

# Comment on Muirhouse Housing Association proposed rent increase

*"We say any increase is TOO much!"*

Over the weekend many tenants of [Muirhouse Housing Association](#) MHA received a letter which they did not want just days before Christmas. MHA is asking tenants what they think about their proposed rent increase. Tenants contacted the association [Tenants and Residents in Muirhouse](#) TRIM highlighting concerns they had and TRIM immediately started to act upon it.

MHA Time table of increases over the past 5 years

2008 – 4.75%

2009 – 3.0%

2010 – 2.5% 2011 – 4.6%

2012 – 4.5%

This year MHA is proposing a maximum increase of 5%

TRIM has written to the board of [MHA](#) asking them to consider many factors when deciding what might be an appropriate increase:-

Homelessness – Poverty – High Fuel Bills – High Interest Rates – Salary Freeze

Whilst we fully understand that MHA have to cover costs, We feel that any increase should be kept to a minimum if at all. It is hoped that MHA will not increase their rent charges at all.

With benefit reform looming, many residents will be forced deeper in to a poverty stricken state. We suspect that many residents affected by the "Bedroom tax" will struggle to pay the difference between their benefit and actual rent. We feel that MHA should do all they can to support their tenants and freeze their rent charges.

Reproduced below is the letter TRIM has sent to the board of Muirhouse Housing Association

*"Dear Board Members,*

*TRIM has been contacted by a few of your tenants regarding the proposed rent increase and they are concerned about the detrimental affects that a high increase will have on their finances and their ability to pay.*

*Before you make a final decision TRIM would like you to take the time to consider the following points that your tenants have raised and that we, as a Tenant's Group are concerned about.*

*As you know in this area we have a high proportion of residents who are in fuel poverty, have increased food bills, have a low wage with little or no pay increase and now we have the Welfare Reform starting to take affect for the people who are on partial or full benefits. We understand that Muirhouse Housing Association is not to blame for these financial decisions but feel that the real and unavoidable financial constraints on your tenants income should be a factor in any decisions that you make.*

*We are concerned and would like your response regarding the proposed rent increases in view of the lack of understanding regarding the impact that Welfare Reform will have on all your tenants regarding rent increases and how you are budgeting to cover the extra expenses through rent payments.*

*Will the Welfare Reform lead to higher than previous rent*

increases to cover the bad debt and increased housing management costs arising from arrears and how will this be taken forward as you plan your next budget and rent increases.

□How will the poorer financial stability of your tenants affect your long term business plan and will this lead to even higher more rent increases in the future .

□Have you considered the impact that the proposed higher rent increase will have on the families that have partial or no housing benefit and how that will increase the child poverty and deprivation in the community as the gap between income and expenditure widens.

□Tenants who have had no rent arrears are worried that they will have problems paying the increases as they have absolutely no disposable/spare income or savings to pay it – and have no option of making up the shortfall. One commented that they couldn't just conjure up money out of nothing and doesn't know how they will cope.

TRIM are concerned that a high increase in rent will adversely affect all your tenants – especially the ones who are on partial/no housing benefit and lead them into poverty and reliance on loans and credit to keep them going. This is a situation that must not be allowed to happen to a community that is already struggling with the impact of financial decisions that are not of their making.

We also realise that a higher rent increase will not in itself impact on your tenants who claim full housing benefit but the Welfare Reform changes will – from rental payments and Universal Credits to passport benefits – so we will be working with other Tenants Organisations in order that all tenants and residents in Muirhouse will know how it affects them and to get the relevant information to everybody – not just people who claim benefits.

*We do understand that the rental payments is the main income for the Housing Association and that in order to provide it's services it needs to be realistic in its rental charges – but we would ask you in this hard financial climate for the sake of all your tenants to keep your increase as low as possible. Your tenants are suffering – it will get worst as the Governments spending cuts come into full force and it is up to your Board to take care of your tenants the best as you can and help keep them in their homes. Can you have a look at all your services and participation budgets – is there anything that could be cut to lower the rental increase – is there anything you are doing that doesn't need to be done?"*

TRIM will update their site and [Facebook page](#) with any response, In the meantime they are going to contact Forth Councillors, their MSP and MP for the area asking for their backing in this matter.

Submitted by [Robert Pearson](#)

