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Ariane Burgess MSP  
Convener  
Local Government, Housing and Planning Committee

By email: [localgov.committee@parliament.scot](mailto:localgov.committee@parliament.scot)

31 October 2024

Dear Ariane

Further to my letter dated 12 September 2024, I am writing to inform you of the Government's position on the policy relating to section 9(3) of the Housing (Scotland) Bill.

It is proposed that a Government amendment would set out that, where rent control applies, the maximum rent increase permitted will be based on CPI+1% up to a maximum of 6% eg if the relevant CPI figure is 2.5 % then the landlord can increase the rent by 3.5% of the existing rent level. Where the relevant CPI figure exceeds 5% then the overall increase permitted would be capped at 6%.

Clearly setting out how rents would be capped in this way will offer more certainty to tenants, landlords and investors on the impact on rents where rent control is applied than is currently included in the the Housing (Scotland) Bill.

In terms of basing the form of the cap on the Consumer Price Index (CPI), this is a comprehensive measure of the trends in goods and prices purchased by consumers in the UK economy. The costs relating to running a home are included in the index (for example costs relating to maintaining a dwelling, as well as the items with a dwelling). It is widely referred to in relation to the relative costs of goods and services and is likely to be a broadly familiar terms to landlords and tenants who will be affected by rent control.

I hope that provides the committee with further clarity it is seeking with respect to the proposed amendment.

I will provide further information on other government amendments in due course and will continue to engage with stakeholders as we develop the details of how rent control will be implemented.

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Yours sincerely

**PAUL MCLENNAN**

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