

Cross-Party Group on Housing

1 November 2022, 18:00-19:30

Minute

Present

MSPs

Graham Simpson MSP
Mark Griffin MSP
Sir Edward Mountain MSP
Katy Clark MSP
Mercedes Villalba MSP
Kaukab Stewart MSP
Patrick Harvie MSP

Invited guests

Ana Deevy – Independent
Arthur Mann – Miller Homes
John Boyle - Rettie and Co.
Karen Campbell - The Springfield Group
Karen Swift - Turning Point Scotland
Ken Wilkie - Arcadis
Marie Hall – Independent
Mike Smith - Safe Deposit Scotland
Mirin Benzie - Independent
Morgan Eller - Independent
Olivia Smalley - Association for Consultancy and Engineering

Non-MSP Group Members

Alex Clark - Sanctuary Scotland H A
Alice Simpson - Homes for Good
Andrea Finkel-Gates - Scotland's Housing Network
Aoife Deery - Citizens Advice Scotland
Ashley Campbell - CIH Scotland
Carolyn Lochhead - SFHA
Cassandra Dove - SFHA
Catherine Wood - E&A Partnerships/Home Group
Colette McDiarmid - MND Scotland
Councillor Peter Barrett
Craig Sanderson - Independent
Craig Stirrat - Grampian Housing Association

Daryl McIntosh - SHARE
David Aitchison - Shelter Scotland
David Bookbinder - GWSF
David Cowdrey - MCS Charitable Foundation
David Petrie - Age Scotland
David Stewart - Scottish Land Commission
Dr Keith Baker - Glasgow Caledonian University
Gareth James - University of Glasgow/CaCHE
Gordon Maloney - Living Rent
Jacq Kelly - Registers of Scotland
Jane Wood - Homes for Scotland
Jennifer Kennedy - Homes for Scotland
Jim Hayton - Scotland's Housing Network
Jocelyne Fleming - Chartered Institute of Building
Josh Hill – Scottish Parliament
Julie Aitken - Corra Foundation
Ken Gibb - University of Glasgow/CaCHE
Kiyomi Snyder - Housing Options Scotland
Leza Lafferty - TPAS Scotland
Lisa Innes - Glasgow Centre for Inclusive Living
Mark Stephens - University of Glasgow
Michael Tornow - Public Health Scotland
Norah Fletcher - Glasgow City Council HSCP
Norman MacPhail - Cohousing Scotland
Olivia Lindsay - Housing Options Scotland
Pedro Cameron - Housing Options Scotland
Shelley Hutton - Places for People Scotland
Sherina Peek - ALACHO
Timothy Douglas - PropertyMark
Vikki Manson - Homes for Scotland

Apologies

Rhiannon Sims - Crisis
Gregor Scotland – Persimmon
Caroline Elgar – SAL
Tim Thomas – PropertyMark
Karter Kane – Electrical Safety First
Richard Holland – Taylor Wimpey
Mike Hefron – Under One Roof

Agenda item 1: Welcome

Graham Simpson MSP welcomed everyone to the meeting and advised that this is the AGM.

Agenda item 2: Re-election of Office Bearers.

Graham Simpson MSP was re-elected as convener of the group.

Ariane Burgess was re-elected as deputy convener of the group.

Ken Gibb and Gareth James of CaCHE were re-elected as secretariat for the group.

Agenda item 3: Minutes and Matters Arising

The minutes from the previous meeting were approved.

The following applications for membership were approved:

- Mike Smith – Safe Deposit Scotland
- John Boyle – Rettie & Co.
- Mirin Benzie – Independent
- Mike Heffron – Under One Roof (sends apologies)
- Karen Swift – Turning Point Scotland
- Morgan Lynn Eller – Independent
- Michael Kazich – Shared Lives Plus
- Olivia Smalley - Association for Consultancy and Engineering
- Marie Hall – Independent
- Gregor Scotland – Persimmon Homes
- Ana Deevy – Independent

Agenda item 4: Rent Controls – a Report by the CPG

Patrick Harvie MSP, Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights, opened the discussion by acknowledging the work of the group and welcoming the contribution to the debate.

The Minister provided an overview of the emergency legislation to freeze rents for private and social tenants, and reaffirmed the Government's longer term commitment to a national system of effective rent controls.

The Minister acknowledged the need for more and better data on rents, as well as the existence of alternative models of rent control. He also expressed a willingness to continue to consult stakeholders and to draw on international evidence, while noting that the model for Scotland must be the right fit for the Scottish context.

The Minister also noted the need to improve quality and standards alongside affordability in the rented sector.

Finally, the Minister also acknowledge that rent controls are not a silver bullet and drew a comparison to the minimum wage which sits alongside other measures such as social security benefits. However, it was noted that rent controls will be part of a more comprehensive approach to tackling affordability concerns in the rented sector.

Ken Gibb then presented the rent control report. The report can be accessed on the CaCHE website (<https://housingevidence.ac.uk/wp-content/uploads/2022/11/CPG-rent-control-final-011122.pdf>). The presentation slides are also available on request. The discussion covered on the following points:

- How will we deal with local/regional variation in rental markets? The example of rents in Aberdeen was discussed. (Minister's response: detailed proposals for implementation/enforcement in different areas will be worked out once more data become available).
- How can we achieve Government's ambitions around net zero etc. while also controlling rents?
- Clarity over future policy directions. (The Minister acknowledged the impact on the social housing sector, noting that it operates in a different way to the private rented sector in terms of how rents are set and reinvested, and made reference to the short life working group to discuss these issues with the social sector. Similar discussions will be taken forward with the private sector albeit in different ways. Minister also referred to forthcoming legislation and plans to introduce a Housing Bill in 2023).
- It was noted that caution is required to avoid unintended consequences, but that we must also be cautious of not taking action.
- Likewise, in response to the report's assertion that rent control is not a cheap policy, it was noted there are also savings (e.g. societal) that should be factored into cost-benefit calculations.
- The impact of the emergency legislation on investor confidence was illustrated with reference to the example of Sigma Capital who pulled out of investing in several hundred homes for private rent at Bertha Park in Perth following the introduction of the legislation. (Minister noted that current legislation only affects current tenants and is limited initially to 6 months and 18 months max. Investors should look to the longer term. However, it was noted that investors need certainty about the political situation and stability of regulatory environment).
- It was noted that social housing providers will not always be able to respond rapidly to buy up PRS stock coming onto the market. Needs a strategy and proper funding to scale up. Need to understand where and why properties coming onto the market.
- It was also noted that the loss of 1 or 2 homes for private rent has a much bigger impact in rural areas than in urban places. (Minister accepted that context is key and recognised the difficulties. Wants to work with the sector to resolve these challenges).
- It was noted that there is a high level of non-compliance in France and Germany. Enforcement is necessary but costly. And there are opportunity costs.
- It was suggested that when it comes to the PRS we are often "pulling policy levers in the dark" because of the lack of robust data on rents etc. Evidence that rents are rising rapidly is based on past 3-5 years of CityLets data on advertised rents for Glasgow and Edinburgh covering c. 10% of market only.
- It was also noted that satisfaction levels in the PRS tend to be high except for the poorest 20% at the lower end of the market. (Minister noted that the same surveys also show long waits for repairs etc. Also suggested that expectations are low to start with.)

- It was noted that existing enforcement measures are rarely used. There is a concern that rent regulation will have an adverse impact on the part of the market that is working well, while failing to reach the part of the market that is not (i.e. lower end). (Minister asserted that emergency legislation to control rents was essential in context of cost of living crisis because tenants more exposed).
- Evidence needed on the impact of the legislation on homelessness stats.
- What can we do to tackle the most egregious cases of exploitation now, while we wait for better data and evidence?
- It was suggested that we can speed up data collection by using the landlord register etc.
- It was also noted that we need to understand the impact of rent controls on the supply of new homes.

Agenda item 5: AOCB

Graham Simpson MSP encouraged members to share ideas for topics for future meetings.

Agenda item 6: Next meeting

TBC – Graham Simpson MSP will liaise with the secretariat and deputy convener to plan future meetings and topics. It was noted that the hybrid format worked well and we would look to hold similar hybrid meetings in future.