

Private Housing (Tenancies) (Scotland) Bill

Written submission to the Infrastructure and Capital investment Committee

Clyde Property

As Scotland's leading independent letting agent, with 2500 properties under our management care we feel compelled to submit written evidence on the above noted Bill.

We feel that the main driver for change has been the desire to increase security of tenure for tenants and increase the predictability of rent levels. In introducing these two protections for tenants, we believe the Bill will put landlords' investments at risk and have unintended impacts on tenants and the operation of the sector.

Specifically our key concerns are:

1. **Indefinite tenancies** – the 'no fault' right to possession will be removed and landlords will only be able to end a tenancy if one of the grounds for possession listed in the Bill apply. This will make it more difficult for landlords to end tenancies and as a consequence we believe it will reduce the supply of properties in the sector as landlords choose more secure investments. With tenant demand at an all time high, the need to encourage investment and landlords into the sector has never been more critical. The removal of the no fault ground will have a negative impact the sector - quite simply, a balanced approach is needed and we feel the removal of the 'no fault' ground is a step to far.

2. **Student lets** – the removal of the 'no fault' right to possession will prevent landlords with student lets (including student accommodation operators/landlords of purpose built student accommodation blocks) from ending a tenancy to tie in with the academic year. This could lead to long void periods for landlords if tenants choose to leave outwith the season of high demand, and could also prevent landlords from operating a business model where they use the property for other purposes e.g. holiday lets during the summer months. We believe that the proposed "one size fits all" tenancy regime is not suitable for student lets and alternative measures are needed to ensure this sector operates effectively for landlords and tenants. We strongly urge the Scottish Government to design legislation that meets the needs of the purpose built student accommodation providers.

3. **Rent controls** – ministers will be able to introduce local rent controls for rent pressure areas. We agree with the Scottish Government's statement in their second new tenancy consultation paper that "*heavy-handed regulation of rents...could jeopardise efforts to improve affordability through increasing supply by discouraging much needed investment*". We argue that official statistics on rent levels demonstrate that any form of rent control is unnecessary. We believe the only stable long term solution to rent inflation is to introduce measures to incentivise and facilitate an increase in the supply of properties in the market place. What drives rents up is lack of supply - we need the Scottish Government to acknowledge this and work with the industry to promote investment in these densely populated areas with high demand (typically large towns and cities). The Scottish Government must

help promote and facilitate building refurbishment and change of use of other buildings to enable the industry to deliver increased supply. Without which, the housing shortage will only worsen. A knee jerk introduction of rent controls is a poorly thought out plan that does nothing to actively solve the issue of lack of supply.

We cannot stress enough how strongly we feel on these issues. Having welcomed all other previous legislative changes and regulatory reform of the private rented sector in the past with open arms, we feel it is vital the Scottish Government consider this message on this occasion from an Agent who represents over 2500 landlords in Scotland.

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October 2015