

# The future of letting in Scotland

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Is there one?

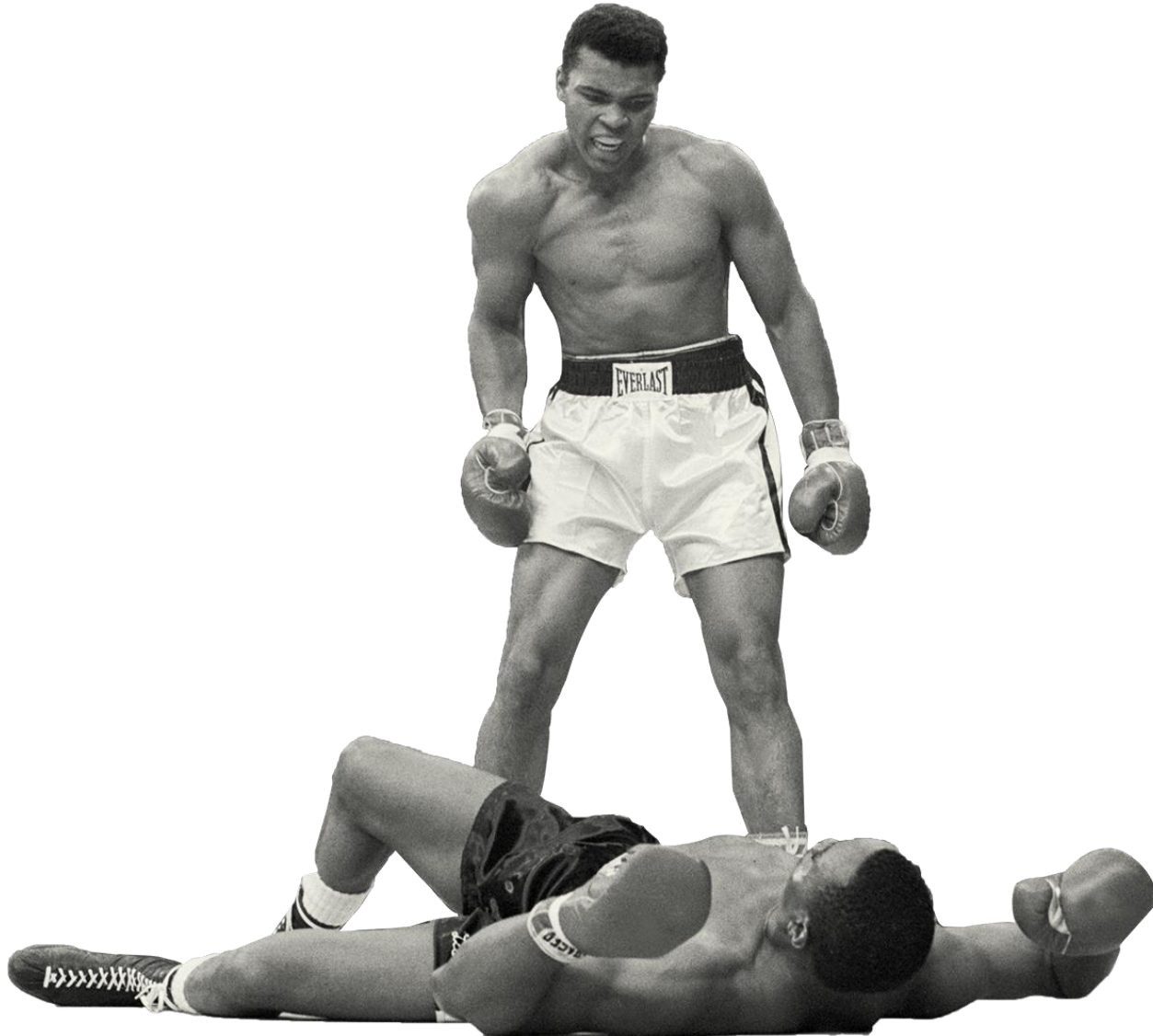
# PRS in England mixed messages



# Key issues for the PRS in England

- Comply with 145 rules and regulations to let property
- Limit rent rises?
- Provide housing for those in 'need' and at affordable rent
- Increase enforcement
- Pay an extra 3% stamp duty on purchases over £40,000
- Loss higher rate mortgage interest tax relief & wear/tear
- Cap housing benefit  
Sell off council/HA homes
- Reduce council budgets

# PRS in Scotland: quite clear



# Key issues for the PRS in Scotland

- Constant changes, but little ‘education’ and ‘enforcement’ action
  - What’s the benefit of complying with the law?
  - Cost of implementing new legislation is dramatic
- Assumption that the industry will deliver ‘whatever’
  - That’s not necessarily sustainable
  - Especially with more favourable investment terms for other assets
    - People invested in property due to the failure of financial investments
    - Capital growth has slowed and will struggle in the future

City ▾	Average price	Trough-current	Peak-current	Last 12 months	Last 3 months	Last month
Aberdeen	£187,900	24.4%	9.2%	-3.0%	1.4%	0.6%
Edinburgh	£198,000	17.8%	-2.9%	6.7%	2.7%	1.8%
Glasgow	£110,400	10.8%	-11.2%	4.5%	2.8%	1.0%

# Key issues for the PRS in Scotland

- London Assembly investigation found *“institutional investors were suspicious of measures which might move back towards ‘old-fashioned’ rent controls.”*
  - This could severely damages future of PRS stock in Scotland
  - Even with the ‘bonus’ of not having to pay the additional 3% stamp duty
- Many landlords are over 55 and have just one property
  - What if the retirees just sell up?
  - Will the ‘inherited generation’ of BTL continue or just sell to fund own homes/lifestyle?
- Letting agents become unprofitable
  - Rogues will continue to operate without enforcement
  - ‘Good guys’ will need to consolidate their office network, less ‘on the ground’ support for tenants

# Key requirements for a successful PRS

- Three 'e's
  - Excellence
  - Enforcement
  - Education
- Needs to be profitable



# Excellence in the PRS

*“The majority of Scotland’s 252,000 PRS providers and 1,000 letting agents run their affairs responsibly and fairly and have high levels of satisfaction among tenants.”*

*Government policy in property often rewards the rogues, not the ‘good guys’*

# Enforcement in the PRS

*“321 action or improvement plans were instigated, 86 landlords have been deemed to be not “fit and proper” and 139 landlords have been refused registration or had their registration revoked”*

<http://www.prs.scot/landlord-registration/>

*“The enforcement of this recently clarified legislation currently appears to fall in the gap between the remits of local authority registration teams, trading standards and the police. There is no overall regulatory body to hold these unscrupulous letting agents to account.”*

[https://scotland.shelter.org.uk/data/assets/pdf\\_file/0009/658611/Letting\\_Agent\\_Regulation\\_Briefing\\_-\\_May\\_-\\_FINAL.pdf](https://scotland.shelter.org.uk/data/assets/pdf_file/0009/658611/Letting_Agent_Regulation_Briefing_-_May_-_FINAL.pdf)

*Liam King, president of the Students' Representative Council at Glasgow University, told BBC Scotland they have seen nearly 50 cases relating to letting fees in the last year.*

<http://www.bbc.co.uk/news/uk-scotland-33782744>

# Education in the PRS



## Dundee Landlord eNewsletter

### **In this issue:-**

#### **DLA LANDLORD AWARENESS SEMINAR**

Private Rented Housing Panel (PRHP)

#### **RIGHT OF ENTRY**

New powers to gain access to a property

#### **ARE YOU AWARE OF YOUR RESPONSIBILITIES?**

Summary of a Scottish Landlords' responsibilities

#### **SUPPORT FOR EMPTY HOME OWNERS**

Introducing our new Empty Homes Officer

#### **SUPPORT FOR DUNDEE'S PRIVATE LANDLORDS**

Example of the support given

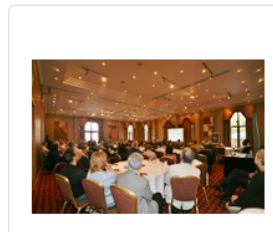
#### **RENT SERVICE SCOTLAND**

Collecting 'actual rent' figures

#### **WHAT'S ON**

Other local landlord events

## **BUY TO LET SEMINAR and WORKSHOPS**



# BELVOIR!

Chartered Institute of Housing (CIH), the  
new 'Let Well'

# Education in the PRS



## About your tenancy rights

In this section you can find out what kind of tenancy you have, read an overview of the rights and responsibilities shared by all tenants and landlords, and find out more about tenancy agreements and leases.



Advice for  
Scotland

## Renting from a private landlord

This information applies to Scotland only

- Landlord registration
- Tenancy deposit schemes
- Tenancy began after 2 January 1989



Are you a tenants in Scotland? Here's a guide to your rights and responsibilities.

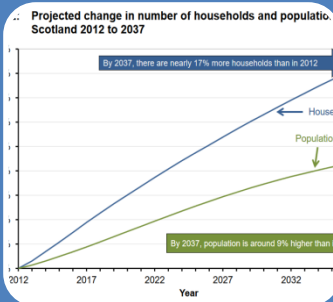
Search properties for sale and to rent in the UK

e.g. 'York', 'NW3', 'NW3 5TY' or 'Waterloo Station'

For sale

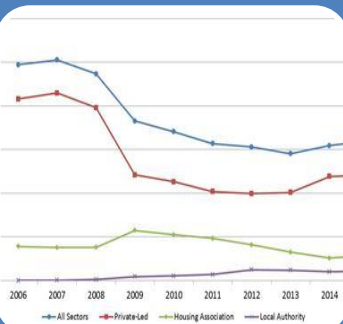
To rent

# The real PRS issue is stock and social housing



## Estimated 17% increase in households

- One person households most common
- Increase of 161% of over 85s living alone by 2037



## Stock issues

- 16,000+ new homes delivered in year to Sept 2015
- To 2021 committed to delivering 50k affordable homes
- 150,000 on LA waiting lists; 500k sales of public sector stock

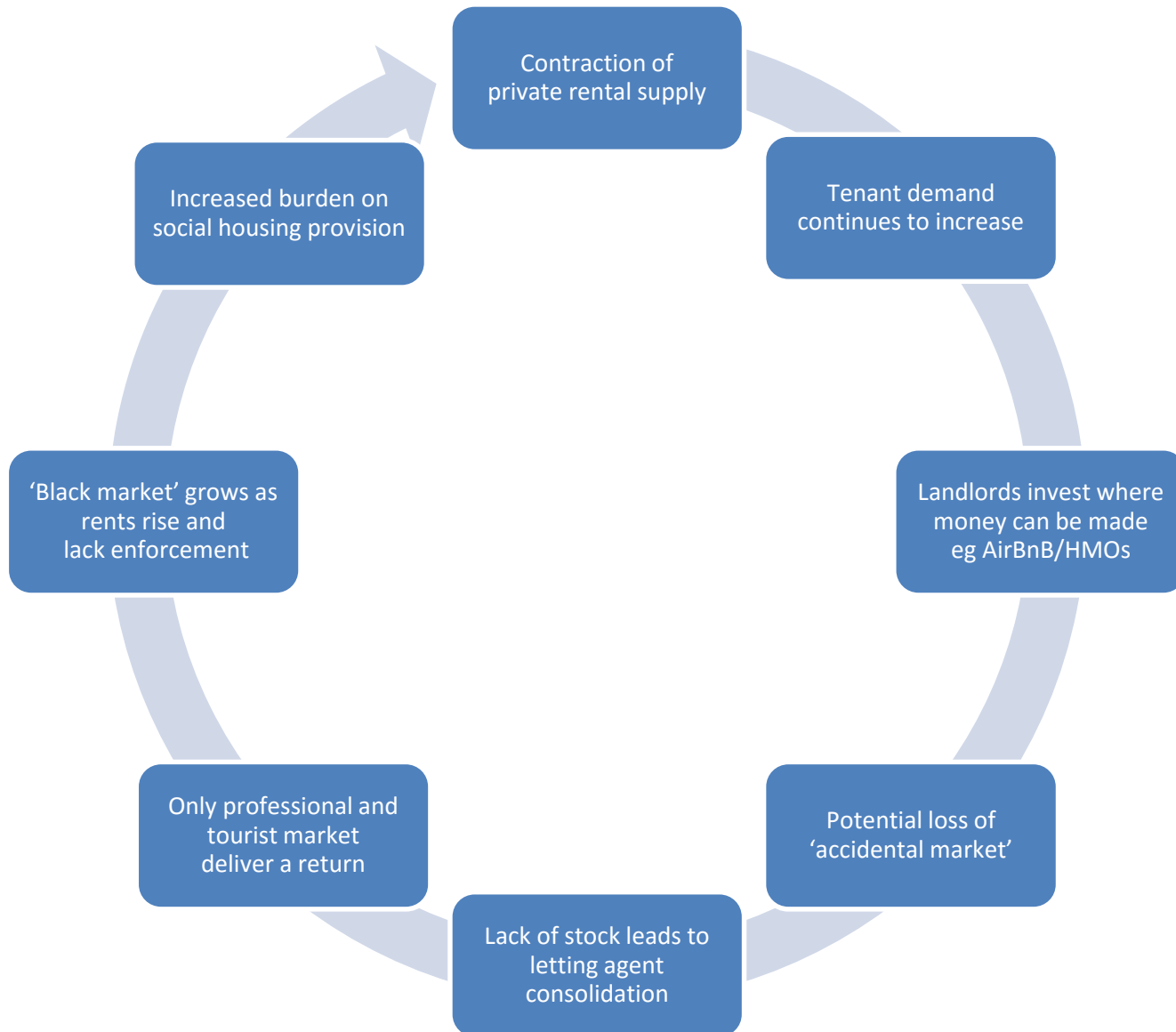
## Changes in income

2011	-0.3%
2012	2.3%
2013	3.1%
2014	2.4%
2015	2.0%

## Income growth ranges from +2-3% per annum

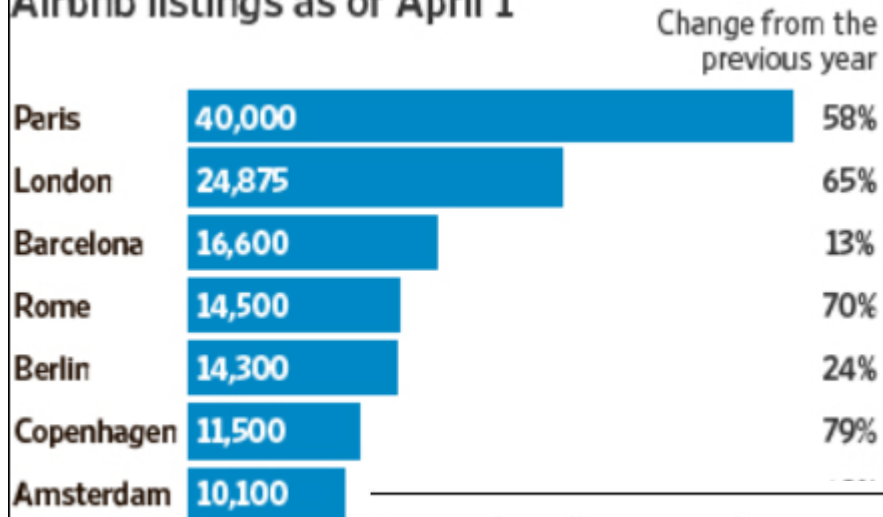
- Medium gross w/e >13% from £431 to £488 2008-15
- Average monthly rents have risen 16% during this period
- Inflation grew by 20.35%

# A PRS for the rich and tourists?



# Impact of Airbnb on Edinburgh/Glasgow

## Airbnb listings as of April 1



Source: Airbnb

## Paris by the Numbers

Why you're likely to bump into an acquaintance in the City of Light this summer

**1:8**

Ratio of Airbnb guests to hotel guests in Paris last summer\*

**19.7x**

Growth in number of Airbnb summer\* guests in Paris between 2011 and 2014

**30,000**

Estimate of tourist apartments in Paris, some two thirds of which are estimated to be illegal

**83%**

Airbnb estimate of percentage of hosts in Paris that rent out their primary residence, not a tourist flat or a pied-à-terre

\*Includes June, July and August

Sources: Paris Tourism Office (hotel guests in Paris); City of Paris (Tourist apartments in Paris); Airbnb

THE WALL STREET JOURNAL.