NATIONAL LANDLORD ASSOCIATION
CONFERENCE 2012

THE VIEW FROM SCOTLAND

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PROFILE OF SECTOR

Scotland Rental Supply Index (2008 Q1=100)

Source: Rettie & Co./City Lets.co.uk
PROFILE OF SECTOR

Average Rents per Calendar Month in Scotland, City of Edinburgh and Glasgow City

Scotland City of Edinburgh Glasgow City

Source: Citylets.co.uk
Operational Impact of Policy & Legislative Framework

- Created a Register in excess of 175,000 PRS landlords who have been subject to a ‘fit and proper person test.

- Has had some impact on raising management standards in the PRS, but has not removed ‘worst’ landlords.

- ‘Light touch’ approach to implementation by local authorities, using advice and information to encourage registration. But not all have raised awareness or established monitoring systems.

- Effective sanctions are considered to be Rent Penalty Notices and late application fees. Very few prosecutions.

- Legislative framework broadly accepted but still to be tested.
Effectiveness of Administrative System

• Administration and management generally sound in local authorities, but a simplified and more effective administration system could enable greater levels of enforcement.

• Continue to be frustrations with the IT system.

• Delays in processing fees, leading to resource intensive exercise to deal with failed payments.

• Fees do not cover costs. Resources therefore tend to focus on administration rather than investigation or enforcement.

• No clear understanding of overall admin costs and not taken into account in fee structures.
Came into force 2 July 2012.

Compulsory custodial Scheme.

Dispute resolution offered.

Free to use.

Seeks to ensure secure holding of tenants’ deposits and avoid perception of unfair returns.

Has been generally welcomed.
FUTURE OUTLOOK

• Continued growth likely – we expect the number of private rentals to double in size in Scotland in next 10 years (to around 250,000 dwellings).

• But lack of new stock will eventually put upward pressure on rent levels, even with recovery in the sales market.

• Increasing role for developers and institutional investors, e.g. build to rent?