

Annette Finnan
Co-Chair
Head of Housing Services
South Lanarkshire Council
(Redacted)

John Mills
Co-Chair
Head of Housing Services
Fife Council
(Redacted)

Tony Cain
(ALACHO Policy
Manager)
(Redacted)



Rent Pressure Zones Workshop 11 April 2018
Room G.23 Waverly Court, Edinburgh
2.00 pm

Meeting note

1. Present

Lisa Mallon (Chair)	City of Edinburgh Council
Gerry Begg	Borders Council
David Baxter	City of Edinburgh Council
Les Milne	Glasgow City Council
Tony Cain	ALACHO Policy Manager
John Boyle	Retties
Mandy Catterell	British Property Federation
Susan Gilroy	Scottish Government
Charles Brown	Scottish Government
Linda Lesley	Scottish Government

By phone

David Goldie	Highland Council
Alexander Macleod	Aberdeenshire
Derek McGowan	Aberdeen City

2. Welcome and purpose of the day

Lisa Mallon took the chair and introduced the purpose of the day as to:

- Share information on the local understanding of rent pressures in the PRS and the current view of RPZs as a practical response;
- explore the data requirements associated with the declaration of a Rent Pressure Zone;
- consider the options for the gathering and testing the necessary data; and
- agree the next steps that may be appropriate.

3. Background and over view of policy intentions

Susan Gilroy, Scottish Government, provided a brief over view of the policy intentions behind the legislation and some indication of Ministers expectations for more effective interventions to protect tenants and support the operation of the private rented sector.

The three criteria that must be met before an RPZ can be approved are:

- Rents payable within the proposed RPZ are rising by too much;
- The rent rises within the proposed RPZ are causing undue hardship to tenants; and
- The local authority within whose area the proposed zone lies is coming under increasing pressure to provide housing or subsidise the cost of housing as a consequence of the rent rises within the proposed zone.

Key points included:

- Meeting and evidencing all three criteria is required;
- The skill sets required will include GIS mapping, statistics, data analysis and evaluation;
- A clear and common methodology will need to be developed together with specific data sets for each of the key criteria;
- Different sizes of RPZ may require different approaches to data gathering but in any event, this should be decided at local level
- One option could be to develop and pilot approaches in particular areas to test approaches to data gathering that could be scalable;
- It may be best to focus on smaller RPZs in the first instance;
- Definitions of financial hardship can vary but the evidence must link this to rent rises- A narrative as to why a particular threshold is appropriate will be required;
- Ministers have made it clear that financial support for the process wont be available from the Scottish Government but they are looking for a collaborative approach with local authorities and the private rented sector;

4. The view from the PRS- market conditions and data availability.

John Boyd provided a brief overview of the private rented sector in Scotland and related issues including:

- The emergence of build to rent as a key investment sector;
- The possible impacts of rent pressure zones on investment;
- PRS supply and rent trends;
- The rise of the "airb&b" market and its implications for investment and disinvestment in private renting;
- The data available including the lack of information on rent rises and other areas for improvement; and
- Some of the options for developing better and more reliable data across the sector.

Key conclusions included:

Rents are rising in Scotland (but not in Aberdeen) but not faster than CPI +1% in most areas

Supply is rising only slowly relative to demand in most areas;

AirB&B type lettings are having an impact on the market overall

Property remains a sound long term investment

In general discussion the importance of a stable and good quality PRS was noted and agreed. Other challenges were also noted including the possible impact of the Planning Bill and the clear political expectations that action will be taken locally to address affordability issues in the PRS.

It was also noted that for practical reasons it is unlikely to gather the necessary data for at least 18 months (ie by end 2019 at the earliest).

In the general discussion that followed a number of options for improving the data available were explored including:

- Using the landlord registration process;
- Existing data sets gathered by the industry;
- Surveys of tenants and landlords;
- A possible role for the Scottish Futures Trust;

The group also agreed that it would be helpful to meet again to discuss specific steps in developing both a methodology and the necessary data sets

5. Next steps

Tony Cain agreed to contact the SFT and shelter to discuss with them how they could be involved in the process.

Tony Cain and Lisa Mallon to prepare an outline work plan for discussion at a future meeting;

A further meeting to be held before the summer to look at options including pilots and possible data solutions.

Tony Cain
ALACHO policy Manager
24 April 2018