

# **RURAL STIRLING HOUSING ASSOCIATION LTD**

## **SENSITIVITY ANALYSIS**

### **BASE MODEL**

#### **POSITIVE SENSITIVITY ANALYSIS-**

- 1-Added rent increase of 1% from year 7 to 10
- 2-Reduce voids and bad debts by 1%
- 3-No real cost increases on Cyclical maintenance
- 4-Planned Maintenance costs savings of 5%
- 5-Rent increases by 1% above inflation
- 6-Reduction in interest rates by 0.5%
- 7-Inflation remains at 3% per annum from year 3
- 8-Inflation only increases to Management costs to Year 30

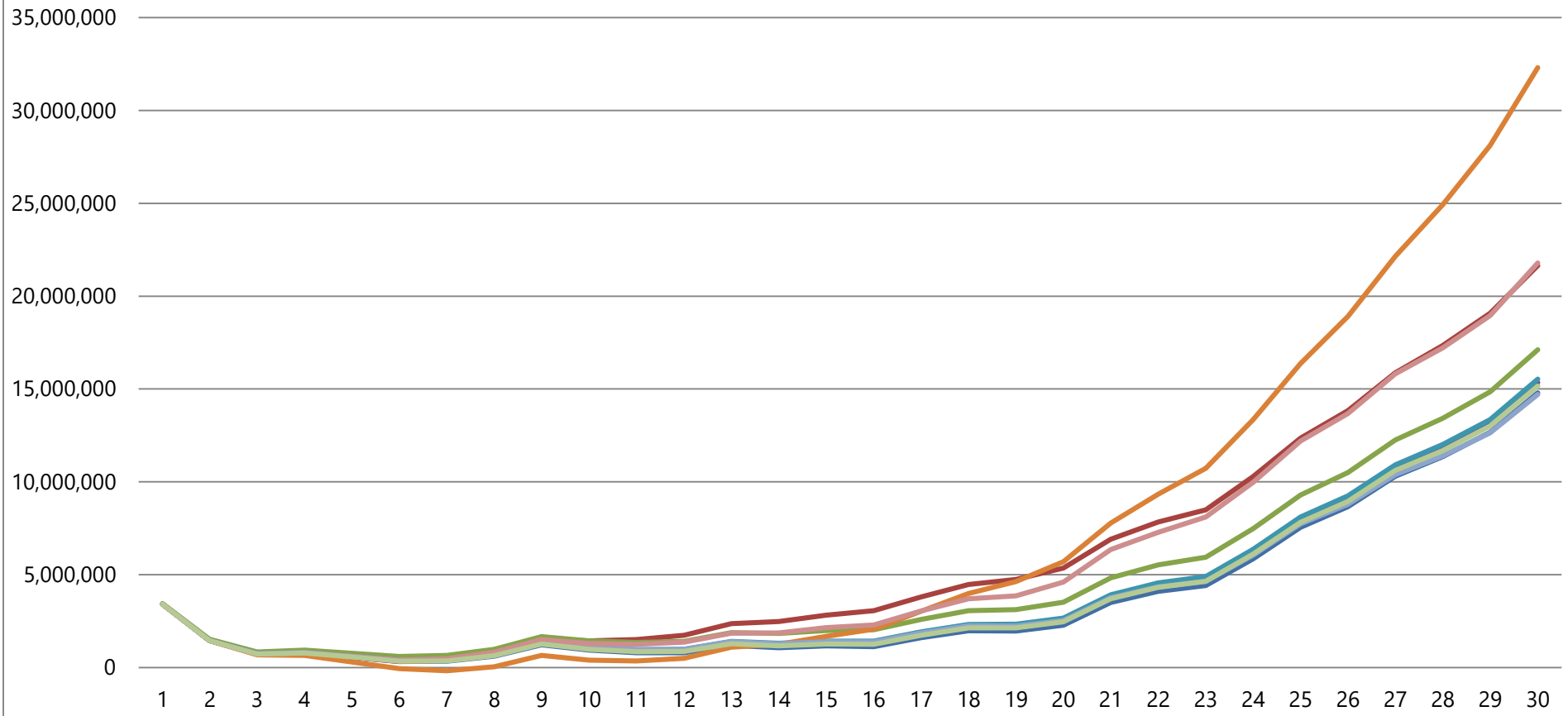
#### **ADVERSE SENSITIVITY ANALYSIS-**

- 9-Increase by 1% in voids and bad debts
- 10-Cyclical Maintenance costs increase by 15%
- 11-Increase of 10% in reactive maintenance costs
- 12-Management costs increase by 0.5% in real terms
- 13-Increase in interest rates by 1%
- 14-Rent increases by inflation only
- 15-Salaries Increase in real terms by 0.5%
- 16-Rent Freeze Year 2

#### **COMBINED SENSITIVITY ANALYSIS-**

- 17-Combine versions 9/13/14
- 18-Combine versions 10/11/12
- 19-Combine versions 9/13/16

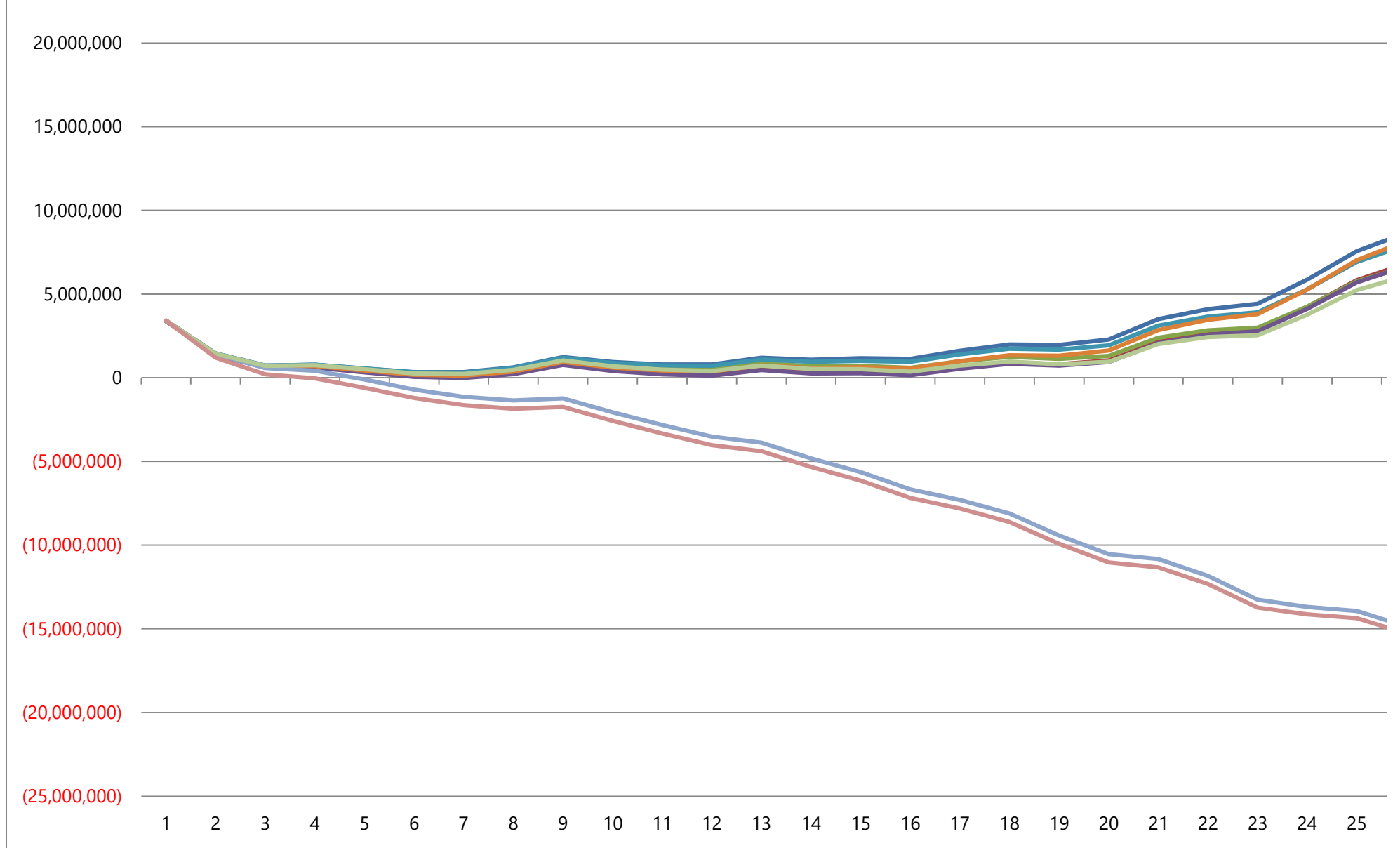
## Positive Sensitivity Analysis



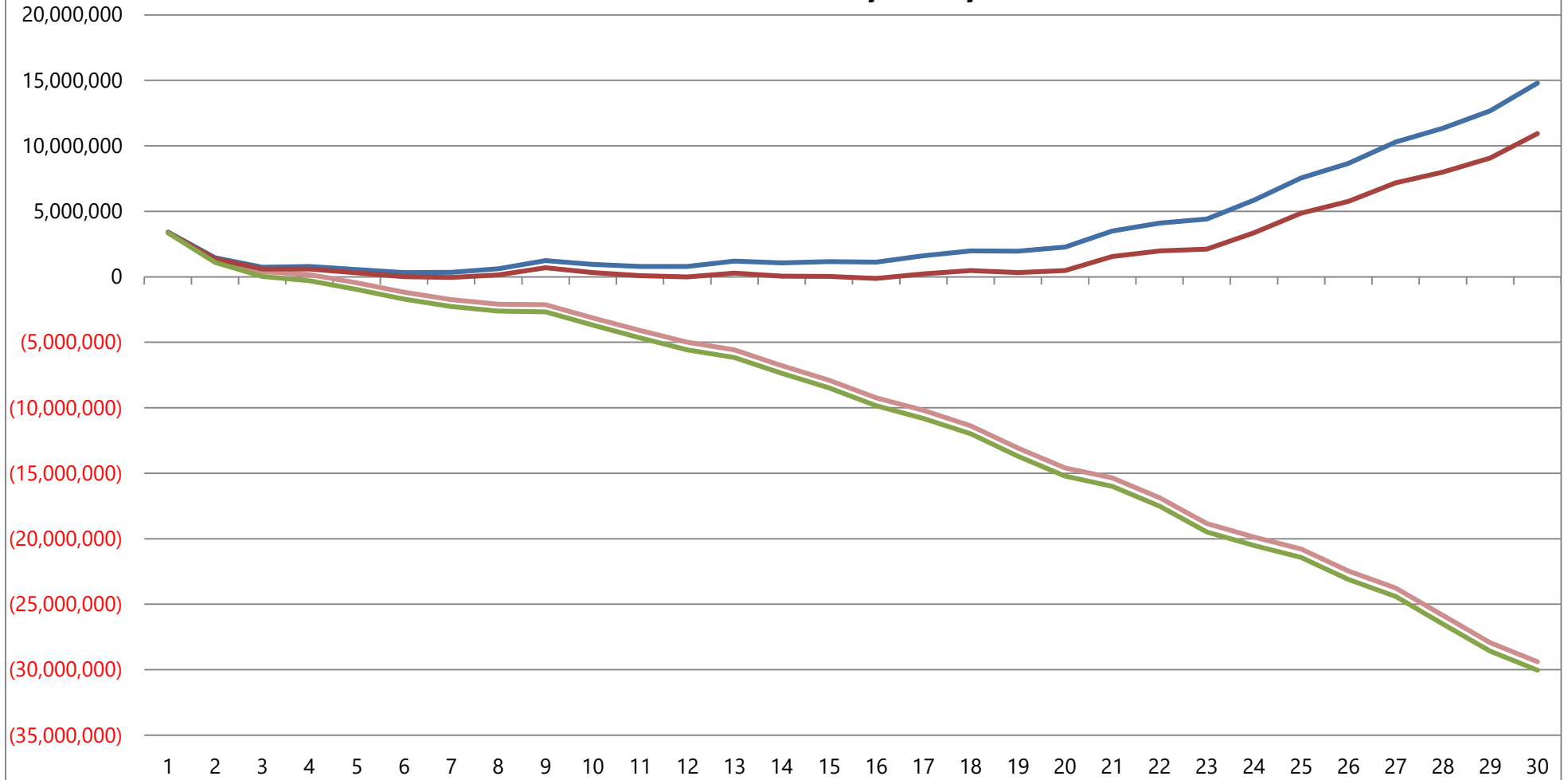
(5,000,000)

- Baseline
- 2-Reduce voids and bad debts by 1%
- 4-Planned Maintenance costs savings of 5%
- 6-Reduction in interest rates by 0.5%
- 8-Inflation only increases to Management costs to Year 30
- 1-Added rent increase of 1% from year 7 to 10
- 3-No real cost increases on Cyclical maintenance
- 5-Rent increases by 1% above inflation
- 7-Inflation remains at 3% per annum from year 3

# Negative Sensitivity Analysis



# Combined Sensitivity Analysis



- Baseline
- 17-Combine versions 9/13/14
- 18-Combine versions 10/11/12
- 19-Combine versions 9/13/16