

Fair Rents (Scotland) Bill

Introduction

A proposal for a Bill to protect private sector tenants by introducing measures to limit rent increases and to increase the availability of information about rent levels. The consultation runs from 15 May 2019 to 6 August 2019. All those wishing to respond to the consultation are strongly encouraged to enter their responses electronically through this survey. This makes collation of responses much simpler and quicker. However, the option also exists of sending in a separate response (in hard copy or by other electronic means such as e-mail), and details of how to do so are included in the member's consultation document. Questions marked with an asterisk (*) require an answer. All responses must include a name and contact details. Names will only be published if you give us permission, and contact details are never published – but we may use them to contact you if there is a query about your response. If you do not include a name and/or contact details, we may have to disregard your response. Please note that you must complete the survey in order for your response to be accepted. If you don't wish to complete the survey in a single session, you can choose "Save and Continue later" at any point. Whilst you have the option to skip particular questions, you must continue to the end of the survey and press "Submit" to have your response fully recorded. Please ensure you have read the consultation document before responding to any of the questions that follow. In particular, you should read the information contained in the document about how your response will be handled. The consultation document is available here: [Consultation document](#) [Privacy Notice](#)

I confirm that I have read and understood the Privacy Notice attached to this consultation which explains how my personal data will be used

About you

Please choose whether you are responding as an individual or on behalf of an organisation. Note: If you choose "individual" and consent to have the response published, it will appear under your own name. If you choose "on behalf of an organisation" and consent to have the response published, it will be published under the organisation's name.

an individual

Which of the following best describes you? (If you are a professional or academic, but not in a subject relevant to the consultation, please choose "Member of the public".)

Professional with experience in a relevant subject

Optional: You may wish to explain briefly what expertise or experience you have that is relevant to the subject-matter of the consultation:

Full time accredited private landlord with 10 years experience of letting residential property

Please select the category which best describes your organisation

No Response

Please choose one of the following:

I would like this response to be published anonymously

If you have requested anonymity or asked for your response not to be published, please give a reason (Note: your reason will not be published):

Business sensitivity

Please provide your name or the name of your organisation. (Note: the name will not be published if you have asked for the response to be anonymous or "not for publication". Otherwise this is the name that will be published with your response).

Please provide details of a way in which we can contact you if there are queries regarding your response. Email is preferred but you can also provide a postal address or phone number. We will not publish these details.

Aim and approach - rent cap

Q1. Which of the following best expresses your view of capping private sector rent increases annually across Scotland at one percentage point above inflation (measured according to the Consumer Price Index (CPI))?

Fully opposed

Please explain the reasons for your response.

The measure proposed makes no reference to either the cost to Landlords of ongoing remedial and improvement work in properties, and CPI inflation is calculated in part with reference to the rise of housing costs. This means that the calculation of CPI will in fact be weakened when tying PRS rent increases to CPI. This makes no sense...nor does the inclusion of many "basket items" completely unrelated to rent in the calculation measure. Additionally, there will inevitably be unintended consequences of such a move. I (and many other PRS Landlords) do not regularly increase rents. This is done in order that Tenants can predict their rent affordability and as such have a very limited number of "unexpected shocks" on increases throughout the term of their Tenancy. This means they feel comfortable in treating their home as a home rather than something more transient. Our average tenancy as a result of adopting this approach is more than 6 years. Adopting the proposal means that when a Tenancy is ended and new Tenants are sought, the market rent for the property will be artificially reduced as it seeks to restrict increases on even new Tenancies. This is in effect restriction of trade and punishes good Landlords in a very unfair way. The net result would be that all Landlords, in order not to tie their hands on the level of rent they can achieve for a new Tenancy, will simply increase the rent annually of all properties by the maximum amount possible. This is extremely unfair on Tenants and will result in significant rent increases far beyond what I and many other Landlords have ever imposed. Affordability will reduce, Tenants will feel less secure in their tenancy and be less willing to put down strong roots in their community. Furthermore it is apparent that Scotland has a significant shortage of quality Private Rental Housing stock. The bill as outlined would ensure that many prospective Landlords would either not consider entering the sector or, at least, not increase their exposure to the sector. Random restrictions such as the one outlined-as well as being illogical-have a significant behavioural impact on many parts of a market, just at the time when Scotland needs a more professional sector to evolve. The bill will be extremely harmful and should be opposed. It will undoubtedly harm Tenants and Landlords alike, as well as creating a massive administration burden on Government. I'm also certain that the less scrupulous Landlords will, yet again, be the only winners as they avoid registration and charge whatever inflated rent they like on the most vulnerable Tenants.

Rent level appeals

Q2. Which of the following best expresses your view of providing that, when tenants appeal their rent, rent officers and the First-tier Tribunal would be able to either lower or maintain the rent but not increase the rent?

Fully opposed

Please explain the reasons for your response.

The First Tier Tribunal should have the flexibility required to be scrupulously fair to all parties. Placing this restriction on them would mean that, inevitably, that flexibility would be weakened. Additionally, their case load would inevitably increase by a massive amount given that a rent appeal to them would effectively be a "free hit" for Tenants (who have nothing to lose by raising a case if the bill goes through)

Landlord registration scheme

Q3. Which of the following best expresses your view of expanding the landlord registration scheme so that landlords must input the rent that they charge when they register, and update the system when the rent changes?

Fully opposed

Please explain the reasons for your response.

It makes no sense. The behavioural impact would be that unscrupulous Landlords would simply avoid registration. Furthermore the admin burden of Government having to check rent increases, appeals by Landlords who may well have renovated, improved or upgraded their property (and as such seek a more substantial increase to rent) would be massive.

Other options - Rent Pressure Zones

Q4. Which of the following best expresses your view of tackling the problem of rents rising significantly faster than inflation by making it easier for a local authority to apply to create a Rent Pressure Zone (RPZ)?

Partially supportive

Please explain the reasons for this response.

Local Authorities have the knowledge of what is happening in their areas to be able to see if there is unusual or unexplained rent increase behaviour. They also know about regeneration work (which can often increase the desirability of properties and areas) which may explain rent patterns. They also already have the data required to do this work given the process for Universal Credit and the housing component. The reason I am partially rather than fully supportive of this measure is because the creation of RPZs and the reasons for their creation would need to be absolutely transparent and available for challenge if required.

Financial implications

Q5. Taking account of both costs and potential savings, what financial impact would you expect the proposed Bill to have on:

	Significant increase in cost	Some increase in cost	Broadly cost-neutral	Some reduction in cost	Significant reduction in cost	Unsure
Government and the public sector	X					
Businesses (including landlords)	X					
Individuals (including tenants)	X					

Please explain the reasons for your response.

-Government work would mushroom, First Tier Tribunal cases would increase significantly, the risk of data leakage expands exponentially -Landlords would not be able to mitigate the increasing costs of being in the Sector (costs which I fully support by the way!) and their ability to charge a fair rent on any new Tenancy would be lost forever. Their fair and reasonable behaviour would effectively be punished by the system -Given that no Landlord would knowingly limit the future rent that they could charge for their properties means that every year it's almost certain that they would feel significant pressure to increase the rent on their properties by the maximum amount each year. As such, the bill would in effect lead to an immediate increase in rents for virtually every Tenant renting in the sector, and lock in annual increases each year at the maximum amount possible. This makes zero sense.

Q6. Are there ways in which the Bill could achieve its aim more cost-effectively (e.g. by reducing costs or increasing savings)?

No-it is the aim that is wrong, not the cost of managing it.

Equalities

Q7. What overall impact is the proposed Bill likely to have on equality, taking account of the following protected characteristics (under the Equality Act 2010): age, disability, gender re-assignment, maternity and pregnancy, marriage and civil partnership, race, religion or belief, sex, sexual orientation?

Neutral (neither positive nor negative)

Please explain the reasons for your response.

It will be equally harmful all...

Q8. In what ways could any negative impact of the Bill on equality be minimised or avoided?

As outlined, the negative impacts are many. Simply not enacting the bill is the better option.

Sustainability

Q9. Do you consider that the proposed Bill can be delivered sustainably, i.e. without having likely future disproportionate economic, social and/or environmental impacts?

No

Please explain the reasons for your response.

It will increase rents, drive unscrupulous landlords to evade the system and discourage positive growth of the sector

General

Q10. Do you have any other comments or suggestions on the proposal?

None