

# 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 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

Public sector body (Scottish/UK Government/Government agency, local authority, NDPB)

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).

Comhairle nan Eilean Siar

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 supportive

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

We are generally supportive of capping private sector rents across Scotland at one percentage point above inflation, however, we have some concern that properties may be removed from the Private Rented Sector (PRS) if owners do not achieve the rental income they desire, and used for short-term lets instead. We currently have 800+ properties available for short-term rent throughout the Outer Hebrides and a very small PRS, so if properties are removed from the PRS as a direct result of this Bill, the sector would contract taking options away from those looking for private rent, and putting more pressure on our sole, and already pressured, Registered Social Landlord.

## 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 supportive

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

We are largely supportive of this from the tenant's perspective. If a tenant is appealing their rent, it is likely to be because they are struggling, they consider it an unfair rise, or it is not comparable with rents in their neighbourhood. Tenants in the PRS should be afforded the same protection as those in the social rented sector, and not be subjected to inflated rent rises owing to factors such as the concentration of short-term lets in popular areas pushing rental costs beyond affordable levels. However, any legislation needs to take all parties into account – for example, where a landlord makes significant improvements to a property there should be a facility to increase the rent to a level that reflects these improvements, whilst remaining affordable.

## 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.**

We are fully supportive of this for the purposes of transparency as it will help tenants to determine whether their rent is fair or not, and help them to judge whether they want to challenge the amount of rent they are being asked to pay. It will also assist with monitoring and statistical analysis in different local authority areas.

## 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)?

Unsure

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

Any measure that stops rents rising significantly faster than inflation should be explored. A body of statistical data is required in order to create a Rent Pressure Zone and as this appears to be unavailable at this time, it is difficult to know how long it would take to evidence the requirement of Rent Pressure Zones, and whether they could be feasibly introduced in time to be meaningful.

## 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 & Public Sector - We would expect some increase in cost in the public sector as a result of the additional regulation, and therefore, additional resource required. However, as a local authority we must balance this with the potential savings to be made if the proposed Bill has the desired impact and gives greater security to those renting in the PRS, as there should be fewer homelessness presentations

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

caused by unaffordable rents. There is also a potential financial and social saving to be had in respect of reductions in child poverty etc. Businesses including Landlords - We would expect some increase in cost to businesses including landlords due to potential losses in income if rents are capped. We would anticipate some landlords selling their rental properties or removing them from the PRS and moving into the short-term lets market. Individuals - including Tenants - We would anticipate a cost saving to varying degrees for individuals, including tenants. The proposed Bill should allow tenants to plan and budget more effectively and it should give them greater security in respect of retaining a roof over their heads and avoiding the homelessness route, which, in itself, carries all kinds of hidden costs.

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

Unsure of how this could be done more cost effectively.

## 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 positive

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

We believe the Bill could have a positive effect on individuals in several of the protected characteristic groups, as follows: Age - both elderly people and young children. Evidence shows that there are more older people and families renting in the PRS, so any means of regulating this sector will give them additional security. Maternity and pregnancy - women on maternity leave are likely to have a steadily reducing income depending on the length of their leave, so the proposed Bill will allow them to plan financially as they will know what any rise in their PRS rent will be capped at. This also impacts babies and young children, as any negative financial impact from uncontrolled rents will be mitigated, which in turn, has a positive effect on child poverty levels.

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

Uncertain of any negative impacts of the Bill. However, discussing the proposed Bill with established equalities groups and taking on board any feedback, should help to mitigate any potential negative impacts.

## 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?

Unsure

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

We would like to believe that the Bill could be delivered sustainably without any future disproportionate economic, social and/or environmental impacts, however, as an island authority, we would have to see the outcome of an Island Communities Impact Assessment (ICIA) to understand fully how any new piece of legislation is likely to affect our communities. As stated previously we have a very small PRS in the Outer Hebrides and any properties moved out of that sector as a result of this legislation would take options away from those who are unable to purchase their own home, or those who want to rent for a period of time but don't want to incur the costs associated with short-term lets.

## General

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

As above, we would expect to see the outcome of an ICIA prior to any piece of legislation being finalised.