

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

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

#### **CBRE Limited**

CBRE has played an active role in the evolving PRS market across the UK including Scotland, since 2010.

We recognise how important good quality purpose built PRS is to easing housing stock and ensuring wider access to secure tenancies.

Accordingly we welcome the initiative to modernise the framework for residential tenancies in Scotland, and we believe that the new legislation will remove confusion which has existed in recent times as market participants sought to anticipate Scottish Government policy.

The proposals have been reviewed by a group within CBRE's Scottish and UK business which has a close involvement with the development and financing of PRS projects. That group included Sir Michael Lyons, who acts as a Strategic Adviser to CBRE, and as the Committee will be aware, is one of the most highly respected commentators on housing policy in the UK.

Accordingly we would ask the Committee to take into consideration the following observations:

- Whilst we do not believe that changes to the no fault eviction provision should discourage responsible long term investment in PRS, we would encourage you to undertake further discussion with PRS investors before implementation, so that they are clear of your intentions and you avoid any unintended consequences, whether direct or indirect (especially in relation to the student sector). Students seek certainty early in each year that they will be able to rent accommodation for the start of the following academic year. Equally Universities seek certainty that they can guarantee first year students and overseas students accommodation. Landlords may not be able to offer that certainty.
- There could be a further unintended consequential effect on the PRS sector as students, unable to have certainty in securing purpose built accommodation, come into the PRS market, placing greater demand pressure on a sector where the focus of policy should be supporting new supply. Could purpose built student residencies be excluded from the new regime?
- The nature of proposed rent controls is complex. Whilst we understand that you wish to limit the number of "rent pressure zones" we are concerned that unless the approval process is streamlined it will impose costs and delays on local councils which are likely to be passed on to landlords. The financial implications of such controls (given currently understood mechanics) would not in our opinion deter investment. More concerning for investors will be that the introduction of such a policy might set a precedent such that future Governments might seek to enforce wider or greater levels of control over the sector.

Should it assist the Committee, we would be happy to discuss these observations in more detail.

**Douglas P Smith**  
**Chairman – Scotland**  
**CBRE Limited**  
**16 November 2015**