

AUGUST 2023



**YOUR VIEWS
MATTER**

This special Newsletter is telling Paragon Tenants about the Rent Harmonisation Exercise we have been working on.

Most importantly - it gives you the opportunity to tell us what you think should be considered when agreeing the rent level for an individual property.

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 1435 properties acquired through different routes, with for example properties purchased through the Mortgage to Rent route having a different method of calculating rent that stock acquired through the more traditional stock transfer route. Also not all stock that transferred was traditional social housing, so stock was originally built and let at a higher rent level aimed at people moving into the area for work.

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 we do anticipate the need to look at a higher level of increase that we have seen in the past 3 – 4 years.

No decisions have been made on how we will implement the changes resulting from the Rent Harmonisation Exercise and tenants views will be taken into account.

WHY IS RENT HARMONISATION NEEDED?

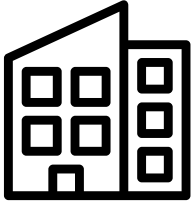
Paragon currently has 1435 properties and has 342 different rent levels.

Property Bedroom Size	Number of Properties	Number of Rent Levels	Ratio of Rent Levels
1	171	48	3.56
2	696	130	5.35
3	539	146	3.69
4	28	17	1.65
5	1	1	1.00
	1435	342	4.20

This means that tenants in very similar properties can have very different rents.

Property Bedroom Size	MIN	MAX	Differential	Average
1	256.49	423.44	166.95	317.84
2	280.40	478.01	197.61	368.89
3	291.63	537.32	245.69	413.40
4	393.48	633.45	239.97	482.76
5	601.47	601.47	0	601.47

About our properties

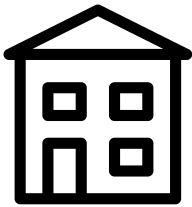


Sub Dwelling Type	No of Units	%
Bedsit	9	1%
Bungalow	36	3%
Cottage	828	58%
Four in block flat com close	42	3%
Four in block flat own door	57	4%
Ground Flat	131	9%
Ground Maisonette	17	1%
Upper Flat	285	20%
Upper Maisonette	30	2%
Total	1435	100%

60% of stock are houses, with 49% of properties having 2 bedrooms.

We have 21 properties where the Apt size doesn't match the bedroom size. For example we have 16 five apartment properties that have 3 bedrooms and 2 living rooms.

97% of our properties have gas heating.



APT Size	No of Units	%
1 Apt	8	1%
2 Apt	163	11%
3 Apt	698	49%
4 Apt	523	36%
5 Apt	37	3%
6 Apt	6	0%
Total	1435	100%

So why does the current structure need changing?

Rents for some 1 bedroom properties exceeding 2,3 and 4 bed homes

Rents for some 2 bedroom properties exceeding 3 and 4 bed homes

Rents for some 3 bedroom properties exceeding 4 bed homes

Rents for one 4 bedroom properties exceeding 5 bed homes

What does Rent Harmonisation look at ?

In simple terms a rent harmonisation exercise gives each property a base rent and then adds an extra amount for different attributes.

Keeping Rents Affordable:

On average Paragon rents are 3% lower than other Housing Association Rents and average Paragon rents are 34% less expensive than Local Housing Allowance (Private Sector) rents.

Although no decisions have been made yet on what attributes will be used to set new rents it is important that rents continue to be affordable. So before any final decision is made we will be looking at the impact on affordability.

When will this happen?

Although we are aiming to start phasing in any changes to rents from April 2024 we are unlikely to see a big bang option and expect the whole process to take 2 – 5 years. We anticipate that about a third of tenants will see their rents decrease, a third will see their rents increase and a third will see little or no change. One option is to agree maximum increases / decreases and phase these in until all rents are the same as that proposed in the new rent structure. You will see a question in the survey about how you think we should bring in the changes and your views are very important to us.

Some examples of what attributes might be:



Property Size



New Build Premium



Property Type



Garden

We hope you have found this newsletter useful and would appreciate you completing and returning the survey to us by Friday 8th September. We will be holding a number of focus groups (on line and in person) in September and if you want to come along please contact the Housing Manager, Evelyn Mathershaw on 01324 664966 or email enquiries@paragonha.org.uk

WE REALLY NEED YOUR VIEWS AND WE ARE OFFERING LOTS OF WAYS TO GET INVOLVED

HOW TO TELL US WHAT YOU THINK

By Paper Survey - Attached to this newsletter & you can use the prepaid envelope. **You don't have to provide your name & address** but it will help if we need to get back to you on any comments.

On line Survey – complete the form on our website

By Participating in the Rent Harmonisation Focus Group(s) – presentation by staff and group discussion with those attending – see table below

By Requesting a Call Back – if you can't come along to any of the face to face sessions then request a Call Back and our staff will phone you – see table left. We can do call backs after 5 pm on certain days.

Rent Harmonisation Focus Groups:

Tenant Scrutiny Panel Meeting **Thursday 21st September – 10:30am**
Paragon HA Office, Grangemouth

Falkirk / Grangemouth Focus Group **Thursday 28th September, 10:30am**
Paragon HA Office, Grangemouth

Clacks / Stirling Focus Group **Friday 29th September, 10:30am**
Venue to be confirmed

On Line Focus Group **Thursday 28th September, 6.00pm**
Zoom

If you would like to attend one of the above meetings please let us know by telephoning 01324 664966 or emailing us at enquiries@paragonha.org.uk

If you would like to get involved but are unable to make any of the above dates then please contact us and ask to speak to the Housing Manager, Evelyn Mathershaw.