

# 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".)

Member of the public

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

I am a landlord with 2 properties. I am disabled and the properties are my only source of income.

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

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.**

As a long time landlord I try to keep good tenants by keeping the rent low. However, there are times when the rent must be raised. In the past several years there have been several legislative changes that have increased costs. For example, EICR, removal of mortgage relief, removal of 10% wear and tear, LBBT/ADS, the new PRT etc. This has meant I have had to raise rents to cover the costs of these changes. I don't make any more income as the extra rent merely covers these additional costs. If more legislative changes are introduced and I couldn't raise additional revenue how would I cover these costs? From the standpoint of achieving your goals I don't believe it will work as the initial effect would be for landlords to maximise rent prior to the introduction of the bill. I currently charge my tenants under the market value but would be forced to increase rents to take account of this proposed legislation. The report speculates that landlords would not leave the market and new landlords would not be put off. I disagree there has already been a reduction in supply to the private rental sector due to previous legislation and rent controls would strengthen that trend.

## 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.**

It may encourage speculative claims. This would lead to an increase in cases for the first tier tribunal

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?

leading to a clogging of the system. Also, landlords would need to spend more time processing these claims increasing costs.

## 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.**

I am opposed rent controls in general.

## 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)?

Fully opposed

**Please explain the reasons for this response.**

Rent control is not the answer. Increasing the supply of homes would both increase choice for tenants and increase competition leading to lower rents and higher standards.

## 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
<b>Government and the public sector</b>			X			
<b>Businesses (including landlords)</b>	X					

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

<b>Individuals (including tenants)</b>							X
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**Please explain the reasons for your response.**

As a landlord not being able to raise rent to meet costs would lead to a significant problems as any increase in costs would have to come out of existing income. Tenants may benefit from fixed rent increases. However, there is very likely to be a large jump in rent prior to the introduction of the bill to take account for it. Landlords will have to meet legal requirements but beyond this they will not make improvements to properties and reduce amenities by not providing furnished lets, white goods etc. In Germany which has been touted as a good example of rent controls fitted kitchens are not provided and tenants provide their own which they take with them when they leave. Costs for tenants may increase because of this. I had tenants who were with me for 8 years and I raised the rent 3 times and each time I had made improvements to the property (fitted kitchen, bathroom etc). Under rent control I would raise rents the maximum every year.

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

*No Response*

## 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?

Unsure

**Please explain the reasons for your response.**

I am disabled and am from an ethnic minority. I can't state what effect the bill will have on tenants but as a landlord I have been the victim of racial discrimination by tenants and their relatives. As a disabled person who relies on my rental income this would be another burden. I can't work in a normal job and being disabled means I have more costs (cooking, cleaning, transport etc).

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

The report indicates that it is people on lower incomes who are most effected by increases in rents. Perhaps if the rent controls were restricted to lower costing properties this would benefit those most in need whilst those who don't need rent controls in more luxurious properties could continue as they are.

## 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.**

I have been a landlord for 14 years. From my experience, it is lack of choice which creates problems for tenants. Rent control will definitely lead to a large decrease in rental stock and a decrease in the quality of the rental stock. The reason that tenants cannot keep up with rent is because wages haven't increased substantially over the past decade. The number of jobs are reducing due to automation. The type of jobs available are short-term with poor working conditions. This has to do with the wider economy and nothing to do with the rental sector. The main reason I am a landlord is because of my disability, if not, I would seriously consider leaving the sector. As a disabled person, I receive no support from the state because I have assets but my income is very low. Having applied for PIP I have seen how ruthless the government is in dealing with those who struggle. The state has failed tenants by failing to build and offer social housing and cutting back on benefits across the board. Then private landlords are blamed as one homogenous block irrespective of our circumstances. A pensioner who owns 1 property that supplements a low state pension is not an 'exploitative' landlord. It is usually large companies who are exploitative. They are looking for large returns to satisfy their investors and if they can't get it will move elsewhere. This would be a hammer blow to the government's attempt to encourage build to let to improve the rental market.

## General

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

The report states a number of times that they 'expect' or 'believe' that the proposals will not deter landlords from the rental market. The report also states that rent control zones have not worked. Just as these have not worked rent control will not work as the report hopes as there will other consequences. It will be a game of musical chairs with more tenants chasing fewer properties. The rents may not go up as quickly but that will not benefit those who cannot obtain housing or move to the area they want. I believe that the market should be split into those who are on low incomes and/or benefits who need social housing which should be provided by the state. Build to rent should create competition in the remainder of the market. It should also be noted that most landlords are not wealthy and rely on rental income to meet basic needs whether they are pensioners, disabled etc. These are ordinary people who have put their life savings into trying to provide for themselves. They will be adversely affected by the proposal.