

Agricultural Tenancy

House Condition Survey 2017

1st October 2018

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Background

Following commitments made during the passage of the Land Reform Bill, the Scottish Government conducted individual surveys for tenants and landlords to investigate the condition of rented accommodation in relation to all types of tenanted farms.

Two surveys were sent out, one to the 6,780 holdings understood to have agricultural tenancies (excluding crofts), and a slightly different one, via landlord stakeholder groups to their members.

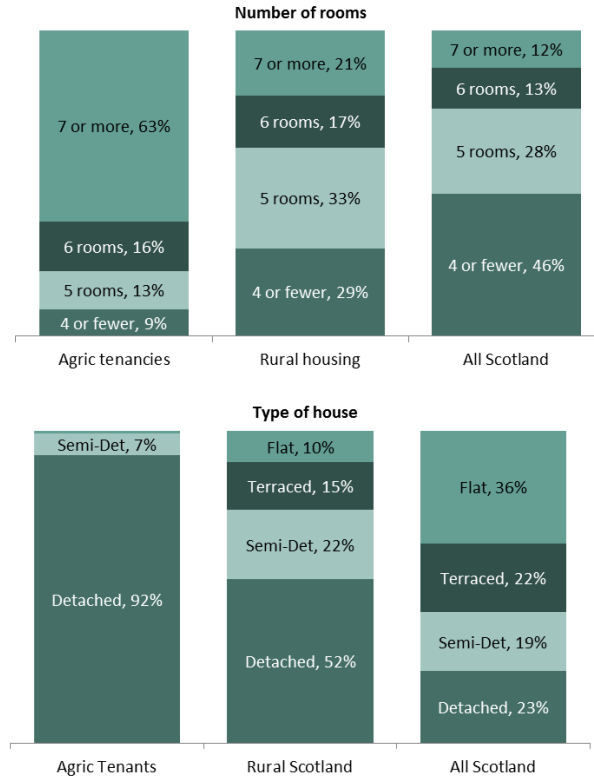
For the tenant survey, a total of 901 useable returns were received, suggesting that there are about 4,800 tenant holdings that have tenant housing. The landlord survey returned about 115 forms reporting on 930 tenant farm houses.

For reasons of cost, the survey methodology was not rigorous enough to produce definitive data on the condition of tenant housing. It does, rather, evidence a need for improvement in conditions. The findings in this report, and comparisons with the Scottish House Condition Survey, are therefore affected by several uncertainties¹. These are discussed on page 10.

Type of housing

Tenant farm houses are generally larger than the average rural house, with the median number of **rooms** at seven². Rural houses were on average larger than for Scotland as a whole, though their median sizes were five in both cases.

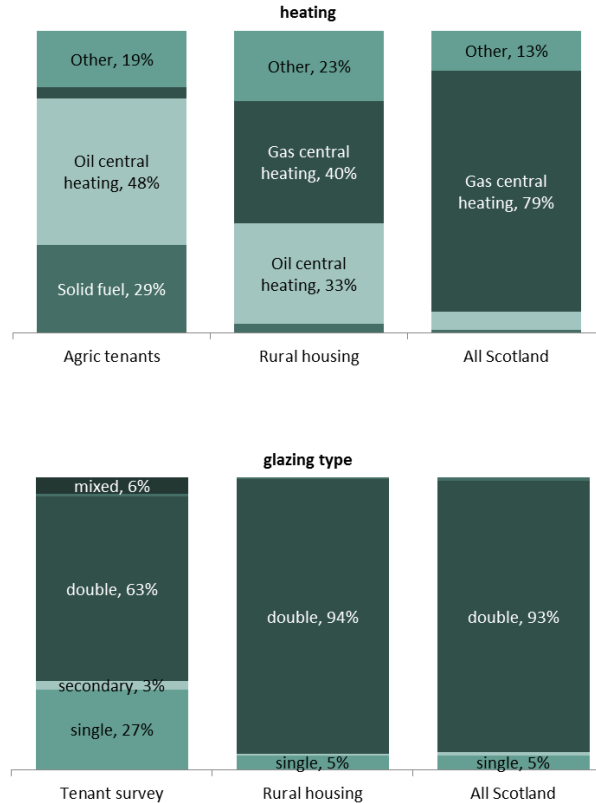
Tenants reported that houses were mainly detached (92 per cent) or semi-detached (seven per cent). Over half of the houses had been in the family for over 50 years.



Heating and Glazing

In both the tenant and landlord surveys, oil central **heating** was the most common form of heating, present in 48 per cent in the tenant survey. This compares³ to 33 per cent found in rural housing in general, and contrasts with most people in Scotland using gas. Just over half of tenant houses had central heating.

Tenant farm houses generally had single **glazing** (27 per cent tenant survey, 38 per cent landlord survey) or double glazing (63 per cent tenant survey, 43 per cent landlord survey). The proportion with single glazing was considerably higher than in the rural or general population, where it was only five per cent.

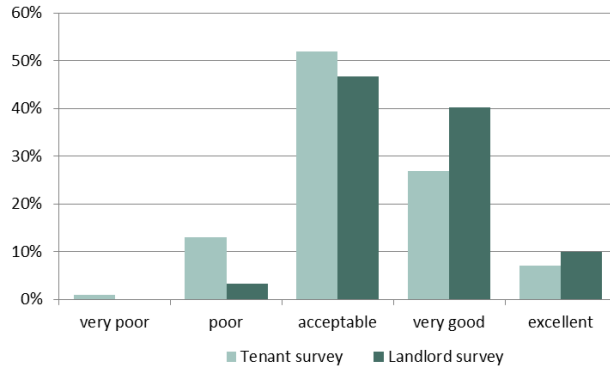


Condition

Just over half of tenants said their housing was acceptable, but with about a third saying it was very good or excellent, and just under one sixth (14 per cent) saying it was poor or very poor.

Landlords gave a more positive picture of housing with no occupied houses considered very poor, three per cent poor, and half of housing considered very good or excellent. These differences may relate to different houses being reported on, different response biases in who responded to the survey, or different opinions about what is acceptable.

‘Which category reflects the condition of the house?’



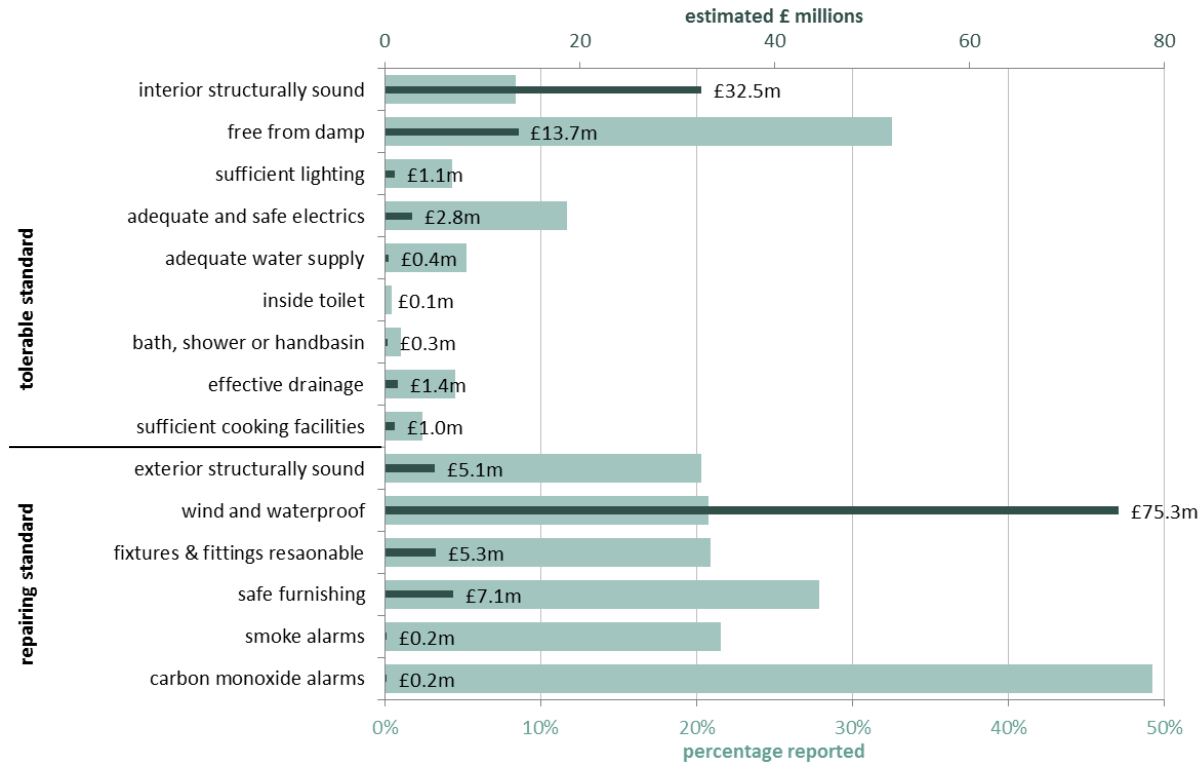
Repair

Tenant respondents were asked about specific aspects of their housing standard. Just over 70 per cent of respondents reported problems with at least one of the issues asked about. It is very difficult to estimate, from these data, the cost of bringing tenant houses up to the repairing standard. There is a wide range of repairs and repair costs which could be necessary for many of the categories. While the cost of fitting smoke alarms may be reasonably easily estimated, a property that is considered structurally unsound may cost anything from £10,000 to £150,000 or more to repair. The annex provides the broad estimates that have been used.

Based on these data, and with the provisos mentioned, we might assume that a very rough estimate for the cost of bringing agricultural tenancy housing up to standard⁴ may be in the region of £146 million (meeting the 'tolerable standard' £58 million, meeting the 'repairing standard' £88 million, excluding VAT). However, using the ranges from the annex, the total might be between £14 million and £278 million. Any further cost analysis would need to consider lead-in times to allow for the spread of costs and include planned maintenance and improvements.

‘In your opinion, are the following true or false about your house?’

Chart shows percentage saying ‘false’, together with estimate total cost of repair.

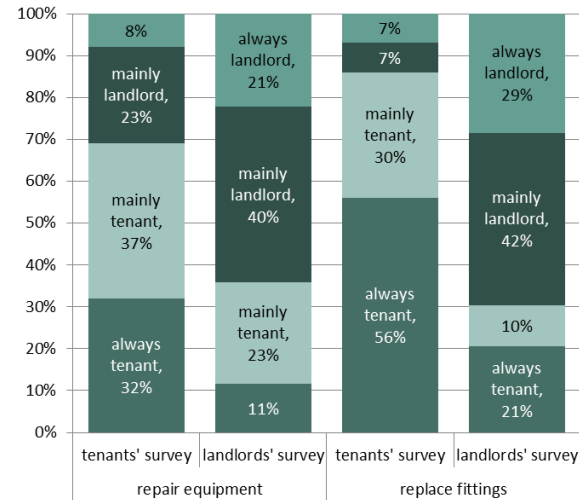


Responsibility for repairs and replacements

Respondents were asked who had paid for repairing fixed equipment and for replacing defective equipment in the past. The responses differed between the two surveys, and suggested divergence from the legal requirements⁵.

They were also asked whether they knew who was responsible for these expenses. 56 per cent of the tenants and 40 per cent of the landlords knew that the responsibility for meeting the cost of repairing defective fixed equipment lay with the tenant. 59 per cent of tenants and 77 per cent of landlords knew that the responsibility for meeting the cost of replacing defective fixed equipment lay with the landlord.

Who has paid for repairs in the past?

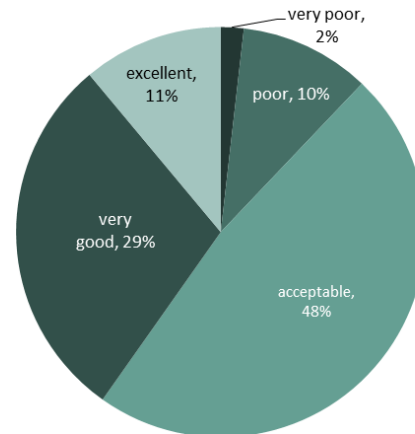


Sub-letting

About one in five tenant farms reported having sub-let housing. If responses are representative, this equates to approximately 1,200 tenant holdings with sub-let accommodation, though response bias may mean that the true number is less than this. These sub-let properties are not included in the analysis in the first section of the report, and importantly, are not included in the estimated costing of bringing tenant housing up to standard. Sub-let housing is already subject to the repairing standard.

Tenants reported that 40 per cent of the sub-let housing was in very good or excellent condition, with 12 per cent poor or very poor.

Condition of sub-let housing



Notes about the survey results

1. Please be aware of the following weaknesses with the data
 - Any non-response bias is likely to work in different directions between the two surveys, with dissatisfied tenants, and landlords with good rental accommodation, both more motivated to respond to the survey.
 - The response rate of about 17 per cent illustrates that results should be treated with caution.
 - Responses to some questions may also be affected by different levels of expectation.
 - Unlike the tenants' and landlords' surveys which are self-reported, houses in the Scottish House Condition Survey are assessed by building experts, and while there still may be a subjective element, they are judging against industry standards.
 - The respondents to the tenants' and landlords' surveys relate to a different set of holdings and houses.
2. The Scottish House Condition Survey stated that bathrooms should be excluded, whereas this was not mentioned in the Tenant Housing Survey. The analysis in this publication assumes that tenants included their bathrooms, and the number of rooms has therefore been reduced by one from what was reported, to make it comparable. Halls and landings are also excluded in both surveys.
3. Comparisons are affected by 'room-only' category not being asked in the Scottish House Condition Survey, which simply asked about the heating fuel type. So data for heating types include both central and room-only heating.
4. Tolerable standard: a "condemnatory" standard; a house that falls below it is not acceptable as living accommodation. www.gov.scot/Publications/2009/03/25154751/3
Repairing standard: the minimum standard for private rented housing (excluding agricultural lets) which sets out criteria that the property must meet before being let out.
www.gov.scot/Topics/Built-Environment/Housing/privaterent/landlords/repairing-standard
5. In general, tenants are responsible for repairing fixed equipment and landlords responsible for replacing fixed equipment. Individual lease arrangements may differ from the default responsibilities.

Annex

Values used in the estimates of the total cost of bringing tenant housing up to the repair standard.

| | Lower range | Upper range | Midpoint (used) |
|--|-------------|-------------|-----------------|
| The house is structurally sound | £10,000 | £150,000 | £80,000 |
| The house is generally free from rising or penetrating damp | £2,500 | £15,000 | £8,750 |
| The house has satisfactory natural and artificial lighting. | £250 | £10,000 | £5,125 |
| There is an adequate piped water supply within the house with hot/ cold water | £500 | £3,000 | £1,750 |
| There is an inside toilet | £2,000 | £5,000 | £3,500 |
| There is a fixed bath/shower/wash-hand basin, with hot/cold water, inside the house | £3,000 | £10,000 | £6,500 |
| The house has an effective system for drainage/disposal of foul & surface water | £2,500 | £10,000 | £6,250 |
| All electrical wiring and associated components and fittings (excluding equipment and appliances) are adequate/safe to use | £5,000 | £5,000 | £5,000 |

| | | | |
|--|--------|----------|---------|
| There are satisfactory facilities for the cooking food | £2,500 | £15,000 | £8,750 |
| The house is wind and watertight | £500 | £150,000 | £75,250 |
| The structure and exterior of the house (drains, gutters, external pipes) are in a reasonable state of repair/proper working order | £500 | £10,000 | £5,250 |
| Fixtures, fittings and appliances provided by the landlord under the tenancy are in a reasonable state of repair and in proper working order | £500 | £10,000 | £5,250 |
| Furnishings provided by the landlord under the tenancy are capable of being used safely for the purpose for which they are designed | £500 | £10,000 | £5,250 |
| The house has a satisfactory number of smoke alarms | £100 | £200 | £150 |
| The house has a satisfactory number of carbon monoxide detectors | £50 | £100 | £75 |

Note: VAT is excluded, priced at current dates rates, no properties have been inspected to prepare these costs. The costs are intended to provide an approximate range, exceptional levels of repair are excluded. Assumed that prices are for an average two-bedroom size cottage in an accessible mainland location, which is likely to underestimate cost given the larger-than-average size of farm housing (see page 3). Priced using readily available modern domestic materials, repairs using non-standard materials such as thatch etc. are excluded.

Produced by Rural and Environment Science & Analytical Services (RESAS), Scottish Government.

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