

October 2024



YOUR VIEWS  
MATTER

This special Newsletter is telling Paragon Tenants about the final part of the Rent Harmonisation exercise we have been working on.

We are telling you what your new rent is likely to be and the options for how long we take to fully introduce the new rents.

[www.paragonha.org.uk](http://www.paragonha.org.uk)

### What is Rent Harmonisation

Rent Harmonisation means simplifying the way in which rents are set for individual properties.

The Association currently has 1450 properties with a number of different rent levels based on historical factors. Rent Harmonisation is an exercise that looks at our annual rental income for all properties and re-distributes that rent across all stock taking into account a number of factors such as size and property type.

### Not about Rent Increases

Rent Harmonisation is not about increasing rental income for the Association. We expect some rents will go up and some will come down but the overall level of income to the Association will remain the same.

**However, we will be consulting with tenants later in the year about the Annual Rent Increase and when we do we will try and give you an individual forecast showing how your rent might be affected.**

### WHY IS RENT HARMONISATION NEEDED?

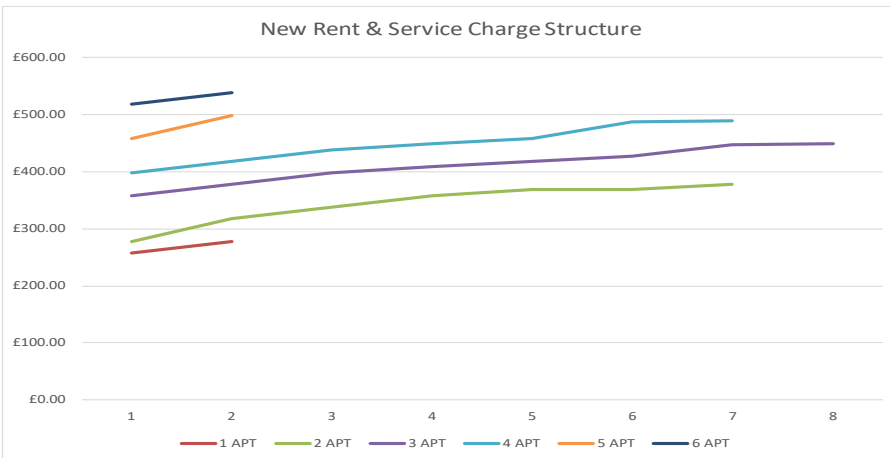
#### Current rent levels

Apt Size	No. of Units	No. of Rent Levels
1	8	2
2	165	45
3	709	129
4	525	135
5	37	21
6	6	5
<b>Total</b>	<b>1450</b>	<b>322</b>

Historical factors mean that tenants in very similar properties can have different rents. The new scheme would see rent levels based on a new easier to understand scheme rather than historical factors. The proposed new scheme has been developed through consultation.

Apt Size	No. of Units	No. of Rent Levels
1	8	2
2	165	7
3	709	8
4	525	7
5	37	2
6	6	2
<b>Total</b>	<b>1450</b>	

The graph shows how rent levels would level out under the scheme.



## How are we proposing new rents should be set?

Base Rent  
£258 per  
month  
plus/minus  
property rent  
attribute

Criteria 1: Property and Person Size	Add Rent
1 Apt	-
2 Apt	20.00
3 Apt	60.00
4 Apt	100.00
5 Apt	140.00
6 Apt	180.00

Criteria 2: Property and Unit Type	Add Rent
Bedsit	-
Flat	40.00
4 in a Block (Close)	40.00
4 In a Block (Own Door)	60.00
Maisonette	60.00
Cottage	80.00
Bungalow	80.00

Criteria 3: New Build	Add Rent
New Build	30.00
	-

Criteria 4: Garden	Add Rent
Garden	20.00
No Garden	-

In addition to the base rent and rent attributes charges, 35 properties will continue to pay services charges:  
14 @£1.63 per month  
21 @ £20.70 per month

Apt Size	MIN	MAX	DIFFERENTIAL	AVERAGE
1	£258.00	£278.00	£20.00	£260.50
2	£278.00	£378.00	£100.00	£334.96
3	£358.00	£449.63	£91.63	£399.06
4	£398.00	£489.63	£91.63	£443.63
5	£458.00	£498.00	£40.00	£496.92
6	£518.00	£538.00	£20.00	£534.67
<b>Total</b>	<b>£258.00</b>	<b>£538.00</b>		<b>£410.20</b>

### What about **YOUR** rent?

The enclosed sheet tells you what attributes your property has been given and how we are proposing your new rent is calculated. We also tell you if your rent is likely to go up or down and by how much. We're asking you to confirm you agree with your property description (size and type) and giving you the opportunity to update your contact details and household details.

Don't forget Apt size is number of rooms (excluding bathroom and kitchen) not bedrooms

	No.	%
<b>INCREASE</b>	<b>805</b>	<b>56%</b>
Go up by less than £40	542	37%
Go up by more than £40	263	19%
<b>DECREASE</b>	<b>645</b>	<b>44%</b>
Go down by less than £40	381	26%
Go down by more than £40	264	18%

Although we are confident that our rents remain affordable there are some tenancies that are likely to see their rents increase or decrease by more than £40 a month. For this reason, we are asking you how you would like to see us phase in the new rents and you will find details of the 4 options we are consulting on, on the next page.

**When considering the different options, you need to remember that none of the examples in this newsletter or on your personal projection sheet take into account annual rent increases. Also, when the final policy is approved it may be there are some small changes to your final rent figure.**

### **Option One**

Apply all new rents in full from April 2025.

### **Option Two**

**Cap annual increase / decrease by £25.** This means if you are one of the 29 tenants whose rent is due to increase or decrease by more than £80 a month it would be up to 5 years before you were paying the new rent in full.

#### **Example Increase**

Current Rent £316.73  
New Rent £418.00  
Difference £101.27  
Rent April 2025 - £341.73  
Rent April 2026 - £366.73  
Rent April 2027 - £391.73  
Rent April 2028 - £418 (increase £26.73)

#### **Example Decrease**

Current rent £587.68  
New Rent £458  
Difference £129.68  
Rent April 2025 £562.68  
Rent April 2026 £537.68  
Rent April 2027 £512.68  
Rent April 2028 £458 (decrease £54.68)

Under this option 1079 (74.41%) of tenancies would reach their new rent levels by April 2026.

**Contact us if you want to find out how the different options affect your tenancy's proposed new rent level, and we can do an individual calculation for you.**

### **Option Three**

#### **Phase in new rents over a 3 year period.**

This option means that everyone would be on the new rent level by April 2027 regardless of how much their rent was increasing or decreasing by:

#### **Example Increase**

Current Rent £316.73  
New Rent £418.00  
Difference £101.27  
Rent April 2025 - £350.49  
Rent April 2026 - £384.25  
Rent April 2027 - £418

#### **Example Decrease**

Current rent £587.68  
New Rent £458  
Difference £129.68  
Rent April 2025 - £544.40  
Rent April 2026 - £501.12  
Rent 2027 - £458

### **Option Four**

#### **Phase in new rents over a 4 year period**

#### **Example Increase**

Current Rent £316.73  
New Rent £418.00  
Difference £101.27  
Rent April 2025 - £342.05  
Rent April 2026 - £376.37  
Rent April 2027 - £392.69  
Rent April 2028 - £418

#### **Example Decrease**

Current rent £587.68  
New Rent £458  
Difference £129.68  
Rent April 2025 - £555.26  
Rent April 2026 - £522.84  
Rent April 2027 - £490.40  
Rent April 2028 - £458 (decrease £32.40)

## Property too large for you now?

Many of you have been Paragon tenants for a long time and may now be living in a property that is perhaps too large for your current circumstances and as such you may find that the rent levels are higher than you can afford, or you are struggling to meet increased heating costs. If this applies to you then please contact us discuss whether or not applying for a move to a smaller property (with us or another registered social landlord) is an option or if there is help with benefits available.

**The table below** looks at how Paragon rents under the proposed scheme compare to other housing associations rent levels

Property Size	Paragon Average rent	RSL Average Rents	Difference
1 APT	£260.50	£369.86	-£109.36
2 APT	£334.96	£391.39	-£56.43
3 APT	£399.06	£436.93	-£37.87
4 APT	£443.63	£471.15	-£27.52
5 APT	£496.92	£503.65	-£6.73

## WHAT HAPPENS NEXT?

Once you have told us how you think the new scheme should be implemented, we will be asking committee to consider a new Rent Setting Policy and agree the timetable for implementation. We hope to do this in November this year so when we consult on the annual rent increase, we will be able to confirm how the new rent setting policy will affect your rent from 1<sup>st</sup> April 2025.

We hope you have found this newsletter useful and would appreciate you completing and returning the Harmonisation Options Survey to us by Friday 15<sup>th</sup> November in the enclosed pre-paid envelope.

In the meantime if you would like to discuss the impact rent harmonisation is going to have on you please contact the Tenancy Management Team on 01324 664966 or email [enquiries@paragonha.org.uk](mailto:enquiries@paragonha.org.uk)