

T: 0300 244 4000
E: scottish.ministers@gov.scot

Ariane Burgess MSP
Convener of the Local Government, Housing and
Planning Committee
By email to localgov.committee@parliament.scot

5 September 2025

Dear Ariane,

Following my statement to Parliament regarding the housing emergency, and ahead of Stage 3 of the Housing (Scotland) Bill, I am writing to provide further detail on the Government's position and forthcoming actions in relation to possible exemptions for certain types of property from any additional rent controls that might apply within a rent control area in the event that the Bill comes an Act and a decision is taken to designate any such area.

In light of the considerable interest surrounding exemptions, we have expedited our analysis of consultation responses specific to this matter. I have provided you with a copy of this analysis which will also be publicly available here: [Housing \(Scotland\) Bill consultation: interim partial analysis - gov.scot](https://www.gov.scot/publications/housing-scotland-bill-consultation-interim-partial-analysis/pages/1).

The consultation responses reveal a divergence of opinion, with many expressing opposition to exemptions. However, the responses also reveal a strong rationale for exempting certain categories of property on the basis that this is essential to increasing housing supply and addressing affordability challenges.

Amidst this housing emergency, it is vital that we prioritise expanding the housing stock. A robust supply of homes is fundamental to improving both availability and affordability across Scotland.

Therefore, after careful consideration of all of the arguments, it is my intention, in principle, to bring forward regulations exempting mid-market rent and build-to-rent properties, where appropriate, from relevant rent controls under the Housing (Scotland) Bill. As part of Stage 3 of the Bill I will set out more detail on this position which was a clear call from our Housing Investment Taskforce. The full detail of these exemptions will be subject to full consideration of consultation responses and further stakeholder engagement over the coming months.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

I fully acknowledge there are a number of concerns with this approach raised in the consultation. It is therefore crucial that we carefully define the scope of any exemptions to ensure they serve their intended purpose - stimulating supply - while safeguarding tenant protections. We will continue to work with stakeholders to refine these definitions over the coming months, with a view to introducing regulations following parliamentary approval, Royal Assent and in advance of the first reporting period.

I am also mindful of the interest in other aspects of the consultation, particularly proposals for a modified rent cap mechanism. This could allow for rent increases in specific circumstances, such as where rents are significantly below market levels or where substantial property improvements have been made. Analysis of these responses is ongoing and will inform our next steps. I will ensure you are kept updated as this work progresses.

Yours sincerely,

MÀIRI MCALLAN

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

INVESTORS IN PEOPLE™
We invest in people Silver

