



Scotland's Tenants' Union

## **A New Deal for Private Tenants**

### **Living Rent policy note**

While the Coronavirus pandemic placed considerable extra strains on Scotland's private tenants, in many ways it simply exacerbated existing problems. Whether it was tenants being driven into debt by unaffordable rents or suffering months of lockdown in damp, cold, and poor-quality homes, many of the problems tenants faced are not new - indeed, they are the products of decades of failed housing policy.

As we recover from the pandemic, the Scottish Government has an opportunity to truly address the fundamental, underlying problems that have made so many tenants' lives a misery - before, during and after the pandemic. Doing so is vital to our national recovery and to building a fairer future for Scotland's tenants.

This policy note from Living Rent, Scotland's tenants' union, is not an attempt to cover in detail everything that needs to change in Scotland's housing, but rather an overview of the priorities and ambitions that this Parliament must bring to implement a genuine new deal for private tenants.

### **Affordability**

Living Rent warmly welcomes the acknowledgement from the Scottish Government that Rent Pressure Zones have failed to deliver affordable rents and to tackle the affordability crisis in Scotland's housing. The governments' commitment to introduce a working system of rent controls was the appropriate response to this crisis.

However, we are deeply concerned by reports that the Scottish Government intends to wait until towards the end of this Parliamentary term to take these actions. Having acknowledged the crisis, we now need urgent action to tackle it. Put simply, tenants cannot wait another five years for action on rent prices.

We therefore call on the Scottish Government to, as a matter of urgency, bring forward rent control measures to tackle the unaffordability crisis, whether through emergency interim measures, pending further consultation, or by bringing forward the provisions on rent controls from the second proposed housing bill to the first. In particular, we are concerned that by stating that rent controls *will* be brought in, but giving landlords five years to increase rents before they are, we will see unscrupulous landlords front-load rent increases over the coming years.

We have detailed at length the model of rent controls we believe Scotland needs, which can be read [here](#)<sup>1</sup>. However, the key principles for us are as follows:

- The goal of rent controls is **genuine affordability**, not simply predictability
- Rent control models must have the ability to **reduce rents**, not just limit future increases
- Rent controls must be **attached to the property, not the lease**, so that cost is never a barrier to tenants leaving a home
- **Rent controls must be linked to quality**, in order to force urgently needed improvements

## Quality

Scotland's housing stock is in a shocking and unacceptable state of disrepair. Every second home fails the Scottish Government's own quality standards and more than half have energy performance D or below. These problems exacerbate fuel poverty, have significant climate implications, damage the health of tenants, and make life miserable for hundreds of thousands of people across Scotland.

Market-led measures and incentives have failed utterly to bring about the change we need at the pace and scale we need it. The current processes tenants are required to go through in order to force reluctant landlords to make repairs are far too slow, complicated and inaccessible. When windows don't shut during winter, tenants simply cannot be expected to wait months while tribunal paperwork is processed.

In other countries, such as the Netherlands and Germany, rent controls are used with considerable effect to force improvements and repairs in rented housing. Measures to tackle the poor quality of Scotland's homes should follow the following principles:

- Scotland needs to bring in **rent controls** to act both as a carrot - incentivising improvements - and a stick - punishing the refusal to make repairs.
- There is a need for a **just transition** for our homes, which improves tenants' health, economic situation and well being. Scotland should bring in a bold plan of refurbishment to improve the energy efficiency of houses, cut fuel bills and contribute to reducing Scotland's carbon footprint.
- **Tenants should not be left to foot the bill** of improved energy performance.
- There should be **clear penalties** and **ways for tenants to access justice** if homes do not meet repairing standards.
- Any regulations around repairs or energy efficiency should ensure **clear mechanisms and resources for enforcement**.
- The Scottish government should bring forward **current deadlines on energy efficiency** to ensure that homes meet best energy performance by 2030.

## Security

While the 2016 Act was intended to improve security in Scotland's PRS, and we supported the Scottish Government's move to abolish no-fault grounds for evictions, there are a number of key ways in which tenants' security continues to be undermined.

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<sup>1</sup> See here:

<https://www.scottishhousingnews.com/uploads/documents/Rent%20Controls%20%282%29.pdf>

The most obvious of these is cost. If a landlord cannot evict someone with a no-fault eviction, but can increase their rent by whatever they like, then this has effectively the same impact. We therefore believe that effective **rent controls** are essential to protecting security in the PRS.

Another key way that security is undermined is by a **woeful lack of effective enforcement and adequate compensation for unlawful evictions**. Almost no one has successfully challenged an unlawful eviction from a new Private Residential Tenancy through the First-Tier Tribunal or been compensated for an illegal one, yet too many tenants have experienced unlawful evictions since the introduction of the new private residential tenancy.

Beyond unlawful evictions it is also still far too easy for a landlord to lawfully, but unreasonably, evict someone. During the pandemic, the Scottish Government rightfully made all eviction grounds discretionary, and introduced pre-action requirements, so that a tenants' circumstances can be taken into account and implemented **a ban of evictions** during winter months. We believe that to improve tenants' security of tenure the government should:

- **Introduce rent controls**
- Make the temporary measures introduced during the pandemic **permanent**.
- **Improve tenants' access to justice** and ensure **clear penalties** for landlords unlawfully evicting tenants
- **Review the private residential tenancy** to ensure the security and protection of joint-tenants and review existing grounds for evictions.