

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

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.

I don't believe this type of action is warranted. The property market is cyclical and over time, more properties will become available in response to the demand. Moreover, when rent controls have been used in the past, it has led to decline of the properties available for rent as landlords move out of the PRS and into other investments, maybe holiday lets or serviced lets or commercial property, where there is less regulation.

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.

I feel the proposal is worded ambiguously. I think it means the rent officer or tribunal can't increase over the proposed increase, but it doesn't clearly say this. If it refers to increases above the landlord's proposed figure, I doubt that this is a real problem. How many instances has this happened? How many outside Edinburgh, where the market is either in equilibrium or oversupply (e.g. Aberdeen). On a wider sense, is it fair to deny the landlord the market rent? In effect, they are subsidising the tenant. If they have bought the property at market value, then surely a market rent should be earned? Is this a case of Government looking to control their outgoings on housing benefits? It must be pretty galling having to pay full rent to a private landlord who has bought an ex council flat.

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.

This is a massive operation that I don't feel is necessary. There is lots of information available to those who look for it. When going to view a property, the tenant can find out the rents on other properties, see photos, find out the epc, view the location on a map or streetview. It's obvious what the rents are in various locations and there are statistics produced from citylets. The whole argument for this proposal (recent rental growth) is based on existing sources of information (LHA/rent office reports) using advertised rents, which in most cases, are the same as the rent achieved. Those "rogue" landlords who are not registered, don't use the new model tenancy, collect rent at the door, etc. won't be affected by this. How many have been detected and prosecuted?

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)

Please explain the reasons for this response.

I suppose if there were RPZs, then at least the rest of the country outside Edinburgh wouldn't have this interference and bureaucracy.

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.

The Government will likely waste a fair bit of money pursuing this. Businesses will be burdened with the cost, as they are with landlord registration. Tenants will pay more, as costs are passed on and rents are

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

increased prior to the effective date for this. Or worse, by paying premiums to secure property - after all, there will be even less properties available as landlords move to other investment vehicles without the extra regulation, extra 4% stamp duty, poor treatment for capital gains tax, unfair rules on mortgage interest costs, etc.

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

No. I don't believe the Bill can achieve its aims. If it goes through, many landlords will leave the market and the problem will get worse. Although many renters want to buy, many more don't or can't and will be faced with less choice, poorer standard and possibly, a black market system due to exacerbated shortage. The Bill will not reduce the existing rents which are said to be "too high" in the "hot spots", but will restrict growth where the market is weak, e.g. Aberdeen and this will be another reason for landlords to pull out.

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.

Linked to contraction of the market, choice will reduce, including homes that are adapted. Increased competition between tenants will lead to minorities losing out.

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

None.

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 believe the Bill will adversely affect landlords and tenants.

General

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

The shortage of homes/increase in demand for PRS/smaller household sizes isn't the fault of private landlords, who are seen as an easy target - as evidenced by the negative factors applied to residential investment mentioned in my previous answers. The Scottish Labour leader resorts to the usual negative and emotive terms

"We have seen the return of private landlordism and rents have soared whilst wages have stagnated..... We think that private rent rises should be capped and controlled. So Nicola Sturgeon has a choice, will she take the side of rogue landlords and a broken housing market – or she can back Labour's plans, and back our Mary Barbour Bill."

I'm sick of the stereotype portrayed by the proponents of this Bill. Is "Landlordism" even a word? I could think of a few choice words to describe politicians!

The majority of landlords have one property, often as a result of family circumstances or other reasons such as moving for work and being unable to sell. Most landlords work hard to maintain their properties and provide an essential service to those who choose to rent or find that the PRS is the only option, due to the shortage of other types of rented homes. Many struggle with the every day costs of owning a house, boiler repairs, burst pipes, roofleaks, etc and the finance costs (yes, stress tests apply to landlords as well as "first time buyers" and there is always a large arrangement fee). If they are unfortunate to experience a "tenant from hell", it can be the end of their career as a landlord. I read recently that the highest award by the First Tier Tribunal against a tenant for rent arrears was £39,520! Even though the Order was made, what are the chances of the Landlord receiving this? What small business can take a hit of that scale?

It's the shortage of homes that's the problem, not the PRS that is currently taking the strain.