

Occupancy Charge Review 2025-26

What do I need to know?

Frequently Asked Questions

Why do we consult?

The Exclusive Occupancy Agreement between you and the Association requires us to consult on any proposed changes to your occupancy charge.

Our aim is to provide clear information on how your occupancy charges are spent and that we are striking a balance between the level of service we provide and the cost to you of providing this.

How is the occupancy charge calculated?

The occupancy charge is set in the same way as rents in that points are awarded for certain characteristics of each property and each point has a Rent Point Value (RPV).

However, as you are responsible for carrying out all the repairs and maintenance to your home, that figure is discounted accordingly.

The occupancy charge is calculated on the percentage of the property owned by the Association. Therefore, the higher the share you own, the less your occupancy charge will be. The management fee, building insurance and any other charges applicable are then added to provide you with a total charge.

Can I pay via Direct Debit?

Yes you can. We offer paperless direct debits that can be set up over the phone in 5 minutes. You can also have a direct debit on any day of the week or time of month that suits you best. Contact your Housing Officer if you want to set up a Direct Debit.

What does the occupancy charge cover?

When we build shared ownership properties we get a small subsidy from the Scottish Government but we also have to take out mortgages. These costs are then spread across all rents and occupancy charges.

There are currently 28 households on the low cost home ownership (LCHO) list and over 1393 on the rented list. We are committed to continuing to provide a range of LCHO options to people wishing to own their own home.

Why does the occupancy charge have to increase?

We don't receive any public funding to pay for any of our costs so we must ensure that the income we receive from our properties is sufficient to meet all our expenditure.

For the past three years your occupancy charge has increased below inflation. We use the Retail Price Index (RPI) which is a government measure of inflation that aims to reflect the cost of living.

You may recall we have previously consulted with sharing owners on the option of a multi-year occupancy charge increase plan, however, due to significant world wide events, the rate of inflation exceeded any forecasted levels and resulted in extreme cost of living pressures.

As inflation has generally stabilised, we would again like to present this as an option to give you certainty over the next three years for your direct housing costs, and enable the Association to continue to spend money in maintaining our properties and neighbourhoods.

Our Management Committee will, however, meet on 29 January 2025 to consider your response prior to any changes being implemented.

All the choices are on the reverse of this leaflet.

Why is there a Management Fee?

The management fee is the same for all sharing owners and covers:

- ♦ Maintaining the LCHO list and identifying purchasers for sharing owners wishing to sell;
- ♦ Providing a service for sharing owners who wish to increase their ownership;
- ♦ Managing your exclusive occupancy agreement and responding to enquiries;
- ♦ Arranging the buildings insurance and managing claims handling;
- ♦ Collection of occupancy and factoring charges;
- ♦ Actions taken for occupancy charge arrears;
- ♦ Legal costs for dealing with any complex issue;
- ♦ Compliance with the Property Factors Act 2011 and associated registration costs;
- ♦ Dealing with any enquiries from mortgage lenders;
- ♦ Resident involvement, consultation, information and satisfaction surveys;
- ♦ Managing bank loans.

How are the factoring charges set?

These are calculated separately from the occupancy charge and are charged at cost on an individual scheme basis. For example, if you are charged for common grounds maintenance you are only paying towards the cost of maintaining the area of common ground on the estate on which you live.

Help we can offer?

If you are struggling to make ends meet or to pay your occupancy charge, our Housing & Customer Service team can help. There are benefits and grants available that you may not be aware of, and our team can support you to access these services.

We also have an Energy Advisor who can talk to you about your energy bills.

Call us on 01856 875253 for an appointment. Staff can meet you in your home, in our office or telephone you at a time that suits you. We also have lots of information available on our website www.ohal.org.uk.

What are the options?

3 year Increase Plan

2025/26 - 4.0%

2026/27 - 4.0%

2027/28 - 2.5%

2025/26 Average Monthly Occupancy Charge = £211.78

2026/27 Average Monthly Occupancy Charge = £220.25

2027/28 Average Monthly Occupancy Charge = £225.76

Management Committee Recommended Option

1 Year Increase - 4.0%

2025/26 Average Monthly Occupancy Charge = £211.78

What Happens Next?

We would like your views so please complete and return the enclosed questionnaire in the freepost envelope or, alternatively, take part in the online survey at <https://forms.office.com/e/aJTjVG21SF>

All responses will be collated and a report presented to the Association's Management Committee for their consideration prior to them making a decision on any change to the occupancy charge. You will be provided with feedback on the consultation and decisions made by our Management Committee.

The closing date for responses to the survey is 5pm on Monday, 20 January 2025.

If you want to be entered into the Prize Draw for a chance to win a cash prize of either £25 or £50 you will need to complete the survey and provide us with your contact details.

Contact us:

Telephone - (01856) 875253

Email - enquiries@ohal.org.uk

Facebook - @OHALtd

Website - www.ohal.org.uk

Consultation Question

The below questions have been provided to seek your views on the proposed Occupancy Charge increase.

Based on the information contained in the Occupancy Charge review leaflet what is your preference from the following options for the Occupancy Charge increase in 2025/26

Option 1:

3 Year increase plan: 2025/26 - 4% 2026/27 - 4% 2027/28 - 2.5%

☐

Option 2:

1 Year increase for 2025/26 - 4%

☐

If you are struggling with anything in particular at this moment and require advice/assistance please provide brief details below:

Name

Address

The consultation will run until the 20 January 2025. The results will be reported to the management committee who will make a final decision and the sharing owners will be notified at the start of March.

If you require any support completing the survey please contact the Association at:

01856 875253



enquiries@ohal.org.uk



www.ohal.org.uk



Orkney Housing Association

