

## **Private Housing (Tenancies) (Scotland) Bill**

### **Written submission to the Infrastructure and Capital investment Committee**

#### **Dormont Estate**

I have already responded to Scottish Government's request for comments on the Bill by completing the Online Questionnaire but should now like to make further comments in relation to certain aspects of the Bill which, as a landlord of private housing, I find particularly troubling.

The stated purpose of the Bill is to provide high quality sustainable homes that are affordable to tenants and meet their needs. We are told that properties managed to high management standards will inspire consumer confidence, improve security of tenure and encourage increased investment. Will the Bill, as introduced, do this? I fear not, for a number of reasons.

1. Regulation of the sector may serve to limit speculation and improve investor confidence – after all, two of the largest investor PRS markets are in Germany and Netherlands where forms of tenancy regulation have been in place for many years. But, critically, this confidence to invest is against a background of stability and clarity where the rules don't change as soon as the decision to invest is made. The establishment of an independent body that sets out long term targets for the quality and amount of supply would go a long way to giving investors the certainty and clarity they need. The Bill, as introduced, makes no provision for this.
2. Rent controls (by way of a cap in rent-pressured zones) could lead to long-term uncertainty and so deter investment in those areas where there is a lack of PRS stock (the very reason why rents are high) and where land values and build costs are highest. Rent control decisions based on area-wide rents (with no regard to quality or services offered) could also impact on standards and deter the development of high quality build-to-rent properties which improve and encourage urban place-making.
3. Removal of the no-fault ground may very well give tenants the security of tenure they crave but it will create even further uncertainty for landlords, and not just in the student accommodation sub-sector. Speaking at Scotland's National Landlords Day earlier this month Housing Minister, Margaret Burgess, referred to the Bill as ending "the ability for arbitrary eviction" and the prospect of "unforeseen and unfair eviction". A lease is a contract with a fixed termination date which is agreed by both parties to that contract and entered into voluntarily. If a lease is for 3 years, that is the contract term and the tenant knows that, on entering into that contract, their lease will end in 3 years' time – in other words the tenant has 3 years notice of termination and that, at that date, if the tenant remains in occupation the landlord is entitled to recover possession if granted an order by the Court. This isn't arbitrary eviction (which implies a degree of force) but the landlord quite properly recovering ownership of their property. That is the law of contract. Some leases are granted for 20 years (the maximum permitted) so notice, in these

cases, is 20 years. What, exactly, is unforeseen, arbitrary and unfair about that? Indeed it is more often than not that longer leases deliver not just stability for tenants but the high quality affordable and sustainable homes, managed to high standards, that the Bill seeks to inspire and yet takes no account of. Including provisions in the Bill that encourage long term leases will go much further, in my view, to ensuring the necessary investment in the sector and the high quality of management that Scottish Government seeks, than the Bill as it stands.

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