

# 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 8 August 2019 (extended from 6 August). 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 volunteer adviser in Glasgow helping people with housing and other issues.

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).

Gerhard Mors

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.**

Unless evidence to the contrary exists (which is not mentioned in the introduction to this consultation), it can be expected that many landlords will apply the cap annually, even if they had not intended to increase the rent for their current tenants. This is particularly the case as landlords will not be able to increase the rent by more than the cap for a new tenant. This measure would in effect make the whole of Scotland a Rent Pressure Zone, without applying any of the tests envisaged in the current guidance. Many of the clients I see are on Housing Benefit or the housing element of Universal Credit. They are adversely affected by a lack of social housing. They are affected by in-tenancy increases in rent once they hit the LHA rates and this happens more often now, because of the way these are now calculated. High rent levels in the private rented sector are a consequence of the shortage of the supply of private and public rented properties in metropolitan areas. The proposed bill can be expected to reduce the supply of private rented housing there even further in the longer term, unless there is evidence that this market effect does not apply in this case. Rent controls are at best a short term fix in limited geographical areas. A blanket cap, as proposed, would also apply to those sectors of the housing market which are not affected by affordability issues, such as housing for essential and highly paid employees. It would in the longer term reduce housing supply there. This may exacerbate skill shortages, unless public and private sector employers make provisions such as building up a property portfolio exclusively for their employees.

## 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?

Partially opposed

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?

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

A ban on increasing the rent on appeal will reduce the buy-in to this measure from landlords, as rent officers can only adjudicate to their disadvantage. The proposal is also contrary to the rule in Social Security Appeals, where an existing award can be reduced. However, as rent officers' decisions must be based on market rents, some appellants may be faced with a large increase and there is an argument for phasing any such increase over several years.

## 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

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

However such detailed rent data should only be made accessible for specific purposes to safeguard the commercial interests of landlords and data protection concerns of tenants. It could be expensive and time consuming to quality assure such a data set and powers to make sample checks on landlords and sanctions for non compliance will have to be part of the proposed bill. However, as noted in the introduction to the proposed bill, more information on private sector rents is essential for the development and implementation of policy.

## 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.**

Criteria 4 and 5 are too strict.

## 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				
<b>Individuals (including tenants)</b>						X

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

Government will have the cost of additional regulation and may also experience in the longer term increased pressure on the social rented sector, making investment there more urgent. On the other hand payments for Housing Benefit and equivalent support may reduce. Businesses will probably have to deal with potential skill shortages due to the unavailability of housing, and landlords will have to devise strategies to deal with the cap. Some individuals will in the short term be protected by the proposed cap, but tenants will in the longer term be impacted by the expected reduction in housing supply.

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

Promote common housing registers to utilise social rented housing more efficiently. Expand the social rented sector and the supply of properties for mid market rents and similar initiatives.

## 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.**

A reduction in the supply of rented housing is likely to disproportionately affect new entrants to the housing market, for example young people.

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

*No Response*

## 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.**

Unless there is evidence to the contrary, the proposed bill may eventually lead to skill shortages by reducing the supply of rented housing for key workers and reducing economic activity as a result. Whether this in turn has a positive environmental impact is open to debate. Lack of housing for key workers in the public sector may have an adverse social impact e.g. in the health service.

## General

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

It may be better to address failures of the rented housing market in another way, by addressing insufficient supply, land banking, vacancies for speculative purposes, loss of housing due to diversion to holiday lets, enforcing repair standards.