



Knowes Housing Association Ltd

Rent setting process and Budgets 2026–27

Rent setting process 2026–27

- ▶ Around 91% of our revenue income each year comes from our rents
- ▶ For the first 10 years of our business plan, Knowes was bound to a rent increase of no more than RPI plus 1%. After consultation with our tenants this was changed in July 2009.
- ▶ Our revised rent policy states that Knowes will set annual budgets and an annual rent increase based on the Scottish Housing Regulator's standard 3.4 :
- ▶ *“The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.”*

Rent setting process 2026–27

- ▶ **The Management Committee have agreed that future rent increase will be based on October inflationary rates and will ensure that Knowes will continue to be able to meet all of its current and future commitments – including those under the Scottish Housing Quality Standard and EESSH.**
- ▶ **Rent increases will be set by the Management Committee in February each year after consultation with Knowes' tenants.**



Rent Increase History

- ▶ Below shows the 6-year history of Knowes HA rent increases and a comparison with the sector average as follows:



| | Knowes | Sector Average | Diff |
|----------------|--------|----------------|-------|
| | % | % | % |
| 2024/25 | 3.5 | 4.68 | -1.18 |
| 2023/24 | 4.6 | 6.05 | -1.45 |
| 2022/23 | 4.9 | 5.14 | -0.24 |
| 2021/22 | 2.9 | 2.98 | -0.08 |
| 2020/21 | 0 | 1.22 | -1.22 |
| 2019/20 | 1.7 | 2.49 | -0.79 |
| | | | |
| 6 Year Average | 2.93 | 3.76 | -0.83 |

- ▶ Over the last 6 years Knowes cumulative shortfall in rent increases in comparison to the sector average is 4.96%.

Rent setting process 2026–27

- ▶ October 2025 rates of inflation are CPI 3.6% and CPIH 3.8%. (CPIH includes owner occupiers' housing costs.)
- ▶ Taking into consideration all the factors of affordability, comparability and financial viability then the proposed rent increase the Committee agreed to consult on for 2026/27 was 5.6%
- ▶ This represents around £292k in additional rental income for 2026/27 and thereafter.
- ▶ For comparison RPI at Dec 2025 = 4.2%, CPI = 3.4%, CPIH 3.6%
- ▶ Based on this rate Knowes' projected rent increase from 1 April 2026 under the original stock transfer agreement would have been = 5.2%

Rent setting process 2026–27

- ▶ Average monthly rent over all apartment types at present = £408.16 per month (2025– £391.46). A 5.6% (2025– 3.5%) rent increase = £22.86 (2025–£13.70) per month or £5.27 (2025 –£3.16) per week.



Rent setting process 2026–27

- ▶ Knowes HA should be able to demonstrate that its rents are:–
- ▶ affordable to those in low paid employment
- ▶ comparable with other social landlords in the area
- ▶ and also that Knowes is able to meet all its contractual commitments, including the requirements of the SHQS and the EESSH and loan repayments (we currently have no loan debt).
- ▶ Knowes is also required to demonstrate that it has consulted its tenants on its proposed rent increase.



Results of Rent consultation exercise – Dec 25 – Jan 26

- ▶ For our consultation an office open afternoon/evening was held in December – only 1 tenant attended.
- ▶ A survey was sent out by email to all tenants for whom we had an email address and the remainder received by post – survey could be completed on-line or by post – all 1068 tenants were invited to comment. We received 76 responses which equates to 7.1% (2025 - 8.2%)
- ▶ Of the 76 – 62% (2025 - 55%) voted yes to a rent increase of 5.6% and 38% (2025 - 45%) voted no.
- ▶ 86% (2025 -71%) felt their rent was affordable to them at present and 72% (2025- 64%) felt it would still be affordable after the rent increase.
- ▶ 80% (2025- 74%) thought their rent was good value for money.

Rents Comparability – Average Monthly Rents

| Average weekly rents 2024/25 | Property Size | | | | Rent Increase 2024/25 |
|---------------------------------|---------------|-------------|-------------|-------------|-----------------------------|
| Registered social landlord | 2apt | 3apt | 4apt | 5apt + | |
| Knowes HA | £ 81.87 | £ 88.34 | £ 98.26 | £ 116.39 | 3.5% |
| Clydebank HA | £ 76.80 | £ 83.29 | £ 99.01 | £ 119.70 | 4.5% |
| Dalmuir Park HA | £ 93.45 | £ 95.10 | £ 105.35 | £ 126.96 | 4.3% |
| Dunbritton HA | £ 92.03 | £ 99.68 | £ 106.31 | £ 113.04 | 3.3% |
| Caledonia HA | £ 110.20 | £ 100.69 | £ 108.58 | £ 119.06 | 4% |
| Trafalgar HA | £ 79.70 | £ 84.42 | £ 94.43 | £ 102.66 | 4.5% |
| Link Group | £ 96.38 | £ 108.89 | £ 114.22 | £ 128.80 | 5.5% |
| West Dunbartonshire Council | £ 90.81 | £ 93.39 | £ 99.27 | £ 109.91 | 8% |

Proposed budgets 2026/27 – Revenue Income

| Budget Heading | Amount |
|----------------------------------|-------------------|
| Income from rents | £5,562,491 |
| Service Charges | £137,171 |
| WDC Lets/Dunn St | £148,540 |
| Voids | £(28,498) |
| Capital grants written off | £187,358 |
| Owner income | £36,473 |
| Interest received | £79,709 |
| Revenue grants | £25,000 |
| Wider action grants/solar panels | £28,482 |
| Total income | £6,176,726 |

Proposed Budgets 2026/27 – Repairs and maintenance and overhead Expenditure

| Budget Heading | Amount |
|-------------------------------|-------------------|
| Reactive + Voids Maintenance | £1,458,960 |
| Communal area cleaning | £143,741 |
| Planned Maintenance and Gas | £819,414 |
| Property Insurance Premiums | £114,993 |
| Dunn St Spend | £20,720 |
| Depreciation of Housing stock | £1,029,326 |
| Salary costs | £1,301,358 |
| Overheads | £455,169 |
| Bad debts | £21,593 |
| Loan Interest Charges | £0 |
| Wider Action costs | £2,624 |
| Total Revenue Expenses | £5,367,898 |

Proposed Budgets 2026/27

Capital Expenditure

| Category of Expenditure | Amount |
|---|-------------------|
| Buy back of properties | £800,000 |
| Capital repayment of housing loans | £0 |
| Office & IT improvements/other assets | £51,000 |
| Major component replacement in housing properties | £1,210,000 |
| Abbeylands Road Development | £5,305,341 |
| Total Capital Spend | £7,366,341 |

Capital Income for 2026/27

| Capital Income | Amount |
|-----------------------------|-------------------|
| House purchase Grants | £400,000 |
| HAG Grant for Abbeylands | £2,330,161 |
| New Build Loan | Nil |
| Total Capital Income | £2,730,161 |
| | |

Reconciliation of projected cash balances 2026/27

| Budget Heading | Amount |
|--|--------------|
| Revenue Income | £6,176,726 |
| Revenue Expenditure | (£5,367,898) |
| Capital expenditure | (£7,366,341) |
| Capital income | £2,730,161 |
| Add back depreciation charge | £1,079,316 |
| Changes in debtors/creditors | £0 |
| Less capital grants written off | (£187,358) |
| Add Estimated Cash brought forward 2025/26 | £5,027,912 |
| Cash carried forward to 1 April 2027 | £2,092,519 |