# 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

Please select the category which best describes your organisation

No Response

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).

John Rafferty

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 rental market is governed by supply and demand, further Government interference in the sector would be unwelcome and further damage the already strained private rental sector market. The more controls and regulations and the further we move from having 'Free Market', the more long lasting damage will be done to the economy.

### **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.

Why would they only be allowed to lower or maintain it? Surely if rents have gone up in a particular area then they should also have the power to increase rents. Unless we are moving towards Communism in Scotland, I don't see why all the extra control will help the market or the economy in any way.

#### 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. Landlords' private business should not be public information.

### **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.

Rents are determined by supply and demand, and what happens in the property market is often unrelated to inflation. If rents are increasing and tenants are paying higher rents, then the demand is there. If properties are being advertised and not taken, then rents will need to come down, it is the market that determines rents not inflation nor landlords nor Government.

# **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	Х					
Businesses (including landlords)	Х					
Individuals (including tenants)	Х					

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

Over-regulation of the sector and trying to control free market trade always has expensive consequences. It costs the Government (and ultimately the tax payer) large sums to firstly bring the regulations in, secondly to communicate the information and thirdly to regulate them going forwards. It costs businesses/landlords more money both in terms of lost rent and also in terms of having to change the way they work. It then ultimately costs tenants more money - many landlords are already exiting the sector due to increased costs/regulations, and many more will exit if there are more regulations. The less landlords there are, the less rental supply there is and a shortage will then lead to much higher rents for tenants

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

anyway and a much lower chance of getting a property. Unless we want a situation where there are 10 tenants for every 1 rental property, then any more interference in the sector will be very unhelpful.

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

No, the bill should be shelved, it is a poor idea.

# **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?

Negative

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

More regulation will lead to less landlords and less supply of quality rental stock. As a result, multiple people will be applying to take every rental property, unfortunately this will lead to landlords taking the 'best' tenant on offer on paper which will result in younger people, people with disabilities or on benefits and people who don't speak much English being continually turned down for properties they are competing with other tenants for.

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

The bill is negative in every aspect, I don't see how it can be amended in any way that would make it remotely better.

# **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 be costly to introduce and costly to maintain. It would be bad news for tenants and landlords alike, not to mention the increased costs to the taxpayer.

General

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

This bill is a non-starter and has not been thought through properly. Anyone with a basic understanding of economics and the property market can see how illogical it is and how it will never achieve its aims.