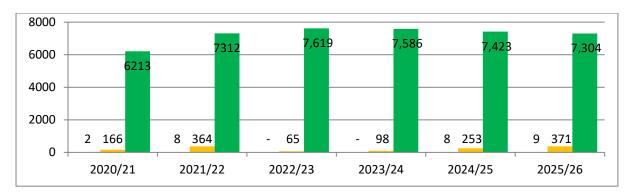
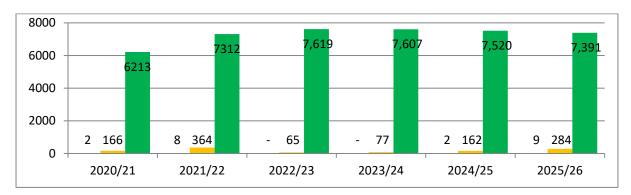
## Affordability modelling

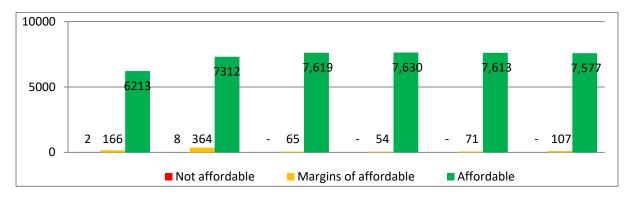
1. Rent increase 7% then RPI + 0.5, earnings increase by RPI



### 2. Rent increase 5% then RPI + 0.5, earnings increase by RPI



### 3. Rent increase 3% then RPI + 0.5, earnings increase by RPI



#### Notes on assumptions

The affordability tool defines monetary value thresholds which represent 25 per cent (amber) and 30 per cent (red) of a moderate income. The thresholds vary as they are dependent on the Local Authority in which the tenancy is located, the property size and the household type.

Moderate income data comes from Office of National Statistics and uses households at the 25<sup>th</sup> percentile for income, using household types with the lowest income. For example, affordability for a one-bedroom property is assessed using the 25<sup>th</sup> percentile income for single persons rather, which is lower than the income of couples.

# Affordability impact of 7% rent increase by local authority

Row Labels	Amber units 2022/23	Amber units 2023/24
ABERDEEN CITY	59	78
ABERDEENSHIRE	0	2
ANGUS	0	0
CITY OF EDINBURGH	0	0
DUNDEE CITY	2	3
EAST DUNBARTONSHIRE	0	0
EAST RENFREWSHIRE	0	0
GLASGOW CITY	4	15
NORTH LANARKSHIRE	0	0
RENFREWSHIRE	0	0
SOUTH LANARKSHIRE	0	0
INVERCLYDE	0	0
Total	65	98

# **Examples of rent increase impact on different rent levels**

Property	2022/23 Rent	2022/23 Rent +7%	2022/23 Rent +5%	2022/23 Rent +3%
1 bed Glasgow City (weekly rent)	81.77	87.50	85.86	84.22
1 bed Aberdeen City (monthly rent)	393.43	420.97 *	413.10	405.23
2 beds Dundee (weekly rent)	106.03	113.45	111.33	109.21
2 beds Renfrewshire (weekly rent)	104.48	111.80	109.71	107.62
3 beds North Lanarkshire (monthly rent)	394.37	421.97	414.08	406.20

<sup>\*</sup> Amber rated in affordability modelling