- 51 Heating System replacements
- 106 Windows & Door replacements
- 38 Homes re-roofed
- Various other component replacements E.g., Roughcast, Insulation, Smoke Detectors etc.

b) New build spend of £3.74M in 2026/27 (£12.68m Gross with Grants totalling £8.94m). This represents work on over 80 new homes.

The second option of a 5.5% increase will provide an additional £130K of income which would allow us to undertake more investment work and could be used to replace a number of heating systems, kitchens or bathrooms in 2026/27 instead of 2027/28.

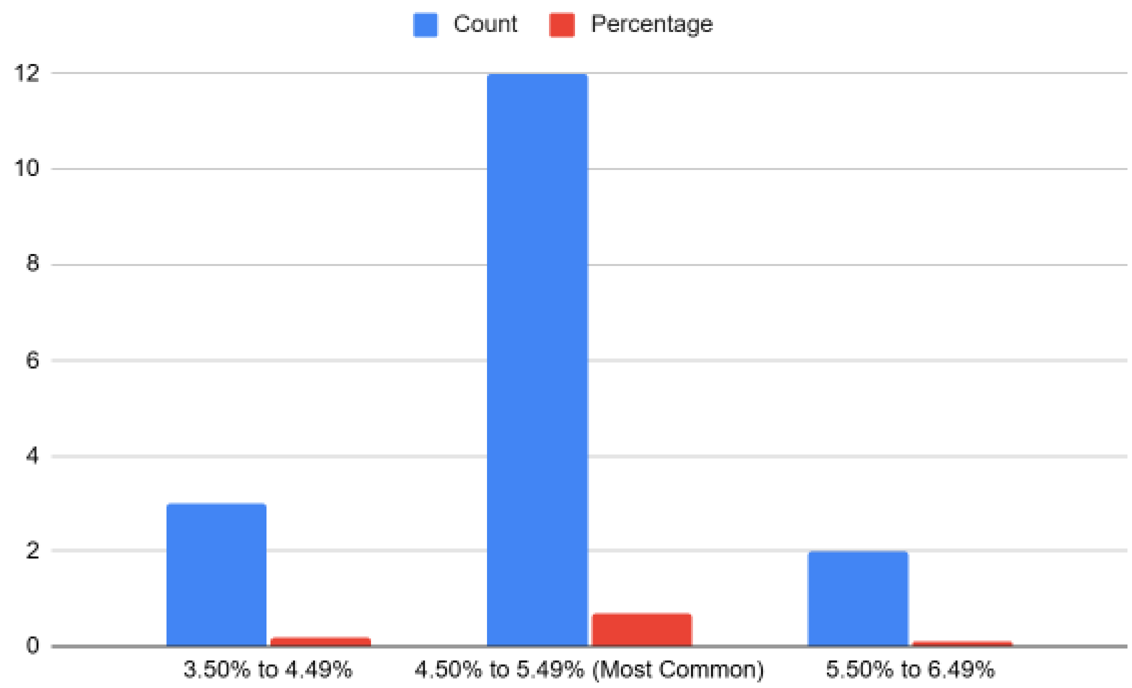
## HOW DOES YOUR RENT COMPARE WITH OTHER RSL'S?




** Source – SHR Comparison Tool – 2024/25 Average Weekly Rent - Includes Service Charges*

## 2026/27 RENTS – WHAT ARE OTHER RSL'S DOING?

The Scottish Housing Network are currently polling members on rent increases being considered for 2026/27. The most common options being considered by RSL's are as follows:



## HOW MUCH MONEY WILL BE SPENT?

The majority of the money to fund expenditure comes from rents with some grant monies from the Government for New Build and Aids & Adaptations. The money we receive will be spent as follows:

| | 2025/26 BUDGET | 2026/27 BUDGET | DECREASE £ | INCREASE £ | % CHANGE | Reasons for Change |
|---|---|---|---|---|---|---|
| **Gross Rental Income** | **13,002,750** | **13,773,700** | | **770,950** | **5.93%** | Annual rent increase and additional homes available for rent |
| Net Supervision & Management | 3,348,550 | 3,498,000 | | 149,450 | 4.46% | Increase in Management costs to reflect inflationary cost increases and increased insurance costs from additional homes |
| Response Repairs | 2,184,130 | 2,297,500 | | 113,370 | 5.19% | Inflation has caused the cost of repairs to increase and as we build more houses, there are more houses to maintain. |
| Planned Maintenance | 1,494,498 | 1,582,600 | | 88,102 | 5.90% | Like response repairs, we have more houses to maintain as well as increased costs |
| Estate Works | 142,872 | 143,400 | | 528 | 0.37% | |
| **Total Operating Expenditure** | **7,170,050** | **7,521,500** | **-** | **351,450** | **4.90%** | |
| **Interest on Funds borrowed** | 751,000 | 793,600 | | 42,600 | 5.67% | Increase in anticipated borrowing as we progress our Investment and Development Programmes |
| Housing Investment Programme | 4,431,899 | 4,954,800 | | 522,901 | 11.80% | Investment Programme |
| Non-Housing Investment Programme | 50,300 | 83,600 | | 33,300 | 66.20% | Handyman Van Replacement and IT Hardware replacement cycle |
| Development Programme | 3,942,868 | 3,738,000 | 204,868 | | 5.20% | £12.7M next year with 70% funded through grant |
| **Capital Investment** | **8,425,067** | **8,776,400** | **204,868** | **556,201** | **9.03%** | |
| **Total expenditure** | **16,346,117** | **17,091,500** | **204,868** | **907,651** | **6.81%** | |
| **Net Cash Outflow** | **(3,343,368)** | **(3,317,800)** | **204,868** | **(179,300)** | **(0.76%)** | |