

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.

on behalf of an organisation

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".)

No Response

Please select the category which best describes your organisation

Commercial organisation (company, business)

Please choose one of the following:

I am content for this response to be published and attributed to me or my organisation

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).

Scotlet Ltd

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))?

Partially opposed

Please explain the reasons for your response.

My worry is the proposal to limit the rise when there is a change of tenancy.

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.

If you introduce a mechanism to control rents fairly, you should trust to the professionalism of the appointed rent officers to get it right.

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 supportive

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?

Please explain the reasons for your response.

If you ask Citylets nicely, I'm they'll give you access to their existing data which is extensive and accurate as it's based on real letting events.

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.

I support the concept of controlling the rent levels of existing tenants. However controlling to rent levels of new leases is problematic and will see landlords selling in significant numbers.

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.

If landlords are not allowed to charge a market rate when the tenants change, they will ensure the rent will increase annually by the maximum allowed. Currently, very few landlords, including myself, increase the rent systematically preferring to "reward good tenants but not increasing their rent for years, in many cases.

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

Talk to Ikea to build you lots of inexpensive new homes. I'm sure they would be delighted to show how socially responsible they are. Talk to local councils, especially in cities and larger towns, to actively look for brown field sites and acquire them by CPO. There's a large one beside Nether Auldhouse trading estate in South Glasgow, next to the new Aldi, sitting doing nothing. If you're serious about controlling rents, increase supply!

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?

Slightly negative

Please explain the reasons for your response.

It should be neutral but landlords will always favour tenants with good jobs so if you encourage private landlords to sell their property, the remaining property will be less likely to be let to tenants that require housing benefit.

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

Any bias against tenants is not likely to be based on race, creed or sexual orientation. Status will be the key criteria. As always the poor and those tenants with mental and physical health issues will be at a disadvantage. Solution? Don't rely on the private sector to solve this challenge. Talk to Ikea, or Legal and General and please, please, allow Housing Associations with good track records to borrow money to help fund new homes!

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 letting agent for 36 years after graduating in 1983 with a degree in business economics. It was immediately clear to me that the market reality in the mid 1980's was slowly throttling the viability of the private rented sector. You can't have your cake and eat it! (Honest)

General

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

Extending the rent capping to CPI + 1% is fair enough, in existing tenancies.
However, if you limit the ability of landlords to ask for the market rent when there is a changeover of tenants, you will persuade landlords to sell and/or force landlords to increase the rent every year by the full amount. Many landlords like to reward good tenants.
You will strip away this flexibility.

It comes down to this. The interface between public and private is always fraught. The eight flats I own provide me with a pension. I follow all the regulations, pay the new extra taxes and try to approach the whole enterprise like a responsible business with good customer service levels and respect shown to all tenants.

However, this whole structure will slowly dissolve if you interfere too much. How is too much?
That's a question for the politicians to answer but my tuppence worth is this. We're pretty close to the maximum regulation that can be borne by the SPRT market.
Check the figures for the number of properties let in the non corporate sector of the SPRT. Has it gone up or down in the last 10 years?

If you make life difficult for the small landlord and encourage only the corporate landlords, you will remove a lot of flexibility in the market.
Be careful what you wish for.....