

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".)

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:

I am a Landlord. My family have been providing homes for tenants for over 50 years.

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 Anderson

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 growth in the PRS has been possible due to the removal of rent controls in 1988. The resultant growth in the PRS has massively increased the choice and quality of property available. Prior to 1988, there had been a steady decline in the PRS due to the interference of Government. On the one hand, the shortage of properties meant no landlord had to advertise as there was always a waiting list of tenants happy to pay the market rent sought. Unfortunately, when the "Fair Rent" procedure was invoked, the market rent was usually reduced by around 60% and the fall in income meant less funds for repair and improvement with both landlord and tenant (eventually) unhappy with the circumstances. The shortage of supply also led to sub-standard property being deemed acceptable by desperate tenants. I am firmly of the view that re-introduction of rent controls at the outset of a tenancy will lead to landlords exiting the market. Before Shelter shouts "the houses will still be there", one must remember that most of those who lived in the property before it was sold would not be in a position to buy a house and there is a good chance it may end up being a holiday let, especially if it is located in Edinburgh.

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 this be fair? "We can set a market rent, but only if it is below your proposed rent". If there is a pure rent cap, most landlords would automatically invoke the annual maximum, in order to try to preserve their income. After all, there is no cap on increasing repair/insurance/registration/empty council

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tax/improvement costs etc, etc. In reality, would there be any point in having an appeals process as far as the landlord is concerned. How can one obtain "market evidence" anyway, with all the rents being controlled artificially? It's artificial "Fair Rents" all over again. What about a fair return on the investment, reflecting the all the risks associated with dealing with individuals/non payment/damage/etc.

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.

More bureaucracy, more costs for the landlord. Surely the tenant and I have a right to privacy in relation to our business? There is no need for a register, just look online and see the choice and prices sought. Prices achieved are usually close to the rent sought. Who asks £400 and secures £500? When it comes to in-term rent reviews (what are they, anyway?) the tenancy agreement reveals the passing rent. If there is a decision on rent at appeal, then this could be published and would form a verified database, with all relevant details such as size, type of heating, standard of finish.

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)?

Neutral (neither support nor oppose)

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				

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

Businesses (including landlords)		X				
Individuals (including tenants)		X				

Please explain the reasons for your response.

Government costs in setting up and administering - although these are probably going to be passed to the landlord. Landlords will no doubt pick up the cost of the scheme and encounter time costs in complying. But much more significant is the effect on income as rents are controlled/restricted. Individuals - contraction of PRS = less supply = higher rents.

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 solution is to provide more low cost homes/homes for rent/public sector housing. This is in the hands of the Local Planning Authorities but ultimately controlled by the Scottish Government planning policy. When a green field site is given planning for housing, there is a massive uplift in value, whether it is for low cost homes or executive homes. If the developer is made to construct low cost homes then they can pay less for the site. The landowner makes a massive gain, either way, just not so massive with low cost. Why are so many executive homes built over low cost? And don't get me started on "help to buy"; more like "help to increase the price".

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.

The inevitable contraction of the PRS will lead to less choice for tenants, but perhaps more choice of tenants which may lead to landlords who persevere preferring the "uncomplicated" single person in full time work over the "complicated" person with protected characteristics.

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

Complete withdrawal.

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's just a bad idea. What could happen? Landlords offload stock - prices fall - owner occupiers in negative equity. Reduction in availability for rent leads to less choice and poorer standards of rentals - lower returns lead to less investment in repairs and improvements. Here we go again.

General

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

This is the final straw. If the Bill goes through, I will withdraw from the PRS. It's just not worth the hassle or return. There are other investment vehicles out there.