

LANDLORDS HOUSING PANEL

KEY RECOMMENDATIONS

Over the course of two meetings the panel of landlords considered the key challenges they face and agreed a series of recommendations to make to the Committee to inform scrutiny of the Housing (Scotland) Bill and the Committee's ongoing scrutiny of issues affecting the private rental sector more generally.

These key recommendations are set out below.

Housing strategy

- The panel highlights its strong concerns about the treatment of landlords by the Scottish Government. The panel feels that the Scottish Government's housing policies are skewed in favour of tenants and there needs to be a re-balancing of policy to prevent more landlords leaving the sector.
- Language used in housing legislation, specifically that of "proportionate use" needs to reflect that landlords have the final say over their property, not their tenants.
- Separate from specific issues about the private rental sector, the panel recommends that the Scottish Government establish a clearer long-term plan for housing needs that emphasises:
 - certainty and consistency in order to give landlords and investors the confidence they need to make long-term plans;
 - the building of more homes to meet all housing needs, in particular increasing the availability of affordable homes;
 - recognition that landlords can be part of the solution in addressing the current housing shortage, and are not the cause of the problem;
 - local responsiveness to differing housing needs in different parts of Scotland, particularly recognising the difference in experience between rural and urban areas reflecting the very different challenges that arise in rural areas including issues such as the consequences of retired farm workers being allowed to stay in a cottage for a peppercorn rent or the costs associated with private water supplies.

Rents and affordability

- The panel argues that there must be recognition of the ever-increasing costs on landlords in order to provide quality homes and that to provide quality homes there will be a need to increase rents.
- The panel does not support the introduction of rent controls. In particular, it highlights that rent controls have not been effective in other countries.

Moreover, the panel notes that rent controls can have negative unintended consequences on the rental sector. For example, the panel notes that rent controls can result in a more limited supply of properties with landlords choosing to leave the sector. Rent controls can also result in a reduction in the quality of housing as landlords are unable to fund improvements. The panel also notes that it can precipitate a change in landlord behaviour in ways such as increasing rents more frequently ultimately reducing choice for tenants.

- The panel questions the need for the rent control provisions in the Housing (Scotland) Bill when there is existing legislation providing for rent adjudication and rent pressure zones.
- The panel argues that there should be a recognition of the need to increase rents at times and does not support restrictions on rents between tenancies.

Enforcement

- The panel recommends that there should be improvements to the operation of the Tribunal process. The panel argues the process is currently too time consuming and detrimental to landlords particularly where rent arrears are involved. The panel is particularly concerned that because Rent Service Scotland/ the Tribunal will no longer be able to increase rents, tenants will be more likely to go to the Tribunal. This might also change landlord behaviour with landlords increasing the rents at the higher end of what they might have done.
- The panel recommends that more advice should be made available to landlords. For example, they should be provided with a better understanding of existing rent provisions and advice on what to do if the tenant is not paying rent.
- The panel is not persuaded that there is a need for new legislation. Instead, it urges the Scottish Government to ensure current legislation is enforced properly.
- The panel recommends more effective use of private landlord registration databases. For example, it could be used to upload EPC certificates. The Committee considers that this could be an effective enforcement tool, but should not be done in a way as to impose an undue burden on landlords.

Eviction and tenancy issues

- The panel recommends that the process for how joint private residential tenancies (PRTs) can be ended needs to be changed. Panel members noted that the problems associated with student lets is particularly marked. Some panel members in particular advocated for fixed term student lets.

- The panel asks for greater support from councils when a landlord has to end a tenancy. In particular, in terms of improved links with councils' homelessness services and housing options support. There should be a recognition too that landlords are not necessarily seeking to evict, but rather on occasion tenants will be seeking eviction by their landlord in order to access council support.

Personalisation

- The panel supports tenants keeping pets and making changes to the let property but with sufficient safeguards for landlords.
- The panel notes that in many instances they are already willing to accede to requests for pets or making changes to the let property by the tenants and therefore question the need for the legislation.
- The panel stresses though that any personalisation of a property or consent to have a pet should not place undue financial pressure on landlords in terms of returning the property to good order after the tenant leaves.
- The panel contends that it would be happy for long-term tenants to redecorate as long as they were required when they ended the tenancy to leave the property in the same condition it was when they moved in. The panel notes that this is the current requirement in Germany.

Improve Data

- The panel is concerned about the absence of sufficient data to inform policy in the private rental sector. The panel notes that these challenges are particularly pronounced in rural areas where finding comparable properties is more challenging. There must be transparency about data used to make rent adjudication decisions and data needs to be improved. Moreover, the Panel is concerned about the capacity of local authorities to assess rents.
- In the absence of comprehensive rental data, some panel members note that they have paid for surveys for valuations as there is no comparable rent data in local areas. Equally, panel members with experience of rent adjudication highlighted that they have given rent officers data on existing rents but instead officers have placed reliance on internet searches for advertised rents.

Incentivise landlords who need to sell to keep their properties in the private rented sector

- The panel recommends that private landlords who need to sell their properties should be incentivised to keep their properties in the private rented sector.
- To that end, there should be more incentives for buy to let mortgages as opposed to buying as a second property.

- The panel also recommends that there should be incentives for landlords to sell with a sitting tenant in place. For example, the panel recommends that the Additional Dwelling Supplement should be reduced for landlords who want to buy an additional dwelling that is tenanted.