Dear tenant,

Annual Rent Consultation

We invite you to participate in this year's rent consultation. Enclosed, you will find a leaflet outlining our proposed increase for next year's rent. We value your feedback and ask that you share your thoughts by **Monday 5th January 2026,** allowing for seasonal postal delays and the Christmas holiday period.

This year's rent consultation is different to previous years in terms of we are offering only one option. We want to be completely transparent in regard to the reason for this and the rationale behind the option.

The financial climate in which we operate continues to be unpredictable with prices for repairs and tenders in particular providing a challenge to our budgets. As an organisation Riverside Scotland is determined to provide our tenants with the best possible value, whilst striving to provide services that are valued and customer focussed.

After lengthy and in-depth work carried out to project our budgets for the coming financial year, there is a rate of increase we require to enable us to continue to deliver our current services, whilst also meeting the investment in our stock and neighbourhoods where this is required. Therefore, the rental increase percentage in this consultation represents the lowest possible rate of increase we can offer and includes a number of efficiencies and commitment to value for money to keep the rate at this level.

Rents across the sector:

We take great pride in keeping our rents affordable and as low as possible. Last year we were able to deliver a **3.2% increase,** but in doing so had to delay some of our investment work during this period.

To put this into context against other housing providers, our offer was **1.48%** lower than the average Scottish rent increase of **4.68%.** At the time, due to the cost-of-living crisis, we firmly believe this was the right thing to do for our tenants.

This year we do need to invest in our properties as delaying some of the work another year would lead to a reduction in the quality of homes and potential for increased repair and future tender costs, impacting rent in future years.

We do not want to provide a higher option this year, which would normally be the case as we completely understand the challenges our tenants are facing in the current economic environment. As a Housing Association, we are not immune to these rises and inflation continues to be much higher at 3.8%, than the Bank of England target of 2%.

We need to guard against these continuous rises in costs, for example maintenance costs are predicted to continue rising by between 4 and 6% in the coming year. The cost of building materials and construction has continued to rise faster than general inflation. Specific Maintenance & Repairs CPI was 5.3% in April 2025, 7.3% in June and 5.6% in August 2025. Ensuring Riverside Scotland has a sound economic base to manage these challenges and be able to deliver safe, warm and well-maintained homes for our tenants is of upmost importance.

Our rental offer for 2026/27:

Our proposal for 2026/27 is a rental increase of **5.7%**. This proposal not only secure our investment against tenants' priorities but ensures longer term sustainability and viability of the business.

Our rent structure takes into account house type and size, so the increase will vary depending on your property. An example of what a 5.7% increase would mean in cash terms per week is shown below:

- **A 3-apartment property with a 5.7% increase would represent a £6.56 p/w increase in weekly rent from April 2026.**

We will always look to provide value for money in comparison to the sector, we are confident that the proposed increase does provide this again this year.

Some of the costs we are facing:

To put some of our costs into context, the examples below show some of the costs we are trying to absorb by working smarter and by working on more preventative measures -

Storm Damage - In early 2025, Storm Eowyn caused severe damage to fences and trees resulting in repair costs exceeding £100,000. This is significantly higher than budgeted repair costs and we will now budget for storm damage annually alongside our regular maintenance.

Fly tipping - We have seen our Estate Management costs rise sharply, exceeding £25,000 to date this year which is more than double last year's budget.

Void Costs - When homes become empty, we have seen the cost of bringing the properties up to our lettable standard double in the last three years due to increases in material costs.

Continued commitment to support and services:

We understand that the cost-of-living crisis continues to provide challenges for everyone, for you as tenants and for us as your housing provider.

This is why we are committed to continue to provide support in every way we can, and this support has provided the following in the last 12 months:

- £393,000 in financial gains for tenants through expert money advice
- £5000 in emergency support for essentials such as food, fuel and furniture
- 20 beds and bedding to families in needs through the Bed Poverty Fund

We will continue to provide our money advice service and other additional support options throughout the next financial year and know that this is a highly valued service by those that have accessed it in the past year.

Your feedback at the heart of our decision making:

In our most recent tenant survey, 88.50% of responders felt that the rent paid represented good value for money in terms of the accommodation and services provided by Riverside Scotland. It's vital that we are able to continue to both invest in your homes but also continue to deliver the range and levels of service you deserve.

Based on your feedback, it is clear that you want us to continue to invest in your homes, improving the standard and efficiency and reducing running costs. This coming financial year represents a larger investment into existing homes than in previous years, renewing key components and delivery quality improvements.

Investment in your homes:

From April 2026, we intend to invest approximately £4.5 million in your homes, including:

Bathrooms - 120 properties

Kitchens - 120 properties

Windows - up to 130 properties

Doors - up to 130 properties

Boilers - up to 50 properties

Within the budget, we will also be looking to carry out some further heating system retrofits, roofing works and rendering.

In addition, our recent Big Conversation tenant survey, alongside our regular estate inspections has highlighted the need to invest in estate improvement works. Therefore, we will be setting additional spend aside to start this process, enabling investment in some of the communal landscaped areas, paths, car parks and fencing replacements. We set a clear commitment to sharing and communicating on this work throughout the year in our regular newsletters, highlighting where we are impacting in a positive way to your neighbourhoods whilst delivering best value.

Priorities:

Spend and service delivery will be focussed on the priorities your feedback from the Big Conversation survey provided, these are:

- **Repairs and Maintenance** - 24/7 service to your home and communal areas (emergency and routine, storm damage and void property repairs)
- **Our investment programme** - for property upgrades such as windows, doors, roofs, kitchens, bathrooms and boilers
- **Adaptations** - budget to assist tenants to remain in their home and live more comfortably.
- **Building Safet**y - ensuring your home is as safe as possible through gas servicing, electrical safety checks and communal safety inspections.
- **Communal Estate maintenance and landscape service** - ensuring shared spaces are safe and well kept.
- **Estate Improvements** - paths, lanes, car parks, fence replacements and cyclical paintworks
- **Tenancy and community support** - available via tenant partners, Housing First for Families and customer and community engagement services.

These services are essential to supporting tenants and maintaining the quality of our homes and communities.

What should you do next?

Please review the content of this letter and the enclosed leaflet and let us know your views by:

- Completing and returning the feedback form in the enclosed prepaid envelope, or
- completing the feedback form online https://www.smartsurvey.co.uk/s/Z3O5N4/
- Scanning the QR code below:

If you are worried about paying your rent or are in arrears, please contact our Income Collection Team straight away by calling 0800 529 8789. Ask to speak to an Income Collection Officer, or the team can refer you to our Affordability Officer for further support.

If you have a query about your rent charges, please contact our Customer Service Centre on 0345 112 6600 instead, as the Income Collection Team only manages payments and arrears.

Thank you in advance for your participation.

Yours sincerely,

P. Forrest.

Pamela Forrest

Head of Housing and Communities