



Rent Increase Consultation

2026/2027

RENT REVIEW FOR 2026/27

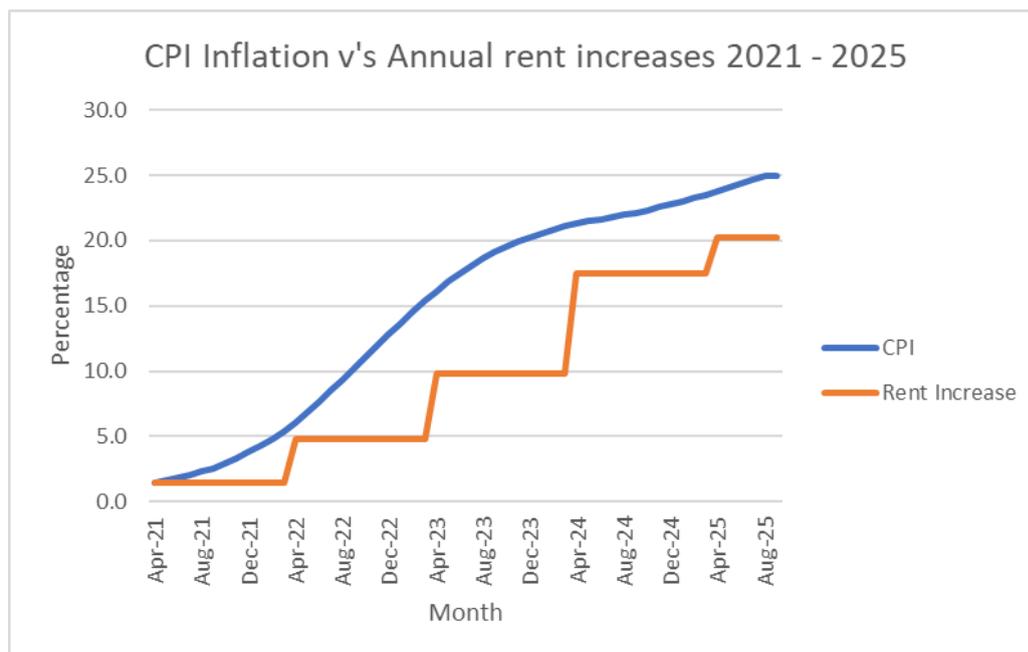
Albyn Housing Society deliver housing services to over 3,800 tenants across the Scottish Highlands. We want to continue to improve services to tenants through the management of homes across the area whilst investing in the development of new affordable homes for social rent.

Our Business Plan sets out our goals of investing in our current housing stock, developing new homes and assuring our long-term financial stability.

CURRENT CHALLENGES

The cost of living continues to be a big challenge for our tenants and is of particular importance across the Highlands communities.

We continue to work very hard to protect tenants from the impact of rising costs by keeping rent increases as low as we can whilst maintaining our levels of service. The impact of our decisions, supported by consultations with tenants has seen rents increase at levels well below the average rate of Inflation as can be seen in the graph below:



The UK Consumer Price Index (CPI) is the official measure of inflation, tracking how the average prices of everyday goods and services purchased by households change over time. It reflects the cost of living and measures the average change in prices of a representative "basket" of goods and services bought by households in the UK.

By minimising the increase in rent each year, a typical tenant's rent is an average of **£356 per year** lower than if we had increased rents in line with inflation over the same period.

This means that the Society has had to limit investment in improvements to tenant's homes at a time when there is increasing pressure to improve the efficiency of our stock to meet de-carbonisation pledges and make home more affordable to live in.

During this period of time, Albyn has suffered increases in costs which are substantially above the levels expected by general inflation.

Key cost pressures include:

- Interest rates remaining elevated with reductions in base rates slower than anticipated
- Insurance costs increasing by 54% for Social Housing premiums amounting to an additional cost of more than £197,000 in the last year, with the total cost of premiums approaching £700,000.
- Recent changes to Employers National insurance effective from 01 April 2025 increasing pay costs by more than £101,000.
- Additional day-to-day repairs costs in the 2024/25 financial year of over £1million representing a 41% increase compared to the previous year.

The combined impact of these specific increases in costs would equate to an increase in rents of **6.75%** in addition to general cost inflation across other areas of our business.

THE NEED FOR INVESTMENT

Continued investment is required to improve our housing to meet the Efficiency Standard for Social Housing (ESSH). At the same time as improving energy efficiency, we must consider the resource requirements and timescales to implement zero-carbon heating systems across our housing stock.

This is essential to meet the Scottish Government's ambitious decarbonisation targets which will require further commitment to adapt and retrofit existing homes to improve energy efficiency and decarbonise heating, highlighting housing's contribution to reducing carbon emissions.

The delivery of a lower level of rent increase during the period of higher inflation was only possible by reducing the investment in our housing stock from previous years, but was an option that tenants supported in our consultation process. It was clear from this exercise that the energy efficiency of homes was a high priority.

Looking ahead we must increase investment in the improvement of our existing houses and in particular essential energy efficiency measures, including heating systems to help provide affordable energy efficient homes for current and future tenants. To this end, our Business Plan includes a commitment from 2026/27 to spend £20.0million over the next five years, up from £17.5million reported last year.

DEVELOPMENT OF AFFORDABLE HOUSING

Albyn continues to be a significant contributor to the expansion of affordable homes across the Highlands region. Investment in new build developments is not only for the benefit of new tenants, over time, our older homes become increasingly expensive to maintain, harder to heat, and less suitable for tenants' needs.

To ensure we can continue offering good-quality, energy-efficient homes to existing tenants, we need to replace older stock over time with modern homes that are cheaper to run and easier to maintain. Funding for these projects is met partly by grants from the Government but also by borrowing. Borrowing incurs costs in the form of Interest, which need to be met through rents payable over the lifetime of our homes.

The Highland Council recently declared a Housing Challenge for the Highlands, setting out the need for 24,000 new homes up to 2030 of which around one quarter must be affordable housing.

Albyn has committed to build a further 600 new homes over the next five years to support this challenge, bringing high quality, energy efficient housing to those that need it.

HOW ALBYN IS FUNDED – TENANT RENTS

Rents are the main source of income for Albyn Housing Society, and the level of rent is a key determining factor in what we can spend on delivering our housing services, improvements, and new build programmes.

This consultation asks for tenant input into our Rent Review for the levels of rents charged with effect from 01 April 2026. These options are 4.8%, 5.3%, and 5.8% - you can find more information about what this will mean for investment back into your services and homes, as well as what the average weekly uplift would be, at the end of this document.

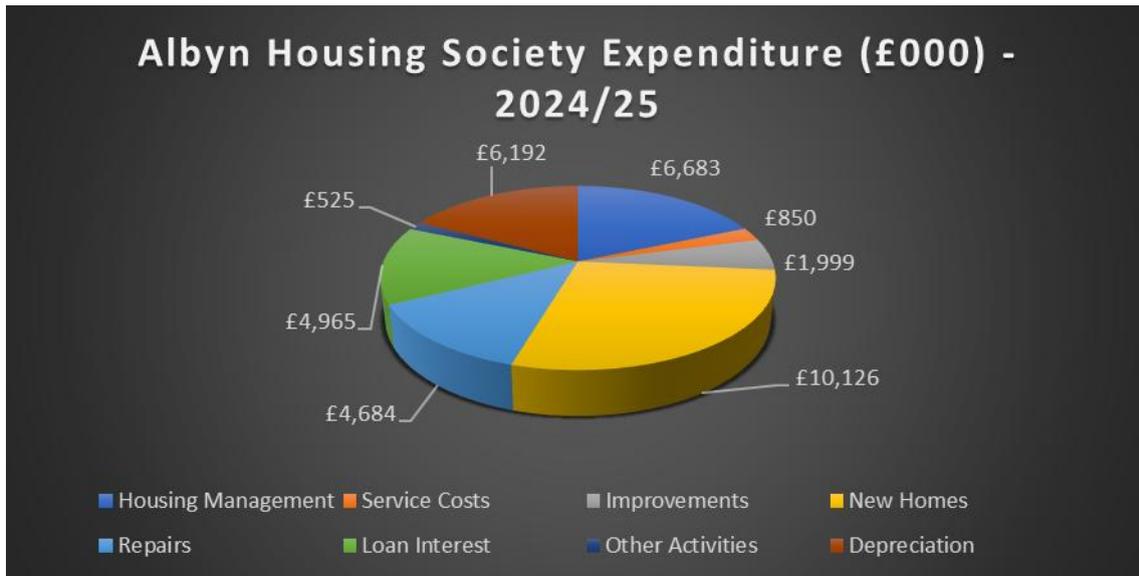
OUR CURRENT RENT LEVELS – HOW DO WE COMPARE

The average weekly rent for an Albyn Housing Society tenant in 2024/25, the latest year for which all social landlord rents were published was £104.09. This was increased by a 2.7% uplift on 01 April 2025, making Albyn Housing Society one of the social landlords who have increased rents by the lowest cumulative amount over the past three years

LANDLORD	2023/24	2024/25	2025/26	CUMULATIVE (BASE:100)	AVERAGE RENT*
Albyn Housing Society	5.0%	7.7%	2.7%	116.4	£106.90
Highland Council	4.0%	7.95%	8.0%	121.2	£100.38
Cairn Housing	7.0%	5.6%	3.74%	117.2	£106.31
Caledonia Housing	5.0%	7.7%	4.0%	117.6	£112.86
Eildon Housing	7.0%	7.0%	4.0%	119.1	£121.39
Hjaltland Housing	6.0%	6.0%	4.3%	117.2	£115.07
Kingdom Housing	5.0%	7.0%	6.0%	119.1	£107.76
Link Group	6.0%	7.5%	5.5%	120.2	£106.40
Lochaber Housing	7.0%	7.5%	5.0%	120.8	£120.72
Moray Council	3.5%	7.7%	6.0%	118.2	£81.14
Orkney Housing	7.5%	7.5%	4.0%	120.2	£110.43
Lochalsh & Skye	8.0%	7.7%	7.0%	124.5	£110.52

In comparison to our peers, Albyn rents have increased by 16.4% in the 3 years to 2025/26 keeping rent levels competitive and rent increases as low as possible.

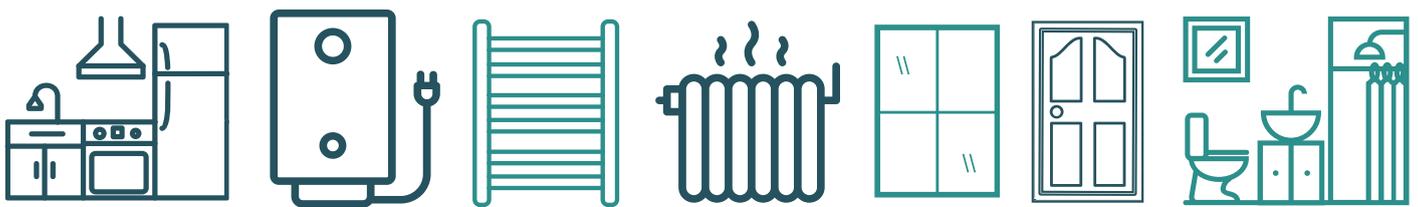
We will continue to be competitive with the amounts that we ask tenants to pay in increased rent each year whilst maintaining our services and fulfilling our responsibilities as a registered social landlord.



In 2024/25 we spent £36.0 million (last year: £35.5 million) on new and existing homes across the Highlands.

The largest part of our expenditure continues to be on building new homes where we spent £10.1 million (last year: £11.9 million). We spent a further £4.7 million (last year: £3.3 million) on repairing and maintaining existing homes and £2.0 million on replacing heating systems, kitchens, bathrooms and windows and doors. We spent £6.7 million on our operating costs and £4.9 million on loan interest charges.

During the year we completed 11 homes for social or mid-market rental.



In 2024/25 we replaced in our tenants' homes

- 141 Heating Systems or boilers
- 23 Kitchens
- 101 Bathrooms
- 23 properties Windows and Doors
- Spent £2.0m on improvements

We plan to spend a further £2.5 million in 2025/26 and £3.0million in 2026/27 to support our improvement programme and £20.0million in the five-year period.

We carried out 8,879 (last year 7,871) reactive repairs to our tenants' homes in 2024/25, with 88.5% of tenants happy with the quality of the repairs service.

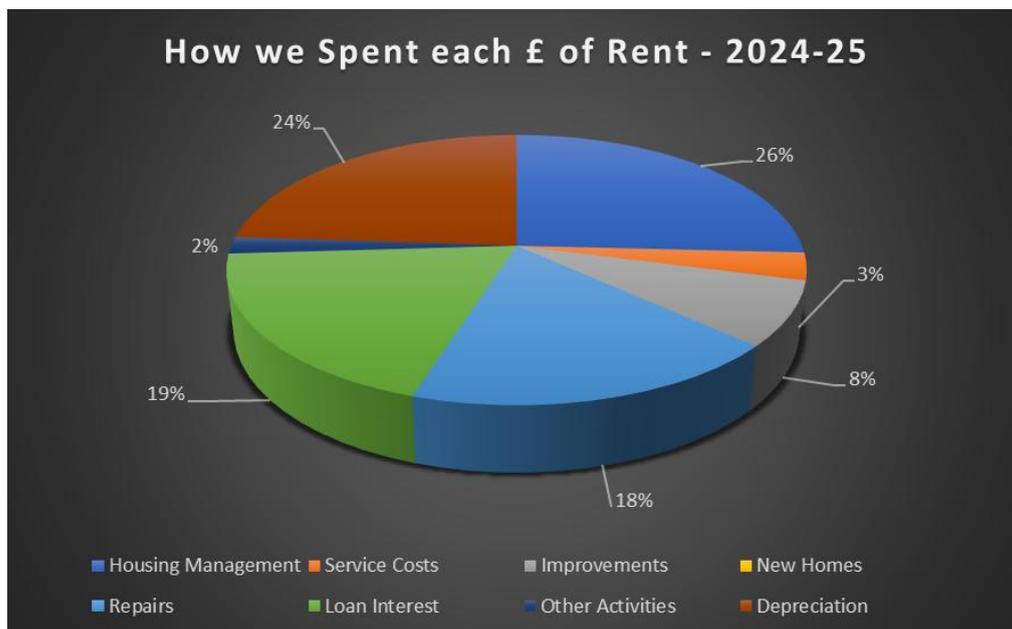


In the spring of 2024, we commissioned a survey of tenant satisfaction, and the results demonstrated an improvement of satisfaction against all measures set by the Scottish Housing Regulator.

Most notably, overall satisfaction was 90.86% (RSL average: 87.71%) and value for money of 86.68% (RSL average: 81.93%)

HOW DO WE SPEND YOUR RENT?

The money you pay in rent is put towards the cost of providing the services you receive as an Albyn tenant. More than 50% of Albyn’s spending is committed to housing management, and repairs, maintenance and improvements. Based on the average weekly rent, this is how we spent each £1:



CONSULTATION OPTIONS FOR 2026/27

Our policy and Business Plan requires us to continue to set our rents with reference to the rate of inflation, basing the annual increase on the change in inflation as measured in September each year. We use the Consumer Price Index (CPI), which is a government measure of inflation that aims to reflect the change in cost of living and is published by the Office for National Statistics (ONS) on a monthly basis.

The ONS published the CPI Inflation figure for September 2025 on 22 October 2025 with the level confirmed at 3.8%.

We have considered what we need to do to keep our rents affordable, whilst maintaining the amount of money we can invest in improving existing homes. Further options are presented which would enable the rate of home improvement to accelerate and we will consider tenant preferences as part of this consultation process.

Each option presented in this consultation includes the impact on our current business model:



*Option A –
4.8% increase
(CPI + 1%)*

This is the lowest level of increase that we feel is feasible if we are to maintain a reasonable investment in our existing stock and the services that we provide to tenants.

If this is the preferred option, Albyn will invest £20.0million across the next 5-year period improving the fabric and energy efficiency of tenant's homes.

This option is the equivalent of £5.13 on the average weekly rent.

*Option B –
5.3% Increase
(CPI + 1.5%)*

Under this option a further £439,000 over the next five-year period.

This option is the equivalent of £5.67 on the average weekly rent.

*Option C –
5.8% Increase
(CPI + 2.0%)*

Under this option a further £885,000 over the next five-year period.

This option is the equivalent of £6.20 on the average weekly rent.

SUPPORT FOR TENANTS

Albyn has worked hard to ensure that support is available for tenants who are in the greatest need to help manage cost of living challenges. We have a Tenant Support Fund and access and advice across other areas of support with the cost of energy, money saving tips, budgeting and Health & Wellbeing.

Find help and advice on our website: albynhousing.org.uk/ways-we-can-help/help-with-the-cost-of-living/