

Private Housing (Tenancies) (Scotland) Bill

Written submission to the Infrastructure and Capital investment Committee

Fineholm Letting Services (Glasgow) Ltd and Fineholm Letting Services (Edinburgh) Ltd

Fineholm Letting Services (Glasgow) Ltd and Fineholm Letting Services (Edinburgh) Ltd (together "the Companies") response on the Private Housing (Tenancies) (Scotland) Bill are as follows:-

- (a) the existing Assured Tenancy/Short Assured tenancy regime is regarded to have worked well: there is a view that the present legislation balances the interest of landlords and tenants in what might be regarded as an equitable manner.
- (b) the provisions of the Bill, in many respects, are a regressive return to Regulated Tenancies.
- (c) the position of the Companies is that landlords and tenants should be free to contract for a period of let of a specific duration (not less than six months).
- (d) removing the right to contract as above is likely to make many property owners hesitate over future letting; and, it can only be anticipated that there will be a decrease in the number of residential properties available for rent.
- (e) in many instances existing owners of let property might be expected to sell; it can only be envisaged that purchasers of such properties will not be those who are presently dependent on the rental market.
- (f) if indeed there is a reduction in properties available for rent, this will only increase pressure on the social sector to provide additional properties; and it could take many years to construct the number of properties which may be withdrawn from the present market.
- (g) it is difficult to envisage that any Government would enact legislation which may well lead to a material reduction in properties available for rent.
- (h) the Companies manage approximately 2,100 properties all held under Short Assured Tenancies.
- (i) with the shortage of property available for rent, it would be unfortunate if the proposed legislation resulted in the withdrawal of rental stock from the market; the established balance of communities could be prejudiced.
- (j) the Companies pride itself on its excellent relationship with residential landlords and tenants over several decades and are well aware of the huge demand for rental properties.
- (k) it can be reasonably anticipated that residential landlords will review their letting policy in the event of the Bill being enacted; it is indeed possible that a

decision may be made to sell some properties (following the termination of existing Short Assured Tenancies).

(l) even if residential landlords maintained its letting properties after enactment of the legislation, business sense would dictate a much more robust approach to the selection of new tenants and the financial terms.

(m) given the extended period which residential landlords would face to recover possession in the event of default in rental payments, landlords could be expected to be intrusive over references with an assessment of affordability for new tenants; in addition, Landlords may insist on much higher cash deposits as a condition of let.

(n) such a change of strategy by landlords, could affect many (particularly younger) members of communities who already suffer from an inadequate stock of rental properties.

(o) perhaps an intended effect of the proposed legislation is to protract the time required to recover possession in the event of rental default; this will only not encourage property owners to let.

(p) the prospect of lease termination and recovery being controlled through a First-tier Tribunal will discourage many property owners from retaining residential properties for let; the certainty of a termination date under Assured Tenancies and Short Assured Tenancies has increased the rental market considerably.

(q) the proposals are such that a meaningful number of property owners may change their business models to provide for short term “holiday” lets, through agencies such as AIRBNB; in many instances, owners might secure a higher financial return; with local members of a community again being excluded.

(r) the discretion which the Tribunal would have, to terminate a lease, in a number of situations, would result in uncertainty; as such, many property owners would find further reason from removing properties from the rental market.

(s) anti-social behaviour is a scourge of the modern world; in dealing with such conduct, and while Landlords have to act reasonably, they also owe duties to other residents in the vicinity; much continuing conflict over such conduct has been thwarted by Landlords allowing leases to terminate at the end of a contractual periods; on the Bill being enacted, this pragmatic solution will end.

(t) on a Tribunal considering application to terminate on the ground of anti-social behaviour, it can only be anticipated that they will require evidence from neighbours affected by the conduct; there must be concern that neighbours in such situation would fear intimidation at the instance of those complained about; to add to this the Tribunal has “discretion” as to decisions on the particular matter; all in all yet further discouragement to retain residential properties for let.

(u) looking to the development of new properties for rent, it can only be anticipated that many of those from the private sector will withdraw from the Scottish

market; many may restrict their activities to jurisdictions which provide fixed period contracts.

(v) the Companies cannot support the proposed legislation and have particular concerns over the perhaps unintended reduction of the number of residential properties available to let in all areas.

It is hoped that the foregoing may be taken into account by the Committee.

**Fineholm Letting Services (Glasgow) Limited and
Fineholm Letting Services (Edinburgh) Limited
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