



RentBetter

Wave 3 Final Report

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Indigo House in association with IBP Strategy and Research

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Contents

<i>Acknowledgements</i>	
Foreword	
Executive Summary	i
<i>Background and aims of the research</i>	<i>i</i>
<i>Supply and demand</i>	<i>ii</i>
<i>Rents, rent increases and affordability</i>	<i>iv</i>
<i>Security of tenure and access to justice</i>	<i>vi</i>
<i>Tenants' overall experience</i>	<i>viii</i>
<i>Landlord and agents' view on the future of the PRS in Scotland</i>	<i>ix</i>
<i>Conclusions</i>	<i>xi</i>
<i>Recommendations</i>	<i>xvii</i>
1. Background and research aims	1
<i>Background – the legislative and regulatory context</i>	<i>1</i>
<i>Aims of the research</i>	<i>3</i>
<i>Structure of the Final Report</i>	<i>4</i>
2. Research methodology	5
<i>Summary of the methodology</i>	<i>5</i>
<i>Limitations and quality assurance</i>	<i>6</i>
3. Supply and demand	7
<i>Supply</i>	<i>7</i>
<i>Demand</i>	<i>14</i>
<i>Tenants' experience of finding a home</i>	<i>17</i>
<i>Landlords and letting agents' experience of letting</i>	<i>19</i>
<i>Summary – Supply and demand</i>	<i>21</i>
4. Rents, rent increases and affordability	23
<i>Availability of data on rents</i>	<i>23</i>
<i>Rent levels</i>	<i>23</i>
<i>The impact of rent control measures in legislation</i>	<i>27</i>
<i>Tenants' experiences of rent increases</i>	<i>31</i>
<i>Landlords and letting agency rent increase practice</i>	<i>35</i>
<i>Wider research on rent control</i>	<i>39</i>
<i>Tenants' views of affordability</i>	<i>41</i>

<i>Rent adjudication</i>	44
<i>Summary – rents, rent increases and affordability</i>	45
5. Security of tenure and access to justice	48
<i>Legal context</i>	48
<i>Type of tenancies and awareness of rights</i>	49
<i>Length of tenancy</i>	51
<i>Security of tenure</i>	52
<i>The use of Ground 1: Landlord intends to sell</i>	60
<i>Homelessness from the PRS</i>	63
<i>Access to justice</i>	63
<i>Summary – Security of tenure and access to justice</i>	75
6. Tenants’ overall experience	78
<i>Overall satisfaction with renting in the PRS</i>	78
<i>Insights from longer term renters</i>	80
<i>Summary – Tenants’ overall experience</i>	90
7. Views on the future of the PRS in Scotland	92
<i>Confidence, risks and opportunities in the Private Rented Sector</i>	92
<i>Summary – Views on the future of the PRS in Scotland</i>	100
8. Conclusions and recommendations	103
<i>Conclusions</i>	103
<i>Recommendations</i>	109
Appendices	112
<i>Appendix 1 – Limitations and Quality Assurance</i>	112
<i>Limitations</i>	112
<i>Quality Assurance</i>	113
<i>Quantitative surveys</i>	113
<i>Qualitative interviews</i>	114
<i>Appendix 2 – Dwellings and households</i>	115
<i>Appendix 3 – Landlord and tenant qualitative interview sample profiles</i>	119
<i>Appendix 4 – Glossary of terms</i>	124

Foreword

In 2017, the Scottish Government introduced fundamental changes to the private rented sector, including ending a landlord's ability to evict a tenant without giving a reason, making all tenancies open ended, and extending notice periods. These changes were designed to simplify and improve the sector, delivering more security for renters and improving affordability and standards.

There are over 5.5 million households living in the UK's private rented sector, and every one of these renters deserves a home that is safe, high-quality and secure – a firm foundation to put down roots and build fulfilling lives. But in reality, private renters are often forced to live in fear of eviction, in homes that are poor quality or unaffordable. In Scotland, the number of households in the private rented sector more than doubled between 1999 and 2019, and two-thirds of Scottish private rented sector properties are in significant disrepair, the highest rate of any form of dwelling. This has significant impacts on their physical and mental health and their ability to thrive. Without enough alternative options available, private renters are trapped.

At the Nationwide Foundation, we believe that change is possible, and it can be achieved through effective policy that will deliver for renters. That's why we decided to fund long-term research into Scottish tenancy reform, so we could understand the impact of legislative changes on renter and landlord experience, recognise what has worked and what hasn't, and be able to identify where further changes are needed to deliver the safe and secure homes that are essential to a healthy and fulfilling life.

When we committed to funding this research in 2019, we couldn't have anticipated the scale of further changes that would affect the Scottish private rented sector in the coming years. Various factors have significantly influenced the market, such as the Covid-19 pandemic and the cost of living crisis, as well as further legislation from Scottish government, most notably in the form of emergency legislation to limit rent increases.

This final report brings together the extensive and significant findings from three research waves, to create a clear understanding of the overall impact of legislative reform in Scotland over the last seven years. It is essential reading for governments and anyone invested in private rental reform, not just in Scotland but also across the UK.

Fundamentally, what the research tells us is that legislative change is foundational to improving renter experience in the PRS, and it has overall had positive effects for renters in Scotland. But it also tells us that the private rented sector cannot be transformed through legislation alone: for tenants to feel genuinely safe and secure, they need to actually know and use their new rights. A much broader package of reform is needed to allow tenants to access support, advice and legal redress, and to support local authorities to proactively enforce legislation. Some loopholes in existing legislation also exist, which leave tenants at risk of exploitation by unscrupulous landlords, and these need to be closed as soon as possible.

These findings also affirm what we at the Foundation have known for many years - that problems in the private rented sector cannot be addressed in a vacuum. They are fundamentally tied to broader problems in the housing sector as a whole, and we need a holistic and joined-up housing strategy to provide enough diverse tenure types to meet the needs of everyone. What's more, this research proves that legislation to date has done little to improve affordability in the private rented sector, and further changes are needed to deliver truly affordable homes.

The potential impact of these findings extends far beyond Scotland. The report arrives at a crucial time for the private rented sector across the UK, with further legislative changes expected imminently in England and Scotland. Our mission is for everyone to have a decent home they can afford, and we will keep working to transform the private rented sector, so that it can provide safe, secure and high-quality homes for everyone.

Joshua Davies, Programme Manager, the Nationwide Foundation

Executive Summary

Background and aims of the research

In 2013, the Scottish Government published its strategy for private renting – ‘A Place to Stay – A Place to Call Home’. In developing the strategy, some stakeholders called for greater tenant protection and control over rents, while landlord interests called for an overhaul to evictions processes and sought assurances from the Scottish Parliament that rent control would not be introduced. This strategy resulted in three separate Acts¹ including the Private Housing (Tenancies) (Scotland) Act 2016 which was significant in resetting rights for tenants through the introduction of the Private Residential Tenancy (PRT) and replacing the assured tenancy regime for new private lets from December 31st, 2017.

The key features of the PRT is that it is

- open-ended with no fixed term;
- the tenants’ notice period is standardised to 28 days;
- eviction proceedings have been simplified to 18 grounds and a reason must be provided for eviction and eradication of eviction with no grounds;
- for tenants who have lived in the property for six months or longer landlords must provide 84 days’ notice to leave;
- rent can only be increased once every 12 months with three months’ notice and tenants are able to challenge unfair rent increases by making a case to the rent officer²; and,
- the Scottish Government published a model Private Residential Tenancy (PRT) which can be signed electronically.

The 2016 Act also gave local authorities powers to implement rent caps in designated areas called ‘Rent Pressure Zones (RPZs)’ where rent increases were deemed to be ‘excessive’.³

This legislation was the most recent component of a series of reforms to Scotland’s private rented sector (PRS) introduced over the last 15 years. Since 2017 there has been further Scottish Government policy, legislation and wider regulation which has affected the PRS, including ‘Housing to 2040’, a ‘New Deal for Tenants’ and a range of measures introduced on an emergency basis during the Covid 19 pandemic and the cost of living crisis. These have included a rent increase freeze and subsequent rent increase caps in September 2022, and delays on enforcement of evictions. The new Housing (Scotland) Bill was introduced to Scottish

¹ Private Rented (Scotland) Act 2011, Housing (Scotland) Act 2014 and the Private Housing (Tenancies) (Scotland) Act 2016.

² Any appeals are considered by the First Tier Tribunal (Housing and Property Chamber). The ability to challenge unfair rent increases is unchanged from previous types of tenancies.

³ The RPZ measures in the 2016 Act are different to those rent control measures introduced through the emergency legislation Cost of Living (Tenant Protection) (Scotland) Act 2022 and as proposed in the Housing (Scotland) Bill 2024.

Parliament in March 2024 which includes proposals for rent control, the duty to consider delaying evictions in certain circumstances, the potential to ensure all Short Assured Tenancies (SATs) move to PRTs, and provisions for personalising a rented home.

Following the introduction of the Private Housing (Tenancies) (Scotland) Act 2016, the Nationwide Foundation identified the need for a better understanding of what effect this was having on the Scottish private rented sector. It therefore decided to commission research into this topic, funding the five-year RentBetter project which has run from 2019 to 2024. The Nationwide Foundation's overall aims of the research were to:

- Understand if and how the changes to the tenancy regime in Scotland are achieving the aims of creating security of tenure, protecting against excessive rent increases and empowering tenants.
- Explore and compare tenants' experiences of living in the PRS under the previous regulations and under the new changes.
- Understand the perspectives of landlords, local authorities and support/advice agencies on how the new regulations are working.

This final report is the endpoint of this five-year research programme. While the research was initially set up to consider the impact of the Private Housing (Tenancies) (Scotland) Act 2016 alone, due to the scale of intervening legislation over the pandemic and cost of living periods, the research has also considered the impacts of this wider legislation.

Supply and demand

The evidence on the number of homes in the Scottish private rented sector demonstrates a reduction in stock up until 2022, but a more recent stabilisation. According to the latest Scottish Government housing statistics, the PRS stock reduced over the period between March 2017 and March 2022 by around 13%. However, caveats are noted as the 2022 Scottish Household Survey (SHS) tenure estimates had a slight under-representation of social and private rented households in its sample and an over-representation of owner-occupied households.⁴ Recent Census data for 2022 also show a more recent drop in the proportion of households in the PRS⁵.

Other evidence using the Scottish Landlord Register shows a smaller drop of 5% in stock between 2017 and 2022; although these figures are also subject to a time lag of up to three years in the register and not all landlords are registered. Looking at both datasets over the long term the increase in stock in the sector peaked around 2016 to 2017, with the stock levelling off, before declining in recent years. The most recent period of 2022-2024 shows a

4

<https://www.gov.scot/publications/housing-statistics-2022-2023-key-trends-summary/pages/stock-by-tenure-to-end-march-2022/>

⁵ <https://www.nrscotland.gov.uk/news/2024/census-housing-results-published>

reduction in landlords on the Scottish Landlord Register but an increase in properties. Insights from the qualitative research indicates that most of this growth is from purpose build student accommodation.

There is also evidence of a reduction in the number of landlords in Scotland from 2017 onwards of 11%, but with stabilisation in the number of landlords in recent years (again with the caveat around the Landlord Register and the registration process). In terms of the ratio of properties to landlords, after some fluctuation this is now broadly similar to what it was in 2017 at around 1.45 properties to each landlord (up from 1.44). The RentBetter Landlord Survey shows the majority of the landlords still have portfolios of up to five properties (little change from 2019). We also know from the survey that the tenure of landlords is increasing – the majority have been landlords for over 10 years, and there is now a lower proportion that have been landlords for less than five years (compared to the 2019 survey).

Supply also relates to the flow of properties. There has been a gradual decline in listings on Scotland's main lettings portals in recent years (a 17% drop on Rightmove as one example) between 2020 and 2023. The average time to let was down to 20 days on average in Scotland in 2023, having hit a record low of 17 days in 2022. This decline has been consistent in recent years and is the case for all property sizes. This all implies a tightening of market conditions and demand pressure relative to supply.

Comparing PRS performance with the other UK countries, looking at changes since 2017 when the PRT was introduced, it can be seen across Great Britain that the PRS has broadly stabilised at around 5.4m properties; England has seen a slight increase of 2%, Wales a decrease of 5% and Scotland a more significant decrease in stock of 13% (although the caveat again regarding the SHS 2022 estimates applies here). However, there is shrinkage of rental listings across the UK with reduced inflows to, and increased outflows from the PRS. On balance, therefore, we see overall stability in stock estimates in England (noting that there are very different experiences in different markets), but clear evidence of recent flows out of the sector.

There has been a 4% growth in households in Scotland since 2017 at the same time as stagnating/reduced supply in the PRS. We would expect household growth to be split across owner occupation, the PRS and the social rented sector. The reduction in the PRS stock means the PRS has not grown to keep pace with its expected share of new household demand. This is not the case across all housing supply where the housing supply has increased by 4% since 2017 against household growth of 4%. If the PRS had expanded so that it still housed 15% of all households, there would be around 27,000 more properties in the PRS.

The reduction in the overall stock and available lets has had impacts which are reported in the Tenants and Landlord/Letting Agent surveys. This research showed that tenants found it more difficult to find a home, with more recent searchers in particular finding it more difficult, while landlords/agents said it was easier to let out properties than five years ago. Wider stakeholders cite “*exceptionally high demand*”, with the negative impact this has on those in greatest need including homeless households, and those with less economic power including those claiming welfare benefits. The evidence suggests supply/demand issues are becoming more pressing in Scotland due to an expansion of demand without an expansion in PRS supply.

There are also pressures in the PRS across the UK overall, although with variability in different local markets. This deteriorating supply/demand imbalance is an important market context when considering both the effectiveness of any policy intervention in the PRS, and the impact that these policies may be having on the market.

Rents, rent increases and affordability

Average advertised rents for new rental listings in Scotland⁶ in 2023 were in the region of £1,000 per month compared to £766 in 2017 when the PRT was introduced. Steady increases since 2017 have been accompanied by an acceleration of rents over the last three years, post pandemic. The acceleration in advertised rent increases has been seen in most parts of Scotland, especially the main cities, and across property types. Rent increase trends in advertised lets in Scotland since 2022 are similar to those found across the UK (although with Wales in particular seeing significantly increased rents), but there is evidence of a widening gap of higher average increases in advertised let in Scotland compared to average increases in England.

The rent increase freeze/cap introduced by Scottish Government in September 2022 only limited rent increases in-tenancy, and therefore has done nothing to prevent the increased level of market rents for new listings. Understanding the effect of this legislation is made more challenging by a lack of data on changes in rents during tenancies. ONS uses data provided by the Scottish Government that does not capture this, meaning its data comparing rents does not capture the impact of the rent increase freeze/cap introduced by Scottish Government in September 2022⁷. This is a major gap in official rents data in Scotland which means the impact of rent policy is difficult to assess. However, the RentBetter Tenant and Landlord/Letting Agents Surveys and qualitative research provided evidence of experiences and rent setting behaviours.

The most common way for rent increases to occur in the PRS in Scotland is on change of tenancy, as reported through both the Tenants and Landlord/agents survey and in qualitative interviews. Most tenants do not experience in-tenancy rent increases – these are experienced by around a third of tenants, and only 15-23% of tenants experience annual rent increases (depending on whether asking landlords or tenants respectively). According to tenants there is evidence of a slight increased frequency of rent increases, compared to five years ago, with 23% reporting at least annual increases in 2019 and 28% reporting this in 2024. There has been an increase in rent increases being incurred annually, and the long-term private renters interviewed reported more frequent rent increases since the rent cap introduction in

⁶ The report cites criticism from the ONS over the quality of rent data used by Scottish Government and others compared to other parts of the UK with reliance of advertised rent data, rather than samples of actual rents. This is a limitation in this study, and across all rent data sources, and studies in Scotland unless using actual rent data.

⁷ Because of data collection limitations, Scotland rents data (underlying the PIPR's stock measure) are mainly for advertised new lets, which were not subject to Scotland's in-tenancy price-increase cap and are not subject to temporary changes to the Rent Adjudication system, as described in the [Cost of Living \(Tenant Protection\) Scotland Bill](#) and the [Scottish Government's Cost of living: rent and eviction page](#), respectively".
[Private rent and house prices, UK - Office for National Statistics \(ons.gov.uk\)](#)

September 2022. By comparison, landlords reported little overall change to the profile of frequency of rents increases, although they, like tenants, reported a rise of the proportion of rent increases at change of tenancy.

It is notable that where properties are managed by letting agents, regular and annual rent increases are much more likely than for landlords who directly manage tenancies. Since the establishment of the rent increase cap in September 2022, letting agents have been significantly more likely to increase rents to sitting tenants. This should be seen in the context of more PRS properties now being managed by letting agents.

Where in-tenancy rents were increased pre-September 2022, both landlords/agents and tenants said these increases were more often above the cap than below the cap of 3%. Only 22% of landlords and 31% of tenants reported rent increases before 2022 of below 3% (although many didn't know/couldn't remember). Where rent increases have occurred for sitting tenants, rent increases pre-September were more likely to be above the cap than below the cap. Therefore, assuming compliance with the rent freeze/cap of 3%, the rent increase cap is likely to have had the effect of dampening rent increases for this significant minority of tenants who experience in-tenancy rent increases (around a third).

In relation to affordability, only around one in ten tenants said that they found their rent difficult to afford, but at the same time over a quarter said they paid more than 40% of their net income on housing costs⁸. Interviews with tenants explored the apparent disconnect between the high amount tenants are paying on private lets relative to their income, and their perception of affordability as set out in the survey findings. This showed that while many tenants were struggling financially there appears to be a separation between tenants' perception of their ability to manage financially, and rent affordability. Rent affordability is generally assessed by tenants comparatively to other local rent levels, with judgements made around relative cost, quality and location. That said, all participants were aware of increasing rent levels (whether directly experienced or around them), and this was a real concern for them.

Rent adjudication has resulted in just 227 cases being submitted to the Rent Officer to challenge rent increases proposed since 2017. This is a very small number relative to the number of all PRTs, but the number of cases in 2022 had increased compared to previous years. It is estimated this number is equivalent to between 0.1% - 1% of all PRTs. In more than two thirds of cases (67%) rents were adjudicated to be less than the proposed rent, most others were judged to be the same rent level, and there has only been one case since 2017 where adjudication resulted in the rent being more than the proposed rent.

The significant increase in average rent increases for new tenancies experienced in Scotland in recent years are likely to be the result of a combination of factors, some of which are common to the rest of the UK – the supply/demand imbalance and a period of high inflation,

⁸ Eurostat uses 40% of disposable income as a measure of housing cost overburden (which includes rent and other housing costs), with the UK overall having 15% of households paying over 40% of income on housing costs in 2018. <https://ec.europa.eu/eurostat/cache/digpub/housing/bloc-2b.html>

and increased interest/mortgage rates. Other factors specific to Scotland are the regulatory and tax environment (those taxes with differences specific to Scotland), and the rent freeze/cap from late 2022, with landlords and letting agents stating that the combined effect of all these factors are causing them to be more likely to mark-up rents more heavily between tenancies due to their perception of increased risk in the sector. It is also more likely for letting agents to increase rents more regularly, and by a higher rent increase, and at the same time more landlords are using letting agents due to the increasing complexity of the regulatory environment. It is clear that none of the Scottish legislation since 2017 has had the impact of protecting the majority of PRS tenants against excessive rent increases, or high advertised market rents, considering average advertised rents and the system as a whole.

Security of tenure and access to justice

The PRT was introduced through a gradual transfer from the Assured Tenancy regime through tenancy turnover. The research shows a clear shift away from the Short Assured Tenancy (SAT), which has less legal security of tenure. But there has been little progress on tenants' awareness about their rights, which has been a recurring theme over all waves of the RentBetter research, with a third of tenants not knowing what kind of tenancy they have and most showing only a "vague idea about rights".

Length of tenure is one indicator of security of tenure, but apart from legal security, there are many factors which influence this including market conditions (supply/demand balance, people not being able to access ownership or social renting etc). Length of tenure in the PRS has increased over the last five years in Scotland, although over the same period, longer tenancies have also been evident in England. This may indicate that this trend is not just a result of the PRT but is also influenced by wider market conditions which are common between Scotland and England.

Overall, the vast majority of tenants (80%) surveyed were confident that they would be able to stay in the current property for as long as they would like, and the proportion being 'very confident' has increased significantly over the last five years since the 2019 baseline survey (27% to 46% in 2024). The research shows that confidence in staying in the tenancy is driven by a combination of financial stability and trust in the landlord, including the landlord being unlikely to sell. Having legal rights was mentioned much less often as a source of confidence. In practice, for those who had experienced issues with their landlord, awareness of these rights, and accessing information and advice was empowering. A combination of more experience as a renter and those who had lived in the same place for a long time also equated to their sense of security and confidence as a renter growing over time. A few tenants gave examples of their landlord/agent talking through the rights and responsibilities when they moved into their most recent property which they had appreciated, and while this was not routinely experienced by others, many thought it would be good idea.

Landlord and agent opinion on the impact and satisfaction of the PRT was commonly neutral, and interviews showed most landlords were supportive of security of tenure for tenants. There was broad consensus that, on the whole, the PRT was a positive change for the sector due to the consistency it brought to letting practice and the greater clarity regarding rights and

responsibilities. Apart from legal rights, landlords emphasised the importance of mutually beneficial and positive relationships, and many explained that they preferred stability over uncertainty – this was good for tenants, and reduced costs for the landlords. However, the large scale of subsequent legislation, and in particular that around rent control, appears to have marred opinions of the positive aspects of the PRT and has led to increasing dissatisfaction in the sector from the supply side, and for some this negatively affected their overall view of any regulation. There was a minority view from landlords that aimed to retain SATs with perceived advantages of this tenancy compared to the PRT (less security and no rent control) in the context of an increasingly riskier environment.

Taking all evidence into account, landlords and agents appeared to be generally ‘settled’ with the PRT and many saw it as a means of improving standards. Wider stakeholders felt the regulations alone were insufficient, particularly in the current ‘sellers’ market, with a much greater focus needed on information and advice, and stronger enforcement required. A key stakeholder in the advice sector summarised that, regardless of the PRT, there was still informality across the sector, and financial volatility and uncertainty in the market meant that in practice, change in security of tenure has, and will continue to be limited.

Examination of the use of Ground 1: Landlord intends to sell shows that wrongful terminations occur on the basis of prospective sales – these wrongful terminations could be by taking the lawful Tribunal route, evicting, but then not selling and re-letting; or it could be by not taking the Tribunal route at all, and tenants going along with a notice from landlords/agents and assuming they must just leave. This research shows (from a sample of 70 that went to the Tribunal in the first six months of 2022), there was an estimated 1 in 5 where it appeared that Ground 1 may have been mis-used, with the caveat regarding possible delayed de-registration of the property from the Landlord Register. However, this research shows that many evictions on the ground of sales probably occur without going to Tribunal and provides examples of when notices are immediately queried by the tenant then landlords can change their mind, which will likely be influenced by the tenants and landlords/agent having knowledge of tenants’ legal rights. This emphasises the importance of tenants having that knowledge and being empowered to exercise their rights. That empowerment can come from local authorities or advice agencies to supporting tenants through the process.

In terms of pursuing justice, most tenants said they would be confident in challenging landlords or agents and would seek information and advice for support. But thinking further about what in reality they would do, tenants felt that if they were to actually pursue a landlord/agent, any challenge would probably be time consuming, may cost money and may not be successful. The stress involved in challenging landlords for significant and ongoing disputes was clear from tenants that had raised difficult issues with their landlords or agents, even with advice agency support. Having rights was one thing, but affirming these rights was quite another matter. The proportion of tenants actually pursuing formal justice is very small at 1%, and compares to around one in five tenants (21%) reporting any cause for dispute in the previous five years. This was consistent with findings in Wave 1 and 2, particularly for those with less economic power; for them, the fear of losing their home through a dispute, and the lack of choice of alternatives especially in the knowledge of higher prices, over-rode the

impetus to challenge landlords or agents. As found in both Wave 1 and 2, the formal route to justice through Tribunals has very limited awareness amongst tenants, and for those tenants and landlords that have used it, the common criticism was the very lengthy process and resultant (often negative) impacts this had for tenant and landlord.

Tenants' overall experience

The large majority of tenants surveyed were satisfied with their experience of private renting overall - including the property itself, its cost, and dealings with landlords and/or letting agents. Looking back at private renting over the past five years, the largest group of tenants said that private renting was the same (43%), but more thought it was worse (11%) than thought it was better (7%) compared to 5 years ago⁹. Unemployed people and those with family/single parents were less satisfied and were more likely to feel private renting was worse than five years ago. Where respondents thought things were better this related to moving to a better quality home, being in a better location or having a more responsive landlord. Tenants who thought things were worse identified higher costs, fewer properties being available, and landlords attitude or behaviours. The tenant satisfaction was similar in Wave 1, but not in Wave 2, which concentrated on qualitative research with lower income tenants and those in housing need (including over-crowded households, disabled people seeking more suitable housing, and other disadvantaged households including single parents and those from minority ethnic backgrounds). In Wave 2, there was a striking difference in satisfaction from these households - this was much lower when compared to the overall PRS population as a whole shown in Wave 1. Most of these tenants were struggling - financially and with the poor condition or quality of homes they lived in, and they lacked choice and economic power to move to equivalent sized and/or higher quality properties due to higher rents.

Insights from interviews with 32 longer term renters in Wave 3, and findings generally across the three waves of qualitative research, showed most tenants were private renting because they had no other option – they couldn't afford to buy and didn't qualify for social housing. Most were 'stuck' in some way. Some had come to accept they would always be private renting and were generally happy; they had lived in their accommodation for many years, had done work to it themselves, decorated it as they wanted it, had a good relationship with the landlord and considered it to be their home. Others were 'tolerably stuck' – they would prefer to be in ownership or social housing, and while this group had a reasonable standard of service, they thought it would be impossible to find a similar place within their budget and in the same area if they needed to move. They didn't want to be renting overall but were resigned to this being their only option. Finally, there were the 'unhappily stuck' – they were often living in substandard accommodation with mould, damp or other outstanding repairs needing to be done, and feeling powerless to change their situation. A few had taken cases to the Tribunals and were dissatisfied with that experience. These negative experiences were consistent with interviews undertaken in Wave 2 with low-income households and those in housing need.

Interviews with tenants showed that where things had improved in their private renting experience, this was most often driven by improved individual household financial

⁹ 34% could not say as they were more recent entrants to the sector and 5% did not know

circumstances and then being able to move to a better quality property or location. Worsening financial positions also drove consistently bad or worsening housing situations; with tenants unable to resolve their unsatisfactory housing situation and find a suitable alternative, with limited affordable or suitable choices available. Interviews also showed that positive or negative experiences were judged on the standard of service they received from the landlord or letting agent, and in particular getting issues resolved quickly, mainly repairs. Many of the long-term renters felt that their experience was best when they were dealing with the landlord directly as problems were resolved much faster and they felt there was a more personal service, compared to some letting agents who many viewed as holding things up, and adding another layer to getting a quick response. However, the general population of tenants in the 2024 Tenants survey showed little difference in satisfaction between those letting directly and letting through agents.

In relation to whether the PRT has made a difference to tenants in the renting experience over time, only a few tenants knew they now had more rights. However, they said that even with this, the experience of renting was down to the service standards, the attitude of and relationship with individual landlords and letting agents. What was important was whether or not they took their responsibilities seriously.

Across the three Waves of research, the relationship with the landlords and/or confidence in the letting agents were important in tenants' sense of security and satisfaction with the service received, although with different dynamics of what this meant in practice. This ranged from individual 'subjective' relationships which were often considered to be 'good' and responsive, to no or remote relationships with the landlord or agent which suited tenants, except when they struggled to communicate to get repairs done. The importance of relationship was also true for most landlords, although in Wave 3 there appears to be a shift in tone; a common perception amongst participants was now a focus on compliance with legislation which meant that the relationship had become increasingly contractual; this marked a significant change in orientation for smaller landlords, who previously had a more personal, hands-on relationship with tenants and the property. One notable feature of the responses was landlords' perceptions of how changing expectations from "more demanding" tenants were transforming the relationship between landlord and tenant. Some claimed this was as a result of Scottish Government policies, with the relationship becoming increasingly commercial, and sometimes adversarial.

Landlord and agents' view on the future of the PRS in Scotland

The evidence shows a significant lowering of confidence from landlords and agents in the future sustainability of the PRS over the last five years. The survey showed those who were either very or quite confident in the PRS reduced from 41% in 2019 to 17% of respondents in 2024. By comparison those that were not confident increased significant 42% in 2019 to 70% in 2024.

In order to understand where landlords and letting agents' perceptions of reduced confidence in the sector was coming from, views were sought on the impact to them as landlord/letting agents of the various legislation and other regulations (PRT, Mortgage Interest Tax Relief

(MITR), Additional Dwelling Supplement (ADS)), and Covid and Cost of Living legislation), and the perceived risks and opportunities in the PRS were explored. In terms of impact, the PRT was most commonly neutral but there were more negative than positive responses; and there was a similar trend for ADS and MITR. The exception was rent increase freeze and caps for which a majority of respondents (67%) said this has had a negative impact on them as a landlord. Extended notice periods were also more negatively viewed than the PRT. In relation to risks, again the greatest risks were considered to be around rent control, and restrictions on evictions, with MITR and changes to benefit regulations considered notable risks, but lower than others. A much lower proportion of landlords and agents saw any of these aspects as opportunities.

When asked about future plans, a much higher proportion of landlords stated they planned to sell all of their residential portfolio compared to five years ago (45% in 2024 compared to 23% in 2019), and less said they planned on buying more properties for let (9%, down from 17%). A lower proportion intended to buy additional STLs (3%, down from 6%), and less were moving residential stock to STLs (4%, down from 15%). A very small proportion planned to move STLs to residential (1%).

The research explored the extent to which the intention to sell follows through to actual sales. In 2019, 23% of landlords said they planned to sell all of their residential portfolio. Considering the different datasets on stock numbers (above), this level of intention to sell does not align with the indications of a small reduction in the PRS stock over the same period. Therefore, there is evidence that more landlords say they will exit the sector than actually do.

As a measure to assess whether properties indeed were sold, tracking of properties was undertaken from Tribunal data where the reason for eviction was Ground 1; intention to sell, for the first six months in 2022. This showed that the majority - 35 out of 50 of these properties were likely to have been sold. The extent to which these were sold to another private landlord is unknown, nor is it known whether these properties may have been replaced by other sales into private renting from owner occupation, but at the very least it indicates significant churn within the sector. Other evidence of sales in the sector comes from local authorities and homelessness statistics, and the Scottish Government housing data shows a reduction in PRS stock. Taken together it is fair to conclude that more stock has been flowing out of the PRS than flowing into it over recent years.

Interviews with landlords and agents confirmed that few respondents were optimistic about the future of the sector; most perceived the external environment as distinctly unfavourable for private landlords. The problems faced by small-scale landlords were considerable and they felt overwhelmed by a combination of high costs, burdensome regulation, complexity and uncertainty. Whilst only a limited number of landlords had to date begun to sell property, a larger number of smaller landlords stated an intention to sell their stock and, in some cases, leave the sector altogether.

Most wider stakeholders, while supportive of the PRT, considered that the large amount of subsequent, more recent legislation has created unintended consequences including loss of supply and increasing rents. Most called for clarity in the government's strategic direction and

policy for the PRS, rather than what was claimed as ‘reactive’ legislation. However, one alternative view suggested the future vision should be one where the PRS is not seen as a market, and where housing (regardless of tenure) is seen as a human right, with even firmer government vision and ambition needed around regulation and control.

Conclusions

The research questions set for this final endpoint have brought us full circle to the original research aims, specifically:

- Protecting against excessive rent increases - What is the demand/supply position in relation to PRS in Scotland and how is that affecting rent levels? To what extent do the 2016 Act provisions protect against excessive rent increases? What lessons can be learned from Scotland’s more recent experience of caps on rent increases?
- Security of tenure - Do tenants feel more secure and why/why not? Do they know their rights have changed under the PRT? Do they feel able to exercise these rights? Is this sense about tenants’ rights and empowerment, or is it about relationships between the tenant and landlord/letting agent?
- Tenants’ overall experience - overall, how have things changed for tenants – have things become better or worse and why?
- Overall, what else is still to be achieved and how?

The conclusions draw on evidence taken from across the three Waves of research between 2019 and 2024. These questions should be seen in the context of increasing regulation in Scotland post the Private Housing (Tenancies) (Scotland) Act 2016, as set out in the introduction of this report, and a new Scottish Housing Bill introduced in March 2024 which proposes further revision to PRS regulation (in addition to wider housing sector legislation).

Supply and demand context

The Wave 2 report in 2022 concluded that PRS stock appeared to be levelling off, or perhaps reducing, with significant supply/demand imbalance emerging. The final report shows that PRS stock has indeed reduced since 2017 (although with some recent evidence of stabilisation), there has been a significant fall in lets, and average time to let is amongst the lowest in the UK (showing decreasing supply relative to demand). Tenants are finding it more difficult to find a home (with low-income and disadvantaged groups more so), while landlords/agents find it easier to let a home. Overall, the evidence suggests supply/demand issues are becoming more pressing in Scotland. There are also pressures in the PRS across the UK overall, with many common market factors driving the imbalance.

It is not possible to conclude on whether the PRT specifically has driven the reduction of PRS stock and availability of lets in the PRS, but the scale and nature of more recent regulation in Scotland has certainly impacted on investors’ appetite to remain in the sector, clearly

combined with a range of other market factors common across the UK - supply/demand imbalance, period of high inflation, rising costs, and increased interest rates and mortgages.

It is outwith the scope of this research to undertake a housing systems analysis, but this research points to the requirement for ongoing in-depth monitoring work being undertaken. Further work should be done to build on the primary data obtained through this study and generate ongoing data sources. Such housing systems analysis work would support better understanding of this least understood part of the housing system as it evolves and goes through further changes in the years to come. It would also support better understanding of the impact of policy changes.

Protecting against excessive rent increases

One of the original policy objectives of the 2016 Act was to “provide more predictable rents and protection for tenants against excessive rent increases”. Another policy objective was to “provide security, stability and predictability for tenants and appropriate safeguards for landlords, lenders and investors”.¹⁰

Average advertised rents for new lets in Scotland have increased since 2017 and have accelerated significantly in recent years post pandemic.

The baseline report in 2019 hypothesised that rent increases would become more common as an unintended consequence of the PRT stating that rents can only be increased once every 12 months, where previous tenancy regimes were silent on rent increases. Since 2019, this research has found that the most common rent increase practice continues to be at change of tenancy. However recently, tenants report an increase in frequency of annual rent increases within tenancy (landlords state little overall change in practice), but with letting agents much more likely to incur more regular increases, and more landlords are using letting agents to manage properties. In addition, long-term renters stated they have experienced in-tenancy rent increases since September 2022 which they previously had not experienced. Qualitative research with tenants also provided evidence of a minority of landlords seeking to evict tenants so they could raise rents. These findings may therefore raise questions as to why the September 2022 emergency rent increase freeze/cap was designed only for in-tenancy increases, when it was known that rent increases most commonly occurred at change of tenancy, and therefore the rent increase cap would only impact on a significant minority of tenants (around a third of tenants).

The Scottish Government also had a wider policy objective of encouraging the professionalisation of the sector through the use of letting agents¹¹, alongside its objective to protect tenants against excessive rent increases. However, there appears to be a conflict between the fact that letting agents are much more likely to increase rents to sitting tenants than landlords, while more landlords are moving to letting agents to manage their stock due to increasing complexity of regulation and perceived risk.

¹⁰ <https://www.gov.scot/policies/private-renting/private-tenancy-reform/>

¹¹ <https://www.gov.scot/publications/letting-agent-code-practice/>

Wave 1 showed that the Rent Pressure Zones as introduced by the 2016 Act have failed, and this final report shows rent adjudication has been considered for a very small number of rent increases relative to the number of PRTs (estimated between 0.1% and 1% of PRTs).

Rent affordability is worse for those on low incomes and other marginalised groups, and across the research we see there appears to be an ‘acceptance’ or normalisation of high rents relative to net incomes. Tenants are generally aware of significant rent increases, even those that have not themselves experienced a recent increase, and throughout the research since 2019 we have found rent increases to be a key factor in tenants’ ability to move, and their reticence to challenge landlords for fear of needing to move and therefore experience higher rent. Affordability and financial circumstances are a key factor in sense of security (discussed further below).

It is therefore clear that none of the Scottish legislation since 2017 has had the impact of protecting most tenants against excessive rent increases or high market rents. The rent cap did limit rent increases for a significant minority of tenants that experienced in-tenancy increases, but there is evidence of maximisation of rent increases at change of tenancy (which is the most common time to increase rents), beyond those increases experienced in many other areas of the UK where no in-tenancy rent cap was in place. Average rent increases and high market rents have not been curtailed across the sector as a whole, and the prospects of further rent control may have served to exacerbate the level of current rent increases due to the uncertainty and risk perceived by landlords.

The Scottish Housing Bill introduced in March 2024 proposed a revised approach to rent control (including existing and new tenancies). The evidence presented in this work supports the conclusions from the CaChe 2022 rent control review, and the Scottish Government working group, namely that any new system of price control must be very carefully designed, must be supported by robust data on actual rent levels, and there should be ongoing monitoring using both market analysis and stakeholder opinion. The RentBetter brief does not involve consideration of what an effective system of rent control might look like, but it is clear that caution should be deployed to avoid unintended consequences.

Security of tenure and empowering tenants

As the majority of tenancies move to PRT, it is clear that the majority have increased legal security of tenure. However, affirming this increased security requires knowledge to *actually* empower tenants. Since 2019, the RentBetter research has shown lack of awareness of rights across the population, and this has not improved over the five years. It is also shown that where tenants have the knowledge, advice and information, and sometimes hands on support to navigate rights then good outcomes can be achieved. That said, Tribunal experiences seldom appear to be positive for tenants, and tenants’ desired outcomes rarely achieved.

Despite not knowing their rights, consistently tenants consider that they are secure, and we see that tenant confidence has grown significantly over the last five years. The Tenants survey showed that only 2% of respondents had ever been served an eviction notice, and 1% over the last five years. Tenants’ confidence is associated with financial security, affordability and being

able to pay the rent and trusting and positive relationships with their landlord. Therefore, this preference for a subjective relationship rather than an objective contractual relationship continues, and demonstrates that the cultural norms established over 40 years through the relatively unregulated Assured Tenancy regime (and regimes predating that where the power balance was even more in favour of the landlord) takes time to change through a regulated regime.

However, there are signs of a culture shift, with landlords in this final wave highlighting increasing prevalence of contractual relationships, and tenants demanding higher quality in property and services, particularly in instances where rents are increased. Examples were seen through the research where long-standing tenants could have low expectations and/or didn't feel able to challenge for higher standards and many were very unhappy, but then more recent tenants who had higher expectations, and were more likely to have better standards because they are in newer lets and could be more inclined to challenge.

We also see that tenants' overall experience is driven by the market, their financial security, and there is clearly less confidence and less power where the tenant has less income. Many tenants 'feel' they would be confident to challenge landlords, but the thought of the reality for them means time, money and potential failure in pursuing the case. All the research has highlighted the importance the supply/demand imbalance in driving negative tenant experiences, making tenants less likely to exercise their rights due to concerns not to "rock the boat" or to "poke the bear" due to ultimately fear of losing their home, and having to pay higher market rents with there now being very few affordable alternatives in the market. Giving tenants more rights in an environment where supply is seriously constrained and financially volatile for landlords is unlikely to be effective, unless they are aware of those rights, and encouraged and actively supported to use them through strong and proactive enforcement.

It is clear that most landlords and agents are supportive of increased security of tenure and feel broadly neutral about the PRT and the risks it presents. The exception is where landlords rarely need/want to evict a tenant and, in this respect, the longer notice periods, and very long waiting periods for Tribunal eviction proceedings create negative experiences and outcomes for landlords and presents them with greater risk. The research provides evidence that wrongful terminations or 'informal' evictions occur, although this research suggests that only a very small minority of all tenants have ever been served an eviction notice of any sort. We also see examples of where tenants can challenge these evictions and have good outcomes – again emphasising the importance of information and advice.

However, there are still some SATs being used through ongoing longer tenancies, and we see from this research that a minority of landlords are consciously not inclined to move tenancies over to PRTs to avoid the enhanced rights of the PRT, and rent control. Since the PRT has now been in place for almost seven years, it is reasonable that all tenancies should be transferred to the enhanced rights of the PRT, as proposed (following consultation) by the new Housing (Scotland) Bill.

In conclusion, most tenants do seem to feel more secure, but we also know that lower-income tenants and others that are disadvantaged do not have this same sense of security. This

suggests different segments of tenant experience within the market, with the market working better for financially secure households and those able and confident to assert their rights, and much less so for those less financially secure, and/or those with the less ability and confidence to challenge. However, the fact that most tenants feel more secure, and yet the external environment has worsened considerably for both tenant and landlord, does suggest there must be some enhanced security of tenure working in practice through the PRT, compared to five years or so ago. The fact that most tenants do not know their rights, and do not put this sense of security down to their legal rights, shows there is much more to be done in raising tenant awareness, empowering them more and thus increasing the security of tenure experienced, even further. The greatest focus should be on those with least power in the market (lower income households and others in housing need and facing disadvantage), who are also most likely to suffer from less well informed, and unscrupulous landlords operating at the bottom end of the market.

Tenants' overall experience

We also see that most tenants are satisfied in private renting. Most often, tenants feel that looking back over the last five years, private renting has stayed the same, but more people feel it has got worse compared to those that felt it got better. Across the five years of research, we have seen this is worse for people with less power. As for affordability and the sense of security, the overall experience of lower-income tenants, the unemployed, tenants with children and other disadvantaged groups is worse for those who have to rely on the bottom end of the market. However, there has been a change in satisfaction of tenants' experience of landlords and letting agents. Five years ago, there was lower satisfaction amongst tenants renting through agents, compared to landlords, and now there is little difference; albeit tenants still say they prefer the direct connection and personalised service they receive from 'good' landlords rather than agents who often add a layer to the communication and decision making. The fact that satisfaction with letting agents has improved points to the Scottish Government's policy to professionalise the sector through the Letting Agent Code of Practice. The one exception here is the probable unintended consequence of tenants renting through letting agents experiencing significantly more common rent increases compared to those renting directly from landlords.

Overall experience getting better or worse is dependent mainly on financial circumstances. The renting experience has got better for those with improved income and therefore choice to move, and has got worse for those with reduced income, and sometimes with poor health circumstances. Those who were unhappily stuck in private renting experienced the worst conditions at the bottom end of the market and due to their financial circumstances were powerless to change their situation, or had low priority for social housing. In some of the poorest of situations (damp, mould, lack of repairs) the legal rights provided through the PRT should have helped resolve the situation, but again due to lack of choice of affordable options people (across tenure) tenants tended not to challenge.

As found for security of tenure, in conclusion, tenants' overall experience in the PRS is still largely driven by the market, with significant differences between the positive experience of many tenants and in particular those with economic power, compared to the poorer

experience for lower income tenants, and those in greatest housing need living in the bottom end of the market. All tenants on PRTs have stronger legal rights than those in the assured tenancy regime, but the experiences noted by the study show that this is unlikely to have had much impact for lower income and disadvantaged tenants who still have little power or choice in reality. Again, tenant empowerment and stronger enforcement should help drive change.

Unintended consequences

Being able to undertake this work over a five-year period to assess the impact of policy change shows that there are many different factors at play in driving systemic and cultural change. It shows that this change is slow, and that policy and legislative change is only one part of a much bigger picture amongst a raft of economic, political and social factors. This means pinpointing the various impacts of the PRT is difficult.

This research has highlighted the importance of an unbalanced market in driving negative tenant experiences, making tenants less likely to exercise their rights due to concerns not to 'rock the boat' due to fear of losing their home and there being very few alternatives in the private market which tenants can afford. Financial volatility and uncertainty in the market, and to some extent continuing informality means that for those with less power, security of tenure and improved experiences have proved limited.

There is evidence of the unintended consequences created by the range and scale of recent legislative change on the Scotland's PRS, when combined with the constrained market and significantly changed financial environment. Many landlords have made significant rent increases at change of tenancy to reflect the increased risks and, based on tenants' responses, landlords and letting agents appear to have started to increase rents more frequently. Some landlords have sold, and more say they intend to sell.

The scale of negativity from landlords about regulation is the cumulative effect of a series of constant regulatory change, and the prospect of more significant change. This has created a very different environment to that which existed when many of the current (and aging) landlords invested in the PRS 20 years ago. What is clear is that landlords consider the various aspects of the 'original' PRT to be one of the lowest of the risks currently in front of them.

The resulting impact for tenants in the current market is that they find it increasingly difficult to find an affordable private rented home, rents are higher, and those with less power are less able to challenge landlords and agents for better property condition and service. These impacts and recommendations were already identified in Wave 1 and Wave 2, in advance of the latest set of legislative change; hence most of the resultant recommendations are again repeated, focusing on supporting and empowering tenants through information, advice and through much stronger enforcement regime with accompanying resources to address bad landlords/agents, and to support tenants with little economic power or choice.

Legislation in itself has been inadequate to markedly improve tenants' perception of security of tenure and the shift in balance of power between tenant and landlord, and it must be accompanied by empowerment and enforcement, and a wider assessment of the housing system and the role the PRS should play in it.

Recommendations

Whatever their circumstances, all tenants should have access to affordable, secure, quality homes that can become the foundation of a healthy life. However, the findings indicate that many tenants, particularly those on low incomes, are being denied access to such homes. To improve the experiences of all tenants, the Scottish Government and wider stakeholders are urged to consider the following recommendations. These recommendations are agreed between the Nationwide Foundation and Indigo House.

Confirm the role of PRS in Scotland – There should be a review of the Scottish Government’s strategy for the PRS. Given the stagnation and the likely reduction in supply in the PRS, the Scottish Government should clarify its position on its role in the overall housing system.

Deliver a greater supply of affordable housing – For those living in poverty or for those in housing need, the best housing solution is access to good quality, affordable housing. However, there is a vicious cycle in the PRS at the bottom of the market, where lower income tenants in lower quality properties are less likely to assert their rights to have repairs or improvements done due to lack of choice of affordable alternatives. Scottish Government should increase funding for a new supply of social and Mid-Market Rent (MMR) and other affordable housing, including increasing resources for the purchase of PRS stock by housing associations to ensure affordable housing is accessible to all.

End the Short Assured Tenancy (SATs) – PRT’s provide enhanced rights to tenants. However, some tenants remain under SATs, which afford them less rights. As proposed by the Housing (Scotland) Bill 2024, SATs should now be halted entirely to move all PRS tenants to PRTs to ensure all PRS tenants have the same enhanced rights provided by the PRT.

Create stronger deterrents for wrongful evictions – Tenants must be able to feel secure in a tenancy and have the option to live in their home for as long as lawfully possible. However, this is not possible while landlords are able to abuse grounds for eviction. Where landlords use eviction grounds where there is no fault on part of the tenant (sale, family moving in, refurbishment, lender selling, use for something else), then the legal procedures should require the landlord to prove that these things have occurred and eviction was lawful, rather than the tenant having to prove that was the case in the event of it being unlawful.

Provide early information and advice for tenants – More early and ongoing information and advice should be provided to PRS tenants. There should be a plain language, accessible information leaflet¹² provided at the start of each tenancy (say 2-4 pages) accompanied by a verbal walk-through explaining rights and responsibilities by the landlord or agent. Ensuring tenants understand and feel empowered to enact their rights when required would increase tenants' sense of safety and security in their homes, and prevent tenants living in poor-quality dangerous conditions.

Increase resources for information and advice – For tenants to feel confident enough to address concerns with their landlord, and risk possible disputes, they need to be able to access

¹² The current Scottish Government ‘easy read’ guidance for tenants is 50 pages long.

advice services for support and information. To support tenants in potential disputes, there should be increased public sector resources, ring-fenced for the PRS, for independent advice agencies and for local authorities' PRS regulatory and advice services.

Deliver more and better enforcement – Everyone needs to have a safe, good-quality home to support their health and wellbeing. But a lack of enforcement or access to legal redress within the PRS means that tenants may be unable to use their rights, which can leave them living in poor quality, sometimes dangerous homes. There should be much greater emphasis placed on strong and targeted enforcement of existing legislation, especially at the bottom of the market where tenants have less market power to address failings and less choice to move elsewhere. The Scottish Government should support targeted enforcement through additional ringfenced funding for existing enforcement routes – local authorities and the First Tier Tribunal.

Give tenants real access to justice – capacity should be increased in the First Tier Tribunal system, and the system should be simplified to encourage tenants and landlords to seek formal justice when necessary. This should be accompanied by awareness raising and support through information, advice and advocacy.

Undertake regular monitoring and analysis of the housing system – This work points to a requirement for ongoing in-depth monitoring work, to better understand this part of the housing system as it evolves in the years to come. This will allow the government to implement effective legislation and monitor its effects.

Support delivery of net zero and energy efficiency – The Scottish Government should support landlords by providing them with clear and accessible information and advice and provide financial grants to landlords to enable them to bring properties up to climate change compliance. Improving energy efficiency should help tenants with energy costs, reducing the financial burden and any associated stress, anxiety and wider health issues. It could also help deter sales out of the PRS or to non-compliant landlords.

Carefully assess rent control – if the Scottish Parliament determines that price control should be introduced in the PRS, this must be very carefully designed to avoid any unintended consequences of increasing rents (by whatever means) and reduced supply. A first step in any move to implement rent controls would be establishing a system of ongoing collection of robust rent data which is ONS compliant, through a centralised resource to ensure quality assurance. An example is the Centre for Housing Market Analysis, through which the Scottish Government already provides consistent housing market data to support local authorities in preparation and ongoing monitoring of their Local Housing Strategies.

1. Background and research aims

Background – the legislative and regulatory context

In 2013, the Scottish Government published its strategy for private renting – ‘A Place to Stay – A Place to Call Home’. In developing the strategy, some stakeholders called for greater tenant protection and control over rents, while landlord interests called for an overhaul to evictions processes and sought assurances from the Scottish Parliament that rent control would not be introduced. This strategy resulted in three separate Acts¹³ including the Private Housing (Tenancies) (Scotland) Act 2016 which introduced Private Residential Tenancies (PRT) and replaced the assured tenancy regime for new private lets from December 31st, 2017.

The key features of the PRT are:

- It is open-ended and has no fixed term
- Tenants’ notice period has been standardised to 28 days
- Eviction proceedings have been simplified to 18 grounds with eradication of eviction with no grounds
- For tenants who have lived in the property for six months or longer landlords must provide 84 days’ notice to leave
- Rent can only be increased once every 12 months with three months’ notice and tenants are able to challenge unfair rent increases to a rent officer¹⁴, and
- The Scottish Government has also published a model Private Residential Tenancy (PRT) which can be signed electronically.

The 2016 Act also gave local authorities powers to implement rent caps in designated areas called ‘Rent Pressure Zones (RPZs)’ where rent increases were deemed to be ‘excessive’¹⁵. It also introduced separate rent adjudication.

This legislation was the most recent element of a series of reforms in the private rented sector (PRS) in Scotland over the last 15 years which has included:

- Private landlord registration – introduced in 2006, and later refined in 2011, which placed a duty on local authorities to maintain a public register of private landlords and made operating as an unregistered landlord a criminal offence.

¹³ Private Rented (Scotland) Act 2011, Housing (Scotland) Act 2014 and the Private Housing (Tenancies) (Scotland) Act 2016.

¹⁴ Any appeals are considered by the First Tier Tribunal (Housing and Property Chamber). The ability to challenge unfair rent increases is unchanged from previous types of tenancies.

¹⁵ The RPZ measures in the 2016 Act are different to those rent control measures introduced through the emergency legislation Cost of Living (Tenant Protection) (Scotland) Act 2022 and as proposed in the Housing (Scotland) Bill 2024.

- Repairing Standard – introduced in 2006 covering obligations for private landlords to ensure that a private rented property meets the minimum Repairing Standard.
- Tenancy Deposit Scheme – introduced in 2011, which required every landlord or letting agent that receives a deposit in Scotland to join a tenancy deposit scheme.
- Letting Agency regulation – a regulatory framework for letting agents was introduced in 2014 which included a register, code of practice with minimum standards and how letting agents handle tenant monies (charges levied on tenants were abolished in 1988 but these were reinstated in 2012) and their requirements for professional indemnity.
- First Tier Tribunal (Housing and Property Chamber) - from December 2017 its role was extended to deal with most legal applications about private sector tenancies rather than the Sherriff Court, and has replaced the previous Private Rented Housing Panel (PRHP).

These Scottish regulatory reforms dating up until 2017 should be seen in the context of more recent legislation and wider regulation (including wider UK taxes) which affected the PRS, including that introduced on an emergency basis through the pandemic and the Cost of Living crisis:

- Changes in Mortgage Interest Tax Relief for private landlords (MITR) – between April 2017 and April 2020, HM Revenue and Customs phased in changes so that income tax relief on residential property finance costs is restricted to the basic rate of tax.
- Additional Dwelling Supplement (ADS) – introduced from April 2016 by the Scottish Government, the ADS is a tax (over and above the normal Land and Buildings Transaction Tax - LBTT) on additional residential properties of £40,000 or more bought in Scotland. This change was introduced in response to the equivalent UK tax change introduced in April 2016. The Scottish Government budget in September 2022 increased the ADS to 6% compared to 3% for the rest of the UK
- Energy Efficiency (Domestic Private Rented Property (Scotland) Regulations 2020 – as part of the Scottish Government’s wider objectives on climate change and fuel poverty, the Energy Efficient Scotland Route Map¹⁶ set out that private rental properties (with some exceptions) must have an Energy Performance Certificate (EPC) of 'E' by 2022, and EPC of 'D' by 2025. However, due to the Coronavirus pandemic, the launch of these regulations was delayed, and has now been superseded by the Heat in Buildings Bill consultation (see below).
- Coronavirus (Scotland) Act (Eviction from Dwelling-houses) (Notice Periods) Modification Regulations between 2020 and 2022 - introduced restrictions on evictions so that all grounds were made discretionary. The Coronavirus (Recovery and Reform) (Scotland) Act (2022) continued these provisions.

¹⁶ [Energy Efficient Scotland route-map](#)

- Housing to 2040 (2021)¹⁷ – set out Scottish Government housing policy across housing tenure. Planned improvements stated for the PRS were tackling unreasonably high rents, putting mechanisms in place to collect robust data on rents, facilitating access to the PRS for homeless households, supporting more build for private rent, consider net zero requirements for the PRS.
- Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2021 - Licensing scheme made mandatory for all short-let accommodation.
- New Deal for Tenants consultation (2022) – proposed measures around rent control, ending joint tenancies, greater flexibility to personalise a home and to keep a pet, and greater protections during the eviction process.
- Cost of Living (Tenant Protection) (Scotland) Act 2022 - placed a cap on rent increases and a pause on enforcement of some eviction orders to protect tenants through cost-of-living crisis. The Act was time limited for 6 months. Allowed for in-tenancy rent increases to be capped and there was no cap on new tenancies. A cap was also introduced for Purpose Built Student Accommodation and student halls of residence. Damages were introduced for unlawful evictions. Provisions of the Act were extended from March to September 2023, then until March 2024. The rent cap was increased to 3%, and the student accommodation cap was lifted.
- Heat in Buildings Bill consultation – this consultation ended in March 2024 proposed in all buildings (including non-domestic premises) prohibition of use of polluting heating from 2045. In the PRS, landlords have to meet a minimum energy efficiency standard by the end of 2028 (owner occupied homes by 2033).
- Housing (Scotland) Bill 2024 – introduced to Scottish Parliament in March 2024 which for the PRT proposes a revised rent control mechanism, amendments to elements of security of tenure and other matters relating to personalisation of the home.

Aims of the research

The Nationwide Foundation commissioned this study to learn from the experiences of households living in, and landlords providing, private rental properties in Scotland. The Foundation's key aim for this research is to understand the impacts of change that have been made to help shape any further changes that may be needed in Scotland, and to share lessons learned for the benefit of private tenants and landlords across the UK.

The study was originally set for three years but due to the Covid pandemic it was extended to five years 2019-2024.

The Foundation wants to understand the impact of change on security of tenure; access to justice; affordability; landlord and tenant conduct; and the impacts of these changes on tenants.

¹⁷ <https://www.gov.scot/publications/housing-2040-2/documents/>

The specific aims of the research are to:

- Understand if and how the changes to the tenancy regime in Scotland are achieving the aims of creating security of tenure, protecting against excessive rent increases and empowering tenants.
- Explore and compare tenants' experiences of living in the PRS under the previous regulations and under the new changes.
- Understand the perspectives of landlords, local authorities and support/advice agencies on how the new regulations are working.

Structure of the Final Report

This is the final RentBetter research report and reflects on findings in Wave 1 in 2019/20 and Wave 2 in 2021/22 to make final conclusions. The report is structured to align to the stated research aims:

- Chapter 2 – Research methodology
- Chapter 3 – Supply and Demand
- Chapter 4 – Rents, rent increases and affordability
- Chapter 5 – Security of tenure and access to justice
- Chapter 6 – Tenants' overall experience
- Chapter 7 – Views of the future of the PRS in Scotland
- Chapter 8 – Conclusions and recommendations.

2. Research methodology

Summary of the methodology

The Indigo House Group ([Indigo House](#)) was commissioned in August 2019 to undertake the research over five years, completing in 2024 (extended due to the pandemic from three to five years). The research design was follows:

- 2019-2020 – Wave 1: secondary data analysis, primary quantitative and qualitative research with PRS tenants, landlords/agents and wider stakeholders.
- 2021-2022 – Wave 2: secondary data analysis, and qualitative research with tenants and landlords/agents drilling down on the key issues identified from Wave 1 – this Wave excludes the large quantitative surveys undertaken in Wave 1. It also included research on the impact of the Covid-pandemic.
- 2023-2024 – Wave 3: quantitative and qualitative research with PRS tenants, landlords/agents, and wider stakeholders plus secondary data analysis; repeating the approach in Wave 1.

The Wave 3 endpoint methodology has involved:

Secondary data analysis - this was undertaken to consider the context of the PRS in Scotland, using a range of published and unpublished secondary data including: the Scottish Household Survey (SHS); the Scottish House Condition Survey (SHCS); Scottish Government datasets on rents and homelessness; industry datasets on rents; Scottish Landlord Registration data; First Tier Tribunal data and data from intermediaries. The work also included case study research with eight local authorities including secondary data analysis and consultation to understand the dynamics of their housing markets and PRS sector. The data from these sources has been analysed to provide the best picture from official estimates, where available, augmented by market information and information from other trusted sources. Where data limitations exist, these are flagged and differences between estimates highlighted.

Landlord/Letting Agent Survey – a large-scale survey of landlords and letting agents was undertaken between November 2023 and February 2024. The survey was designed to build a profile of landlord/letting agents; understand the tenancy arrangements they had in place and their awareness and perceived impact/satisfaction with the PRT. It explored experiences of tenant conduct, challenges faced as landlords, and access to justice including awareness of the First Tier Tribunal. The survey was undertaken online and was recruited through a range of stakeholders. 2,169 survey responses were secured (2,061 from landlords and 108 from letting agents). For the landlord survey specifically, this represents an Indicative Margin of Error of +/- 2.09%, based on a 50% answer and 95% confidence level. Full details of the methodology, limitations and findings are included in the separate Landlords/Letting Agents Survey Report.

RentBetter Tenants Survey - a large scale survey of tenants was undertaken between December 2023 and March 2024 designed to explore a wide range of tenant experiences and perceptions including security of tenure, their awareness of tenancy status and rights, and their experiences of different types of tenancy. It examined experiences of landlord/letting agent conduct, experience of rent increases, disputes and access to justice including awareness of the First Tier Tribunal. The survey was conducted mainly through face-to-face interviews, with telephone interviews used for rural and remote areas. The achieved sample of 1,000 PRS tenants provides a sufficiently large sample to provide an overall margin of error of +/-3.1% based on a 50% answer and 95% confidence level. Full details of the methodology, limitations and findings are included in the separate RentBetter Tenants Survey Report.

Qualitative research with landlord and tenants – there were follow up in-depth interviews with landlord/letting agents and tenants from those respondents who indicated an interest from the surveys. These explored the issues identified in the surveys in more depth, particularly around the understanding of rights and responsibilities, affordability, and access to justice. A total of 33 in-depth interviews were achieved with landlords/letting agents and 40 interviews with tenants. Findings from these interviews are blended into the other findings included in this report.

Qualitative research with wider stakeholders – research was undertaken with a range of stakeholders from representative bodies, advisory agencies, national policy-makers and local authorities. These nine interviews provided important insight from different perspectives on the original objectives of reform and opinions on the impact of these to date. Findings from this consultation is blended into the other findings included in this report.

Separate research reports are available for the Tenant and Landlord/Letting Agent Surveys available at the [RentBetter website - Findings](#)¹⁸.

Limitations and quality assurance

Appendix 1 summarises the research limitations, which are discussed in full in the separate survey reports. Appendix 1 also sets out the quality assurance processes used throughout the research.

¹⁸ <https://rentbetter.indigohousegroup.com/findings/>

3. Supply and demand

This chapter sets out data relating to supply and demand in the PRS in Scotland. It examines quantitative and qualitative data on the scale and nature of demand relative to supply and concludes on the impact this supply/demand balance likely has on the PRS in Scotland.

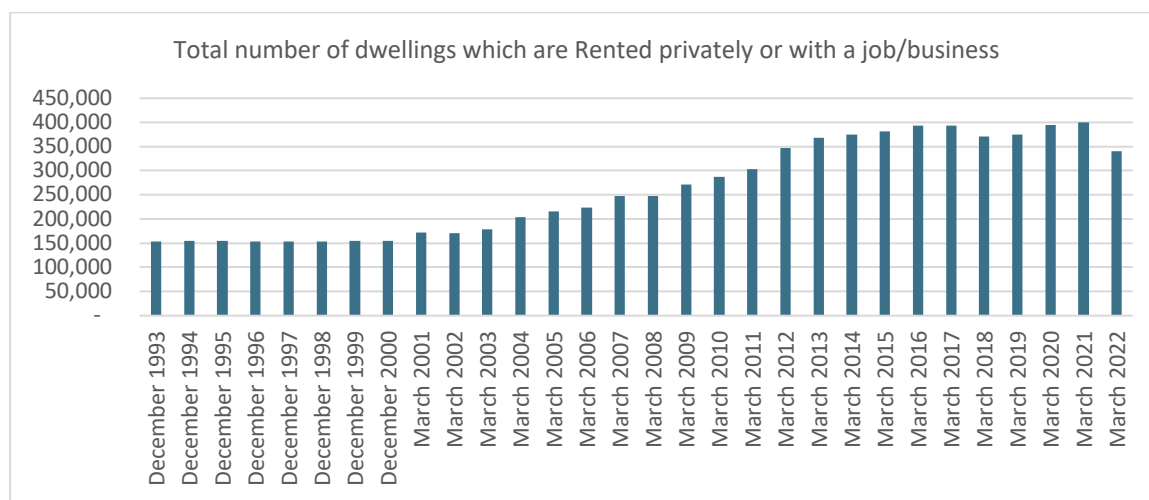
Supply

Stock estimates

The latest available Scottish Government stock estimates for private rented properties for March 2022 was around 341,000¹⁹ compared to almost 393,000 in March 2017 after the PRT was introduced – equivalent to a drop of 13% in stock. However, the latest estimates are caveated due to fieldwork issues with the latest (2022) Scottish Household Survey, with PRS tenants believed to be underrepresented in the sample²⁰. Recent Census data for 2022 also show a more recent drop in the proportion of households in the PRS, at around 323,000 households²¹.

This estimate is similar to the Scottish Landlord Registration (SLR) data (339,632 in 2022), although it is noted that there is a time lag in the register²² and not all landlords are registered. Looking at both datasets over the long term it can be seen that the increase in the sector peaked around 2016 to 2017, with the stock levelling off, and declining in recent years.

Figure 1: Stock by tenure over time (Scottish Government estimates)



¹⁹ Estimates are based on Housing Statistics Annual Returns, stock figures from the Scottish Housing Regulator, and Scottish Household Survey data.

²⁰ <https://www.gov.scot/publications/housing-statistics-2022-2023-key-trends-summary/pages/stock-by-tenure-to-end-march-2022/>

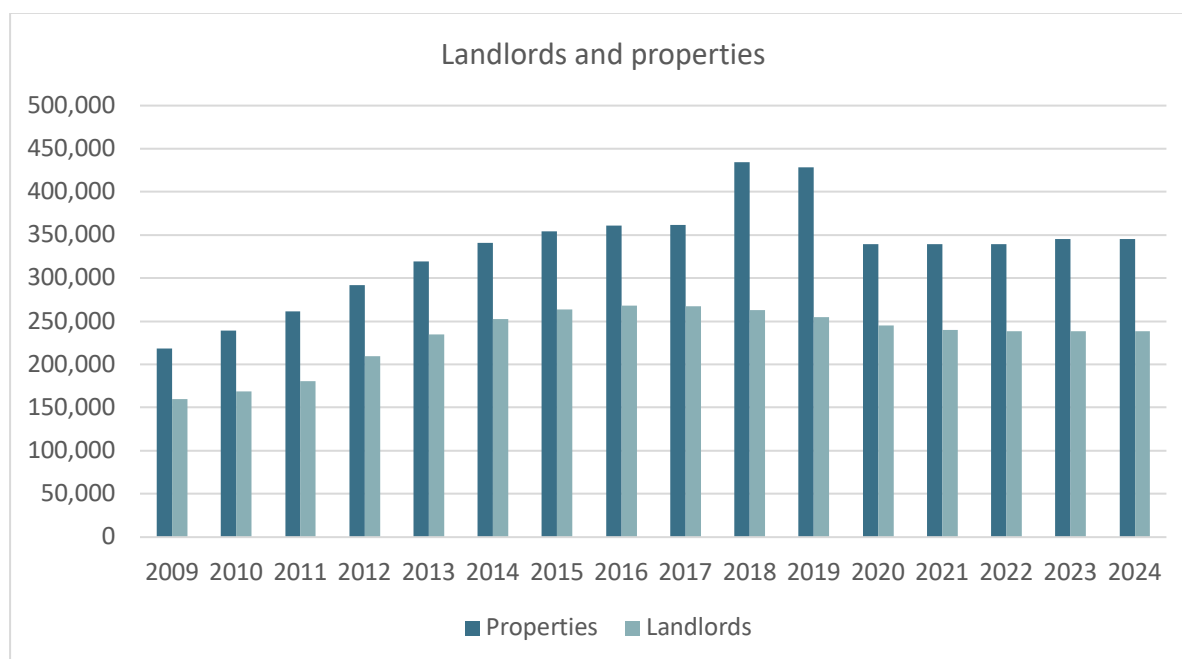
²¹ <https://www.nrscotland.gov.uk/news/2024/census-housing-results-published>

²² Landlords are required to re-register every three years and are not required to de-register when they sell a property or leave the sector, so there is potentially up to a 3 year lag in the data.

Source: <https://www.gov.scot/publications/housing-statistics-stock-by-tenure/>

There is evidence of a reduction in the number of landlords in Scotland since 2017 onwards with a reduction of 11% but a stabilisation in the number of landlords in recent years (again with the caveat around the registration process). The property numbers have reduced by a smaller proportion of 5% since 2017 compared to the proportional reduction in landlords. In terms of the ratio of properties to landlords,²³ there has been long-term fluctuation - there was a trend of a reducing numbers of properties per landlord from 2011 to 2017 from 1.44 to 1.35 properties to each landlord, but more recently the ratio has returned to 1.45 properties to each landlord. This is supported by evidence in RentBetter Landlord Survey which showed that most commonly, landlords let out a single property (40%) or between 2 and 5 properties (40%); the survey shows little change since in this since the 2019 survey. Therefore, while the sector may be consolidating slightly, the majority of the landlords still have portfolios of up to 5 properties.

Figure 2: Trends in landlords and properties from the LRD



Source: <https://www.parliament.scot/chamber-and-committees/questions-and-answers/question?ref=S6W-11061>

The most recently available SLR data²⁴ shows a 1% reduction in landlords between 2022 and 2024, but a 3% increase in properties. This may indicate a stabilisation in the property numbers more recently. However, the lag in the SLR data and the lack of information about where recent growth has come from means understanding supply is challenging. It is interesting to

²³<https://www.parliament.scot/chamber-and-committees/questions-and-answers/question?ref=S6W-11061>

²⁴ <https://www.gov.scot/publications/scottish-landlord-register-data/>

note that through stakeholder interviews, a few of the larger city local authorities referred to a stabilisation of PRS stock driven by increases in purpose-built student accommodation, which one claimed may be disguising losses of 'mainstream' PRS. However, there was not the ability/resources to undertake fine grained analysis of the register to be clear on the change in type of supply and to validate these qualitative insights. The 2022 Census reported that the number of people in student accommodation or halls of residence increased by 68% since the last Census - up 22,600²⁵.

On balance, the evidence is mixed – with evidence of a reduction in the stock up until 2022 but more recent stabilisation which is probably associated with purpose-built student accommodation, rather than increase in new build or buy for private let.

Looking forward, another key aspect in relation to supply is the profile of landlords, sales and their future intentions. From the Landlord Survey we see that the majority of landlords describe their business as an "investment" (51%), followed by 29% that describe their business as "accidental" and 16% as a "portfolio"²⁶. By comparison, very few describe their venture as a "business" (1%). It is also shown that the majority - 63% of these landlords acquired the property with the intention of letting it from the start (down from 69% in 2019), showing that for most being a landlord is intentional (rather accidentally falling into it by not selling/inheritance etc).

We can also see that landlord tenure is increasing - the majority of landlord respondents had been in the private rental business for some time. A greater proportion have been a landlord for over 10 years, 59% up from 52% in 2019, and there are less landlords with younger tenure of less than 5 years (18% in 2024 compared to 20% in 2019). This is confirmed through qualitative insights with letting agents who claimed that fewer new landlords are coming into the system and that the profile of current landlords is aging, with conversations around realising assets for a range of reasons increasing. Qualitative interviews with local authorities as part of the stakeholder consultation and interviews with letting agents indicated a surge of sales from the PRS in the few years post pandemic, with the impact this had on homelessness presentations, with reasons for sales cited as a combination of 'age and stage' of the landlord, increasing regulation and taking the opportunity in a rising market. Sales are also discussed under the security of tenure chapter below and landlords' future intentions are explored further in the final chapter. However, while stakeholders noted the stabilisation or decline of supply, the over-riding theme from these interviews related to increasing demand and its imbalance relative to supply.

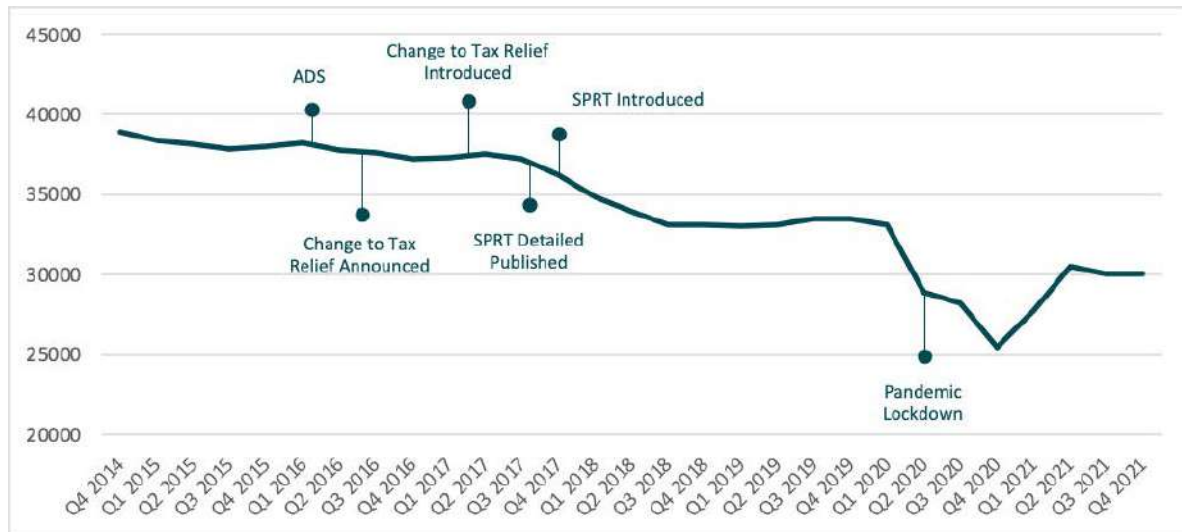
²⁵ <https://www.nrscotland.gov.uk/news/2024/census-housing-results-published>

²⁶ A typology of landlords developed by Rugg and Wallace of the University of York was used to categorise landlords in the recruitment and analysis as follows: Accidental - 1 or 2 properties, not intending to remain as a landlord; Investment - employed elsewhere in addition to being a landlord, or other income/ retirement income; Portfolio - no other employer, and actively involved in managing properties; Business – large number of properties and have created ancillary property companies with employees, or have a large portfolio of businesses, of which property is one.

Availability of new lets

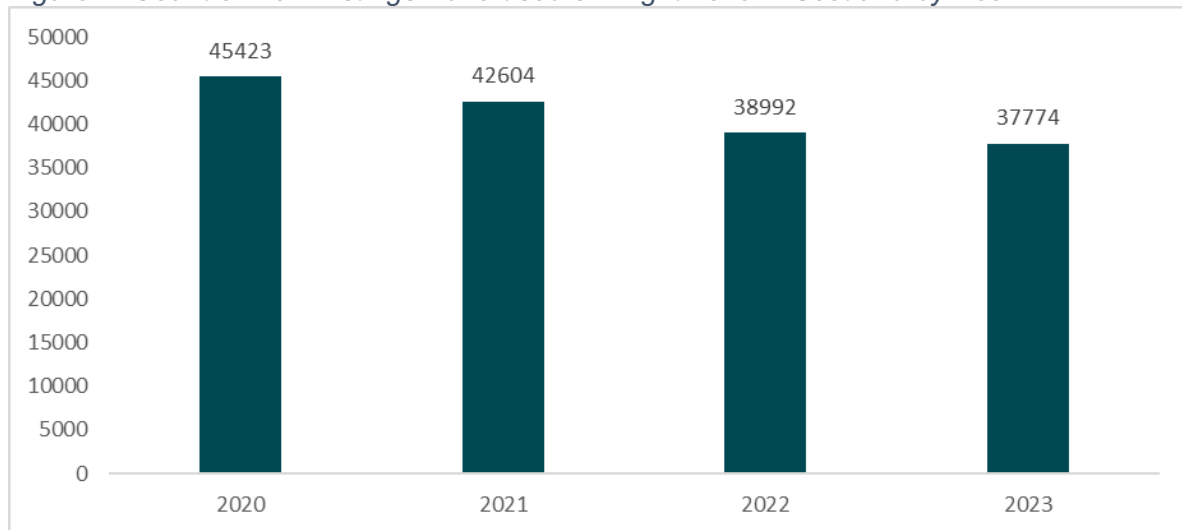
Supply relates to flow of properties, as well as stock. As shown in the previous Wave 2 report 2022 (see Figure 3 below), there has been a gradual decline in listings on Scotland’s main lettings portals in recent years. In addition to the Citylets data, figures for Rightmove over the 2020-23 period show that new listings have fallen back by 17% (Figure 4).²⁷

Figure 3: 12-Month Rolling Total of New Listing on Citylets in Scotland by Quarter



Source: Citylets / Rettie & Co.

Figure 4: Count of New Listings Advertised on Rightmove in Scotland by Year



Source: Rightmove / Rettie & Co. / HomeBench

²⁷ These portals only cover a share of the market. Most (but not all) agents are listed on the main portals and they do cover a large part of professionally managed stock, but there is also a sizeable proportion of PRS properties where agents are not employed. It is estimated that listings figures from Rightmove across Scotland in 2022 and 2023 would equate to between 35% to 40% of stock being available annually. This means that the analysis here covers a substantial part of the PRS market, but, inevitably, does not reflect the whole stock and needs to be interpreted with caution as a result.

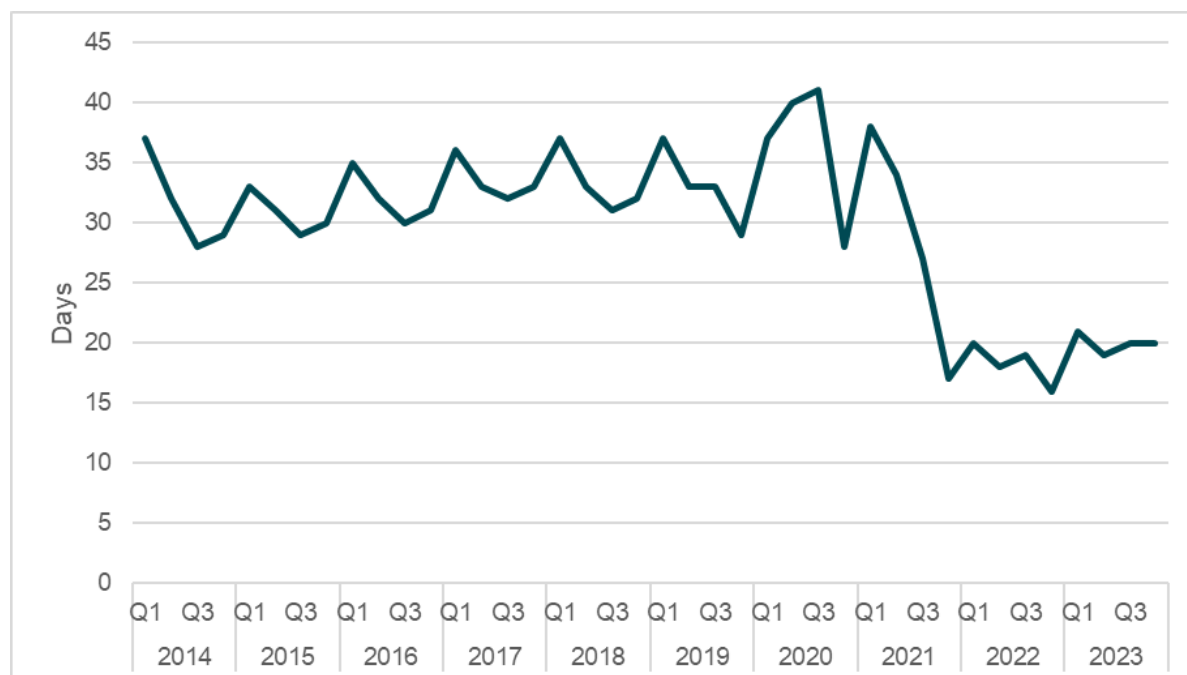
It should be noted, however, that one of the intentions of the PRT was to give tenants greater security, which could, in turn, lead to less market churn and therefore reduced stock availability. It has also been the case that, as with the surge in the sales market, there has also been a demand surge in the rental market after lockdown restrictions were lifted in mid-2020 and supply has not been able to keep up, with demand considered further below. In addition, there has been increasing pressure from other use classes such as short-term lets.

As highlighted in the Wave 2 report stock levels of larger properties have decreased the most since 2015, with the number of 3-bed listings in 2021 down 23% compared to 2017, with 4-beds down 19% and 5-beds down 21% in the same period. This compares to a 13% reduction for 1-beds and 17% for 2-beds over the same period. These trends have continued over 2021-23, with listings for 4-and 5-beds both down 11% over this period, based on Rightmove listings. These trends have been evident since 2017, but the 'race for space' created by the pandemic increased demand for larger properties and is a factor in shrinking available stock for such properties.

As highlighted in the Wave 2 report, the average time to let a property on Citylets had remained stable since 2014, despite the drop in stock levels. It rose to an average of 37 days in 2020, as a result of the pandemic, before falling back to 33 days in 2021. It was a similar pattern across all property types/sizes. The slump in available stock did not seem to have had an impact on time to let and it appeared that properties were still taking a similar time to market and secure tenants before and after PRT. However, the most recent figures, for 2022-23 have shown a sharp fall in time to let. The average time to let is now down to 20 days across Scotland, having hit a record low of 17 days in 2022. The decline in time to let has been consistent in recent years and is the case for all property sizes (see Figure 5).

Evidence from the RentBetter Landlord and Letting Agent Survey also points to increasing demand relative to supply - 79% of landlords in the 2024 survey said it was very or quite easy to source tenants, up significantly from 65% in 2019. Amongst letting agents, the comparative figure was 88%, up from 70% in 2019.

Figure 5: Average Time to Let in Scotland (Days) by Quarter, 2014-23



Source: Citylets/ Rettie & Co.

Comparison with other UK countries

In considering the impact of the PRS legislation in Scotland on supply, we also need to consider the supply performance of PRS in other parts of the UK where there has been less legislation than in Scotland. Clearly regulation is only one factor that affects performance and a range of other socio-economic and fiscal factors may influence supply. In Wales legislative change was introduced in 2022²⁸, but in England there has been no recent legislative changes, although these are planned through the Renters Reform Bill.

Table 1: Dwelling stock: by tenure, Great Britain, as at 31 March (thousands of dwellings)(Extract from 2017 to 22)

Year	GB	England	Wales	Scotland	NI
31 March 2017	5,417	4,798	206	413	[x]
31 March 2018	5,371	4,773	208	390	[x]
31 March 2019	5,363	4,762	206	395	[x]
31 March 2020	5,428	4,813	199	416	[x]
31 March 2021	5,489	4,875	194	421	[x]
31 March 2022	5,438	4,885	195	358	[x]

²⁸ <https://www.gov.wales/housing-law-changed-renting-homes> - the changes included receiving a written contract, an increase in the 'no fault' notice period from two to six months, greater protection from eviction, improved succession rights, more flexible arrangements for joint contract-holders

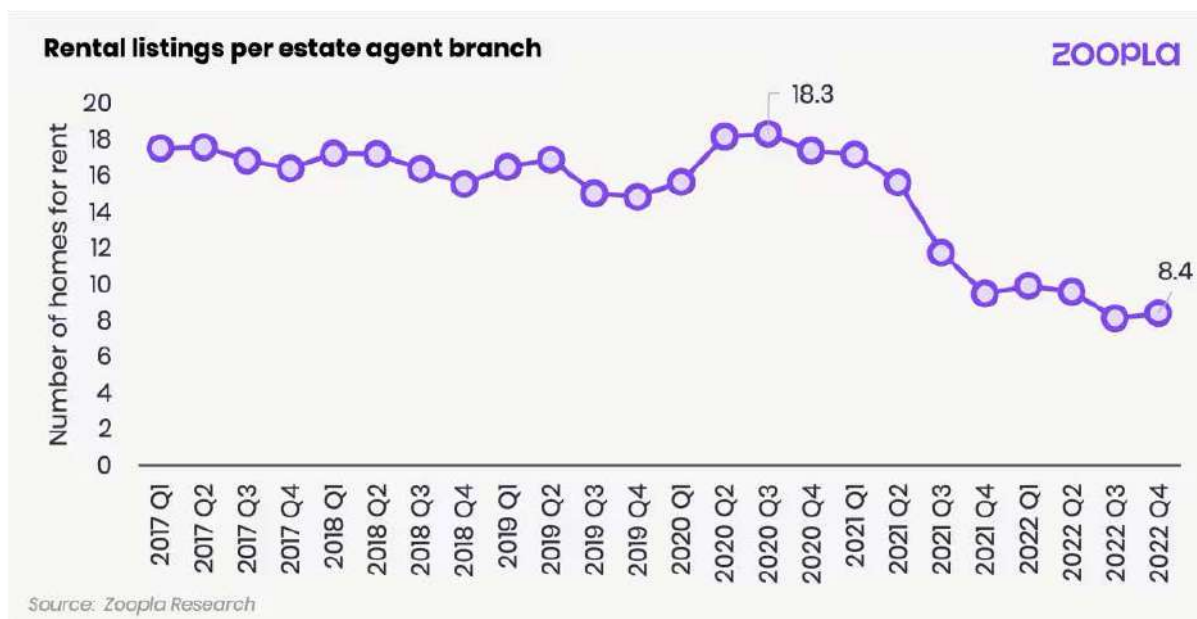
Source:

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/dwellingstockbytenureuk>

According to ONS data on stock of dwellings (see Table 1), the number of properties across the UK in the PRS increased rapidly until 2016-2017, before growth slowed. Looking at change since 2017 when the PRT was introduced, it can be seen across Great Britain (recent data for Northern Ireland is missing) the PRS has broadly stabilised at around 5.4m properties; England has seen a slight increase of 2%, Wales a decrease of 5% and Scotland a more significant decrease in stock of 13%. Again, we note that this is subject to the errors in the SHS outlined above, with SLR data estimating a 5% reduction.

Analysis by Zoopla points to shrinkage of rental listings across the UK, and the Bank of England²⁹ analysis of flows also points to slight shrinkage in the PRS in England and Wales, with reduced flows into the PRS from owner-occupation from 2016 onwards and outflows from landlord to owner-occupation consistently exceeding inflows since 2019. On balance, therefore, we see stability/very slight growth in stock estimates in England, but clear evidence of recent flows out of the sector.

Figure 6: Zoopla data on rental listings (UK-wide)



Source: <https://www.zoopla.co.uk/discover/property-news/why-are-there-so-few-homes-to-rent/>

In summary, the Scottish Government estimates shows that the stock in the PRS in Scotland has reduced in recent years, while elsewhere in the UK there has been stabilisation/slight

²⁹ Source: <https://www.bankofengland.co.uk/bank-overground/2023/has-the-private-rental-sector-been-shrinking>

increases. The market demand shows increasingly constrained supply in the face of high demand, with demand discussed further below.

Demand

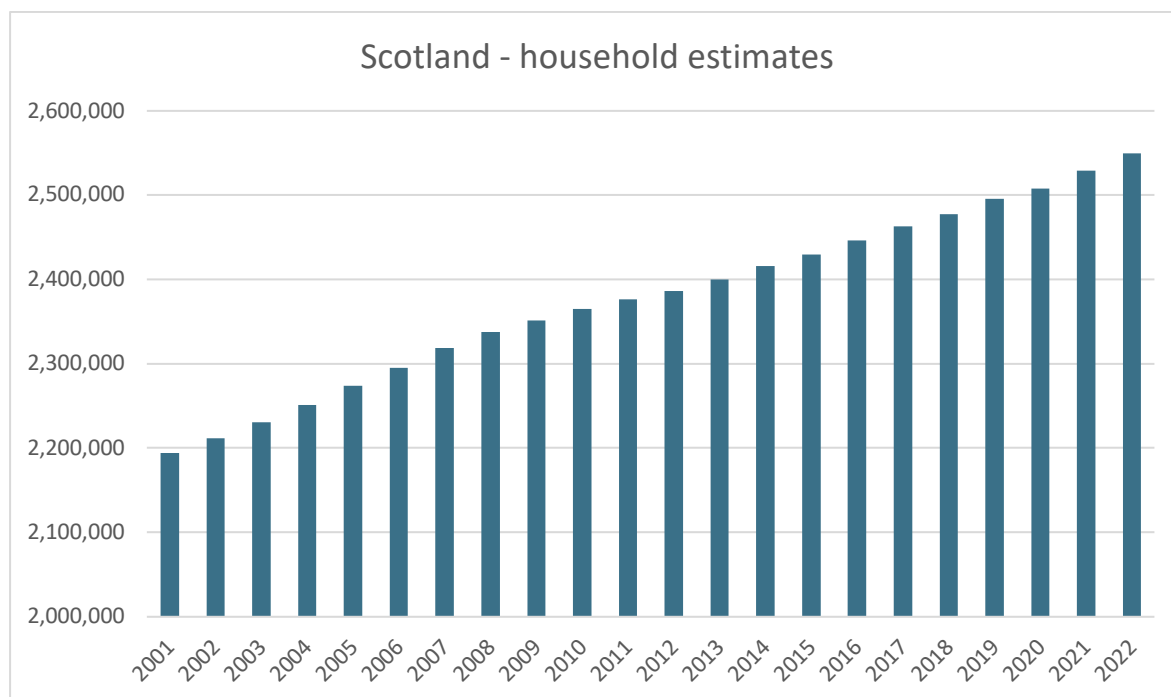
Household growth

In 2017, there were an estimated 2,462,736 households in Scotland while in 2022 there were an estimated 2,549,797. That is a 4% growth in the number of households, while over the same period there has been a reduction in PRS supply.

Private renting increased from just 6% of households in 1999/2000 to a peak of 15% in 2016 before falling back to 13% in 2022. Owner occupation stood at 62% in 1999/2000 and 2017, after peaking at 66% in 2007/2008 before the global economic crisis. Owner occupation increased back to 65% in 2022.

This may indicate a recovery in owner-occupation after the credit crunch and pandemic or may indicate sampling error in the Scottish Household Survey in 2022 (with fewer renters interviewed in 2022, as noted above). The social rented sector accounted for 23% of households in 2017 and in 2022, despite an increase in social rented building over this period. So some caution is needed in interpreting these figures.

Figure 7: Household estimates over time



Source: <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/households/household-estimates/2022>.

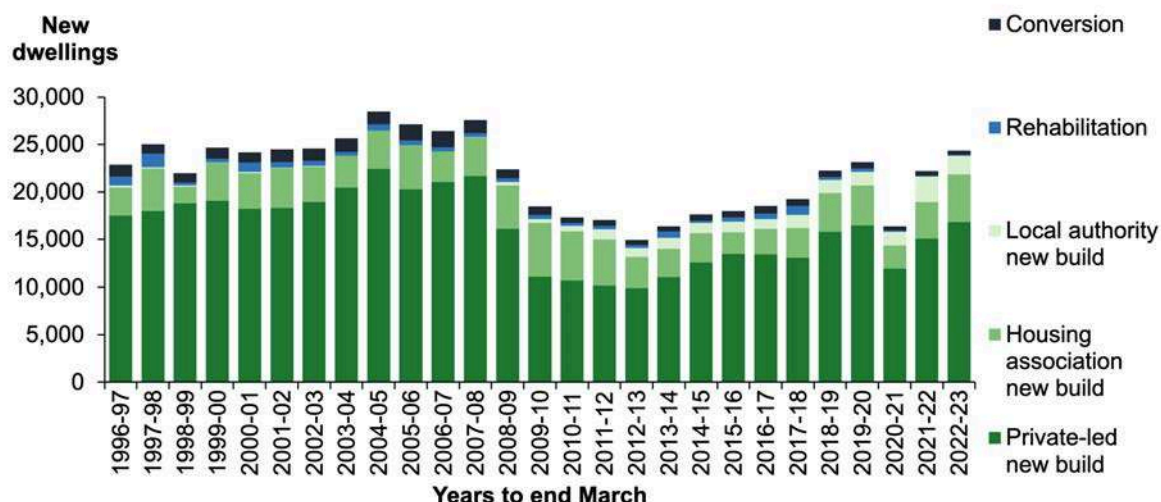
The SHS findings in 2022³⁰ suggest that the proportion of households in the private rented sector decreased from 15% (360,000 households) in 2017 to 14% (340,000 households) in 2019 and 13% (320,000 households) in 2022. Although some concerns about sample sizes for the rented stock are highlighted, the SHS noted that administrative data on the size of the private rental sector from properties registered as part of the Scottish Landlord Register indicates a similar decrease – from 15% (361,884 households) in 2017 to 14% (342,425 households) in 2019 and 13% (338,237 households) in 2022 (a slightly lower figure than in the Landlord Registration Data above). The 2022 Census found 323,045 households in the PRS, which is broadly consistent with the SHS estimate for 2022³¹.

Overall, this means the size of the PRS is reducing, and the supply of PRS housing has not kept pace with the increase in demand. It should be noted that this is not the case across all housing supply where the housing supply has increased by 4% since 2017 (up 101,837) against household growth of 4% (up 87,061).

³⁰ <https://www.gov.scot/publications/scottish-household-survey-2022-key-findings/pages/3/>

³¹ <https://www.nrscotland.gov.uk/news/2024/census-housing-results-published>

Figure 8: New-build dwellings by tenure



<https://www.gov.scot/publications/housing-statistics-2022-2023-key-trends-summary/>

The majority of growth in new build since 2017 has been ‘private-led’ new build. The vast majority of that is likely to be for owner-occupation (although there has been some purpose-built student accommodation – an additional 22,000 as noted in the Census above). For the most recent period (2022/23), private-led new-build accounted for 71% of new-build (16,841), with housing association new-build accounting for 21% (5,016) and local authority new-build just 8% (1,942).

It is not within the scope of the work to establish what proportion of the growth in households **should** be met through the PRS. However, if stock were to have increased in line with the recent peak of 15% of households, then between 2017 and 2022 there would have been an additional 13,060 PRS properties across the PRS stock (15% of household growth of about 87K between 2017 and 2022).¹

Between 2017 and 2022 the PRS stock reduced by 22,252, according to the Scottish Landlords Register. There has been a recovery between 2022 to 2024 according to the latest SLR data - an increase of 8,709 properties. This means there are now 13,543 fewer PRS properties in 2024 than in 2017. If the PRS **had** expanded to retain its 15% share of the stock, then there would be 26,600 more units in the PRS.

The question is, does this reduction in the overall stock of the PRS matter? Or have these households moved into owner occupation or the social rented sector due to increased access to those tenures? Answering such a question is outside the scope of this research, though below we outline further market evidence which suggests a very difficult market for tenants.

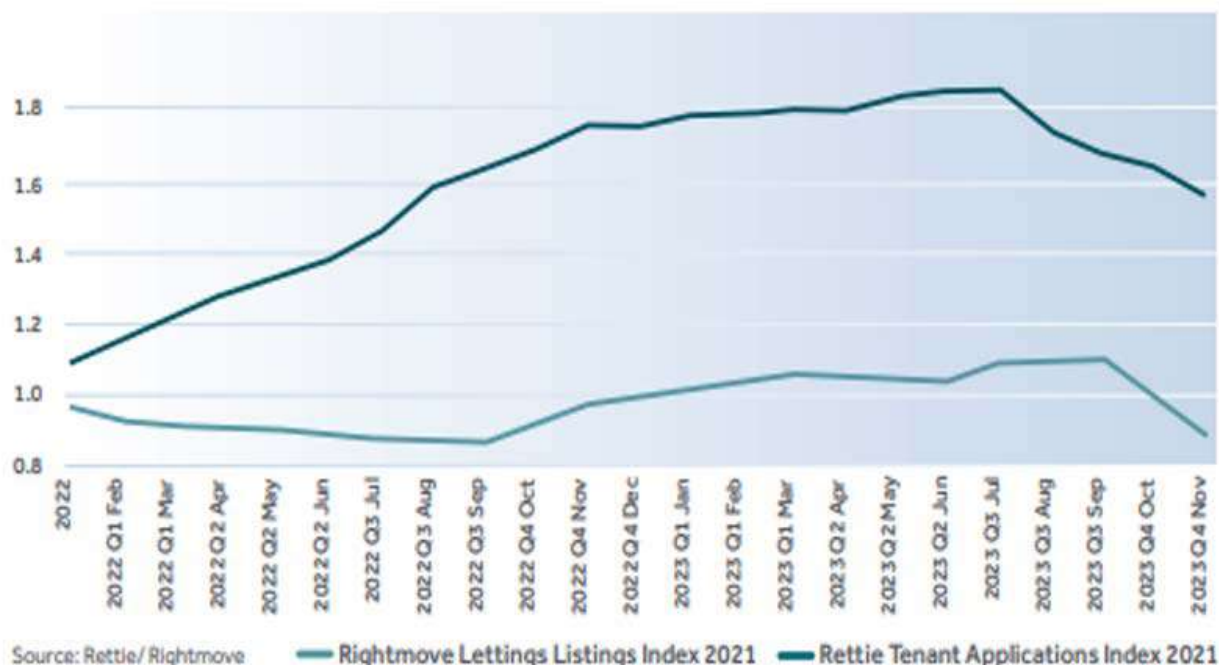
The following section outlines the market evidence – on PRS properties available/advertised to let. Later sections provide insights from the survey data and qualitative research about access to the PRS and demand and supply pressures. That analysis informs conclusions about

whether recent stock trends are likely to continue and the potential issues for housing supply/demand imbalance.

PRS demand

As supply has dropped back, demand for rental properties has surged over the last two years. This is highlighted by the sharp rise in new Rettie tenant applications compared with the new Rightmove rental listings. Both variables are indexed (at 1) in 2021, but they have taken dramatically different paths, with demand - Rettie tenant applications - surging by up to over 80% in the past two years whereas supply - Rightmove listings have been relatively stable. Both are on a declining path now, and the gap between the two is still substantial.³²

Figure 9: Index of Rettie Tenant Applications vs Rightmove New Rental Listings, 2021-23 (indexed at 1 in 2021)



Tenants' experience of finding a home

From the RentBetter Tenants Survey, most tenants said they did not have difficulty finding a home to rent, although comparing 2019 with 2024 shows that tenants are now finding it less easy/more difficult to find a home. A quarter of tenants did experience difficulty accessing the rental market, particularly families with children, single adults, or multi-adult households, as well as tenants with disabilities.

The main drivers of difficulty finding properties was the lack of available properties, rents being too high, competition for properties, and lack of properties where people wanted to stay. Tenants living in the Lothians, Glasgow, North Lanarkshire and the Highlands and Islands were

³² This data is for Scotland and analysis of comparable data for other UK nations is outside the scope of this research.

most likely to report difficulties finding a property, and tenants in rural areas generally found it more difficult in 2024 compared to 2019.

Tenants who had moved in recently were more likely to report difficulties finding somewhere to rent than those resident for longer - 28% of those resident for fewer than two years and 26% resident for between two and five years said that it was difficult to find a place to rent, compared with between 17% and 20% of those resident for longer than this. This is similar to the findings in 2019.

In addition, the survey asked tenants about their perceptions of how the PRS has changed over the past 5 years – the most common response from those that had rented longer than five years was that renting had stayed the same (43%), and more tenants said that private renting was worse (11%) than better (7%). Where tenants responded that the experience was worse, the two main themes were increased costs (64%) and fewer properties being available (36% of these tenants).

The qualitative research also showed that most of the interviewees said that finding their property was difficult, although more recent movers found it particularly difficult. There were several who said it had been easy to find their property, but most had done so years beforehand and recognised that it might not be so easy now.

Many spoke about how finding a place to live had become all consuming, and almost a full-time job in pressured areas, with viewings happening during the day so they had to take time off work. Some said they got 'lucky' and found somewhere quickly, but to achieve this they had to act immediately, but it was also clear that to get somewhere quickly could mean compromising on quality. Others took months to find a place, and for a few it took years while living in overcrowded situations.

"They only do viewings during the day when most people are at work. By the time you get there it is gone. If you are not on the phone on the same day the place is posted it is gone. We managed to find this place within a week. I had S doing the viewings because I am always at work. But we did find it. He had to take time off work so he lost those wages. If I had longer to look, I would not have taken this place." (Noleen, couple, working full-time, letting agent)

"It is extremely difficult. We were looking for every day for about 2 to 3 months. We went to see not that many because it was even getting past the first stage that was hard. So sometimes within the first hour there are 300 applicants. One of my friends had to run to the office and just get there. We had all documents, references and all salaries. In this flat we offered to pay more. We paid an extra £100." (Kelly, student flatshare, letting agent)

The main challenge for people was getting accommodation within their preferred location and budget, and it was common for people to say they had to compromise – paying more than their budget or moving to a different place. As shown above, a few people said they had offered the landlord or letting agent more than the advertised price.

“It started off as location but then that was impossible, so we went further out, it was then quality of the places. So, if having to travel, as least we know we have a nice home...So we moved further out of the city... It was over our budget. We have had to work more to afford it.” (Emma, self-employed, couple, small portfolio landlord).

“This is not the best area, it is a bit rough, but we get on well with the immediate neighbours. There are little pockets on the street that are not the best. The area before was nicer but it was more expensive. We had to sacrifice that for the price.” (Leanne, couple, sole property landlord)

For a few who were disabled, having a ground floor flat was their main requirement. One person also had wanted access to their own driveway because of their disability but this was not possible.

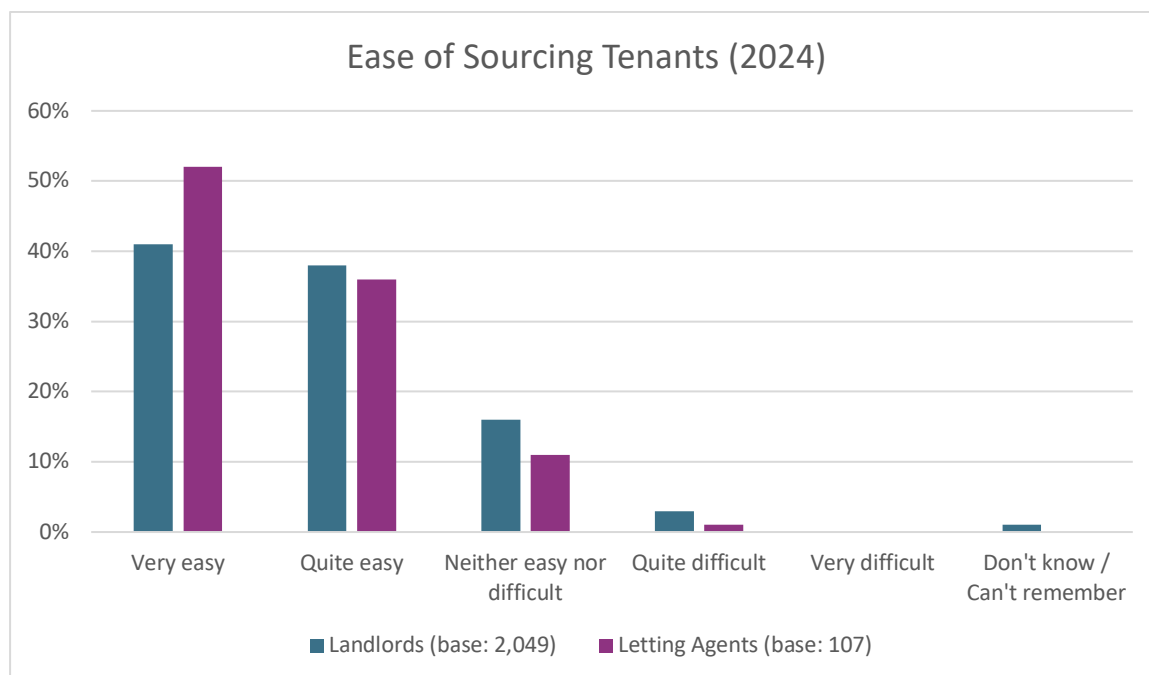
Only a few interviewees said that they had not had to compromise to get what they wanted and these tended to live in less pressured areas. One person said they had access to a garden that they had not expected, another that their flat was a lot sunnier than the place before, and another that being in a couple meant he could afford more and was happy. Finally, an older gentleman who lives with his disabled wife said of the property:

“I am very happy here. The house was nigh on perfect for us. We got a brand new kitchen put in. The bath put in. We didn’t want a wet room. We have everything we require.” (Tam, couple, pensioner, large portfolio landlord)

Landlords and letting agents’ experience of letting

As discussed above, the Landlord and Letting Agent Survey showed that it has become easier for them over the last five years to let properties. 79% of landlords said it was very easy or quite easy (65% in 2019) and 88% of letting agents said it was very easy or quite easy (70% in 2019).

Figure 10: Landlord survey – ease of sourcing tenants (2024)



Source: Landlords and Letting Agent Survey 2024

From the qualitative research with landlords and letting agents, it was universally felt amongst the 33 participants that demand outstripped supply, and no-one had any difficulties in letting out their properties. Most respondents mentioned that the lack of new supply meant there were no longer areas of low demand and presented a challenge to the affordability. Some also reflected that while the imbalance may be good for them personally, it was not a good situation for prospective tenants, or ultimately the system as a whole in the long-term.

“It’s insane and the amount of applicants we now get for places, you know, we’ve gone to a place where we’ll probably get 50, and 40 of them will unfortunately have no hope whatsoever’ (Landlord, business, 175)

“The agent shortlists 10 applicants per property and there really is no difference between them. We just close our eyes and chose one. These sort of dilemmas really add stress, making me feel conflicted. On one hand it is positive to have such demand, from my perspective, but I just feel bad that so many people are in such a difficult position” (Landlord, accidental, 1)

“It just feels like all the legislation coming in, the ultimate effect is to decrease rental supply. It is making rent unaffordable. We need a PRS – my tenants are mature students, they come for work from overseas and we need a buoyant rental market. Further restrictions [to increase rent] will decimate the PRS. In the short term, rents go up. And there is no personal relationship [between landlord and tenant]” (Landlord, accidental, 2).

Wider stakeholders also spoke about their experience of “the exceptionally high demand”. One stakeholder argued that the situation was driven by “a demand crisis as opposed to landlord exiting and selling crisis”. Reasons for this high demand included an increase in

international students and demands from the asylum system and increasing interest rates meaning that people have not been able to access home ownership. For local authorities the inability to access the PRS was affecting their statutory duties to house homeless households. It was noted that accessing the PRS for people on benefits was extremely challenging compared to others.

And I mean, I cannot believe the change in demand, and I know that because we try and accommodate people who are absolutely at risk of homelessness, we know that eviction is imminent one way or another, even trying to access alternative private renting sector options is really, really challenging (Stakeholder).

I suppose historically there'll always be slight variables in terms of, you know, areas of demand, but I think what's interesting at the moment is it doesn't matter where it is, or what it is, or the size or type, [there is] significant demand for anything. And there's very little on the market. You know, we've never seen fewer properties available both in terms of our own properties and trying to access properties from other agents. In general, in the market, we're just not finding anything (Wider stakeholder).

We're seeing a huge demand from renters wanting to rent property with a dwindling supply. It's really difficult to manage the expectation of potential renters who are looking for properties and that's still the case and that's been the case for a little while now (Wider stakeholder).

Summary – Supply and demand

In terms of supply - the evidence shows there has been a drop in PRS stock between 2017 and 2022 (after the introduction of the PRT to the latest published figures for 2022). There has been a reduction in the number of landlords but with a stabilisation in property numbers in recent years. There has been a gradual decline in listings on Scotland's main lettings portals between 2020 and 2023. The average time to let was down to 20 days across Scotland in 2023, having hit a record low of 17 days in 2022. Comparing PRS performance with the other UK countries; looking at change since 2017, the stock across Great Britain in the PRS has broadly stabilised; England has seen a slight increase in stock of 2%, although there is shrinkage of rental listings across the UK with reduced inflows and increased outflows to/from the PRS.

The ratio of properties to landlords in Scotland, again after fluctuation is now broadly similar to what it was in 2017. The majority of the landlords still have portfolios of up to 5 properties, with little change from 2019, and tenure of landlords is increasing; the majority have been landlords for over 10 years.

In terms of demand - there has been 4% growth in households in Scotland since 2017 at the same time as stagnating/reduced supply in the PRS. The proportion of households in Scotland living in the PRS has decreased from 15% in 2017 to 13% in 2022 (or 14% based on the SLR). Overall, the supply of PRS housing has not kept pace with the potential demand from household growth. Housing supply has increased by 4% since 2017 while PRS supply has reduced. Although this may indicate a move to owner-occupation and social renting,

qualitative evidence strongly supports the need for more housing across the board, with long lists for social housing and difficulty accessing both PRS tenancies and being able to afford owner-occupation.

Tenants have recently found it more difficult to find a home, compared to five years ago and landlords/agents said it was easier to let properties than five years ago, with wider stakeholders citing “*exceptionally high demand*”, with the negative impact this has on those in greatest need including homeless households, and those with less economic power including those claiming welfare benefits. The evidence suggests supply/demand issues are becoming more pressing in Scotland due to an expansion of demand without an expansion PRS supply. There are also pressures in the PRS across UK overall. This deteriorating supply/demand imbalance is an important market context when considering both the effectiveness of any policy intervention in the PRS, and the impact that these policies may have on the market.

It is outwith the scope of this research to undertake a housing systems analysis, but this research points to the requirement for ongoing in-depth monitoring work being undertaken. Further work should be done to build on the primary data obtained through this study and generate ongoing data sources. Such housing systems analysis work would support better understanding of this least understood part of the housing system as it evolves and goes through further changes in the years to come. It would especially support better understanding of the impact of policy changes.

4. Rents, rent increases and affordability

This chapter seeks to answer the following questions - to what extent does the 2016 Act provisions protect against excessive rent increases, and what lessons can be learned from Scotland's more recent experience of freezes and caps on rent increases?

As outlined in the introductory chapter there are several different legislative measures that may impact on rents in Scotland. The PRT sets out regulations on the frequency of rent increases at no more than one increase each year, with previous legislation being silent on frequency of rent increases; the 2016 Act also introduced the concept of Rent Pressure Zones³³ and introduced adjudication of rent increases; and the Cost of Living emergency legislation brought in rent increase freezes, and subsequently caps from September 2022 which ceased on 31 March 2024.

Availability of data on rents

It should be noted that most of the data available on rents in the PRS is advertised rents, not actual rents. This is a limitation for any study of rents and affordability in Scotland currently due to lack of published actual rent data. The research has therefore relied on analysis on published data (ONS), secondary data of advertised rents (using rental portal analyses), and the tenant and landlord quantitative and qualitative research evidence. There are flaws in data which are outlined below.

At a recent event with Scottish Government and ONS stakeholders to discuss PRS rents methodology it was highlighted that ONS were working with the Scottish Government to seek ways to improve the measurement of rents for existing tenancies and recognised that improved data collection would be the most effective way forwards³⁴. In the data collection for England and Wales landlords are re-contacted for data on whether there have been any changes in rents for existing tenancies after around 12 months, if no updates are provided before then. It was noted that the priority in Scotland is to ensure that any new data collection supports any future rent controls. Changes to data collection in Scotland may require changes to the Scottish Landlord Register, which would have knock on effects to the local authority staff that maintain it. It was recognised that this would likely take years to implement.

Rent levels

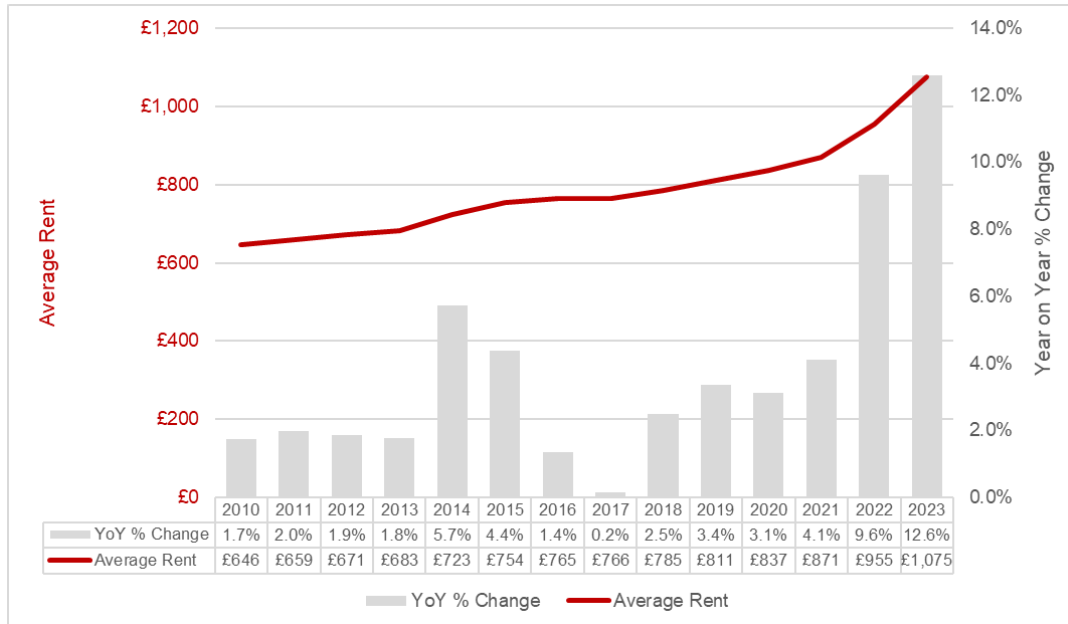
Data from Citylets suggests that average advertised rents were £1,075 per month in 2023. Rents were on an upward trend between 2014 and 2021, as evidenced in the Wave 2 report, with proportionately greater rent increases in larger properties. At that point, it was noted that rental growth had accelerated to an average annual rate of 3.6% over the years 2018-21. More recently, average annual rental growth in advertised rents over 2022 and 2023 has been at or

³³ Rent Pressure Zones were considered in RentBetter Wave 1 with findings integrated into this Wave 3 Final Report.

³⁴ <https://www.gov.scot/publications/scottish-government-office-for-national-statistics-stakeholder-event-scottish-prs-price-indices-and-statistics/>

above 10%, i.e. the rate of growth has quickened considerably. This acceleration in rents is evident for all property sizes/types but appears to be slightly less for the smallest properties.

Figure 11: Average Advertised Rents in Scotland, 2010-23



Source: Citylets/ Rettie & Co

Table 2: Summary Table of Scottish Advertised Rents by Beds

Annual Rentals in Scotland by Bed					
Years	All	1 Bed	2 Bed	3 Bed	4 Bed
2009	£635	£472	£598	£789	£1,123
2010	£646	£475	£610	£805	£1,154
2011	£659	£485	£623	£804	£1,187
2012	£671	£491	£631	£833	£1,186
2013	£683	£501	£640	£844	£1,240
2014	£723	£529	£678	£896	£1,325
2015	£754	£550	£709	£927	£1,372
2016	£765	£563	£714	£948	£1,374
2017	£766	£562	£716	£957	£1,376
2018	£785	£576	£728	£978	£1,462
2019	£811	£593	£751	£1,011	£1,501
2020	£837	£614	£780	£1,052	£1,571
2021	£871	£625	£810	£1,131	£1,667
2022	£955	£675	£895	£1,239	£1,827
2023	£1,075	£754	£1,019	£1,373	£1,981

Annual Rental Change in Scotland					
	All	1 Bed	2 Beds	3 Beds	4 Beds
2010	2%	1%	2%	2%	3%
2011	2%	2%	2%	0%	3%
2012	2%	1%	1%	4%	0%
2013	2%	2%	1%	1%	5%
2014	6%	6%	6%	6%	7%
2015	4%	4%	5%	3%	4%
2016	1%	2%	1%	2%	0%
2017	0%	0%	0%	1%	0%
2018	2%	2%	2%	2%	6%
2019	3%	3%	3%	3%	3%
2020	3%	4%	4%	4%	5%
2021	4%	2%	4%	8%	6%
2022	10%	8%	10%	10%	10%
2023	13%	12%	14%	11%	8%

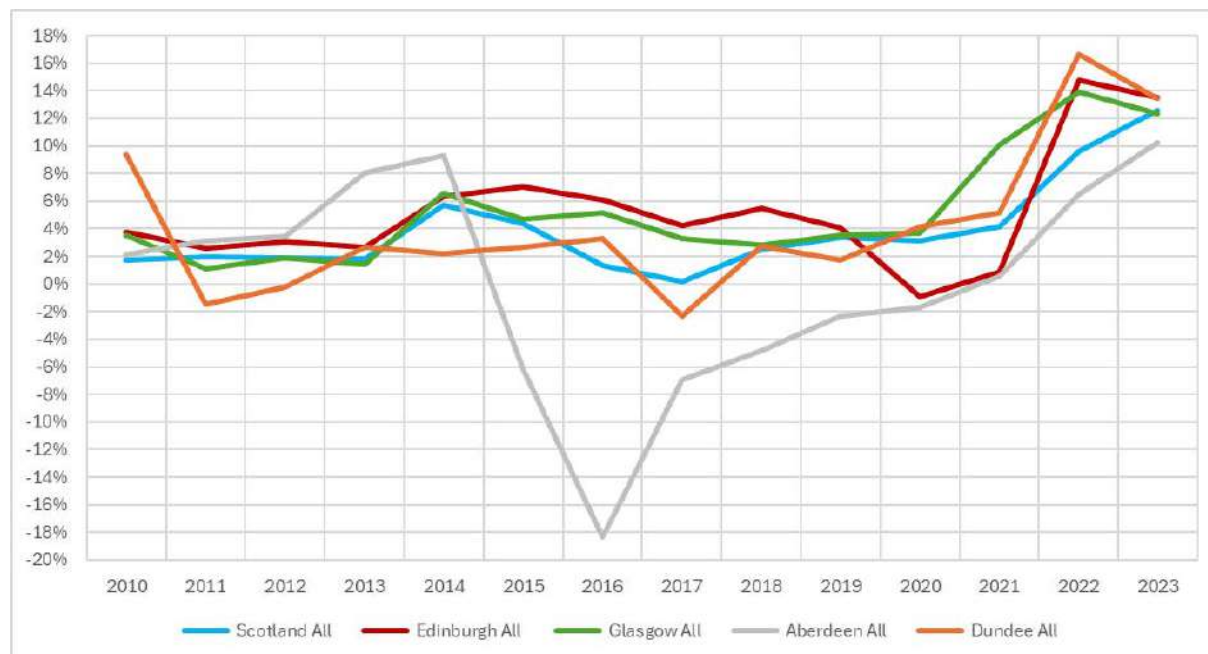
Percentage Rental Change in Scotland to 2023					
	All	1 Bed	2 Beds	3 Beds	4 Beds
3 Year Change	29%	23%	31%	30%	26%
5 Year Change	37%	31%	40%	40%	35%
10 Year Change	57%	51%	59%	63%	60%

Source: Citylets. Quarterly figures aggregated to provide annual averages

The latest Citylets data shows average advertised rents across Scotland and in the major cities reach new high points, with the exception of Aberdeen which has its own market dynamics, driven by its local economy and was severely impacted by the sharp drop in the oil price in the

mid-2010s. However, the acceleration in rents was evident in all Scottish cities, including Aberdeen, in the last two years in particular.

Figure 12: Year-on-Year % Change in Average Advertised Rents by City, 2010-23



Source: Citylets. Quarterly figures aggregated to provide annual averages.

The Scottish Government also publishes data on private rents, based on data for Broad Rental Market Areas (BRMAs), largely determined by analysis of advertised rents across the BRMAs. At the time of the Wave 2 report (with data up to 2021), only four BRMA areas had rent rises above CPI – Lothian, Greater Glasgow, Fife and Forth Valley. This has now increased to six areas and, in the case of Greater Glasgow, the rise is now 1.9 times higher than CPI, up from 1.7 times in 2021. This is discussed further below.

Tenants’ experiences of rent levels and advertised rents

From the RentBetter Tenants Survey (see Tenants Survey Report), this shows that Edinburgh had the highest median rents, as was the case in 2019, but Glasgow rents are now the second highest rent level according to tenants. Median total rents in Edinburgh in 2024 were reported as £1,050 and in Glasgow as £850 per month. The median rent reported by tenants across Scotland in 2024 was much higher than in 2019 – up from £525 to £650 (24% more).

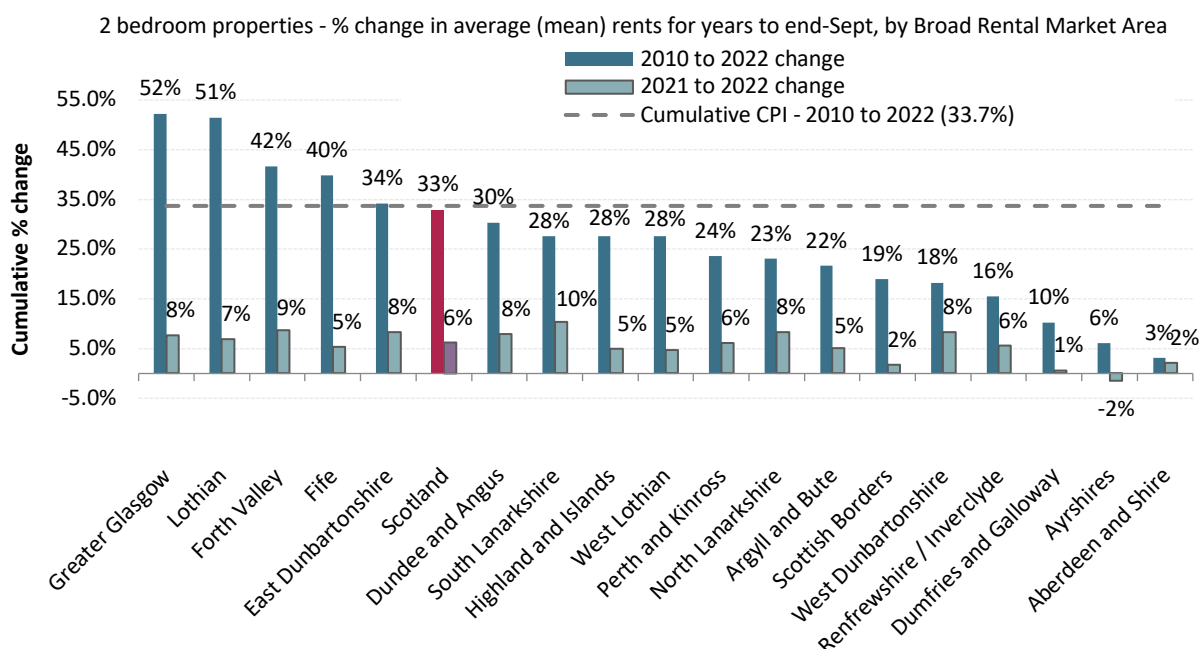
The vast majority of tenants (87%) said that they paid the rent that was advertised for their property (up from 79% in 2019) while 3% agreed a higher rent and 3% agreed a lower rent (8% agreed a lower rent in 2019). The remaining 6% (13% in 2019) either could not remember or did not want to answer. The fact that there was an increase in the proportion paying the advertised rents compared to 2019, and 3% agreed a higher rent, indicates greater supply pressure between 2019 and 2024.

The impact of rent control measures in legislation

The Scottish Government produced research to examine the impact of Cost of Living emergency legislation enacted from September 2022 intended to mitigate the cost of living crisis³⁵. Scottish Government data on rents in that impact report showed that, in the year to end September 2022, average 2 bedroom rents increased in 17 out of 18 areas of Scotland compared with the previous year. The trends showed that a year on, rents had increased at a faster rate in the individual years between 2021-2022 and 2022-23, and cumulatively from 2010 to 2022 and 2010 to 2023:

- Scotland 2021-22 - average 6.2% annual increase for 2 bedroom monthly rents – ranging from falls in rent levels in the Ayrshires, and highs of 10% in South Lanarkshire.
- Scotland 2022-23 - average 14% annual increase for 2 bedroom monthly rents (more than double the previous year) ranging from 1% in Dumfries and Galloway to 18% and 22% in Lothian and Greater Glasgow respectively.
- Scotland 2010-22 – average 33% cumulative increases ranging from the lowest in Aberdeen/shire 3% to highest of 51% and 52% in Lothian and Greater Glasgow.
- Scotland 2010-23 – average 52% cumulative increases ranging from the lowest in Aberdeen/shire 9% to highest of 79% and 86% in Lothian and Greater Glasgow.

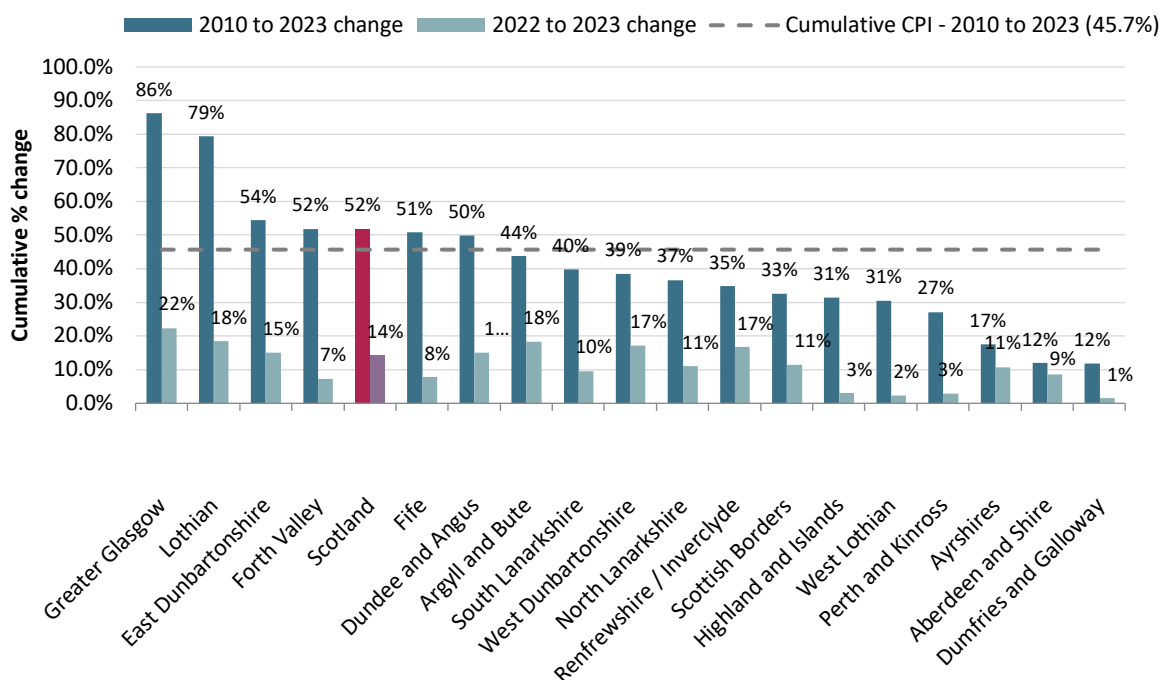
Figure 13: 2 Bedroom Properties - Average (mean) Monthly Rents (£): Cumulative Changes 2010 to 2022, by Broad Rental Market Area



³⁵ <https://www.gov.scot/publications/cost-living-tenant-protection-scotland-act-2022-first-report-scottish-parliament/>

Source: <https://www.gov.scot/publications/private-sector-rent-statistics-scotland-2010-2022/>

Figure 14: 2 bedroom properties: % change in average (mean) rents for years to end-Sept, by Broad Rental Market Area



Source: <https://www.gov.scot/publications/private-sector-rent-statistics-scotland-2010-to-2023/documents/>

The latest ONS PRS rents report stated that private rental prices in Scotland increased by 6.8% in the 12 months to January 2024, up from 6.3% in the 12 months to December 2023. This is the highest annual rate since the Scotland data series began in January 2012³⁶. The report also noted that Scotland rents data (underlying the IPHRP's stock measure) are mainly for advertised new lets. The ONS³⁷ also noted that because of data collection limitations, Scotland rents data (underlying the PIPR's stock measure) are mainly for advertised new lets, which were not subject to Scotland's in-tenancy price-increase cap and are not subject to temporary changes to the Rent Adjudication system, as described in the [Cost of Living \(Tenant Protection\) Scotland Bill](#) and the [Scottish Government's Cost of living: rent and eviction page](#), respectively.

Bearing in mind the caveats stated in the introduction above in relation to the quality of rent data in Scotland, and comparability of data in the ONS Index, we see rents increasing significantly from July 2022 in all four nations of the UK. None of the other countries have any

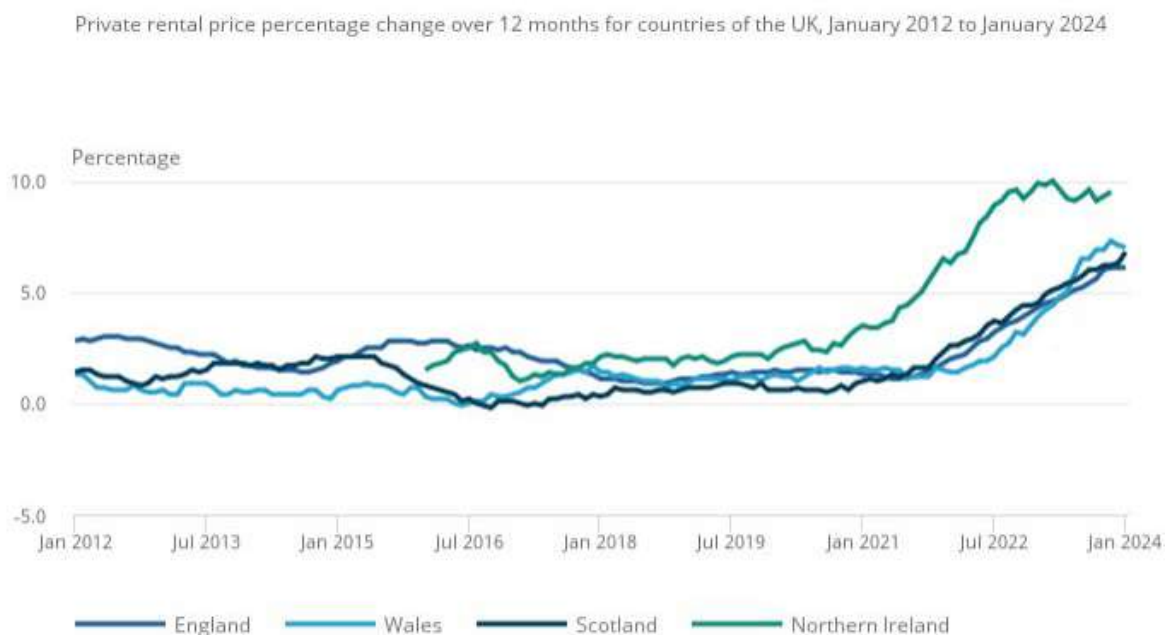
³⁶

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/indexofprivatehousingrentalprices/january2024>

³⁷ [Private rent and house prices, UK - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/indexofprivatehousingrentalprices/january2024)

form of rent control, but very similar rent increases trends were evident between England and Scotland but with a slight recent uptick in Scotland to January 2024, and generally steeper recent rises in Wales. As noted above, this data will overestimate average rents in Scotland, due to the lack of data on solely sitting tenant rent increases.

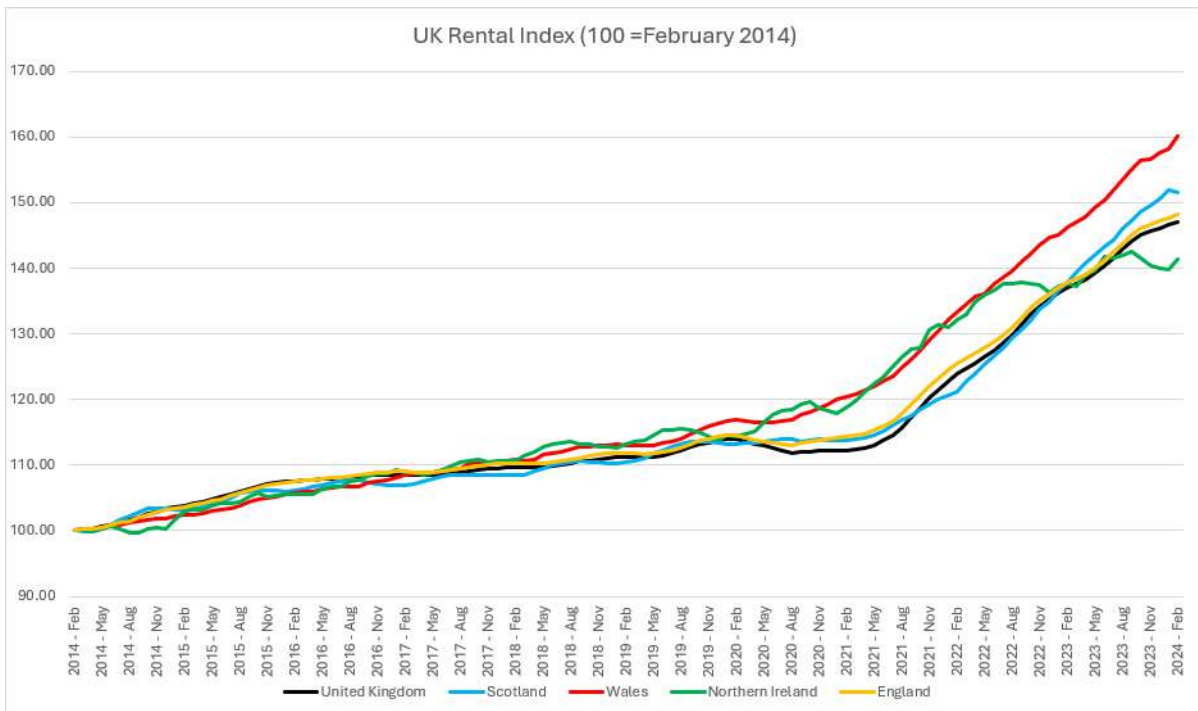
Figure 15: ONS data on rent increases by country (July 2012 to January 2024)



Source: Index of Private Housing Rental Prices from the Office for National Statistics

Looking solely at advertised rents for a like-for-like comparison, using Zoopla data, advertised rents have seen similar significant increases across the UK, with Wales seeing the most significant increases followed by Scotland and England, with Northern Ireland seeing more recently stable rents. There is some evidence of an increasing rent increase gap with higher rent increases in Scotland compared to England post November 2022 after the rent increase freeze/caps were introduced. So, although we cannot determine the impact of the policy on sitting tenant rents (apart from through survey findings as reported by tenants – see below), the rents for new lets have been growing faster in Scotland.

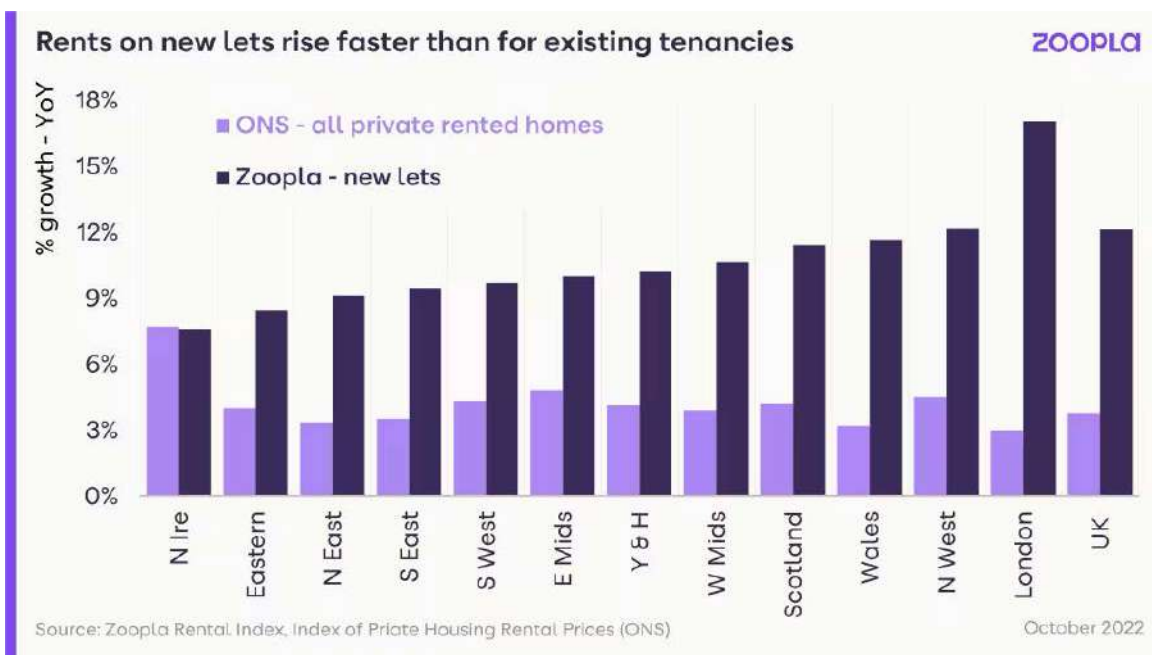
Figure 16: Zoopla data on rent increases by country



Source: Rettie & Co, Richard Donnell & Zoopla

Zoopla analysis also shows higher rent increases among new listings, compared with rent increases to sitting tenants.

Figure 17: Zoopla analysis of year on year rent increases among new adverts compared with the ONS private rent index



Source: <https://www.zoopla.co.uk/discover/property-news/rental-market-report-december-2022-whats-going-to-happen-to-the-rental-market-in-2023/>

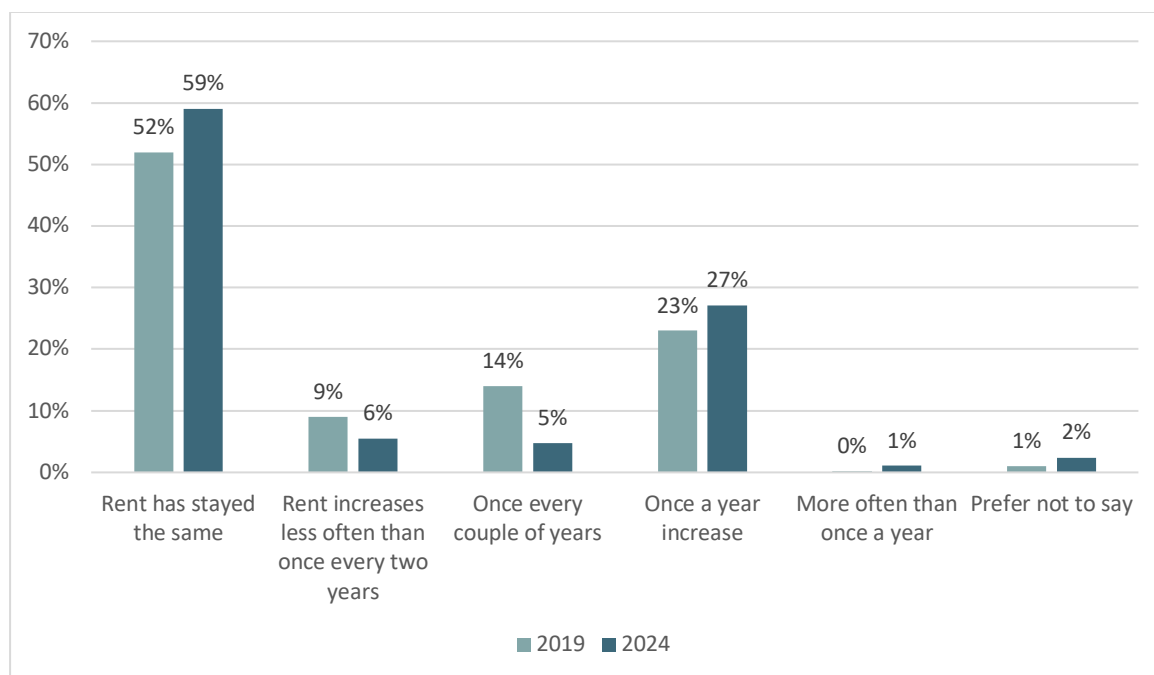
In Scotland in October 2022, new lets saw rent increases of around three times that of all tenancies (bearing in mind that not all tenancies may be captured in the ONS data).

Tenants' experiences of rent increases

Frequency of rent increases

The Tenants Survey asked tenants about the frequency of rent increases, with the results for those resident for more than 12 months (or pre September 2022, for the 2024 survey). Responses showed that over half of tenants said that their rent had not increased since they moved in – 59% which is an increase from 2019 at 52%. Over a quarter, 27% said the rent increased annually, slightly more than in 2019 at 23%. A similar proportion (5%) said rent went up once every couple of years and 6% said it was less frequently than this.

Figure 18: How often the rent has increased since the tenant moved in



Base: Those resident for more than 12 months/since before September 2022

Source: RentBetter Tenants Survey 2019/2024

When a similar question was asked of landlords/letting agents (see further below), again the most common approach was only to increase rents when the tenancy changed at 40% of landlords and 28% of letting agents (compared to 51% stated by tenants in their survey). Only 15% of landlord/agent respondents were likely to increase rents once a year although letting agents were much more likely to say that they increased rents once a year (32% compared to 14% of landlords). Compared to 2019, according to Landlords, the likelihood of annual

increases was similar to five years ago (15% and 16% respectively); this is different to the finding from tenants which indicated a 5% increase in the frequency of annual increases.

Tenants were also asked this question for the period before September 2022. 13% said this was not relevant as they had moved in after September 2022. Of the 59% of all tenants who had not ever had their rent increased –

- Half were more recent tenants – 26% had been resident for less than a year (compared with 39% in 2019) and 24% had been resident between 1-2 years (21% in 2019).
- 18% of those who had not had a rent increase had lived in their property between 2-3 years (19% in 2019), 14% between 3-5 years (13%) and 18% for over 5 years (8% in 2019).

This shows that even though tenants say that rent increases have become more common (landlords said little change), there is still a significant proportion of tenants that benefit from renting properties where the landlord does not increase the rent in-tenancy (confirmed also by landlords).

Also of relevance here is the length of tenancy. The Tenants Survey showed an increase in length of residency in the current property. In 2024, 25% were resident for more than five years increasing from 19% in 2019, and there were significant differences for rural/urban tenants - nearly half (47%) of tenants in rural areas had been residents for more than 10 years, compared with just 6% of those in urban areas. This means that a significant proportion of tenants will not see rent increases for between 5 and 10 years if they don't move.

Of the 27% who reported an annual rent increase –

- 15% had been resident for between 1-2 years (less than 33% in 2019)
- 20% between 2-3 years (27%)
- 16% between 3-5 years (21%), and
- 37% over 5 years (19%).

In this respect, annual rent increases are more typical among tenancies that are more established. This was also the case in 2019, but with shorter tenancies seeing more common annual rent increases compared with 2024 (when emergency measures were in place).

Since the introduction of the cap on rent increases in September 2022, 20% of tenants had seen a rent increase while 64% had not and 16% had moved in since September 2022. A higher proportion of older households (40%) and those in rural areas (30%) also reported a rent increase in the rent cap period.³⁸ This frequency of rent increases (20% since 2022) may be compared with the proportion of tenants experiencing annual rent increases pre September 2022, since it is likely that most landlords/letting agents will only have had time to make one

³⁸ This may be explained in part by the fact that longer-term residents had less commonly moved in post September 2022.

rent increase between September 2022 and the Tenants Survey being undertaken in January-March 2024. The frequency is broadly similar pre and post September 2022 – higher than found in 2019 (18%) and lower than 2024 pre September 2022 (23%). This therefore suggests a slight dampening of proportion of annual rent increases post September 2022, although noting this is only over the relatively short period September 2022 to March 2024.

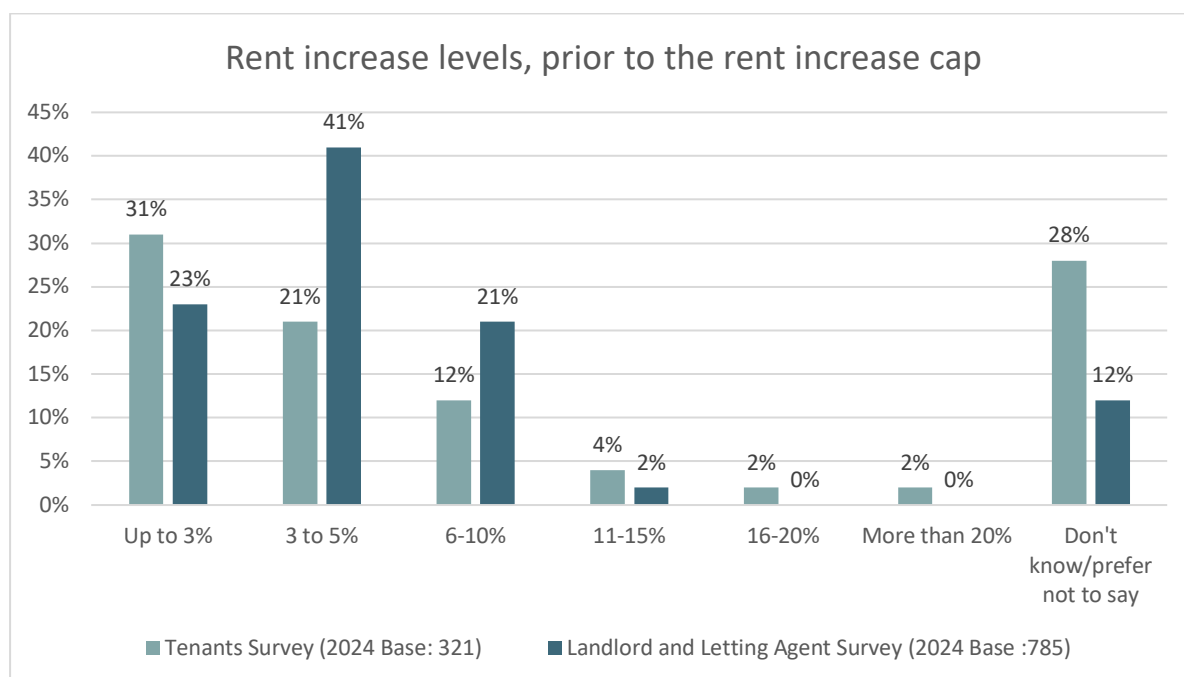
Level of rent increases

In relation to the level of rent increases, those tenants who had seen a rent increase prior to September 2022 (n=321) were asked what that increase was:

- 31% said less than 3%
- 21% were 3-5%,
- 12% were 6-10%
- 8% were over 10%
- 28% either didn't know or didn't say.

Therefore, tenant responses suggested that rent increases level prior to September 2022 were more commonly above 3% (41%) than up to 3% (31%) but with a small majority under 5% (52%). This compares to what landlord/letting agents said in their survey, where most commonly pre-September 2022 rents increased by 3% to 5% (41%), followed by up to 3% and 6-10% (see further below). The question by how much rent was increased during the rent increase freeze/cap period was not asked of tenants or landlords.

Figure 19: Rent increase levels prior to the rent increase cap in September 2022



Source: RentBetter Tenant and Landlord/Letting Agent Survey 2024³⁹

When tenants were asked in the survey about issues they have had with landlords, questions were asked about 'unreasonable rent increases'. The complaints on this appear to have increased, albeit from a very small proportion of sitting tenants. Unreasonable rent increases 'ever' experienced increased from 3% in 2019 to 5% of all tenants in 2024, and unreasonable rent increases experienced 'within the last five years' increased from 1% in 2019 to 4% of all tenants in 2024. In addition, when tenants were asked about how their experience of private renting had changed over the last five years, of the 11% that responded that their experience was worse, the main theme was increased costs (64% of these tenants who thought things were worse).

The qualitative research with tenants explored their experience of rent increases; it should be noted that most of these tenants were purposefully sampled to be longer term tenants to understand their opinion of change over time (32 of 40 interviewees had rented for more than five years). Participants were asked about how frequently they had experienced rent increases, at what level and what had happened since September 2022.

Over the five years 2017-2022 most tenants did not experience rent increases. Of those that did experience rent increases (11 out of 40 interviewed) the frequency and level of increases varied - for most of these it was around 1-3% every year, but a few had experienced one-off increases equivalent to 10-25%, and others had a one-off increases and then subsequently more frequent lower annual rent increases.

From September 2022 onwards, more of the participants (19) had reported having rental increases, incurred broadly equally by those renting from both landlords and letting agents. Most of these rent increases were 3% or less and for some had happened more than once since September 2022. There were a few that had experienced one off rent increases of 5-12%. In one case an additional £50 per month (about 12%) had been offered by the tenant to deter the landlord from selling. It was notable that some who had their rent increased by 3% from September 2022 had never had any increases in the previous five years. Two tenants mentioned that they had increases from landlords who were friends but knew that these costs were in proportion to the mortgage. This demonstrates from this set of interviewees, in line with the survey findings, that rent increases have become more common, but for a significant minority of people that do experience regular rent increases, these did seem to be lower increases than experienced pre September 2022 (that is, if they had experienced any rent increases pre September 2022).

Interviewees said that where incurred, the rental increases had affected them, and alongside the general increased cost of living meant they had to be more careful about how they

³⁹ Bases are different from the total sample as the question may not be relevant e.g. for landlords they may not increase rents pre the rent increase cap, or for tenants their rents may have stayed the same, they may have moved in after September 2022.

managed their money. One woman highlighted that unlike heating and food, rent was a cost that she couldn't influence or avoid.

"I have no money left anymore. It is all on council tax and heating. I feel like I am working harder than ever. The cost of living - it is hard. But the rent is the biggest thing. You can cut your heating down, but you can't cut your rent or council tax. How can people pay more? You can control the heating in some ways. The council want to put the council tax up and it is a lot already. You can't come back on it, there is no coming back on it. (Sarah, single, letting agent)

There was a split amongst the interviewees as to their perception of whether or not the rent increases were fair or not, with a broad even split between them. Those who did not think they were fair said that the rental increases did not reflect the poor service they received, and they could not see where these extra costs were being invested and so thought rents should have stayed the same. For those who thought the increases were fair, they felt that the rent they were paying was probably less than others in the area, they had a good service and they recognised that mortgage interest rates and inflation had increased. Some interviewees who had annual increases felt that this was too frequent and instead rent increases should be every couple of years. Those who rented from their friends also had increases but said that these were discussed and agreed.

"They felt fair the first time because someone new moved in and that is what he did...The second time no – we had gutted it and painted it and he still put the price up. He paid for all the paint but we put in all the labour. The amount of work we put in. The value would have went up. They are all so tight." (Emma, self-employed couple, small portfolio landlord)

"I think they are fair [the rent increases], because we get everything done for us here. If we need a repair it is done. If we have an issue in the house, they address it." (Tam, couple, pensioners, large portfolio landlord).

Landlords and letting agency rent increase practice

The tenants experience can be compared to the evidence from the Landlords and Letting Agents Survey (see separate Survey Report), and wider research evidence.

As set out above, on the frequency of rent increases, prior to September 2022 the most common approach to rent increases was only when the tenant changed (39% - 40% landlords and 28% of letting agents), and since 2019 this proportion has increased (the Tenants Survey stated 51% in 2024). Overall, only 15% of respondents were likely to increase rents once a year although letting agents were much more likely to say that they increased rents once a year (32% compared to 14% of landlords) or once every couple of years (26% compared to 23% of landlords). According to landlords, the frequency of annual rent increases is similar to 2019.

Since the establishment of the rent increase cap in September 2022, 42% of respondents said they had increased rents for sitting tenants (40% of landlords and 87% of letting agents). This shows a very different rent increase behaviour compared to prior to September 2022.

Increasing rents since September 2022 was significantly more likely amongst Edinburgh landlords and less likely amongst “accidental” landlords and single property landlords.

Respondents that indicated that, prior to September 2022, they increased rents annually or every couple of years were asked about the level of these increases. Respondents' recollections in relation to this period are that they would most commonly have increased rents by 3% to 5% on an annualised basis (44% indicating this to be so, this being 44% for landlords and 51% for letting agents). However, a significant minority of respondents (24%) indicate that they would only have increased rents by up to 3%, and 20% that they would have increased rents by between 6 and 10%, with a further 2% indicating that they would have increased rents by between 11% and 15%. Analysis of these figures alongside the “never” response from the previous question allows us to infer that the average rent increase that respondents recollect making in the period prior to September 2022 was 2.68%. This is slightly below the 3% level of the cap but does not take account of increases made at changes of tenancy.

With respect to changes in rents on new tenancies established following September 2022 (when rent increase freezes and later caps were established on existing tenancies) compared to the rent charged prior to September 2022, in the great majority of cases the rents were higher, most commonly in the range of between 6% and 10% higher (from 23% of responses). The median increase is in the 6% to 10% range but in a total of 41% of cases, the figures were higher (between 11% and 15% higher - 18%; between 16% and 20% higher - 15%; more than 20% higher - 9%). The figures quoted in the “more than 20%” range varied from 22% to 100%, with the average figure being 36%.

Movement in the PRS, and frequency of moves is important when considering rent levels and increases in the PRS. Since pre-September 2022 the most common approach was to increase rents on change of tenancy, and since then rents appear to have increased more steeply at change of tenancy. According to the Tenants Survey, most commonly PRS tenants are resident in their current property for two years or less and a further third had been living there between two and five years.

Qualitative research with landlords, letting agencies and wider stakeholders provides insights as to motivations for rent setting. The key themes from these interviews were around their experience of increased costs and increased risks in the sector driving the requirement for some to raise rents.

The main problems experienced by landlords who had mortgages on rental properties and participants argued that the cost-of-living crisis meant that financial difficulties were experienced by both landlords and tenants (with smaller landlords again experiencing particular difficulties). Increases in costs of management (through factor fees) and maintenance (labour and materials) were accompanied by additional financial burdens on private landlords. As one landlord commented

'the really rough rule of thumb' since COVID is that stuff's about 25% more expensive, maintenance works are somewhere between 50 and 75% more expensive, so that's a massive increase and that's part of the businesses problem... that's the problem that all landlords are facing if they use mortgage debt, which...from the figures I'm led to believe, will be about half the landlords in Scotland' (Landlord, business, 175)

"obviously no property is making enough to pay a 9.5% interest rate... And that's not the tenants' fault, nor is it the government's fault, if we're going to blame someone blame the Bank of England. But blame the pandemic in general' (Landlord and agent, portfolio, 8)

Other costs identified including increasing cost of letting agents to manage property in an environment of increased complexity. For many small landlords the high level of regulation (and scrutiny) faced by those with limited understanding and knowledge of what was involved required letting agent support, which again increased the costs through agency fees:

'all the changes were very complex, so we decided it was beyond our capacity and we needed an agent to help manage. You have to charge more in rent – out rent is about 10% higher because we use an agent' (Landlord, accidental, 1)

A notable feature of the above responses was the perceived unintended consequence of reforms designed to protect private sector tenants. Interviewees claimed attempts to ensure that rents were affordable has paradoxically led to significant increases in rents, as the sector has become more risk averse and as some landlords/letting agents aimed to maximise income, typically at change of tenancy but also through annual increases through what is perceived as 'permission' by the PRT. Several stakeholders, and an agent described this as follows:

I think even before that [rent control] we were seeing rents creeping up anyway and I think that's generally linked to all the other cost increases. But I also think that is linked to the fact that there's been so much publicity around the rent increases, the capping of rents, the ability to increase rents once a year. I think under the short assured tenancy regime landlords just didn't really think about increasing the rent. We could see tenancies that went on for, you know, 8 to 10 years and the rent never increased. But with the PRT it was almost like you got permission to do it – you can do it once a year. (Wider stakeholder)

Landlords will absolutely be serving their [rent increase] notices on the 1st of April [2024]. To make sure they're as well positioned as they possibly can be for what's coming next. (Wider stakeholder)

"This is the first time in 7 or 8 years [that we've increased rent] because of the rent cap. When I used to set rent, I would let it at LHA rate" (Landlord, accidental, 2).

"We are worried we will not be able to [increase rent] later. It was in our best interest [to move to annual reviews]. We were worried that by August (2024) we will not be able to touch rent for 3 years. So, the majority will be going to up to market rent [once the cap expires in March 2024]" (Letting agent, 150).

“This is the consequence of a hostile environment; the PRT was fine, most people were okay with that after a while, but it is the scale and pace of constant change – emergency legislation – Covid and, Cost of Living, tax, Repairing Standard and Heat in Buildings, all in the last four years.” (Wider stakeholder)

However, many landlords were keen to dispel the notion that they were only interested in maximising their income. Some spoke of not having increased rents for many years but were now facing much greater pressure to do so. Landlords described change in tenancy as an opportunity to ‘recalibrate’, and many of these landlords said they were reluctant to increase rents for sitting tenants and landlords also expressed a preference for stability, valuing long-term tenants to help keep landlords’ costs down:

“literally when the tenancy changes we change the rent....I don’t recall ever putting up an existing rent. A settled, happy tenant paying every month is better than squeezing another £20.” (Landlord, investment, 15)

“I only increase rents when tenancy changes. I have one tenant still on a SAT since 2015 - and have not increased rent all that time. We want tenants to be there a long time. There are cost implications to voids, and we pass those savings onto the tenant” (Landlord, business, 78)

“I’m not going to put the rent up. If they are there for 10 years, I might have a polite conversation... I would much rather have an amazing couple of tenants who see [the property] as their homes.” (Landlord, investment, 3)

“I have not increased rent, none of the tenants have any money. I would lose them, and it would cost money to redecorate, new carpets, it is not worth the hassle over just a few quid more each month.” (Landlord, portfolio, 14)

The role of agents was seen by many as one of the main factors driving rent increases. Landlords gave examples of letting agents recommending what seemed to be relatively high rent increases, with some using moral pressure to help their agency business. Examples were also provided of agents using standard communication to automatically increase rents (sometimes with options for the landlords to ‘opt out’ of the increase), rather than having a discussion with the landlord, or asking for explicit permission to increase the rents.

“the agent said ‘please be aware - if you don’t raise rent, our costs are increasing, we ask you to consider [this], because it would help us as much as help you!’.” (Landlord, accidental, 1)

“they [letting agents] have started increasing more since rent caps. – partly recognising inflation as well, 3% is well below inflation.” (Landlord, investment, 5)

“agents are now in a cycle of increasing rents...by the max amount, they do it automatically, it was a different practice prior to the rent caps being introduced.” (Landlord, accidental, 2)

Interviews with wider stakeholders also highlighted the unintended consequences of the rent increase freeze and caps, as designed so far, with a wider range of solutions proposed - some

calling for rent control to be halted entirely, and one arguing for firmer control to cover all tenants (not just sitting tenants).

"[The rent cap] has probably stalled the market because the [rent] cap was on in tenancy increases. A lot of tenants have stayed put and it's not created that churn that you need in the market. It [the rent cap] is not a good policy. I think unfortunately the Scottish Government have created a bit of a bit of a mess in marketplace." (Wider stakeholder)

"the impact [of the rent cap] is some landlords being encouraged to increase rents when they might not have before just so they're getting the maximum amount of rent that they can because they're unsure about when they're going to be able to increase it again." (Wider Stakeholder)

".....I think this [the new Housing Bill] is an opportunity to deliver an affordable PRS through proper regulations, proper rent controls and better protections against evictions. There is a desire and vision around that. And I think if they don't deliver on that vision, it will be very complicated and very difficult." (Wider stakeholder).

Therefore, looking across all the quantitative and qualitative research with tenants, landlords and stakeholders on rent increases, we see:

- Most commonly sitting tenants do not experience regular rent increases, and landlords tend to increase rents at change of tenancy, favouring stability and long-term tenants;
- The combined effect of the most prevalent rent increase practice being at change of tenancy, and increased length of tenancy means that typically a quarter of urban based tenants will not see rent increases for about 5 years if they don't move, and half of rural based tenants won't see rent increases for about 10 years if they don't move;
- However, it appears that the incidence of annual rent increases has been increasing slightly, but longer-term tenants have had new experiences of annual rent increases during and since the rent cap period when they had never experienced rent increases before;
- Where rent increases have occurred for the minority of sitting tenants (around a third of all tenants), and assuming compliance with the rent freeze/cap of 3%, rent increases pre-September were more likely to be above the cap than below the cap, most commonly at 3-5% therefore having the effect of dampening rent increases for this significant minority of tenants.

Wider research on rent control

This final phase of the RentBetter research has not considered the impact of Rent Pressure Zones (RPZs) as introduced by the 2016 Act as this was considered in Wave 1 (2019/20) which showed that RPZs had failed entirely due to the lack of reliable data on actual rents to enable local authorities to make RPZ assessments.

In 2022 CaCHE undertook a review of rent control⁴⁰. The key themes emerging from that study were that there needs to be key components of rent control including:

- A vision of where policymakers wish to take the private rented sector based on an appreciation of how it works now, its multiple internal functions, and its important interactions with the wider housing system.
- Based on this vision, a clear sense of the nature and design of rent regulation proposed; how and in what circumstances it is triggered; and how it is later wound down (the sunset clause); as well as how it would complement existing and proposed non-price regulation.
- In order to achieve this clarity over policy objectives, design and operation, a strong commitment to a comprehensive, operational data strategy is required that will enable policymakers to undertake ongoing monitoring of the PRS within a clear market analysis strategy operating at the agreed market area level.
- Throughout these three stages there should be a commitment to drawing on the evidence base where it provides direction and also, where there is no conclusive evidence, a suitable degree of caution and reference to the data and evidence generated locally. At the same time, policy development and monitoring should be grounded throughout in deliberative and consultation mechanisms that give effective voice to tenants, as well as other stakeholders.

A report from the Scottish Government convened short-life Housing Review Group⁴¹ which comprised a wide range of stakeholder noted that:

- Rent freezes and potential reductions in starting rents, despite growing discussion, were the most extreme option and most likely to contribute to landlords leaving the sector.
- Linking rents to quality may be preferable but required significant data improvements.
- Compliance and enforcement remain important issues for rent control design.
- While data-intensive and requiring effective market monitoring, revising the Rent Pressure Zone model was noted to be possibly the simplest way forward provided the data can be utilised and hurdles reduced for local authorities. This would be more targeted on high demand areas, but there are questions as to whether it make sufficient difference to pressured tenants.
- Key messages from the group were to decide fundamentally on which generation of rent control to pursue but also recognise the consequences of the different options and the reliance on complementary policies and processes elsewhere in the housing system.
- There were costs and benefits with all interventions (including doing nothing). There needs to be sufficient time to 'do it properly' but there is urgency in the current situation

⁴⁰ <https://housingevidence.ac.uk/wp-content/uploads/2022/02/220223-Rent-control-Exec-summary-1.pdf>

⁴¹ <https://housingevidence.ac.uk/wp-content/uploads/2022/11/CPG-rent-control-final-011122.pdf>

e.g. improving the data; deciding to pilot (on the worst first – e.g. the big 4 cities) and committing to future evaluation of the proposed intervention.

- It was noted that rent control is not a cheap public policy option so there needs to be sufficient focus on design, implementation and distributional effects, as well as wider system consequences.

Tenants' views of affordability

Through the RentBetter Tenants survey, respondents were asked what proportion of their income they spent on their housing costs⁴². 12% said rent was less than 20% of their income; 24% said they paid between 20%-30%. This means that 45% of tenants reported paying housing costs that were over 30% of their net income:

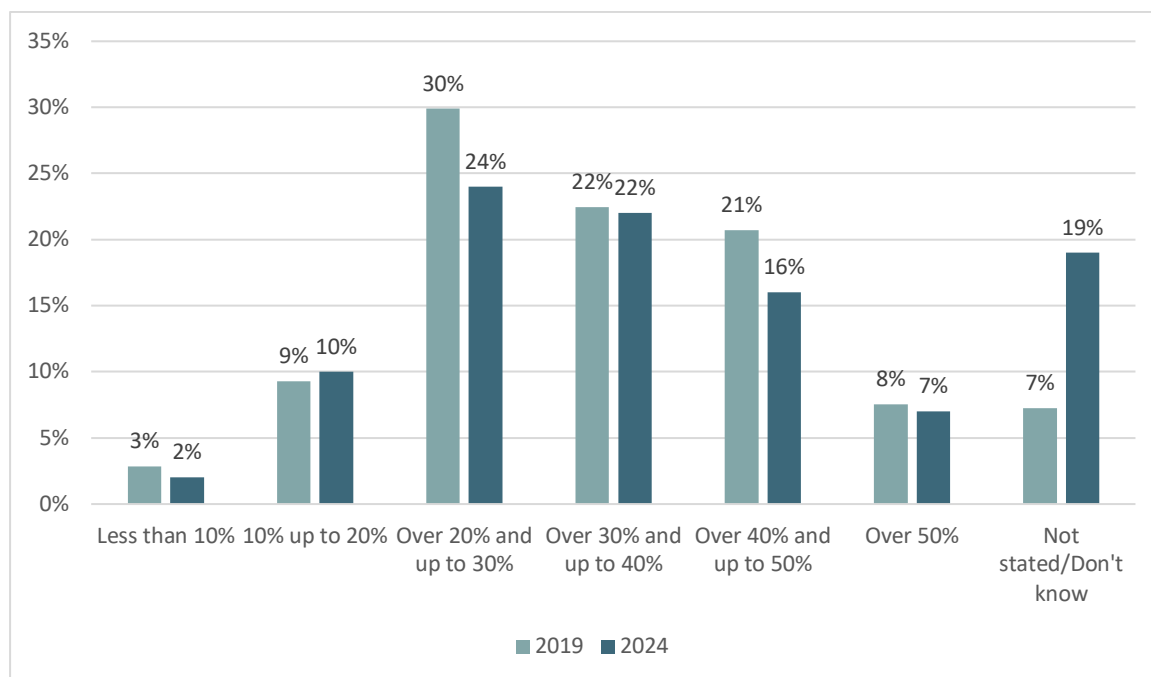
- 22% of tenants said between 30%-40% of their net income goes on housing costs
- 16% said it is between 40-50%
- 7% said it is over 50%.

Eurostat uses 40% of disposable income as a measure of housing cost overburden (which includes rent and other housing costs), with the UK overall having 15% of households paying over 40% of income on housing costs in 2018.⁴³ So, 23% of renters reporting spending 40% of income on housing costs is significant.

⁴² Q: Approximately how much of your income (that is, the income you get from benefits or work after tax and other deductions) goes on housing costs (including rent, utilities, council tax and other regular household bills)

⁴³ https://ec.europa.eu/eurostat/statistics-explained/index.php/Housing_statistics

Figure 20: Proportion of net household income spent on housing costs



Source: RentBetter Tenant Survey 2019 and 2024

However, at the same time as 23% paying more than 40% of income on rent, just 9% of tenants said that their rent was difficult to afford to pay, while 24% said that it was neither easy nor difficult to pay. There may be some errors in people’s responses about the proportion of their income spent on housing costs (for example they may have answered as one household member’s income rather than the whole household income as interviewed), and there was a much higher proportion of ‘don’t know’s’ in 2024 compared to 2019. But even with an assumption for errors, these findings suggest a mismatch between perceptions of rent affordability and the proportion of income that some people spend on housing costs.

Another question in the Tenants Survey asked respondents how easy it was to find somewhere to live – a quarter said they found it difficult (more than found in 2019 survey), and of these the most common reasons were lack of availability of properties, followed by rents being too high/lack of affordable properties. Overall, these set of findings may suggest a normalisation of high rents, and what tenants in the PRS consider to be affordable.

Through the qualitative research, tenants experience of the cost of living and rent affordability was explored, including how this had changed over time, especially over the last 5 years or so. Almost all participants lived in what they felt was a pressured area with rents rising and this was a very real concern for them, in case there may be future increases for them, or fear of not being able to find an affordable alternative should they need to. The lowest amount of rent being paid was £330 a month in a rural area (three-bedroom detached house) and the highest cost was £2,700 in a city (four-bedroom flatshare at £675 each). The average rent across the group was £761, and median £638. The average gross household income as reported by the participants was £2,560 per month and the median £2,000. The profile of the participants

(Appendix 3) shows that there was a mix of tenants working full time, part-time and those receiving various types and levels of welfare benefits, including housing allowances. Comparison of rent levels and income reported shows that most interviewed paid up to 30% of their income on rent, with some paying 31-40%, a few 41-50% and only two people over 50%.

A few people had their rent paid in full, either through housing allowances or by their parents as they were students. Of those working, only a few people said they were in a better position now financially than they had been in the past, which was due to higher earnings, more stable employment and/or being in a couple so they were able to share costs.

“It has been easier because we are now both working. I was out of work for sometime...My situation was not certain. During this time our perception of financial security was drastically different. Things turned out ok in the end. I think we are back in relative stability.” (Marios, couple, letting agent).

A few claiming benefits including housing allowances said they were able to manage by being careful, and a few others said things were “ok” due to steady work and were able to manage their finances well, by being very careful.

However, most interviewees said they had always struggled financially and that it was ‘normal’ having to be very careful with their money – this was reported mainly by those who lived on their own or single parents, and those working in low paid jobs.

“When I was working and on my own, you had to pay the rent and everything on my own. You just had to do it. You get by. I had the four kids on my own. Their father did nothing. As a single parent you know how to make things last. I think a lot of things now, people were so used to having a bit of money and now hard times have come, they don’t know how to deal with it. I have always been careful. I just know how to cope.” (Mary, single parent, small portfolio landlord)

Several interviewees said that they are now worse off than they have ever been. The main driver was loss or reduction of income for a range of reasons - one woman was on maternity leave, some had become single and so the loss of income of no longer being in a relationship made things a lot harder, and the others said that the main reason was that they were affected by the general increase in cost of living. The woman on maternity leave said that she and her partner had decided they could only afford now to have one child due to the cost of everything. Another single woman identified the impact of increased costs:

“At the time when I moved in I felt it was affordable. But it is getting harder. I had more of an income back then. Now things are harder... Everything has gone up. I am very frugal. I would shop around. I would plan my meals so there is no waste. I like to be sustainable.” (Eve, single, landlord profile unknown)

Apart from the few people who earned the most money in this group, all the other interviewees spoke about shopping around, cutting back and no longer being able to afford to go out and socialise. One person in the flatshare said that dividing the costs for heating had become more

of an issue with the rises now faced. A mother of a baby said that the heating had to be on to make sure the home was warm, but it meant having to scale back on other things. These accounts highlight the complexity of perceptions of managing financially, and being about a range of factors, driven by income and employment, but also whether or not people are in stable relationships and able to share costs. The interviews showed that most people prioritised rent above all else.

In terms of rent affordability, while most people were struggling financially, at the same time they said their rent was affordable (similar to the survey findings). Their perception of their rent affordability tended to be defined by comparison to other properties in the area with judgements around cost, quality and location. There therefore seemed to be a separation between tenants' perception of ability to manage financially, and rent affordability. This may explain the apparent disconnect between the high amount people are paying on private lets relative to income, and their perception of affordability as set out in the survey findings.

"I feel my rent is affordable. When I spoke to folk they said it was more than most, but that was years ago. But now there are one-bedroom flats here for silly money." (Ewan, couple, self-employed, small portfolio landlord direct)

"I feel like it is very affordable compared to what I was paying in Edinburgh. I was paying a £530 for a flatshare in Edinburgh. This is a lot nicer. My previous one was a cupboard." (Ajay, single, working full time, single property landlord)

There were some who said their rent was not affordable. Almost all interviewees as discussed above said they had to be careful with their money to afford rent and living, but this group reported often working more to make up the costs they now faced and appeared to be especially affected by the cost of living and rising rents. Their circumstances included self-employed, working part-time and struggling to get more work, and one retired person.

"So we are careful. It is a lot. It's £825 a month for rent. The last flat was the same. It is hard. Right now I am earning the most money I have ever earned and I am so skint. The Council tax is £159 a month. A simple shop is costing double what it used to. Money is tight. I have been working a lot of overtime, 3 or 4 shifts a month and so an extra week's work. We are in the red." (Noleen, couple, letting agent).

Rent adjudication

To be able to refer a case for rent adjudication⁴⁴, a tenant must have a PRT, have been in a tenancy for 12 months and have had a rent increase notice. The proportion of PRTs has certainly increased since 2017 (see RentBetter Landlord Survey) and rent increases are commonly made on the turnover of the tenancy (although as discussed above we know this pattern is changing to more regular rent increases) so some tenants may never get a rent

⁴⁴ Due to the Cost of Living emergency legislation, from 1 April 2024 onwards the process for rent adjudication will temporarily be modified for one year.

increase notice and have the right to seek adjudication. The current system of rent adjudication means that rents can go up or down, with reference to market rates.

The latest available data on rent adjudications is for 2022 before the temporary rent cap was in place (from October 2022). Analysis of all the cases raised since 2017⁴⁵ shows a total of 227 cases raised. There was a range of conclusions, ranging from the same rent determined to a difference of 35% lower rent. In more than two third of cases (67%), rents were adjudicated to be less than the proposed rent. There has only been one case since 2017 where adjudication resulted in the rent being more than the proposed rent. The overall caseload in 2022 was higher than in previous years, which may indicate better awareness of the system (or more cause for complaint).

As a broad estimate, if it assumed that 80%⁴⁶ of tenancies are now renting under a PRT. Using a total 338,000 PRS tenancies⁴⁷ this number of rent adjudication cases equates to 0.1% of all PRTs. Other measures are evident through the Landlord Survey 2024 which showed that 1% of respondents had been referred to the Rent Officer by tenants, and from the RentBetter Tenants Survey 2024 where only 1% of tenants paying rent (7 tenants) had referred their rent to a Rent Officer/Rent Service Scotland.

Through the qualitative research, there have been two interviews undertaken with one tenant (in Wave 1 and Wave 2) that had raised a complaint on his proposed rent increase with the Rent Service. This tenant was unhappy with the proposed rent increase and when the Rent Officer deemed it was a reasonable rent increase, he took the case to the Tribunal. He was unsuccessful in his appeal as the rent was within market rent levels, and overall he found the process bureaucratic and full of 'legal jargon'. Ultimately he was dissatisfied with the process and the outcome.

Summary – rents, rent increases and affordability

Average advertised rents for new rental listings in Scotland⁴⁸ in 2023 were in the region of £1,000 per month compared to £766 in 2017 when the PRT was introduced. Steady increases since 2017 have been accompanied by an acceleration of rents over the last three years, post pandemic. Rent increase trends in Scotland since 2022 (for newly advertised lets) are similar to those found across the UK although there is some evidence of a widening gap between increases in Scotland and England.

The rent increase freeze/cap introduced by Scottish Government in September 2022 only limited rent increases in-tenancy, and therefore has done nothing to prevent the increased level of market rents for new listings. Understanding the effect of this legislation is made more

⁴⁵ <https://www.gov.scot/publications/private-residential-tenancy-rent-adjudications>

⁴⁶ See Chapter on Security of tenure.

⁴⁷ <https://www.gov.scot/publications/scottish-household-survey-2022-key-findings/pages/3/>

⁴⁸ The report cites criticism from the ONS over the quality of rent data used by Scottish Government and others compared to other parts of the UK with reliance of advertised rent data, rather than samples of actual rents. This is a limitation in this study, and across all rent data sources, and studies in Scotland unless using actual rent data.

challenging by a lack of data on changes in rents during tenancies. ONS uses data provided by the Scottish Government that does not capture this data, meaning its data comparing rents does not capture the impact of the rent increase freeze/cap introduced by Scottish Government in September 2022⁴⁹. This is a major data gap in official rents data in Scotland which means the impact of rent policy is difficult to assess. However, the RentBetter Tenant and Landlord/Letting Agents Surveys and qualitative research provided evidence of experiences and rent setting behaviours.

The most common way for rent increases to occur in the PRS in Scotland is on change of tenancy, as reported through both the Tenants and Landlord/agents survey and in qualitative interviews. Most tenants do not experience in-tenancy rent increases – these are experienced by around a third of tenants, and only 15-23% of tenants experience annual rent increases (depending on whether asking landlords or tenants respectively). According to tenants there is evidence of a slight increased frequency of rent increases, compared to five years ago, with 23% reporting at least annual increases in 2019 and 28% reporting this in 2024. There has been an increase in rent increases being incurred annually, and the long-term private renters interviewed reported more frequent rent increases since the rent cap introduction in September 2022. By comparison, landlords reported little overall change to the profile of frequency of rents increases, although they, like tenants, reported a rise of the proportion of rent increases at change of tenancy.

It is notable that where properties are managed by letting agents, regular and annual rent increases are much more likely than for landlords who directly manage tenancies. Since the establishment of the rent increase cap in September 2022, letting agents have been significantly more likely to increase rents to sitting tenants. This should be seen in the context of more PRS properties now being managed by letting agents.

Where in-tenancy rents were increased pre-September 2022, both landlords/agents and tenants said these increases were more often above the cap than below the cap of 3%. Only 22% of landlords and 31% of tenants reported rent increases before 2022 of below 3% (although many didn't know/couldn't remember). Where rent increases have occurred for sitting tenants, rent increases pre-September were more likely to be above the cap than below the cap. Therefore, assuming compliance with the rent freeze/cap of 3%, the rent increase cap is likely to have had the effect of dampening rent increases for this significant minority of tenants who experience in-tenancy rent increases (around a third).

In relation to affordability, only around one in ten tenants said that they found their rent difficult to afford, but at the same time over a quarter said they paid more than 40% of their net income on housing costs. Interviews with tenants explored the apparent disconnect

⁴⁹ Because of data collection limitations, Scotland rents data (underlying the PIPR's stock measure) are mainly for advertised new lets, which were not subject to Scotland's in-tenancy price-increase cap and are not subject to temporary changes to the Rent Adjudication system, as described in the [Cost of Living \(Tenant Protection\) Scotland Bill](#) and the [Scottish Government's Cost of living: rent and eviction page](#), respectively. [Private rent and house prices, UK - Office for National Statistics \(ons.gov.uk\)](#)

between the high amount people are paying on private lets relative to their income, and their perception of affordability as set out in the survey findings. This showed that while many tenants were struggling financially there appears to be a separation between tenants' perception of their ability to manage financially, and rent affordability. Rent affordability is generally assessed comparatively to other local rent levels, with judgements made around relative cost, quality and location. That said, all participants were aware of increasing rent levels (whether directly experienced or around them), and this was a real concern for them.

Rent adjudication has resulted in just 227 cases being submitted to the Rent Officer to challenge rent increases proposed since 2017. This is a very small number relative to the number of all PRTs, but the number of cases in 2022 had increased compared to previous years. It is estimated this number is equivalent to between 0.1% - 1% of all PRTs. In more than two thirds of cases (67%) rents were adjudicated to be less than the proposed rent, most others were judged to be the same rent level, and there has only been one case since 2017 where adjudication resulted in the rent being more than the proposed rent.

The significant increase in average rent increases for new tenancies experienced in Scotland in recent years are likely to be the result of a combination of factors, some of which are common to the rest of the UK – the supply/demand imbalance and a period of high inflation, and increased interest/mortgage rates. Other factors specific to Scotland are the regulatory and tax environment (those taxes with differences specific to Scotland), and the rent freeze/cap from late 2022, with landlords and letting agents stating that the combined effect of all these factors are causing them to be more likely to mark-up rents more heavily between tenancies due to their perception of increased risk in the sector. As noted above, it is also more likely for letting agents to increase rents more regularly, and by a higher rent increase, and at the same time more landlords are using letting agents due to the increasing complexity of the regulatory environment. It is clear that none of the Scottish legislation since 2017 has had the impact of protecting the majority of tenants against excessive rent increases, or high advertised market rents, considering the average advertised rents and the system as a whole.

5. Security of tenure and access to justice

The Scottish Government's aim in introducing the Private Residential Tenancy (PRT) was to "provide security, stability and predictability for tenants and appropriate safeguards for landlords, lenders and investors"⁵⁰. A key objective of this research is to explore security of tenure and what that means in practice for tenants; whether tenants know about and exercise their rights and if the 'sense of security' is about tenants' rights and empowerment, or about relationships between the tenant and landlord, or something else. This chapter also explores evidence relating to access to justice in the PRS.

Legal context

There have been several Scottish pieces of legislation that relate to legal security of tenure, and access to justice in the PRS in Scotland since 2016.

The Private Residential Tenancies (Scotland) Act 2016 reformed private tenancy law in Scotland through the PRT which ended the so called 'no fault' ground (eviction with no specific grounds) and changed grounds for eviction with mandatory and discretionary provisions, and revised tenant and landlord notice periods. The PRT came into force from 1 December 2017.

At the same time the First-tier Tribunal for Scotland (Housing and Property Chamber)⁵¹ (FTT) was formed to deal with civil matters relating to the PRT, and other matters in private sector housing including letting agency legislation. From 1 December 2017 the FTT began to receive cases and was designed to take a more informal and less adversarial approach than Sheriff Courts.

During the period between 2020 and 2022, the Coronavirus (Scotland) Act (Eviction from Dwelling-houses) (Notice Periods) Modification Regulations, and the subsequent Coronavirus (Recovery and Reform) (Scotland) Act (2022) 2020-2022 restricted evictions so that all grounds were made discretionary.

The Cost of Living (Tenant Protection) (Scotland) Act 2022 placed a moratorium on enforcement of some eviction orders, the effect of which was to pause eviction orders by Sherriff Officers for up to 6 months (excluding substantial rent arrears, antisocial or criminal behaviour). This was in place from 6 September 2022 until the 31 March 2024.

The Scottish Housing Bill published in March 2024 proposes several elements relating to security of tenure. These were firstly duties on the Tribunal (and the Sheriff Court in case of social tenancies) to consider delays to eviction (for all types of tenancies); secondly damages for unlawful eviction where someone is evicted without receiving an order from the Tribunal (and Sheriff Court); and, finally to convert older assured and short assured tenancies (under the 1988 Act) to PRT on a specific date set by Scottish Ministers, following consultation.

⁵⁰ <https://www.gov.scot/policies/private-renting/private-tenancy-reform/>

⁵¹ <https://housingandpropertychamber.scot/>

Type of tenancies and awareness of rights

The PRT tenancies are enforced at turnover of tenancy (or by voluntary agreement between tenant and landlord). This means some assured and short assured tenancies still exist.

The RentBetter Tenants Survey asked tenants about their tenancy. The vast majority of tenants said that they had a written lease at present, with 82% saying they had a signed copy of their lease and 7% saying they signed a lease but did not have a copy of it. A further 7% said they had an informal arrangement with the landlord or owner of the property (this was less than in 2019, when it was 12%). As was the case in 2019, just one in three tenants in 2024 (30%) were aware of the introduction of the new PRT, with one in three tenants saying they had moved onto a PRT from a Short Assured Tenancy (SAT) (an increase from 10% in 2019) and 39% saying they had started a new PRT. Across all respondents 6% said they were on a SAT (compared with 23% in 2019), 56% said they were on a PRT (36% in 2019), 7% were on neither involving an informal arrangement with the landlord or owner of the property (compared with 12% on informal arrangements in 2019), 30% were not sure (29% in 2019).

According to the RentBetter Landlord and Letting Agent Survey, a significant minority of respondents said they had tenants on Short Assured Tenancies (20%, down significantly from 44% in 2019). This figure was 17% for landlords (down from 34% in 2019) and 78% for letting agents (down from 87%), reflecting the more extensive activities of individual letting agents as compared to individual landlords. Considering both the Tenants and Landlord Surveys we can conclude that the large majority of tenancies will now be PRTs.

The survey also showed almost unanimous awareness of the PRT among letting agents (99%, same as 2019), but interestingly a drop in awareness from landlords (91% compared to 85% in 2019). This may be due to a probable increase in the use of letting agents. From the Landlord Survey just under half of landlords (47%) said they use agents to let and manage their property⁵² and the Tenants Survey shows an increasing proportion of tenants renting through a letting agent (47% compared to 38% in 2019) rather than directly from a landlord (38% compared to 40% in 2019).

Looking at both surveys, this shows a clear shift away from SATs, which have less legal security of tenure, but also shows there is still low awareness amongst tenants about rights, with a third of tenants not knowing what kind of tenancy they have. Also, 1 in 5 tenants who said they were on an SAT had been resident for fewer than 5 years, which indicates some level of error or confusion, either from the landlord or tenant.

Interviews with tenants showed that most had a “*vague idea about rights*”. Only a few said they were now more aware of their rights than they had been in the past because they had been involved in disputes with their landlord or agent. Overall, from these interviews most of the tenants’ opinion of whether the level of service and security of tenure was better or worse was down to the individual landlord/agent, or the individual relationship with the landlord, rather

⁵² This question was not asked in 2019 so there is no comparison over the five years, but the equivalent question in the Tenants Survey shows a change in the proportion of tenancies being managed by agents.

than the contract or any change in the law. However, there were a few that did know about the changes between SATs and PRTs, and other recent changes in the law and thought these had helped - they were aware of the change in notice periods and welcomed the support tenants had been given during the pandemic for “eviction bans” and more recently the “rental caps”.

“When I first started renting – it was a rolling contract. We used to get evicted every July so they could rent it out during the festival. It would then end so they could rent it out. 2009 around that to 2013. So that was the case up until 5 years ago... The thing with deposits – they are better. I remember when admin fees were taken away. Then there was the quote eviction ban, and the rent freeze and we are still in. This is full of loop holes. I have seen changes here and there, but it is not getting massively better. There are always ways for the landlords who get around it.” (Luke, couple, working full time, letting agent)

“Overall, it can be hit and miss. It depends on the agent and the landlord. I would say the majority of my experiences are good. There are unfortunately a few bad ones that were resolved... I don’t think the experience has changed, it is down to the relationship between you and the landlord/letting agent. It is more important than the contract. I think that getting along with them makes it easier.” (Mark, couple, working full time, letting agent)

“I think there is more protection for tenants, with the eviction bans, so there is more of a sense of stability. You don’t always get that. I think the legislation is changing. Change in notice periods – this is good.” (Leanne, couple, sole property landlord)

“I know about the difference in notice periods...I think there is more security. But I still hear stories from others... I do feel more secure because I know my rights. I think though, it is still a bit, you know when the guy increased the rent, I thought ‘Maybe I can fight this.’ But here it is less than the market value so you can’t. There is always going to be a slight niggles – ultimately this is someone else’s property. You can’t know what is going on in their lives. If they decide to sell. (James, single, landlord with a small portfolio)

A few also said their landlord or letting agent talked them through the rights and responsibilities for both parties when they moved into their most recent property and had appreciated this. This was not routinely experienced by others, but many thought it would be good idea.

“This one (landlord) came with me on the moving day and she went through everything with me. There were bumps on the wall and she said – we are aware of this and aware of this. She told me if there were any problems at all she would be there anytime.” (Jess, single, small portfolio landlord)

“No one has ever explained. They just shove a contract at you. No one reads it. I think it would be good if they said it out loud. It is a big problem that people don’t know what their rights are.” (Noleen, couple, letting agent).

Length of tenancy

Length of tenancy is one indicator of security of tenure, but apart from legal security, there are many factors which influence this including market conditions (supply/demand balance which impact on choice and price, people cannot access ownership or social renting etc).

According to the Scottish Household Survey 2022 (SHS) the length of tenancies in the PRS has increased significantly since the PRT was introduced - in 2022, 28% of PRS tenants had been resident in their current address for five or more years, compared with 17% of PRS tenants in 2016, prior to the PRT legislation. In 2016, 41% had been resident for less than a year, compared with 32% in 2022. Overall, the period since the PRT has seen typically longer tenancies.

The RentBetter Tenants Survey 2024 survey also showed an increase in length of residency in the current property. In 2024, 25% were resident for more than five years increasing from 19% in 2019. There were significant differences for rural/urban tenants - nearly half (47%) of tenants in rural areas had been residents for more than 10 years, compared with just 6% of those in urban areas. When asked how much longer tenants see themselves renting their property, almost a third of respondents were not able to say. Over a quarter saw themselves moving within the next two years while a similar proportion saw themselves renting for a further five years or more which is a similar pattern to the 2019 survey.

However, longer tenancies are also evidenced for England, as shown in Zoopla data which may indicate that the trend in length of tenure is not just as a result of the PRT but is influenced by market conditions which are common between Scotland and England.

Figure 21: Average number of years that private renters remain in their home before moving



Source: <https://www.zoopla.co.uk/discover/property-news/rental-market-report-december-2022-whats-going-to-happen-to-the-rental-market-in-2023/>

Security of tenure

Tenant opinion on security of tenure

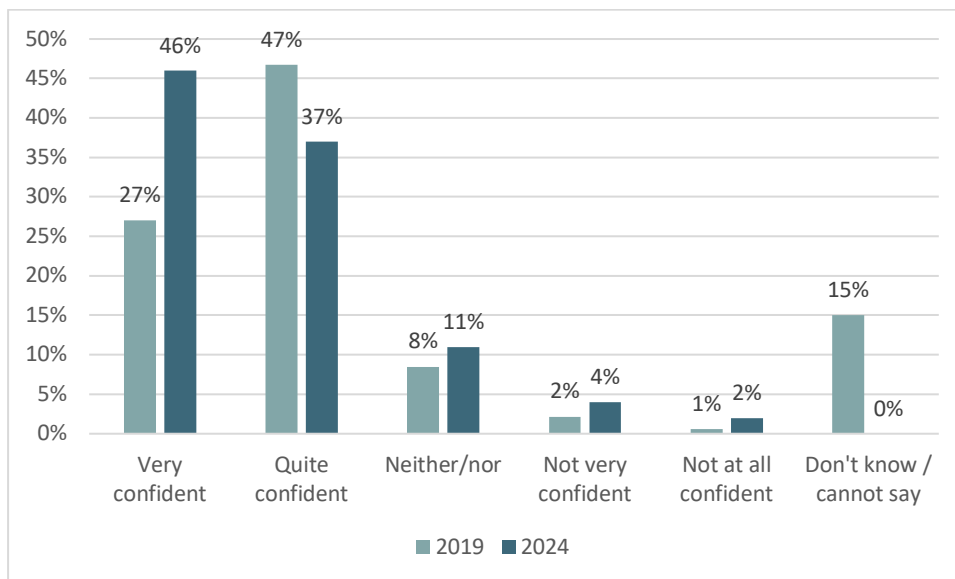
The Tenants survey examined security of tenure further by asking respondents how confident or not they were that they would be able to rent their property for as long as they would like to. Overall, the vast majority (80%) of tenants were confident that they would be able to stay in the current property for as long as they would like (46% very confident and 37% quite confident). One in six tenants were not confident in how long they might be able to stay, with most expressing uncertainty rather than an explicit lack of confidence.

Of the 46% of tenants that said they were very confident that they could stay in their tenancy for as long as they wanted to, 41% were renting through a letting agent and 38% through a landlord while 19% rented from family or friends, in tied accommodation or in some other way. Those in the latter group were most confident – 65% of those renting from family and friends, 74% in tied accommodation and 61% renting in some other way confident that they could stay in their tenancy for as long as they wanted.

The households who were most confident in staying for as long as they liked were older households (69% very confident) while couples with children were least confident (36%). 70% of those who had been resident for more than ten years were very confident, compared with 33% resident form 2-5 years and 36% resident for between 6 months and a year. 63% of tenants in rural areas were very confident, compared with 43% in urban areas.

Only 2% of tenant respondents in the Tenants Survey reported ever having been served an eviction notice, and 1% over the last five years.

Figure 22: How confident or not will be able to rent the property for as long as they'd like to



Source: RentBetter Tenants Survey

Since 2019, the proportion being very confident in being able to stay as long as they like has increased significantly from 27% to 46%. At the other end of the scale, those not confident increased from 3% to 6%.⁵³ For those who felt **confident** in being able to stay in their current property for as long as they would like to, the reasons for this were (multiple choice):

- Rent affordable at the moment (44%)
- Landlord unlikely to sell the property (38%)
- Have a good relationship with the landlord (35%)
- Financially stable (26%)
- Have lived here a long time (23%)
- Know the landlord well (21%)
- Secure employment (20%)
- I know I have a legal right to stay here (18%)
- Other reasons (6%).

For those **not** confident in being able to stay in the property as long as they would like (n=54), the most common reasons given were landlord likely to sell the property; rent might increase and become difficult to afford; rent difficult to afford at the moment. Therefore, from the survey we see confidence in staying in the tenancy is driven by a combination of financial stability and trust in the landlord, including them being unlikely to sell. Having legal rights was much less often mentioned as a source of confidence. This was also the case in 2019.

Through the RentBetter qualitative research, most tenant interviewees said they felt secure, firstly as long as they paid their rent, secondly due to the direct management relationship they had with their landlord or confidence in the letting agent, and thirdly knowing their rights. One woman said she did not think her landlord would sell because they owned many properties and it was her business. Another woman said that she had recently had a pay drop and the landlord, who she felt was being caring and she had rented from for a few years, had enquired to find out if she was managing financially. A combination of more experience as a renter, including being older, and those who had lived in the same place for a long time, seemed to equate to their sense of security and confidence as a renter growing over time.

⁵³ This overall increase in confidence may relate to the reduced proportion of the sample in deprived areas (tenants who have less economic power) and the greater proportion of students wanting to stay for shorter periods. The sampling in both surveys is explained in full in the RentBetter Tenants Survey.

“I do feel secure as long as I pay my rent. I think if I was struggling I could say...We had previously had someone [in our shared flat] say they were moving out, and the landlord accepted the two months missing. It was during the Covid times.” (Kelly, student, letting agent)

“I think I am much more secure now. I think it is about me, my confidence, the information on my rights and being aware of them. I think that knowledge has made me feel more confident.” (John, flatshare, letting agent)

“It is important to me that I know the landlord. I didn’t know the previous owner at all. There was no sense of her taking any care about the property at all. So [this landlord] he is bothered. It is not just business. I think if he was selling he would speak to us. I think because he has a few, you think it will be ok. But it is always in the back of your mind that they might sell... I think because we have the personal relationship, it is more secure. Previously you felt you would have just got a letter and that would have been that. I feel if there were difficulties he would get in touch with us.” (Leanne, couple, small portfolio landlord)

Much fewer interviewees said they did not feel secure where they lived. Two individuals said this was because they had to move previously because the property was being sold and it made them very aware that this could happen again. The other interviewees were all very aware also that their landlord might sell.

“The landlord has multiple properties and there is a worry they might sell up. What if something went wrong? The cost now for this flat would be much higher.” (Leanne, couple, on maternity leave sole property landlord)

I am feeling at risk of eviction with the rent going up and the possibility of selling. I am worried about him selling. I have become unsettled. It makes you realise how fickle it can be. (Ann, single, small portfolio landlord)

For a few who previously owned their home they felt that renting for them meant they were never secure and it was never theirs, in comparison to how they had felt before.

“I don’t feel secure. I don’t think this is my home. I feel as though the rents could just go up and it is not affordable... For me, when I owned, it was my home. This is not my home. It is like being on holiday in a caravan. I don’t feel as though it is mine. It is not like living. I don’t feel like having my pals round even. It is not mine. I was brought up in a council house – that was yours. Private letting is horrible.” (Lynn, single, landlord unknown)

Two people were currently being evicted and said they had no security at all. One woman was ‘shocked’ by the eviction as the landlord had raised the rent within the last year and had informed her at the time that this was because he did not want to sell, but then changed his mind.

Tenants’ confidence in raising disputes

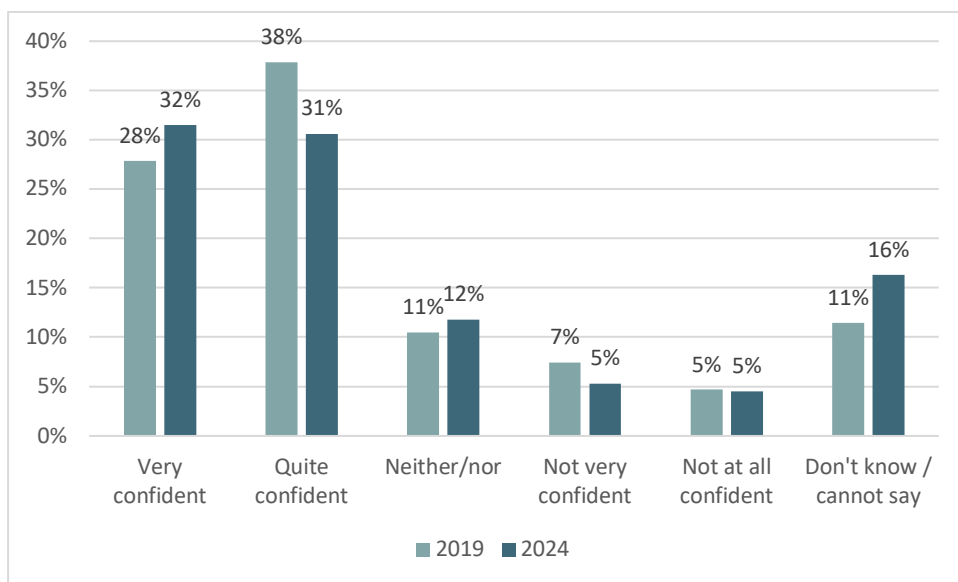
The Tenants Survey asked respondents if they had ever experienced issues with a landlord or letting agent, over the last 5 years. Most tenants do not experience problems, but around one in five (21%) reported a cause for dispute in the previous five years. This was very similar

between those renting from letting agents (20%) and landlords (22%). The most common negative experience that private renters reported were repairs not being done and property condition, with matters relating to security of tenure being much less common, with the prevalence being similarly low in 2019. Of the very small numbers of tenants that had experienced an eviction within the last five years (21), this was most commonly because the landlord wanted to sell the property (9 respondents) or wanted to live in the property (5) or because the landlord could not afford the property/needed money (3) or needed to increase the rent beyond what the tenant could afford (2) or due to some dispute (2).

In relation to confidence in dealing with issues, across the tenant body, most tenants said they would be confident (63%) in challenging their landlord or letting agent (32% quite confident and 31% very confident). Around 10% (12% in 2019) said they would not feel confident challenging them. A significant proportion – 28% were neither confident nor not confident or didn't know whether they would be confident to challenge their landlord/agent (22% in 2019). The overall level of confidence in dealing with disputes remained very similar in 2024 to 2019.

Only around a quarter of tenants who had one of the disputes mentioned above in the previous five years had sought any help or advice about that, which is 6% of tenants overall. This compares with 20% who had recent disputes in 2019 – so some, but limited progress has been made on tenants seeking help in resolving disputes. The most common methods for trying to resolve matters was to speak to the landlord/letting agent directly, following by Citizen's Advice Bureau or other advice agency, the local Council or getting help from a solicitor.

Figure 23: Confidence challenging the landlord/letting agent/owner



Source: RentBetter Tenants Survey 2019 and 2024

The qualitative interviews provided further insight in relation to confidence in tenants challenging their landlord or letting agent. All except one of the interviewees felt they would seek further information about their rights if they needed to by going to Citizens Advice, or would “Google it” to understand more. But there was also a sense that any challenge would be

time consuming, may cost money and may not be successful. One man said he had no confidence at all because he earned very little money and thought making any challenge would be expensive. However, overall, most interviewees felt that the changes made in the law made little material difference to their lives as actually affirming their rights would always be a challenge - having rights was one thing and were vaguely understood, but exercising these rights was quite another matter, and a few thought it may be better just to move.

"I would be confident to challenge it. I don't know with time and patience though. Sometimes it can be too much. I don't know if it would cost money. If they are going to sell, they are going to sell... I've never been secure. I would look to move if I had to fight them. I would maybe withhold rent." (Lynn, single, working full time, landlord unknown)

"I know how to challenge it, but I wouldn't imagine you would have much luck." (Kelly, student, letting agent)

One tenant couple had signed up to Living Rent and felt this had been helpful to feel more confident about their rights and even to challenge issues with their letting agent. This case demonstrated poor practice from letting agents who wanted to change the terms of the lease, and despite having support in the background, there was still a sense of fear, and not "wanting to poke the bear".

"We are members of the Tenants Union – Living Rent. This gives us a huge sense of assurance and not feeling like we are literally alone in the sea, of everyone fighting for themselves and a roof...So in knowing the rules – we do know them, and if we are not clear, we can ask the Union...I think my confidence about my rights is stronger since joining them. But then at the same time we do have a sense of, I wouldn't like the letting agent to know that we are members of the Union, without us needing some help. It is a case of not wanting to poke the bear. I would hope that we would use the clout that it has if we had to... I think I have more confidence in my rights. I would like to think if I had to take a dispute I would... So when we were signing the tenancy on the current flat the agency tried to make us sign an agreement, subcontract that would limit our eviction notice, so less time. It was a weird one, because once we said we would think about signing it, we asked right away if we could refuse, but then they were fine with it. I think the letting agent then didn't push it." (Marios, couple, working full time, letting agent, landlord, unknown)

Drawing on evidence across all the three waves of the RentBetter research since 2019 it is clear that rights are more likely to be asserted where tenants have more individual ability to do so, and have personal confidence to assert their rights, and they have engaged with information and advice (identified as Citizens Advice and Shelter) with support to take their cases forward. However, there have also been cases in the qualitative research where despite the tenants being able and knowledgeable, they still decided to abandon taking their cases forward. One example revealed a tenant seeking justice for over 2 years and eventually giving up as the tenant didn't want to spend any more time on it, and it was creating too much negativity and stress in her life.

In terms of actual issues or disputes experienced, the most common approach to resolution was going to the landlord directly to get them dealt with. Most also considered information and advice as critical to support tenants with a few citing examples of going to Citizens Advice Bureau and the local authority Landlord Registration team who helped them understand their rights and helped them get justice. A few thought a formal legal system would help when things couldn't be resolved. Of the small number that had experienced the FTT, they felt this was inaccessible and a much better system of enforcement was required (see further below under FTT).

We got help from Citizens Advice... They took the lead as I didn't have time to argue. They spoke to me and we came up with what we wanted to say and then they drafted the email and then communication went between them, more than me." (Mark, couple, letting agent, landlord unknown)

Through stakeholder interviews, one advice agency reflected on security of tenure, and tenants' awareness of rights. The introduction of the PRT is seen as a positive, welcome change, but it was noted that a "huge part of the PRS is still informal, tenants still have the wrong, or no actual paperwork, many are surprisingly still on Short Assured Tenancies, or more informal arrangements". This meant that understanding exactly what tenancy arrangement individuals have can take a lot of time to unravel, and only then can the possible redress options be determined.

It was pointed out that many landlords still do not have a full grasp of the law, but most tenants have even less so, and are reliant on the landlords doing the right thing, with informality still being at the core of much of the sector. It was confirmed that there is a huge demand on information and advice services, with the demand outstripping the advice resources available; this could be a lot less if tenants knew their rights and the single PRS tenancy regime was in universal operation. It was noted that seeking redress on a repairs matter is rarely pursued for fear of eviction, or just souring their relationship with the landlord which is important for many tenants' sense of security. Redress also has some critical time limits, so many tenants will just leave the property rather than seek redress as the timeframe proves too short and the actual process to exercise rights is not an easy pursue. For some tenants it is easier to move out and find somewhere else, although finding a new property is now becoming that bit harder, with increasing homelessness cases.

Advice is also stretched as it typically comes only when someone has hit a crisis point, with the clock ticking down, as in the case of rent arrears. Or when a landlord is seeking the property back – two weeks before – so for most it is just the easier option easier to leave. (Advice agency)

This interviewee also reflected on the supply side, observing

"there is not much landlords can do about changing market forces – if their costs rise it's only rent rises that can help them out. We now even have some landlords coming to X because they can't meet mortgage payments – or they have an informal arrangement with their tenants and try to put rent up, but the tenants say it's just too high." (Advice agency)

It was noted that some landlords feel the whole thing has become too more complex and do want to leave the sector.

“What they [landlords] currently see are the rent caps, and then they know what’s next coming down the road, rent control while their costs are volatile.” (Advice agency)

The advice agency also stated that as a result, the PRT is not necessarily a means to enhance security. The financial volatility that has come into the system on the supply side, whether from rent control or adding to costs through the energy efficiency measures coming down the road will challenge tenant security. Overall, this agency concluded that in practice, change on security of tenure has been limited.

Landlord opinion on security of tenure

As shown above, the Landlord Survey showed almost unanimous awareness of the PRT among letting agents but a drop in awareness from landlords, probably due to the increased use of letting agents.

With regard to changes brought in through the PRT (end to SATs, end to “no fault” evictions, tenant notice period of 28 days and landlord notice period if 84 days after 6 months) the most common (and usually the majority) view regarding the impact on “you as a landlord” was neutral. In each case, however, significantly more respondents ascribed a negative rather than a positive view to those changes.

In terms of overall satisfaction with the PRT, the main trend across all respondent types was “neither/nor” satisfied or dissatisfied responses which has not changed much between 2019 and 2024. However, respondents were more likely to be dissatisfied than satisfied. Overall, in the 2024 survey 18% were satisfied, down from 38% in 2019. Only 17% of landlords were dissatisfied (down from 34% in 2019) but a higher proportion of letting agents were satisfied (50%, down from 57% In 2019). The satisfaction or otherwise with the PRT should be seen in the context of the range of other legislation that has been brought in since 2016, which may be affecting respondents’ opinion.

Through open comments in the survey, the reasons stated for these negative views generally related to issues such as landlords having less certainty of a return on investment, which acted as a disincentive to investment in property improvements, and to it being more difficult for landlords to adapt to changed personal circumstances. A number of landlords reported negative experiences in relation to tenants stopping rent payments over the extended notice period and to tenant behaviour generally over this period. A number suggested that this set of changes made it more difficult for them to deal with “problem tenants” and, in particular, that it made them less likely to take on what could be considered “higher risk” tenants.

Landlord and agent opinion on security of tenure was also explored through in-depth interviews. Overall, interviewees were supportive of ensuring tenants had security of tenure; they acknowledged the difficulties faced by those needing private rented accommodation. However, most landlords strongly felt that the balance between rights and responsibilities had

shifted strongly in favour of tenants. Many landlords saw themselves as unfairly blamed for a structural housing crisis which they do not see as their responsibility. Even so, most wanted what was considered as a “fair” relationship between landlord and tenant.

Most landlords interviewed worked with the PRT, and emphasised the importance of a mutually beneficial and positive relationships, based on trust and shared rights and responsibilities. Security of tenure was valued, with many landlords explaining that they preferred stability over uncertainty which was important as it was good for tenants, and reduced the costs of empty properties. There was also the sense of obligation and an ‘unspoken contract’ - that landlords would act reasonably, and tenants would take care of the property, which was more than the signed contract, but about a fair relationship.

I want them to treat it as a home and paint the walls the way they want and put wallpaper up the way they want them and have a nice home. That's the priority, that they have a nice home and they want to stay. The best thing is to get a tenant staying - it's become a home...They look after it, and if there's any issues then we always deal with it... same day...like immediately as quick as we can get something done (Landlord, portfolio, 12).

“for us, a settled, happy, contented tenant, paying every month was far more important than trying to squeeze another £2”. (Landlord, investment, 15)

‘the main goal is to keep the tenant in. If you suddenly have a situation where there’s a void, that’s a loss’ (Landlord, accidental, 1)

‘Obviously there has to be a commercial angle to it, but there is a significant social responsibility in being a landlord that that we take really seriously’ (Landlord, business, 175)

We like to reward people for longevity, we want tenants to be there a long time. There are cost implications to voids, and we pass those savings onto the tenant. It creates a better relationship between landlord and tenant. The trust there is important. The more comfortable they feel with me, the more they are comfortable in the property and the more likely they are to look after it. It is a home - not a short-term rental’ (Landlord, business, 78).

However, there were also some (albeit much less prevalent) negative attitudes or ambivalence to security of tenure. For a small number of landlords, the PRT was much riskier than SATs. These tended to be smaller landlords compared to others who saw the benefits of quicker and easier repossession, sale and avoidance of the rent cap which does not apply to SATs. There were also a few that said the PRT made no difference to achieving evictions.

PRT is harder when things go wrong...I know that it is a nightmare when you have a tenant who cannot pay rent and does not move out... There are lots of stories... in some cases, landlords are left thousands of pounds in debt and they cannot get the tenant out because of PRT (Landlord, accidental, 1).

Evictions are not challenged. PRT has had no impact whatsoever, even with end of no-fault evictions because the tenants have just left without opposition. I have never had to go to FTT.

The first tenant actually found a place very quickly so negotiated an early leave which suited me. I work collegiately with my tenants. (Landlord, investment, 6).

Those who had tenants on SATs (10 landlords out of 33 landlords/agents interviewed had at least 1 SAT) explained they did not intend to switch existing tenancies to PRT (due to the advantages above). However, there was broad consensus that, on the whole, the PRT was a positive change for private renting due to the consistency it should bring to letting practice and greater clarity regarding rights and responsibilities:

“Everyone was now singing from the same hymn sheet’ (Letting agent, 150).

‘PRT has not been a major [negative] impact. Actually, it has been beneficial, I agree that tenants deserve protections. It is fairer’ (Landlord, business, 75).

The use of Ground 1: Landlord intends to sell

A particular strand of enquiry in this final Wave 3 has been to explore the use of Ground 1: Landlord intends to sell. The research explored the extent to which landlords cite Ground 1 - that they intend to sell the property, but then in fact the property is not sold. This was undertaken by exploring data from the First Tier Tribunal (FTT). It should be noted that there are far more tenancies ending due to landlords wanting to sell than reach the First Tier Tribunal (FTT). As shown in qualitative evidence throughout this research since 2019, tenants may receive notice in a range of lawful and unlawful ways on the basis of the landlord wanting to sell, and most tenants will probably just leave. Even if a formal FTT process is taken, many tenants will leave voluntarily within the notice period due to the need for certainty in securing accommodation. An increasing number of enquiries to local authorities examined as case studies for example, were from tenants who had been served notice for this reason, and in a variety of ways. Homelessness statistics also show that homelessness from the PRS has now increased back to pre-pandemic levels (see below).

The examination of data using the Tribunal route for eviction under Ground 1, and whether properties are actually sold is based on the Generation Rent methodology for tracking cases to explore evictions and subsequent sales or re-letting of properties.

Generation Rent⁵⁴ looked at 125 cases between 2018 and 2021 where the landlord was seeking possession on Ground 1, and checked whether each property had been sold and was still on the landlord register. Out of 74 cases where the landlord was awarded possession between 2018 and 2020 based on their intention to sell, 21, nearly a third of all cases, had still not been sold. Ten of those (14% of the total) were still on the landlord register, which Generation Rent suggested showed they had simply been re-let. However, there could be a lag in the Landlord Registration database as there is no requirement to de-register. A further seven homes had been sold but were registered to a different landlord (9%), with Generation Rent arguing that the original tenant could have stayed put and the eviction was unnecessary, demonstrating why action must be taken to improve the system. Just over half (53%) had both been sold and

⁵⁴ <https://www.generationrent.org/2022/05/25/evictions-in-scotland/>

left the private rented sector, in line with the landlord's original intention. A small minority (9%) had been sold but were still on the landlord register in the original landlord's name. For the 33 Ground 1 cases heard in 2021, two thirds of homes remained unsold by early 2022.

The Indigo House RentBetter research repeated the exercise for FTT cases during the first 6 months of 2022, with cases of eviction where Ground 1 was accepted examined. Of a total of 70 cases, in 18 cases (just over a third) the property had not been sold while in two-thirds of cases a sale had been lodged. Of those unsold, the majority (14 of 18) were still on the Landlord Registration Database. However, as noted above, there may be a lag in the Landlord Registration database. So, although most Ground 1 cases properties were sold, there were a significant minority – around 1 in 5 – where it appears that Ground 1 may have been mis-used, with the caveat regarding possible delayed de-registration.

Tenants' experience of sales

As shown above, the vast majority of tenants (80%) were confident that they would be able to stay in the current property for as long as they would like, and one of the most common factors for those feeling confident to stay was the landlord being unlikely to sell the property. Similarly, for those not feeling confident (54 tenants), one of the most common reasons was the landlord being likely to sell.

The RentBetter qualitative interviews with tenants provided insights on tenants' experience; 11 out of 40 interviewed had been told in the past by the landlord that they had to or may have to move out because they were selling the property and two people were in the process of having to move out for this reason. One person had been given no notice and said the first they realised they may be evicted was when the 'for sale' was put up outside the property. Others had been given notice of between one and six months to leave with the eviction notice served by letter in most cases, email, and one person by text. This demonstrates that at least some of these would have been wrongful terminations (or attempted terminations). For a couple of tenants, the lack of information, support and uncertainty in these situations was really challenging, and all tenants said these situations was extremely stressful.

"I woke up to have a coffee and there was a for sale sign on it, that was the end of October, the flat hasn't sold yet. He never gave me a notice period." (Louise, single parent, sole property landlord)

"We were told the owner was thinking of selling. It was last year, one of the agency employees came around and was doing a survey of the property. Chatting with him, it came up that the landlord said they might sell. They would have to increase the rent or sell the property. They weren't making their money back. So he was coming to see what repairs needed to be done – mould, and some things in the kitchen. So, can we fix these things and are they cheap enough or should they sell up? That put me into a bit of fear. He told us he was officially not saying anything. I contacted the Council in relation to this and got myself assigned to the list, but you don't get anywhere unless you are homeless. The Council were good to assign me a housing officer to assist me to keep me in the property. He said he could help with costs with moving too. So the Council then got reassurances from the letting agency that they weren't selling. I

don't know if we would have been told otherwise. You don't think you can ask. It seems intrusive you know to ask." (John, flatshare, managed by letting agent)

However, for two people, both of whom had pets and struggled to find a property, the letting agent and landlord supported them to get another property. Two tenants said they challenged the eviction notice at the time by simply saying to the landlord that they didn't want to move, and the landlord backed down. As discussed in the rent chapter above, one tenant persuaded the landlord not to sell, offering them an additional £50 rent per month (about a 12% increase) to deter the landlord from selling. The other nine tenants were evicted, and three of these thought the property had not been sold and was rented out again, one noticing a 'for sale' sign and another that the property was rented out at a higher rent. Only one of these three tenants took the case to the FTT and had been successful in receiving compensation. This interviewee demonstrated how the onus is on the former tenant to raise the case with the FTT with all the time and effort that that involves, rather than the landlord proving that a sale has occurred. The others didn't know that the FTT was an option.

Landlords' experience of sales

The Landlord Survey showed that 25% of respondents had sold properties that they let in the PRS in the past five years, and that this proportion was especially high amongst those landlords that had been operating for more than 10 years (32%). The qualitative research with landlords explored their drivers to sell and this is discussed further in the later chapter on landlords' wider views of the sector. Eight landlord interviewees said that they had sold a total of 28 properties since 2017. It is notable that some of these landlords reported having no issues with serving notice, with the tenant "just agreeing to leave" and not having to go to FTT. These interviews also revealed opinion regarding selling tenanted properties. Of the landlords who expressed intent to sell, most wished to avoid selling tenanted properties, if at all possible, as this would result in a sale below market value. These examples also show landlords' dilemmas in relation to rent levels, sales and needs of the tenant.

I would sell if I could. The tenant that is in there has been there for years and I have not increased that rent in 10 years...I have recently put it up by 3%. I would like to put it at a 'reasonable rent' but am not allowed. She cannot move anywhere else because she is used to cheap rent and everything else now is too expensive. She can stay there for the next couple of years but eventually I will have to ask her to leave so I can sell the property. You cannot sell with a sitting tenant. You never get anywhere near the market value. The local authority has an introductory service, which matches properties to people who want to buy but I haven't had any interest. And there is no point of putting it on the open market; it is just throwing good money after bad. (Investment landlord, 4)

We are now going to go through a programme of evicting people. A bit of a ripple there, but it is a managed eviction process over a number of months.... It's not a quick process. (Landlord, business, 175)

'I gave notice on all the properties and the tenants just left without disputing. Except for this one chap - he is paying £650 for a 1 bedroom in Edinburgh when that same property could be

going for £1,000. He is a janitor in the school, I am sure he cannot pay market rate. I am concerned these laws have failed the tenants, the system has failed. I just go on the advice of the agent and the agent has told me to sell up. This poor chap is going to be made homeless when I do. The best I could do was give him a year's notice. The mortgage is increasing from £150 per month to £350. The rent will not be enough to keep it going. We hadn't increased the rent in 5 years.' (Landlord, accidental, 1 - having sold other properties).

This evidence therefore shows that wrongful terminations occur on the basis of prospective sales – these wrongful terminations could be by taking the lawful FTT route, evicting, but then not selling and re-letting, or it could be by not taking the FTT route at all. But there are examples of when notices are immediately queried by the tenant then landlords can change their mind, which will likely be influenced by the tenants and landlords/letting agent having knowledge of tenants' legal rights. This emphasises the importance of tenants having that knowledge and being empowered to exercise their rights. As shown in one example above, that empowerment can come from local authorities or advice agencies to support tenants through the process.

Homelessness from the PRS

Looking at Scottish Government homelessness data, landlord actions in the PRS had accounted for a smaller proportion of reasons for applying as homeless during the pandemic but this has returned to pre-pandemic levels – 9% in both 2019-20 and 2022-23. Over the same period, the tenure profile of applicants had adjusted back to pre-pandemic levels, with 16% of homeless applicants in private rented accommodation in both 2019-20 and 2022-23. However, 5% of applicants assessed as unintentionally homeless or threatened with homelessness secured a private rented tenancy in 2019-20; this was down to 3% in 2022-23 showing less availability more recently for this need group in the PRS. But overall positive outcomes for homeless households have not reduced in this period, with applicants moving into social rented accommodation instead of the PRS. Interviews with local authorities and letting agents as part of the wider stakeholder consultation indicated a surge of sales from the PRS immediately post pandemic, and in some more pressured areas this has continued, with reasons cited as landlords becoming increasingly unhappy with the extent of regulation (particularly older landlords with one, or a few properties). They also confirmed the extreme challenge in trying to secure lets in the PRS for homeless households due to the scale of demand relative to supply (see chapter above on Supply and demand). This should be seen within the context of several Scottish local authorities, and the Scottish Government now announcing 'housing emergencies'.

Access to justice

Information and advice

As outlined above, tenants value information and advice provided through third party information and advice providers including local authorities, and independent advice agencies. Examples throughout this research since 2019 show tenant empowerment through

appraising tenants of their rights and providing hands on support to achieve positive outcomes and halt evictions.

CAS Scotland data for 2022/23 (see table 3 below) shows that private rented sector issues are the most common types of housing advice cases they receive, and this proportion has increased over the last three years. Repairs and maintenance and rents are the most common issues raised, with possession action (not rent arrears) fluctuating but with a slight increasing trend in the total proportion of cases. Overall PRS caseloads peaked at 26% in Q1 of 2020/21, during the pandemic.

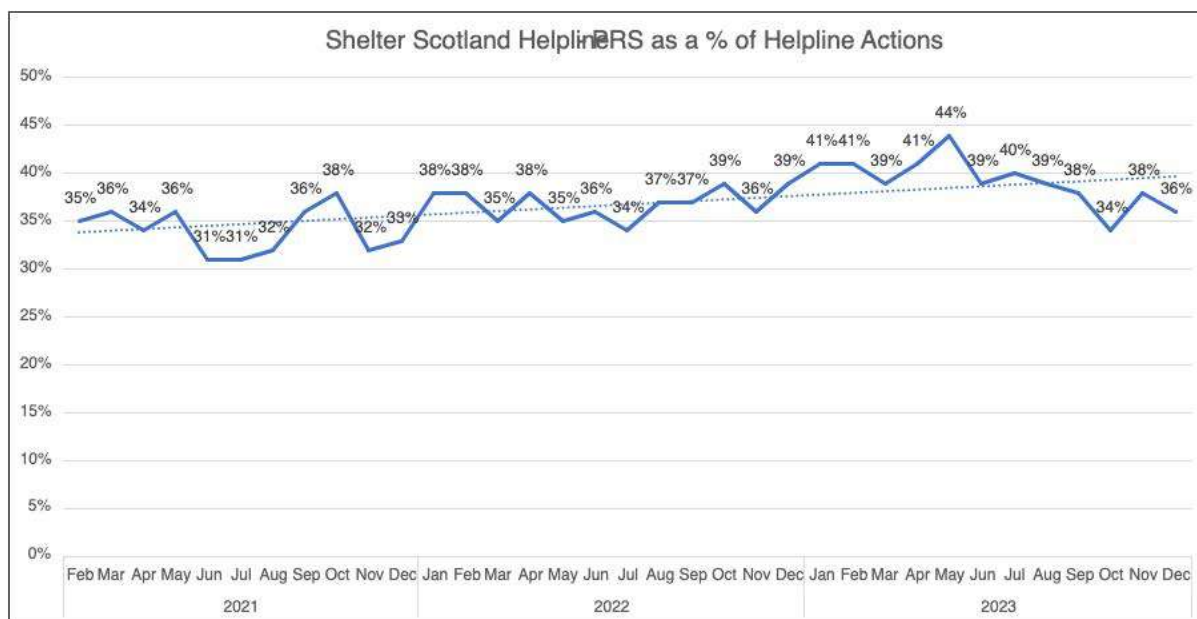
Table 3: Latest Citizens Advice Scotland (CAS) caseload data

Most common types of housing advice												
	2019/20				2020/21				2022/23			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Private rented sector property	19%	16%	18%	18%	26%	22%	21%	21%	23%	23%	23%	22%
Environmental and neighbour issues	7%	8%	6%	6%	13%	12%	9%	9%	10%	9%	7%	6%
Local Authority housing	15%	16 %	18%	17%	12%	13%	16%	15%	17%	15%	18%	18%
Homelessness threatened	14%	13%	14%	14%	7%	6%	6%	6 %	7%	6%	6%	7%
Registered social landlord property	7%	8%	8%	8%	7%	8%	8%	11%	8%	7%	9%	9%
Private rented sector advice												
	2019-20				2020-21				2022/23			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rents	10%	10%	10%	12%	14%	10%	11%	9%	11%	14%	11%	10%
Repairs / maintenance	13%	12%	16%	14%	10%	14%	16%	18%	14%	14%	19%	17%
Deposits	15%	15%	12%	12%	11%	12%	10%	10%	9%	11%	8%	8%
Possession action (not for arrears)	7%	7%	7%	6%	5%	6%	7%	6%	11%	11%	9%	9%
Tenancy termination (by client)	9%	7%	7%	8%	9%	7%	5%	6%	4%	5%	4%	4%

Source: Citizens Advice Scotland

Data from Shelter Scotland over time shows that PRS helpline cases have also slightly increased over the last two years to be typically around 35-40% of all Shelter Scotland’s helpline cases, peaking at 44% of cases in Spring 2023. Caseloads are highest in Edinburgh and Glasgow and Edinburgh saw a significant increase in caseload in 2023. Dundee and South Lanarkshire also showed a significant increase in caseloads. Single people make up the largest group of people seeking advice about the PRS (36% of clients) followed by single parents (18%) couples with children (17%) and multi-adult households (15%).

Figure 24: Shelter Scotland Helpline PRS as % of Helpline Actions



Source: Shelter Scotland

In relation to rent deposits, deposits must be lodged in a tenancy deposit scheme – through Letting Protection Service Scotland, Safe Deposits Scotland and my deposits Scotland. Through the RentBetter Tenants Survey over two thirds of tenants (67%) who said they paid a deposit said their deposit was lodged in this way, 29% were unsure and 4% said it was not. This is an improvement on 2019, when less than half (45%) said their deposit had been lodged in this way, 39% were not sure whether it had been or not and 16% said it had not. Safe Deposit Scotland collects data on the numbers/percentage of deposits where it was protected late. Annual figures before and after SDS started informing tenants about deposit protection (June 2019) show that in 2012, 31% of deposits were protected late, which reduced to 15% in 2019 and was just 1% in 2023. This clearly shows the positive impact of regulation in this area. Disputes about rent deposits have remained at a more consistent (albeit low) rate, with 4% of SDS deposits being disputed in 2023 (and 2022). This is similar to the rate in 2014-2015 though at times during the pandemic this reduced to between 1-3%.

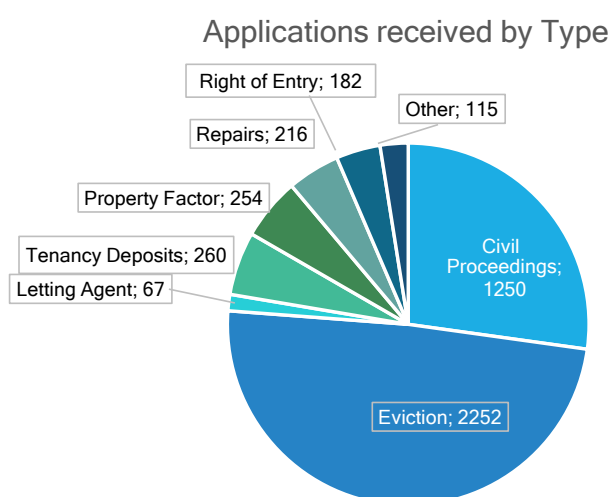
First tier tribunal

Wave 1 and 2 explored the secondary data available from the First Tier Tribunal. This has been repeated for Wave 3, with additional consideration of this body of evidence. One key area of enquiry is in relation to the extent to which access to the FTT represents access to justice. For example, previous waves indicated that tenants tend to be less likely to attend the tribunal

and less likely to have legal representation. There is evidence of some improved engagement in virtual conferences, but the vast majority of cases are still brought by landlords rather than tenants, with evictions cases in particular having increased since 2019. So there is some evidence of more access to justice for tenants since 2019, but more so for landlords compared to tenants. Rent arrears were more commonly the grounds for eviction pre-pandemic, with more varied grounds applied during the pandemic.

High level data is available for 2022-23 in the Annual Report of the TFF⁵⁵ while more detailed statistics are available for 2021-22⁵⁶. In 2022-23, the profile of the Housing and Property Chamber cases is shown below. Evictions and civil proceedings brought by landlords are the most commonly brought cases. Civil proceedings relate most commonly to financial compensation/payment orders relating to rent arrears.

Figure 25: Housing and Property Chamber applications by type (2022/23)



Source: Scottish Tribunals Annual Report 2022-23

Over time, since 2019 there has been an increase in eviction applications. The most noticeable change in the overall distribution of applications received between those 2021-22 to 2022-23 was a significant increase in eviction applications. These made up 60% of all applications received, compared with 37% in 2021-22. The level of eviction applications was also 29% higher than the number in 2019-20, before the pandemic period.

In 2020-21, some evidence was gathered by tribunal clerks which suggested that more parties were participating in private rented sector CMDs (Case Management Discussions) conducted via teleconference than was previously the case with in-person proceedings. This data

⁵⁵ <https://housingandpropertychamber.scot/sites/default/files/hpc/Scottish-Tribunals-Annual-Report-2022-2023-.pdf>

⁵⁶

<https://housingandpropertychamber.scot/sites/default/files/hpc/Summary%20of%20Work%20in%20HPC%2021-2022.pdf>

compared attendance during the six- month period from August 2020-January 2021 with the figures for the same period in 2019-20. It showed that while attendance at hearings remained at similar high levels to the previous year (96% for applicants and 72% for respondents), there was a marked increase (12.5%) in attendance at CMDs by respondents, who are most likely to be tenants. This would suggest better access to justice for tenants since 2019.

While data was not collected on the grounds on which applications were brought, it is thought that as in the previous year, the majority of applications received across all tenancy types were brought on the grounds of rent arrears. It is also believed, however, that the number of applications being brought on the grounds that the landlord intends to sell the property, or that they or a member of their family intend to live in the property, have been increasing over the past two years.

Data gathered from HPC decisions involving private residential tenancies as part of Scottish Government research⁵⁷ showed that between September 2019 and March 2020, multiple grounds were often relied on in each application. It also found that 77.5% of applications where a decision had been made relied on ground 12 (rent arrears), while 21% relied on ground 1 (landlord intends to sell) and 15.5% relied on ground 11 (breach of tenancy agreement) as the main or additional ground.

When compared with similar data gathered for HPC decisions published between May and November 2021, the Scottish Government research found some notable differences in how the grounds were used. Applications were less likely to be rely on ground 12 than before (52%) and slightly more likely to rely on ground 1 (Sales, 23%). There was also a notable rise in the use of ground 4 (landlord intends to live in the property (14% as against 3.5% previously) and ground 5 (family member intends to live in the property) (8% as against 0.7% previously).

Tenants experience of the First Tier Tribunal

From the RentBetter Tenants Survey, in 2024 just under a third of the tenants interviewed (33%) said that they were aware that private rented tenants could take their landlords to a First Tier Housing Tribunal. In 2019 this was 32% - so no progress has been made on tenant awareness of the formal route to dispute resolution. One per cent of tenants, 10 of the 1,000 interviewed, had taken a landlord to the First Tier Housing Tribunal. This was the same proportion as in 2019 – again no progress has been made. Only one tenant had from those surveyed had attended the Private Rented Housing Panel (PRHP) and / or Sheriff Court. This very low number of tenants pursuing justice through formal routes compares to around one in five tenants (21%) reporting any cause for dispute in the previous five years.

According to the Tenants Survey only 1% of tenants paying rent (7 tenants out of 1,000 surveyed) had referred their rent to a Rent Officer/Rent Service Scotland.

⁵⁷ <https://www.gov.scot/binaries/content/documents/govscot/publications/consultation-paper/2021/12/new-deal-tenants-draft-strategy-consultation-paper/documents/new-deal-tenants-draft-strategy-consultation-paper/new-deal-tenants-draft-strategy-consultation-paper/govscot%3Adocument/new-deal-tenants-draft-strategy-consultation-paper.pdf?forceDownload=true>

The issues raised at the tribunal/panel/court were – the condition of property (6) eviction or similar (2) landlord access (2) payment order for rent arrears (1) rent increases (1) repairs (1) return of deposit (2) or other issues (2). Overall, 9 of the 11 at tribunal/court were satisfied with the experience while two were not.

In Wave 1 and 2, the evidence showed the Tribunal experience was unsatisfactory for the small number of tenants that take use this formal route to justice. There is asymmetry between landlords and tenants in terms of representation and outcomes, and less confidence to challenge landlords from tenants with low income and those in housing need with less power.

The qualitative interviews with tenants for this final Wave 3 explored Tribunal experiences with four people. These included a range of circumstances including issues with repairs, vermin, and eviction on sales ground with the property relet. Two case studies below reflect similar conclusions as has been found throughout the research since 2019 from tenants' perspective – the process is lengthy, formal and inaccessible. In some cases, the issues were resolved, but for some final outcomes were poor and actually served to damage relationships and service performance from landlords or agents, with tenants moving out.

One wider stakeholder advice agency also described the FTT as very legalistic which it was claimed put many off pursuing a complaint. However, unlike most tenants interviewed, the agency said that when the few tenants do pursue matters, the experience is “not negative” – it was concluded “it's ok when they are in the system, but to get there involves a great deal of time and effort.”

Case Study: A case abandoned

Noleen took her landlord to the tribunal because of mould, a lack of insulation and a leak. Initially she had given him six months to get it fixed which she said in hindsight was a mistake. When nothing was done, she took the case to the tribunal and two years on the leak had still not been adequately fixed, she moved and stopped the case going forward. In her view the main challenge was how lengthy and demanding the cases were in terms of time and effort, but also that the tribunal did not give landlords short timescales to get the work done, nor was there a timely follow up to check the work had been done. The outcome for her was that she gave up and moved. She did not think the Tribunal system was accessible to everyone.

“He was still getting out of spending that money. The Panel were on my side but they just kept giving him more and more time. It was a very long stretched out process. If I had not the level of education, I wouldn't go through that. Knowing what to say. I don't think my husband could have done that. I don't think the average Joe could do that. To be in that formal setting. What about all those people who don't have that education without support. You don't have anyone. So there is no one... First Tier Tribunal – I don't think it has changed how I feel about my rights. I had an issue a long time ago with another landlord about repairs. I sent an email and said I would report them, and they came out and fixed it. If you say you are going to report them then that threat is enough. I think that landlord before was an idiot. I think he thought he could just tell lies and get away with it. I would do it again if I had to. If I had a problem and it wasn't getting solved. I would also think I might just move. It

is so lengthy [the tribunal process]...You should not have to be fighting your landlord so you don't have walls with mould on them. The panel were great, and they weren't taking any of their lies. But the walls were covered with mould. When they came in to do one of the inspections, he was trying to wipe the mould off the windowsill. He was trying to make out that I was planting this. They made him do the repairs. The windows were done, but we were still battling on the roof. The roof was not fine, and they agreed. We weren't going to get any rent money back. They may have been able to get rent reductions. I got to the point that I hated this man. He was a child, just trying to do everything to not do the repairs. I was exhausted. I contacted the tribunal and said we were withdrawing our case, but they still had to pursue the roof. I don't know if he would have been made to repair the roof. He had a roofer who he was friends with who was saying there was nothing wrong. But there was clearly water coming in. The downstairs neighbours wanted to fix it but he wasn't wanting to take the cost." (Noleen, couple, letting agent)

Case Study: Accidental landlord and making the property safe

Lucy is an older woman who has lived in the same property for twenty years. She took her landlord to the tribunal to get the electrics safe after they had failed the inspection. The case had taken a long time, but the electrics were now fixed. But other repairs were still outstanding, and she felt the impact of the tribunal on the landlord becoming more responsible had been limited. She said the one benefit of the tribunal was that it had been the 'ultimate threat' and the daughter who now managed the tenancy met her face to face and realised she was not an 'ogre.' As a result of all the work that had been undertaken her rent had been increased, but she felt that in comparison to other rents it was still fair. In the decades she had lived there they had not put down any new carpet or painted and as 'accidental' landlords she felt they had no idea what their responsibilities were. The "ineptitude" of the landlord was even clearer when she compared her experience with the other tenants in the building.

"I am in the basement and there is a flat similar to mine across from me let through an agency. Every time it is rented out again, it is 2 bedrooms, it is normally students or young professionals. When they move on, the agency sends gets the whole place redecorated and cleaned. They (the landlords) have never done that for me here. So the finish that they do, I don't get that. I have a problem at the moment, the loo flush keeps running. I told them last year it wasn't working. I told them whilst they were here they need to look at the shower. During the week I had a proper look, they really need to get it done. I asked if we could change the basin. It goes back to the 50s and that is all they provide in there. It could be really nice. I put up glass in the bathroom and shelving. They just say 'We will get Mr McDonald in to see it', their handyman, but he is old and so he and I have become quite friendly. He said 'I have your interests at heart.' Nothing is easy. Having lived here so long. Everything is changed, other flats are better finished. I can see those tenants in the building, their flat has improved, but not for me." (Lucy, single pensioner, accidental landlord).

Tenants challenge on repairs and property condition

There is clear evidence (through the Tenants Survey and qualitative research) across the three waves of the research that repairs and property condition is the most common area for cause for dispute between tenant and landlord. The qualitative research provided several examples where there were ongoing disputes with landlords due to repairs and property issues (including damp and mould and resultant health issues), with examples of apparent 'revenge evictions' and some landlords threatening sale or family members moving in (both grounds for eviction) and giving the tenants the sense of insecurity through the dispute.

James – fighting for justice through the Tribunal system

James is a confident, well-educated man and was able to 'take-on' the dispute with his landlord himself. Even so, he said the dispute process was long, drawn out and would not be possible for everyone.

In the first interview James had taken two cases to the Tribunal, one in relation to the letting agent not doing things in a timely manner and a disagreement over whether or not an email had been sent about the work. The second case was against the landlord and their failure to carry out the repairs which lead to rats getting into the flat. The final case was heard in September 2021 and he was then served a notice to quit in November. Although initially annoyed he said he was then relieved and came to the conclusion it was for the best. He continued to take the case though as the landlord was evicting him on the premise that he was selling. James found out that this did not happen and successfully obtained compensation as a result of his claim through the Tribunal. He still felt the Tribunal system was very formal and while he was able to do lead the case having a background in advocacy, he felt it would not be a system everyone could navigate. He felt that the system is set up to benefit landlords and needs to be changed. By the second interview he had moved into the new flat, renting from the landlord and had just started his own business. He felt this tenancy was the best experience he had of renting. In his view renting through a letting agent feels like you are dealing with an 'unnecessary middle person' whom frustrate things getting done. He would like to buy in the future. (James, single, landlord with a small portfolio)

"The disputes before, there was a certain element of achieving justice. For the amount of effort it took, I had the energy to give. The results – I was happy with the outcome. You would rather not have to go through them, but I didn't really mind the effort and time because the outcomes were justified. The compensation I have continued to receive – the only problem, but I am getting this from him still renting out the property. They are a landlord who should not be a landlord. It doesn't seem right. When I receive the last of the money I am going to contact the Council – what are you going to do about it. They should be struck off." (James)

Rose - mould and damp and threats of sale

Rose has three children and is currently being evicted with the landlord 'claiming' he is going to sell, but Rose is unsure if this is actually what will happen. The landlord used to manage the property but over the past few years it has been managed by the letting agent. Rose has withheld rent the past few months because she has no heating and her son has developed health problems from the dampness. She is desperately trying to find a place but has not been successful. She has spoken to the Council as it is looking like she may be made homeless. Her mental health has been severely affected. She used to have a good relationship with the landlord. He said he wanted to sell a couple of years ago and she packed up all of their belongings and was struggling to find a place, and then he said he wasn't selling after all. She has not felt secure since this time and over the past year repairs have not been done and the relationship has gone downhill. She is now withholding rent. (Rose, single mother, sole property landlord).

Ryan – request for repairs followed by notices to quit

Ryan is a single father and struggles with rent and affordability. He also has ongoing repairs issues in this flat. He told his original letting agent the repairs that were needing to be done but nothing happened. A new letting agent took over management of the property and he reported repairs again to them and told them that if these were not fixed he would take this them to the tribunal. The agent started to take action and received notices to leave. During the pandemic Ryan had received notices about his arrears during the pandemic but due to his rights this was not taken further. Then he was told the daughter of the landlord was moving back into the property as a reason for this notice, but that never materialised and he stayed in the property. His case regarding repairs through the Tribunal was successful and the landlord had three months to fix the repairs. Through the experience Ryan feels there is a breakdown in relationship and trust and now wants to move anyway. Overall he felt the tribunal system was fair and worked well. He got advice from two agencies to help him through the process. (Single father, letting agent, single property landlord)

Landlords experience the First Tier Tribunal

The RentBetter Landlord and Letting Agent Survey showed awareness of the FTT has fallen – from 78% in 2019 to 68% overall. However, this was much higher amongst letting agents at 95%, and the drop may be explained by lower awareness among landlords of whom an increasing proportion have properties managed by letting agents (as explained above). Only 4% of respondents indicated that they had been taken to the FTT (or the former Private Rented

Housing Panel) by a tenant which is no change from 2019 (also 4%). For landlords, the figure was 1% but, as might be expected, the figures were considerably higher for letting agents (40% for the FTT and 11% for the PRHP). 17% of respondents indicated that they had taken a tenant to a First Tier Housing Tribunal or the former Panel. This figure was significantly higher amongst letting agents.

A profile of the spread of issues raised at the FTT by landlords/agents is shown below, highlighting a broad range of issues, most commonly these being eviction but at a much higher rate now than shown in 2019 (67%, compared to 10% in 2019) or payment order for rent arrears (53%, up from 38%).⁵⁸ This reflects the increased proportion of eviction cases coming to the tribunal more recently, as shown above in the FTT data.

Table 4: First Tier Tribunal: Issues Raised by Landlords and Letting Agents (2019-2024 Comparison)⁵⁹

Issue	% of Issues Raised 2019	% of Issues Raised 2024
Eviction or similar ⁶⁰	10%	67%
Payment order for rent arrears ⁶¹	38%	53%
Condition of property	34%	25%
Landlord access	18%	13%
Repairs	29%	11%
Return of deposit	25%	9%
Rent increases	0%	4%
Another issue	12%	7%
Base	73	292

Source: RentBetter Landlord and Letting Agent Survey 2019 and 2024

Amongst those with experience of the FTT, landlord and letting agent respondents were more likely to be dissatisfied than satisfied with 52% being very or quite dissatisfied (up from 42% in 2019) and 35% being very or quite satisfied (down from 41%). 13% were neither satisfied nor dissatisfied (17% previously). Through open comments in the survey a number of landlords describe their experience of the First Tier Housing Tribunal as being a reasonable and fair one. Where landlords were more negative, this generally related to concerns over timescales, costs and bureaucracy. Some landlords also expressed frustration at being unable to implement the Tribunal's decisions (for example, in relation to payment orders).

Interviews with landlords also explored their experience of access to justice. Some landlords felt unfairly treated by the system, and felt it was biased in favour of tenants. Examples they provided of tenants being advised by agencies and local authorities to “stay put” regardless of

⁵⁸ Payment order for rent arrears was not a prompted option in 2019 but was a significant proportion of “other” responses.

⁵⁹ Due to the relatively small base number of responses, we have provided only the figures for Landlords and Letting Agents together.

⁶⁰ 2019 survey referred to “Aggressive eviction or similar”.

⁶¹ 2019 survey referred to “Rent arrears / non-payment of rent”.

the circumstances through eviction proceedings.⁶² One landlord suggested this was a change of ‘policy’ to that which he’d experienced 10 years ago, and was seen as “hugely problematic”. In this case the eventual cost of eviction to the landlord was over £3,000, and in another case costs amounted to £30,000.

“when you've got a situation where literally the policy is to kick the can down the road for a couple of months in order to get it effectively off your desk, because there's no housing. Then there's just no viable way you can continue like that” (Landlord, Investment, 15)

“X is telling people “stay put”, councillors saying “don't go” and I understand why because there's such a huge problem...so people are saying well this is the rules, this is what you can do, so if you leave the flat you're going to be in dire straits. But that is not the fault of the landlord, that is the fault of decades of not building houses.” (Landlord, accidental, 1)

“...no rent for 2 whole years. The tenant was just sitting there rent free for all that time. The frustrating thing was there was help for her from the government [during COVID] and she didn't take it. She just decided to not pay rent at all, and it was not like I could claim on her behalf - there were absolutely no support for landlords, so I was stuffed. I finally gained repossession and the flat was destroyed. Again, the onus was on me to prove that the destruction was the tenant's fault; the doors were all hanging off the hinges and I said she destroyed the cupboards, and she just said it was poor quality (Landlord, investment,4).

In relation to the FTT specifically, it was described as “incredibly slow” and “incredibly complicated” with one landlord describing his experience as:

‘nearly a year of waiting to get to FTT, to be told that I served notice wrongly – that I didn't give the amount of notice and they had to cancel my eviction’ (Landlord, portfolio, 5).

The composition of the Tribunals was also criticised as members were seen as ‘heavily skewed to the tenant’ with panel members described as ‘power hungry and rude’ (Focus Group 2). A few landlords complained of the ‘poor quality’ of tribunal members, resulting in ‘poor decisions’ being made. One landlord also described how he was only able to reduce the cost of attendance because of his own legal training:

‘if I didn't have this experience and knowledge to draw upon, the FTT experience would have driven me demented’ (Landlord, portfolio, 65).

However, across the waves of research since 2019, it has been found that letting agents have been much more positive about FTT experience than landlords, reflecting their scale, knowledge of the law, and experience of taking cases to the Tribunals. The exception in their positive view regarding its fairness and robust decisions, was their negative opinion about lengthy delays experienced for cases to be heard by the FTT, which in the case of rent arrears could have very negative consequences for landlords e.g. substantial losses with examples provided of losses of up to £30,000, which for some small landlords is financially disastrous.

⁶² Advice for tenants to remain in the property may be the correct advice. Tenants may often be entitled to stay until the case has been considered by the Tribunal.

Interviews with stakeholders also provided wider perceptions in relation to security of tenure, the PRT and access to justice. The common theme was that the PRT had improved security, although for that to be exercised more widely there was the need for more proactive enforcement, more public awareness campaigns, better access to information and advice and a shift in the power relationship. For some people that power relationship was driven by external market forces i.e. lack of choice for tenants. One stakeholder believed that while legal security of tenure is better (“*than England*”), it was also believed that the PRT had not gone far enough in relation to the intentional grounds, and in line with tenants’ opinions that the feeling of security is also strongly linked to affordability, with the mechanisms for addressing affordability issues through the 2016 Act seen to have failed.

It's [the PRT] really sharpened the focus for agents to be professional and therefore they've had to up their game and have probably been more scrupulous on landlords in terms of taking on instructions if you take dampen and mould, for example, if the property isn't up to scratch, then they won't take that on.” (Wider stakeholder).

“Regulations alone are not going to provide that security, especially when there's not a lot of proactive enforcement, a lot of it's been left up to tenants to challenge behaviour. They might not always feel comfortable or able to do that. I think the regulations in isolation are not the answer, but there does need to be better communication about what those regulations are, support for landlords and for tenants, for both sides.” (Wider stakeholder)

“..the PRT is a better situation than the contract in England, the ending of the no fault ground for eviction is a real key aspect of security..... What matters is do they feel more secure? So security is feeling able to stay in your home and feeling control over your home. And the things that will not make you feel unable to stay are rising costs and unaffordability. you can't really think of the PRT and about that security without thinking about rent affordability. (Wider stakeholder)

“Is the landlord still able to still evict you, regardless of your circumstances. We don't have the no fault ground for eviction anymore, [but] there's still a lot of abuse of grounds for eviction, so landlords saying, oh, I'm gonna move in or I'm gonna do X Y and Z and the burden of proof is all on the tenants to prove that this hasn't happened after the fact that they've been evicted. And so, I think it doesn't feel like the PRT has not gone far enough and that the grounds for evictions are still too low.” (Wider stakeholder”).

Summary – Security of tenure and access to justice

There is a clear shift away from the SAT, which has less legal security of tenure. But there has been little progress on awareness of rights with most only having a “*vague idea about rights*”. But at the same time there has been an increasing tenant confidence in the ability to stay in their home since 2019 baseline survey (those ‘very’ confident changing from 27% 2019 to 46% in 2024). Tenants say this confidence is driven by financial stability and trust in the landlord, including the landlord being unlikely to sell, and having legal rights was much less often mentioned as a source of confidence. Awareness of rights, and accessing information and advice is empowering, as is longer experience as a tenant. Landlords/agents talking through rights and responsibilities is valued by tenants.

Length of tenure in the PRS has increased over the last five years in Scotland, although over the same period, longer tenancies have also been evident in England. This may indicate that this trend is not just as a result of the PRT but is also influenced by market conditions which are common between Scotland and England.

Landlord and agent opinion on the impact and satisfaction of the PRT was commonly neutral, and most landlords/agents are supportive of security of tenure for tenants. The PRT was seen as a positive change to bring consistency to letting practice and greater clarity regarding rights and responsibilities; overall landlords/agents appear to be generally settled with the PRT. Apart from legal rights, landlords emphasised the importance of mutually beneficial and positive relationships, and many explained that they preferred stability over uncertainty. However, the large scale of subsequent legislation appears to have marred the positive aspects of the PRT and has led to increasing dissatisfaction in the sector, and for some this negatively affected their view of any regulation. There was a minority practice to retain SATs due to an increasingly riskier environment. Wider stakeholders felt the regulations alone were insufficient to safeguard security of tenure, particularly in the current market, with a much greater focus required on information and advice, and stronger enforcement. One summarised that there was still informality in the sector, and financial volatility and uncertainty in the market meant that in practice, change in security of tenure has, and will continue to be limited.

It is estimated that 1 in 5 properties that go to Tribunal where Ground 1 may have been mis-used. But many evictions occur on the basis of sales without going to Tribunal and examples show that when notices are immediately queried by the tenant then landlords can change their mind. This again emphasises the importance of tenants having that knowledge and support to be empowered to exercise their rights.

In terms of pursuing justice, most tenants said they would be confident in challenging landlords or agents and would seek information and advice for support. But in practice, tenants felt that if they were to actually pursue a landlord/agent, any challenge would probably be time consuming, may cost money and may not be successful. The proportion of tenants actually pursuing formal justice is very small at 1%, and compares to around one in five tenants (21%) reporting any cause for dispute in the previous five years.

Qualitative research across the three waves of research has shown frustration from tenants in attempts to pursue justice with their abandonment of cases due to time input and stress. There is clear evidence across the three waves of research of repairs and property condition is the most common area for cause for dispute, and examples were provided by tenants where landlords evicted, or attempted to evict tenants due to their challenge on repairs. The stress involved in challenging landlords for significant and ongoing disputes was clear from tenants that had raised difficult issues with their landlords or agents, even with advice agency support. Having rights was one thing, but affirming these rights was quite another matter. This is particularly true for those with less ability to navigate the system, and with less economic power; for them, the fear of losing their home through a dispute, and the lack of choice of alternatives especially in the knowledge of higher prices, over-rode the impetus to challenge landlords or agents. Across all the waves of RentBetter research since 2019, the formal route to justice through Tribunals has very limited awareness amongst tenants, and for those tenants

and landlords that have used it, the common criticism was the very lengthy process and resultant, often negative impacts this had for tenant and landlord.

6. Tenants' overall experience

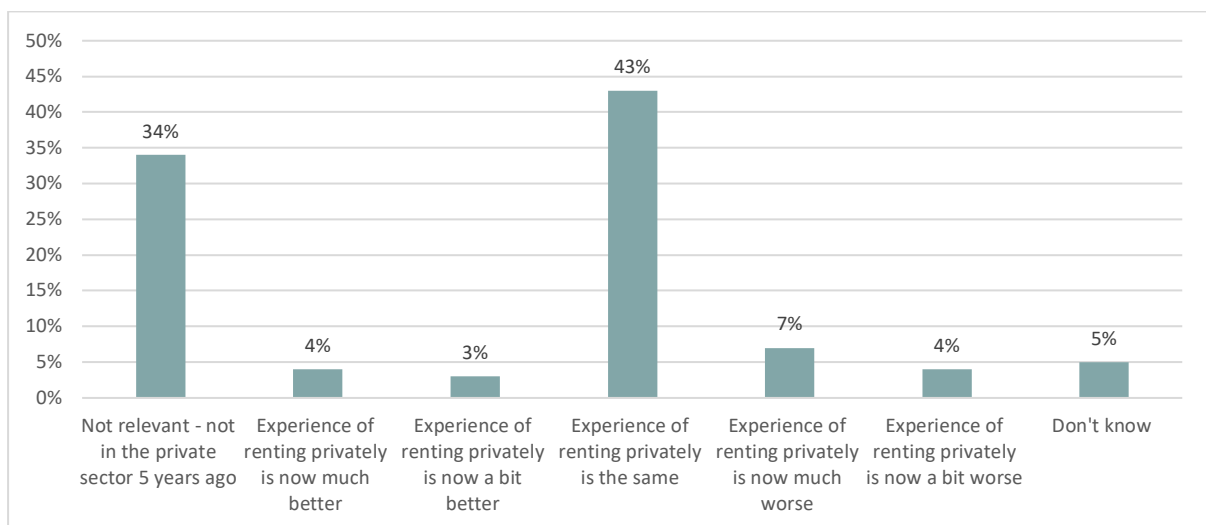
This chapter considers what impact the PRT has had on tenants' overall experience in the PRS. The research evidence compares tenant satisfaction now compared to five years ago, and draws on longitudinal qualitative research with tenants, including those that have been renting for at least five years. The research considers whether experiences are the same now, better or worse, and why, and explores whether the PRT legislation has anything to do with tenants' overall experience.

Overall satisfaction with renting in the PRS

According to the RentBetter Tenants Survey, overall, 85% of tenants were satisfied with experience of private renting overall - including the property itself, its cost, and dealings with landlords and/or letting agents. Only 4% were dissatisfied overall. The results were very similar to 2019. Older households were most commonly satisfied, while single parents and large adult households, unemployed people and those in rural areas were less satisfied. Tenants renting directly from landlords were as satisfied as those renting through letting agents (84% in both cases).

However, comparing renting over time, more tenants said that private renting was now worse (11%) than better (7%) compared to 5 years ago. However, the largest group said it was the same (43%) while 34% could not say as they were more recent entrants to the sector and 5% did not know. Unemployed people, those aged 55-64 years, those looking after the home/family and those in rural areas were most negative while those in tied accommodation were more positive. Perceptions that experiences were worse were very similar between those letting directly from landlords and letting agents (11% and 10% said worse). This question was not asked in the 2019 survey

Figure 26: Perceptions of how the PRS has changed over the past 5 years



Source: RentBetter Tenants Survey 2024

Where respondents indicated that their experience was now better, the main themes were:

- Being in a different property now with a better quality of home (referenced in 30% of open comments).
- Having now moved and having specific negative comments about a previous landlord (18%).
- Being in a different property now in a better location (12%).
- Having a new landlord within current property, who is more responsive and involved (10%).
- Being in a different property now, with improved landlord responsiveness and involvement (9%).
- Being in a different property now that is more affordable (9%).
- Having the same landlord but who has become more responsible and involved (6%).
- The tenant being more aware of their rights as a tenant (6%).

Where respondents indicated that their experience was now worse, the main themes were:

- Increased costs (referenced in 64% of open comments).
- Fewer properties being available to meet demand (36%).
- Landlord attitudes and behaviour (17%).
- Problems with property condition / repairs / maintenance (14%).⁶³

Tenants were also asked about the overall satisfaction with the property specifically. Tenants reported a high level of overall satisfaction with their property, with 88% 'quite' or 'very' satisfied. The results were similar between 2019 and 2024. Those renting from letting agents and landlords had similar levels of overall satisfaction – with 89% renting through letting agents and 86% letting through landlords being satisfied.

Although there was a high level of overall satisfaction with the property, drilling down on specific aspects, respondents were able to identify some aspects that were less satisfactory. Energy efficiency was viewed less positively overall, with more than a quarter of tenants (27%) opting for a response other than 'good' in rating this – this is worse than 2019 where 19% ranked energy efficiency less than good. The quality of the fixture and fittings did not achieve a 'good' rating from around one in seven respondents – 15% – again worse than five years ago (11%). Although there was generally favourable opinion about property condition, the proportion giving a 'poor' rating or 'neither good nor poor' on condition has increased between

⁶³ In the above, for better and worse comments, we have included all themes identified in at least 5% of comments and it should be noted that some comments addressed more than one theme. Most commonly, these relate to the tenant now living in a different property that they prefer and having a different landlord that is more involved and responsive.

2019 and 2024 from 8% to 15%.⁶⁴ As with overall satisfaction with condition, those letting from landlords direct or from letting agents had similar levels of satisfaction, with only around 2%-3% difference.

Insights from longer term renters

The qualitative interviews provide in-depth insights as to tenants' experience over time in the PRS. There was a mixed profile in terms of age, gender and household type (see Appendix 3). Most were working full time and around half of all interviewees had low-incomes with a quarter in receipt of benefits. The majority of those interviewed (32 out of 40) had been renting for over five years, and these were split fairly evenly between 6-10 years (15), and more than ten years (17).

Findings from Waves 1 and 2

Waves 1 and 2 of the research showed that positive trusting relationships were important for many tenants; these were mostly experienced from small/one property landlords who had direct property management relationships with the tenant. However, there was a tension here, as at the same time these were the landlords that said they were most likely to leave the sector. According to tenants in Wave 1, satisfaction was lower with letting agents compared to landlords managing the property directly, with agents found less likely to provide a personalised service than small landlords did. Wave 2 of the research focused on low-income tenants. There was a striking difference in satisfaction from these households - this was much lower when compared to the overall PRS population shown in Wave 1. Most tenants were struggling - financially and with poor condition/quality of homes they lived in, and they lacked choice and economic power to move to equivalent sized and/or higher quality properties due to higher rents.

Overall, the research in Wave 1 and Wave 2 highlighted that constrained housing options had in driving negative impact on tenant experiences, making tenants less likely to exercise their rights due to concerns not to 'rock the boat' due to fear of losing their home and there being very few alternatives in the whole housing system – whether PRS, social rent or ownership. The following sets out the experiences from Wave 3 qualitative research with tenants.

Tenants' housing experiences

Analysis of qualitative research findings has enabled the classification of tenants into groups according to their perception of living in the PRS and their long-term housing options. These categories are:

- Private renting by choice
- Private renting accepted

⁶⁴ There was a lower proportion of respondents in more deprived areas in 2024 compared with 2019 (where condition might be expected to be poorer) there were more students (who may occupy some of the lower quality stock) and more people renting flats rather than houses.

- Tolerably stuck in private renting
- Unhappily stuck in private renting

The main reason most tenants said they were private renting was because they had no other option – they couldn't afford to buy and didn't qualify for social housing – this is the same as previous Waves 1 and 2 in 2019 and 2022.

The tenant survey found that the most common reasons for private renting were as follows:

- 'enjoying the flexibility of private renting' – 33% (13% in 2019)
- 'renting for now but looking to buy in the next few years' – 22% (31% in 2019)
- 'prefer not to have the responsibility of owning' – 17% (13% in 2019)
- 'little immediate prospect of owning' – 16% (13% in 2019)
- 'private renting because there is a long waiting list for social housing' – 15% (23% in 2019)
- 'renting due to a change in circumstances – relationship, job etc.' – 15% (19% in 2019).

The relative negativity of the 16% of respondents selecting 'private renting with little prospect of owning' is balanced against 17% selecting 'prefer not to have the responsibility of owning'. The extra choice that private renting offers is also apparent in 12% selecting 'private renting to get a better choice of location compared with social renting'.

Private renting by choice

There were few out of the 40 interviewed where private renting was their tenure of choice; it was their first move to independence (including students), or enabled them to move around to different locations for work, or they were actively saving and had prospects of ownership. However, most other tenants described themselves as 'stuck', i.e. they would prefer another house, location or tenure, and the interviewees revealed different degrees of this feeling.

Private renting accepted

There were several that were generally happy and had come to the point of acceptance of living in private renting, although some more reluctantly than others. They knew they could never afford to buy (even though for a few home ownership would still be the ideal), and had no prospect for social housing, and they were happy where they lived. In all these cases the person had lived in their accommodation for many years, had done work to it themselves, decorated it as they wanted it, had a good relationship with the landlord and considered it their home.

Case Study: Private renting accepted

Mary has lived in the same tenancy for more than ten years and before this had owned a property with her partner, which they had to sell when they split up. She rents a holiday home as a PRT from the landlord that owns the other four properties on-site, with two of the neighbours also long-term tenants. She is a single mum to three kids with one child still living at home. She was working full time but her health deteriorated and she is now reliant on benefits she receives for her disability. In the interim period between her getting her benefits set up and being on statutory sick pay she struggled to make the rent and told the landlord she would have to move out. He told her not to leave and not to worry about the money. For her this shows how much he cares, and she has since paid that money back she owed in rent. The housing benefit gets paid £570 directly to the landlord and she has never had any rental increases. He fixes repairs quickly. If he is not able to do them, he has told Mary she can get in whatever tradesperson she knows and he will then pay them for the work. She has decorated it to how she likes, and she feels happy and secure there. She knows that the landlord's accountant has told him he could charge more rent, but he says that he wants to keep the tenants he has got. Mary knows she would not be able to afford it otherwise if it wasn't for him keeping the rents at the current level. She has a good relationship with the landlord and says they are like 'brother and sister.' (Mary, single parent, small portfolio landlord)

Tolerably stuck

Apart from this group who accepted their renting situation, most of the interviewees (29) did not want to continue private renting and struggled with the fact that they probably didn't have a choice. They were split between those who were either "tolerating it" and those who were unhappy with it. Those tolerating the PRS would much prefer to either be in their own place or be living in social housing, and while this group had a reasonable standard of service, they knew it would be impossible to find another similar place within their budget and in the same area if they needed to move. They didn't want to be renting overall but were resigned to this being their only option.

Case Study: Tolerably Stuck

Tara has been private renting for 6 years, as a couple and latterly as a single person. Before this one she had rented one property which was a "terrible" experience. It was through a letting agent and the landlord lived aboard and nothing got done. Tara likes that she now has direct contact with her landlord and things get done quickly. She said "I can just text my landlord. She gets back to me within the hour. So the husband can fix anything." The landlord wanted to sell last year but she and her ex-partner suggested she increase the rent as they did not want to move and pleaded the landlord to stay. She said she knew that their flat was cheap for the area. They were prepared to pay £100 per month more, but the landlord offered £50 and they accepted, and they thought this was a fair increase from £625 to £675.

She would like to buy her own place and is trying to save for a deposit. (Tara, single, sole property landlord)

Unhappily stuck

However, there was also a large portion of interviewees (11/40) who were ‘unhappily’ stuck, living often in substandard accommodation with mould, damp or other outstanding repairs needing to be done, and feeling powerless to change their situation. A few had taken cases to the Tribunal and overall were dissatisfied with that experience (discussed in more detail above). One man who was a foreign national was in a particularly desperate situation, not able to access any social support and only able to get part-time hours in a local restaurant. After prioritising his rent, he was living, or “surviving” on around £200 a month after he paid his rent. He had limited to no contact with his letting agent and felt it was just a financial impersonal transaction.

“When I have had the need to repair things, they ask me to look for the right technician locally. I have to find them and then they pay them. I had my boiler out of order and it was me who paid £80 for the technician...I find it very difficult to have services provided by them. I didn’t get the £80 back. They are far from here. Most of the times I have to solve the problems myself... I have no contact with the letting agents. It is very weird. People I know, my neighbours are in permanent contact with their landlords. The only contact I have is paying my rent every month. Sometimes it is a tremendous effort and I am always punctual... I never expected life was going to be like that. For me at my age it is very difficult to be a kitchen porter, but I have no other way out. I am constantly applying. But I have not been lucky.” (Simon, single, landlord unknown)

“We have been looking for a year, just at the prices to see if it is manageable. We are totally outpriced. I feel stuck. We are thinking about changing one of the cupboards for a small room.” (Kieran, couple with children, sole property landlord)

Case study: Unhappily Stuck

Tony’s first interview for the RentBetter research was in November 2021 during the pandemic. At that time, Tony was unemployed and his partner worked on a zero hours contract. The money they earned varied from £800 a month to £1,750. Their rent was £950 a month. Half of their rent was covered by housing benefit. They were in debt. Tony had what he described as a ‘*mental breakdown*’. He is disabled so needs to live on a ground floor flat. His dog got very ill and he was in a large amount of debt due to vet bills. The flat’s boiler wasn’t working properly and there were issues with dampness and he felt that the letting agency’s repair service had done the bare minimum and not fixed the problem. He described how they would use old parts and the boiler had become ‘like Frankenstein’, referring to old parts being added to an already old boiler rather than replacing it. He had just been served a notice to quit as the landlord was selling the property which was very stressful. By the second interview, two years on, Tony explained that he had been unable to find another place as most places did not allow for pets, and asked the letting agent for help. They found

them another flat 'at the final hour' which they moved into. He said "It was so stressful. I don't usually get too stressed, but on the last day when we had to do the move. I froze on the spot, it was just one of those things, I was just so stressful. It was a bucket of cold water." Tony and his partner are now in full time employment. The new flat is on ground floor but the quality of the furniture is not good and 'falling apart', and the letting agent doesn't respond to calls about outstanding repairs, with mould and damp again an issue. Tony said he is more aware of his rights but these rights being upheld is another matter. Tony explained that he felt with his disability he could get on a "protected list" and knows how to challenge an eviction, but the reality in terms of time and effort this would take would be a barrier to actually doing this. He wanted to buy his own place but was finding getting out of debt impossible. (Tony, couple, letting agent)

Half of interviewees said that they were trying to save and the other half said that it was impossible, and they felt especially stuck. Those saving said they were very careful with their money and generally were on higher incomes than those who were not able to save. Some of these tenants' experience also demonstrated financial choices around lower rent, lower quality housing but some ability to save compared to higher rent, higher quality, but no ability to save and resolve their housing circumstances.

"Something happens, say the car, we couldn't afford to get it fixed. With the last place we could save but it was horrible. But now we are happier. You just have to have money from parents or whatever to get that deposit and we don't have that." (Emma, self-employed, couple, small portfolio landlord)

"I am trying to save at the moment. My benefits are split into two separate payments from two different benefits. So the second one, I am putting the majority into my savings account. I would like to get back to work. I need three to six months saved for the bill coverage. I get adult disability payment. That is the one I am putting to the side. But it is hard. It is hard to stay within £50 a week on shopping." (Jess, single, small portfolio landlord)

"I just hate it. I think the whole thing, the working-class background, not getting out of it, and I feel young people have no chance without the bank of mum and dad. Single people – my son is 34, he had to come back and stay with us." (Lynn, single with older child, letting agent)

A few tenants had been on the council housing list for years but had given up hope. One woman who had grown up in a council house said that because of the "high thresholds of need" to get a house now, the areas had become "ghettos" and another had even lived in a van at some point but was still not prioritised for social housing and was unable to buy.

"If I had a deposit for a mortgage there would be no way I would pay rent...I tried to get social housing and told them I was living in a van but they said we weren't priority...Our combined salary, we have never had a council house, never any help with rent or benefits. I do an important job and work full time and we get nothing. You are stuck renting. We can't seem to get into the green enough to save for a deposit. I am doing all this overtime and then I need to clear debts." (Noleen, couple, letting agent)

Comparing experiences over time

Interviewees were asked to reflect on their experiences as tenants and whether and how this had changed over time. This analysis relates to the 32 tenants who had rented more than five years (split between over five and over 10 years), and some had moved one or two times in that time. The analysis of interviews provides the following summaries:

- Several described their experiences as consistently good (5), and a similar number said their renting experience had got better over the years (4)
- Most commonly, interviewees experiences were consistently 'tolerable' (10)
- Many other interviewees are described their situation as consistently bad (9);
- Finally, a few said their experience was inconsistent (2), or now worse that it had been in the past (2).

For a few of the interviewees, the main reason for them feeling this tenancy was better than past tenancies was because the condition of the flat was better as they had been able to afford to pay more rent and move. This was often because they were now in a relationship and so both partners could contribute towards an increased rent – their housing situation had improved because of their improved financial position which gave them more choice. However, financial and wider circumstances also drove consistently bad experiences - there were examples of people suffering often due to their difficult or worsening financial positions, and in some cases their health, which appeared to lessen the drive to the ability to resolve their unsatisfactory housing situation and find a suitable alternative with limited affordable or suitable choices available.

The interviews also showed tenants' perception of whether the experience of being a tenant was positive or negative and any change in this was judged on the standard of service tenants received from the landlord or letting agent, and in particular if they were responsive to getting issues resolved quickly, mainly repairs. Those who said the experience was consistently good had repairs done quickly; those who said it was tolerable said repairs took a long time; and those who said it was consistently bad said they did not get a service at all.

"If we were getting value for our money, getting a flat that is well maintained and is a good standard, that would be ok. It would change my perception of private renting. It is such a hassle to beg for repairs and then follow up. Even thinking of the preventative measures, the windows are not properly insulated, so the humidity and mould is an issue. So we have to maintain our flat. We don't want to inhale mould. All these things you need to think of anyway. It is not stress free. If you own a flat, it is your responsibility and you are fixing it yourself." (Marios, couple, letting agent)

"The first couple of years I asked them for stuff, but it went on and on and on and then I got it fixed myself. I don't know if it is him [the landlord] or them [the letting agent]. They say 'We will be in touch.' But then nothing. 'We have not heard anything back [from the landlord].' I don't think they are even doing the job. I would like if I could contact him directly." (Sarah, single, letting agent)

A couple of interviewees who said it was tolerable also found inspections carried out by letting agents intrusive and unnecessary. One woman said she had monthly inspections for the first few months and then quarterly, which she felt was unreasonable.

Many (15) of this group of long-term renters felt that on reflection their experience was best when they were dealing with the landlord directly as problems were resolved much faster and they felt there was a more personal service. Some of these interviewees felt strongly that they would only rent from a landlord directly if they had a choice. Although a few tenants had a positive experience of letting agents, many viewed them as holding things up, and adding another layer to getting a quick response.

"[I'm renting directly from a] Private landlord now – even before I was moving in, they were planning on renovating it inside. They have been phenomenal in keeping the place in good shape. I came back from being home and there was a short and the electrician was here in a few days, so it was a lot less hassle for me. With that, I just told them once and it was done, whereas with the letting agent, there was a lot of calling. With this person they are more involved, and so it is in their best interests to keep it right. I think with the letting agency it is not like that. There is a lot of waiting around, you feel you have to jump through hoops. They don't have the full cash flow... The relationship is good [with the landlord]. He messages me once in a while, they even messaged me over the Christmas." (Ajay, single, sole property landlord)

"I like that this is more personal with the landlord. Here I feel like I can get a personal relationship with them. If I meet the landlord, and I like them, then that is why. I had a letting agent before and no. With being self-employed some of the agencies don't look at you. That was the case with the landlord here and he said I get it because I am self-employed too. Personally, I prefer landlord direct...My partner – is self-employed, we suffer in every way. I think it is insane. Renting - we can pay thousands to line other peoples' pockets." (Emma, self-employed, small portfolio landlord)

"This [flat I am living in now] is night and day. Previous landlords were either completely uninterested in addressing issues or didn't know what they were doing. The first flat I was in, the couple had bought it from the Council and they had never done it before and didn't know their responsibilities. I would call and ask for things to be done and nothing would happen. The window, one of the hinges broke and it took them weeks to do it. With the second landlord, they were absent, they did it through the agent. We would contact the agent but then the landlord would not do anything. We had trouble with the boiler and no heating for most of the winter, it was an old back boiler and he didn't want to replace it but there was no one who would fix it. We felt like there was nothing we could do. The agency did their best but they couldn't do anything without him. We had a baby as well at the time. We were looking for other flats. It is just so hard to get anywhere within our budget that we could get a deposit together for. There are more rights with the PRT. I trust this landlord though. I have been able to call him anytime and he is able to get things sorted... Rental increase – none – he has no mortgage to pay, so he is not concerned about that. He is not greedy. He is keeping them [the flats] for his kids." (Joanne, single mother with two children, investment landlord with a few properties)

It was also noted that from self-employed tenants, that being “taken on” by letting agents was more difficult, and so their only option was renting directly from landlords, again demonstrating financial barriers. However, there were also a few examples of landlords that provided poor services (directly managing or not), who were not willing to do work or invest in the flat, and they were seen as greedy and “not caring” about the tenants.

The role of the PRT in making things better or worse

Interviews with tenants explored whether they considered changes in the law and specifically the PRT had changed their experience of renting. As discussed in the previous chapter, tenants felt secure as long as they paid their rent, secondly there was a direct management relationship they had with their landlord or they had confidence in the letting agent, and thirdly knowing their rights. However, having the ability or confidence to actually assert these rights in practice was less clear due to the perceived time, money and success. In relation to whether the PRT has made a difference to tenants in the renting experience over time, whether it had become better or worse, the impact of the PRT was that only a few people knew they now had more rights. However, they said that even with this, the experience of renting was down to individual landlords and letting agents, and whether or not they took their responsibilities seriously.

“I don’t see any difference to be honest. I have always had a good experience private renting. Before when it was a letting agency – it wasn’t great. It has been smooth sailing...I pay my rent. I report what needs done. I don’t let things go. Maybe it is just that. I have not had any issues.” (Tara, single, one property landlord)

“I think this is the same as the housing before. You report things and it gets done. I have not had a bad experience. The service has been ok. The relationship is ok. I think with this I know him, but then I was also familiar with the housing officer. I wouldn’t say it is top of my priority to have a rapport, but it does help.” (Eve, single, landlord unknown)

“I don’t think the experience has changed, it is down to the relationship between you and the landlord or your letting agent. It is more important than the contract.” (Mark, couple, letting agent)

The importance of relationships between tenant and landlord or letting agent

It has been clear through Wave 1 and 2, the relationship with the landlords or confidence in the letting agents are important in tenants’ sense of security and satisfaction with the service received. Again, in this final Wave 3, the qualitative research showed that relationships and services were better with landlords managing directly, than through letting agents, although in the Wave 3 quantitative survey this was not supported – the overall level of satisfaction was the same for landlords and letting agents.

For those who described a good relationship with the letting agent or landlord this was down to them “fulfilling their side of the bargain” but also that they “cared about them” and the property. There were different dynamics shown through the interviews – there were examples of straight forward objective, contractual relationships with letting agents who provided good services, but more often remote and poor service. There were also more individual subjective

relationships with landlords which were often considered to be good, but there were also examples of the tenants “feeling bad for asking for stuff” from landlords, where otherwise they may have been more assertive if it was a more remote relationship. Several examples demonstrated high levels of trust, including where the tenant may get things done themselves and would be reimbursed by the landlord (which suited both parties). In a few cases the landlord were also friends, and this may mean having to wait a little longer for things to be done, but for these tenants they said they wouldn’t want to move to different, more remote dynamic where the property was managed by someone they didn’t know.

“The letting agent we have now I would rate them highly. They are good at responding and they are quick to deal with issues, there is no messing about. It has not been the case with previous ones.” (Mark, couple, letting agent)

“The relationship is really good. The only thing is that it can be too good. You can feel bad you are asking for stuff. Whereas if it is random I would ask. I sometimes just fix things myself. I have had money taken off rent when I have done things. When I couldn’t work and did things around the house during the pandemic for a few months he gave it to me rent free. We didn’t even pay a deposit. I would prefer to rent from the landlord direct like we do. With letting agents, they make money on somebody else’s house.” (Ewan, couple, small portfolio landlord)

“I am good friends with them. I just tend to get things fixed myself. If a door needs fixed I will just do it...I was being priced out across the board. This probably shines a light on what is going on. Landlords [who don’t manage directly] don’t give a fuck because they don’t know these people. I would be hesitant to move out to a place where I don’t know the landlord. The money would go up straight away. Last year I had to switch jobs and had no rent for 2 months, and he let me catch up with rent. (Kieran, couple with children, landlord who is a friend)

A few said they had limited to no relationship with their letting agent and a few that they had no relationship with their landlord. For most of these tenants, that suited them, except when they felt they had to struggle to communicate to get repairs done. One couple thought if there was more contact, they would start to get suspicious that the landlord was potentially going to sell. Their situation was that they had lived there a long time and the flat was tired but they accepted this because they had not had rent increases, and the lack of interest made them feel easier that the person was not considering selling at this time, which was always in the back of their mind.

“There isn’t really a relationship. It suits us both. They do nothing and if they got rid of me they could sell it for a lot.” (Lucy, single pensioner, sole property landlord)

I have never really had any issues. I feel I have been lucky and there have been no changes. When I need her it is hard [to get things done], but it is ok. I have heard so many horror stories. But I feel lucky... It is friendly, but we don’t associate. We don’t get inspections. The only time I have to call is if I need things fixed. I have been here for years. It suits me. (Claire, single, sole property landlord)

“She could sell at any point. I don’t know what she is going to do. I don’t know how much time she is here or in China. I just kind of get on with it. Easy-osy. If she was in touch and getting

things done I would be suspicious. It suits us, it is a financial transaction.” (Susan, single, sole property landlord)

A few renting from a letting agent and a few letting from a landlord said the relationship was very poor. In all cases this was because the repairs that needed to be done in the accommodation remained outstanding.

Interviews with landlords and letting agents set out their opinion on relationships, and compared to Waves 1 and 2, there appears to be a shift in tone from these interviews. A common perception amongst many participants was that a focus on compliance with legislation meant that the relationship had become increasingly contractual; this marked a significant change in orientation for smaller landlords, who previously had a more personal, hands-on relationship with tenants and the property. For example, one landlord explained that he only self-managed tenancies on SATs and let an agent handle the PRT tenants:

“I have one or two really long-standing [SATs] tenants that I directly managed. One guy has been there for 15 years plus and they kind of run it themselves so it’s not a problem, we have a decent relationship.” (Landlord, investment, 15)”

However, some respondents still placed a premium on maintaining a personal relationship with tenants, as well as a contractual one:

‘If you have a decent tenant you want to keep that relationship – it is a personal relationship as well as contractual. We use letting agents mainly to assist with finding new tenants. The last thing you want is an unhappy tenant when you are entrusting them with your property. (Landlord, portfolio, 65 – mix)

One notable feature of the responses was landlords’ perceptions of how changing expectations from “more demanding” tenants were transforming the relationship between landlord and tenant. Some claimed as a result of Scottish Government policies the relationship was becoming increasingly commercial, and sometimes adversarial with one arguing that legislation was ‘dividing and making it a combative environment and that’s just stupid’. Examples included landlords explaining increasing demands after a rent increases, another about increases in complaints, and another about shifting service delivery to letting agents resulted in increased costs:

“There was absolutely nothing wrong with the carpet. There is just this expectation that an increase in cost means an increase in service”. (Landlord, accidental, 1).

“Tenants think ‘OK, now you raise the rent now I’m going to ask you to do things’. Expectations increase with rent increases.” (Landlord, accidental, 1)

“When people complain it’s like, they think you are trying to get the most rent possible, so you get dodgy people who stop paying rent when they think they are paying too much, and when someone complains about something they of course want it that day” (Landlord, investment 3).

‘A tenant has a problem like, for example the agent said the washing machine wasn’t working – but now there is an expectation to send out engineer that costs £100, when all the tenant

had to do was look at the manual to do a 5 second test, they ended up doing it in the end. This environment is the expectations that tenants just phone up to get problems are resolved. Expectations are higher and higher – and the cost is not aligned with the reality. I wouldn't expect an electrician to change a lightbulb. Some tenants are very proactive, but others have an expectation of fully serviced accommodation (Landlord, investment, 2).

Summary – Tenants' overall experience

The majority of tenants surveyed were satisfied with their experience of private renting overall. But looking at private renting over the past five years, the largest group of tenants said that private renting was the same (43%), and more thought it was worse (11%) than better (7%) compared to 5 years ago⁶⁵. Unemployed people and those with family/single parents were less satisfied and were more likely to feel private renting was worse than five years ago. Those who said things were better had moved to a better quality home, or better location or had a more responsive landlord. Where tenants thought things were worse, this related to higher costs, fewer properties being available, and landlords attitude or behaviours. The tenant satisfaction was similar in Wave 1, but in Wave 2 which concentrated on lower income tenant and those in housing need, satisfaction was much lower when compared to the overall PRS population shown in Wave 1. Most of these tenants were struggling - financially and with poor condition or quality of homes they lived in, and they lacked choice and economic power to move to equivalent sized and/or higher quality properties due to higher rents.

Insights from 32 longer term renters in this Wave shows tenants felt they were stuck – they couldn't afford to buy and didn't qualify for social housing which most would prefer. This was the same as previous Waves 1 and 2. Some had come to accept they would always be private renting and were generally happy. Others were 'tolerably stuck' – they would prefer to be in ownership or social housing. The 'unhappily stuck' were often living in substandard accommodation with mould, damp or other outstanding repairs needing to be done, and feeling powerless to change their situation. These negative experiences were consistent with interviews undertaken in Wave 2 with low-income households and those in housing need.

Longer term tenants in this Wave showed an even split between those that said private renting was consistently good or better, tolerable, or consistently bad. Only a few said private renting was worse. Financial circumstances usually drove improvement or deterioration of housing situations. Interviews also showed that positive or negative experiences were judged on the standard of service and landlord/agent responsiveness. Many of the long-term renters felt that their experience was best when they were dealing with the landlord directly as problems were resolved much faster and they felt there was a more personal service, compared to some letting agents who many viewed as holding things up, and adding another layer to getting things done. However, the general population of tenants in Wave 3 Tenant survey showed little difference in satisfaction between those letting directly and letting through agents. According to tenants, the PRT or whatever contract/legal rights didn't make much difference to their experience – this was down to service standards, the attitude of and relationship with

⁶⁵ 34% could not say as they were more recent entrants to the sector and 5% did not know

individual landlords and letting agents, and whether or not they took their responsibilities seriously.

Across the three Waves of research the relationship with the landlords and/or confidence in the letting agents were important in tenants' sense of security and satisfaction with the service received, although with different dynamics of what this meant in practice. The importance of relationship was also true for most landlords, although in this Wave there appears to be a shift in tone; a common perception amongst participants was now a focus on compliance with legislation which meant that the relationship had become increasingly contractual; this marked a significant change in orientation for smaller landlords, who previously had a more personal, hands-on relationship with tenants and the property. One notable feature of the responses was landlords' perceptions of how changing expectations from 'more demanding' tenants were transforming the relationship between landlord and tenant. Some claimed this was as a result of Scottish Government policies, with the relationship was becoming increasingly commercial, and sometimes adversarial.

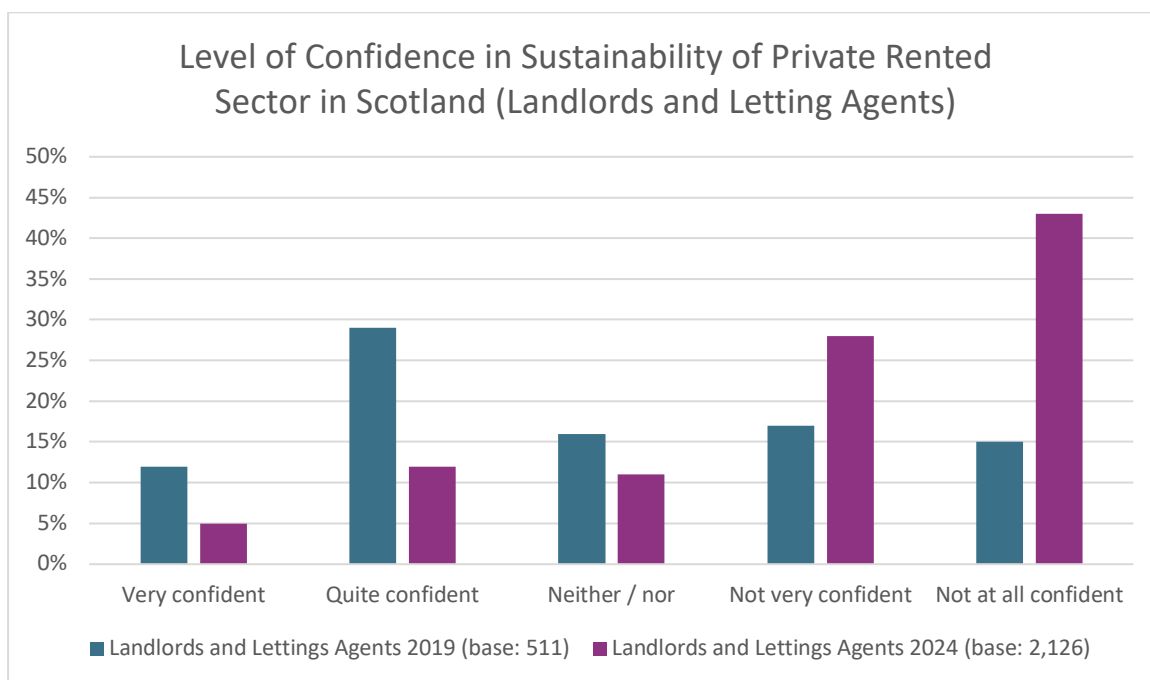
7. Views on the future of the PRS in Scotland

This final chapter explores landlord, letting agent and wider stakeholder opinion on the future of the sector. In terms of the research questions, the findings set out here seek to further understand the range of perspectives of how the PRT and more recent legislation may impact on the future of the sector.

Confidence, risks and opportunities in the Private Rented Sector

The RentBetter Landlord and Letting Agent Survey asked respondents about how confident they were in the future sustainability of the private rented sector. Confidence was down substantially from 2019; 17% of respondents in 2024 compared to 41% in 2019 were either very or quite confident in the future sustainability of the private rented sector – this was higher for letting agents (25%) when compared with landlords (17%). By comparison, 70% of respondents (up significantly from 42% in 2019) were not very or not at all confident – this was higher for landlords at 72% and lower for letting agents at 61%. Landlords with 6 to 10 properties (7%) or more than 10 properties (10%) were also slightly less likely than others to express confidence in the sustainability of the sector.

Figure 27: Level of confidence in sustainability of the PRS in Scotland



Source: RentBetter Landlord and Letting Agent Survey 2019 and 2024

In order to understand where landlords and letting agents’ perceptions of reduced confidence in the sector is coming from, we can look at their view on the impact to them as landlord/letting agent of various legislation and other regulations, and also the perceived risks and opportunities in the PRS.

The table below sets out a summary of perceived impacts with the overall positive, neutral and negative figures for each element along with a “net positive / negative” figure. The shaded rows relate to questions asked in both 2019 and 2024 and the unshaded rows to “new” questions for 2024.

With regard to the various changes introduced through the Private Residential Tenancies (Scotland) Act 2016 (relating to an end to Short Assured Tenancies, end to “no fault” evictions, tenant notice period of 28 days and landlord notice period if 84 days after 6 months), the most common (and usually the majority) view regarding the impact on “you as a landlord” is neutral. In each case, however, significantly more respondents ascribe a negative rather than a positive view to those changes.

Table 5: Overview of Impact of Changes on “You as a Landlord”

Change	Positive	Neutral	Negative	Net Positive / Negative
End of fixed term Short Assured Tenancies	4%	55%	41%	-37%
End to “no fault” evictions	4%	55%	41%	-37%
Tenants can now give 28 days’ notice to leave	6%	56%	37%	-31%
Landlords must give 84 days’ notice after 6 months, under certain grounds	5%	49%	46%	-41%
Reduction in the level of mortgage interest tax relief to 20%, with 40% no longer available for higher income earners	4%	55%	41%	-37%
Establishment of a freeze on rent increases (and subsequent cap on rent increases) as part of the Cost of Living (Tenant Protection) (Scotland) Act 2022	4%	29%	67%	-63%
Temporary pause to the enforcement of evictions established as part of the Cost of Living (Tenant Protection) (Scotland) Act 2022	3%	50%	47%	-44%
Extended notice periods and eviction moratorium established as part of the Covid (Scotland) Act 2020	3%	48%	48%	-45%
Increase in the level of Additional Dwelling Supplement (ADS) from 4% to 6%	4%	57%	39%	-35%
Bases vary and are detailed in the sections on each individual question				

Source: RentBetter Landlord and Letting Agent Survey 2019 and 2024

A similar pattern is apparent with respect to most of the post-2017 changes with the majority or near-majority response being a neutral one in relation to each of reduction in mortgage interest tax relief (MITR), the 2022 increase in the level of Additional Dwelling Supplement (ADS), and the various impacts of the Covid and Cost of Living legislation including temporary pauses to the enforcement of evictions and the extended notice period and eviction moratorium. In each case, however, significantly more respondents ascribe a negative rather than a positive view to those changes.

The exception to the above is in relation to the establishment of a freeze/cap on rent increases, which a substantial majority of respondents (67%) indicate has had a negative impact on them as a landlord.

In terms of perceived risk, survey respondents were also asked to comment on the extent to which various factors represented a risk to their operation in Scotland over the next few years. The most common risks as per the 2024 survey are tabulated below, set out in order of the “overall” result for “some” or “a significant” extent. It is clear that all of the issues presented to landlords as a potential risk were seen as such by a significant proportion of respondents. The least risk was perceived as benefit changes (move to Universal Credit etc), and MITR, and the most significant risk was seen as rent control.

Table 6: Ranking of Perceived Risks by Respondent Category (2024) – proportion identifying issue as a risk to some or a significant extent

Risk	Overall	Landlords	Letting Agents
Rent controls	81%	81%	86%
Restrictions on evictions	76%	75%	92%
Enhanced rights given to private sector rented tenants	75%	75%	83%
The PRT regulatory regime	63%	63%	63%
Additional Dwelling Supplement	57%	56%	62%
Changes to Mortgage Interest Tax Relief	51%	49%	81%
Recent benefits changes to tenants i.e. Universal Credit	41%	42%	39%
Bases vary and are detailed in the sections on each individual question			

Source: RentBetter Landlord and Letting Agent Survey 2024

When given the opportunity to comment on an open, write-in basis regarding risks to their operation as a private landlord, respondents commonly reiterated their view that the range of legislative changes in aggregate had a negative impact on their own operations and on the market as a whole⁶⁶:

"If I could sell the property I would. It is now too onerous and unprofitable to be a landlord on a small scale."

⁶⁶ Further comments are found in the RentBetter Landlord and Letting Agent Survey 2024

"Due to rent not going up during Covid and the introduction of the rent freeze we find ourselves in a very difficult situation where our mortgage is more than the rent, now the only option for us is to sell the property which will render the tenant homeless."

"None of the Scottish Government's policies help a landlord. They simply do not understand the market and lead with populist policies that win votes but in the long term will push rents higher and make it harder for tenants. The government needs to remember that owning a home isn't for everyone and, love them or hate them. landlords are required for our housing systems as it currently stands"

Occasional concerns were also apparent as to additional legislative changes that could have a further negative impact on financial viability, with the prospects of a rent freeze being extended to new tenancies being a particular concern:

"If the Scottish Government imposes more rent controls then we are likely to sell our property and cease being a landlord in Scotland (we are likely to continue as a landlord in England)."

"I haven't issued rent increases to tenants in the past but have had to introduce them to minimise any impact that future proposed legislation might mean for limiting rent increases, even between tenancies."

"I cannot grow my rental business because of the tax regulations and ADS. I cannot cover my overheads because of the rent cap. It is also difficult to remove non-paying tenants or those that cause damage. Over the next 4 years, I will be gradually selling off my properties and I will be reinvesting elsewhere - possibly Newcastle."

Respondents were also asked about the extent to which they saw each of these changes as opportunities and these results are set out below; across the board, respondents were significantly less likely to perceive these issues as an opportunity than they were to perceive them as a risk and these views were broadly similar across landlord characteristics. Only between 11% and 17% of respondents considered any of these issues to be an opportunity for their operations, these most commonly relating to enhanced rights given to private sector tenants (16%), the regulatory regime, rent controls and restrictions on evictions (17% of respondents in each case).

Table 7: Ranking of Perceived Opportunities by Respondent Category (2024) – proportion identifying issue as an opportunity to some or a significant extent

Opportunity	Overall	Landlords	Letting Agents
The regulatory regime	17%	17%	27%
Rent controls	17%	17%	19%
Restrictions on evictions	17%	17%	21%
Enhanced rights given to private sector rented tenants	16%	16%	19%
Recent benefits changes to tenants	13%	13%	18%
Additional Dwelling Supplement	13%	12%	15%
Changes to Mortgage Interest Tax Relief	11%	11%	19%
Bases vary and are detailed in the sections on each individual question			

Source: RentBetter Landlord and Letting Agent Survey 2024

The most common opportunity referenced in the open write-in comments related to regulation helping to reduce the possibility of unregistered or rogue landlords having a negative impact on perceptions of the sector.

Future plans

Landlord and Letting Agent respondents were asked which, if any, of a number of potential changes to the landlord activity they were actively considering at present. This showed that a significantly higher number of landlords were considering selling their properties compared to 2019, and less were looking to increase their activity in the PRS, but also in Short Term Lets (STLs).

- Considering selling all their properties and stopping being a landlord - 45% up significantly from 23% in 2019.
- Selling the current residential properties that they let - 33%, down slightly from 35% in 2019.
- Considering buying more properties to let in the PRS - 9% down from 17% in 2019.
- Selling any STLs properties - 5% (not asked in 2019).
- Buying additional properties as STLs - 3%, down from 6% in 2019.
- Moving properties currently let in the PRS to STLs - 4%, down from 15%⁶⁷
- Moving properties that they let as STL to long-term PRS lets - 1% overall.

In addition to these findings from the RentBetter survey in respect of future intentions, the Scottish Association of Landlords (SAL) reported on a survey of letting agents that found that 8% of their previously managed properties have been withdrawn from the private rented sector during 2023, which SAL suggested supported widespread anecdotal evidence of an exodus of landlords from the sector⁶⁸. SAL⁶⁹ has also published the results of a member survey of 697 of its members, with a collective PRS portfolio of 5,480 properties, which found 56% are planning to reduce their portfolio in the next ten years. Those responding to the survey reported having already withdrawn an average of 6.4% of their properties from the sector during 2023. The three most commonly given reasons for sector withdrawal from the SAL survey was: perceived hostility towards landlords from government/politicians – 83% (up from 78% in 2022); concern about the proposal to introduce rent controls – 75% (up from 61% in 2022); and increasing regulation in the sector – 74% (up from 63% in 2022).

⁶⁷ The drop in interest between 2019 and 2024 in moving long term residential properties to STLs may be associated with the regulation of STLs in Scotland which was introduced through the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2021 licensing scheme which made mandatory for all short-let accommodation.

⁶⁸ <https://scottishlandlords.com/news-and-campaigns/news/letting-agent-business-and-market-survey/>

⁶⁹ <https://scottishlandlords.com/news-and-campaigns/news/landlord-portfolio-and-investment-survey/>

The Landlord Survey showed that 25% of respondents had sold properties that they let in the PRS in the past five years, and that this proportion was especially high amongst those landlords that had been operating for more than 10 years (32%).

As detailed above, between a third and almost half of landlords stated through the survey that they intended to sell some or all of their private rental properties. Of course, landlords stating an *intention* to sell, is not the same as actually selling. In 2019, 23% of landlords said they planned to sell all of their residential portfolio. Considering the different datasets on stock numbers (above), this level of intention to sell does not align with the indications of a small reduction in the PRS stock over the same period. Therefore, there is evidence that more landlords say they will exit the sector than actually do.

Wave 3 data analysis has explored the scope to track properties using information in the Land Registry/Landlord Register and/or anonymised evidence from local estate agents. This required a list of addresses that had been sold and could be checked against the Landlord Register data. There were around 50 such addresses in the FTT data for the first 6 months of 2022 – where landlords had sold the property after a Ground 1 eviction (as outlined in chapter above on Security of tenure). Of these 50 addresses, 17 were on the landlord registration data and 35 were not. This means that properties sold by landlords who had been through the FTT process were more likely to exit the sector than not. It is unknown what happened to these 35 properties when sold (whether into home ownership, another private landlord or less likely sold into the social sector), and whether these 35 properties may have been replaced by other sales into private renting from owner occupation, but this certainly indicates significant churn within the sector at the very least. It is known from local authorities involved in interviews and case study work for this research, and from the homelessness statistics (see chapter on Access to Justice above) that homelessness from the PRS has gone back pre-pandemic level, partly as a result of increasing sales from the PRS sector in addition to evictions due rent arrears (which account for most evictions). The Scottish Government housing statistics also show a reduction in PRS stock. Taken together it is fair to conclude that more stock has been flowing out of the PRS than flowing into it over the recent past.

The qualitative interviews examined landlords' and agents' intentions for the future in more depth. A common theme from landlords was the perception that the housing market in Scotland had changed significantly so that the risk as a private landlord in Scotland was now much greater than 10 to 15 years or so ago. There was a combination of factors that were said to have led to this assessment - escalating costs (including interest rates, labour, maintenance), the increased burdens of regulation, and the prospect of permanent rent control. Several respondents stated they were intending to sell property and, in a few cases, exit the sector entirely. This part of the interviews illustrated how there was a stronger desire to exit the sector compared to the earlier Wave 1 and 2 (i.e. 2019/20 and 2021/22). For example:

'Unless you are in the market in a big way, it is just not going to be as profitable as it was 20 years ago. The general mood out there is that it is all too much and time to exit. Those that had bought maybe 15 years ago are just selling them off as they become vacant' (Landlord, portfolio, 65)

I understand there's a difference between intentions and people saying they're going to sell, and then they're actually doing it because I've been doing this now seriously for 12 years, and I've heard lots of people say that they're going to sell, but then they haven't. But then over the last 14-15 months, they've been forced to sell because the straw that really broke them is the interest rate" (Landlord, Business, 175)

Many put the blame on the actions of the Scottish Government, including the negative rhetoric, but there was also the sense of age and stage of some landlords, particularly those that had invested in the PRS for retirement (or for their heirs), and there was frustration about the high level of uncertainty incurred by Scottish Government in recent years:

"I am concerned these laws have failed the tenants, the system has failed. I just go on the advice of the agent and the agent has told me to sell up. This poor [tenant] is going to be made homeless when I sell" (Landlord, accidental, 1).

"where's the capital growth going to come from when all you've got is spiralling costs and an aggressive legislative environment against you" (Landlord, business, 175)

"I try to do the right thing – always. And it is not working for me. You find out the new rules when it is far too late, you cannot plan a business that way, it is far too reactive. I will invest in England, not PRS, but just do up a flat and flip it. I will not be involved in renting again; it is the combination of having a bad tenant and Covid which makes me say never again" (Landlord, investment, 4).

It's reaching a point where I don't want to deal with this – and I definitely do not want to pass this problem on to my survivors when I die. It's a headache, I've been willing to put up with this headache for years but I don't want to pass that down in my will. I don't want to be 80 years old and dealing with this (Landlord, investment, 4).

"PRS was a legitimate investment for people who were retiring, and it isn't anymore" (Landlord, investment, 15).

Some landlords also mentioned energy efficiency regulations which provided a further incentive to disinvest:

'That is the factor that will make me sell, if I can't make the [energy efficiency] standard' (Landlord, investment, 3)

'I am desperate to sell, particularly with the EPC changes coming in...selling is the only way to recoup losses" (Landlord, investment,4).

"How is this going to work? Like the energy efficiency rules. [There are] too many unknowns. They produce all these rules and regs and then last minute they change or amend them. If you're trying to run a business you want to be ahead of the game. You need to know where you need to be to prepare and plan. These changes make it really difficult" (Landlord, investment, 8)

A few landlords strongly felt that the risks of renting in the current environment were now prohibitive, with greater use of rent guarantees, or rent guarantee insurance:

“I always now get rent guarantee insurance. It is just too expensive if you fall out with a tenant” (Landlord, portfolio, 12).

Some respondents intended to exit the PRS in Scotland all together. Three landlords specifically mentioned shifting their business into commercial property, and several others talked about investment opportunities elsewhere in the UK:

‘I intend to eventually sell everything and shift from residential into commercial property, it has become impossible to do residential and not lose money. Returns are better, leases are longer, income is secure.’ (Landlord, business, 175 – mix).

‘We would move the money out of residential [into commercial]. We have 18 properties - all tenants on PRT, no SATs. So we would have to serve notice and sell with vacant possession. We have begun the process of getting the valuations, prioritising which ones go first and liquidate in phases, all 18, we know which ones we want to sell. Sell in batches just as we buy in batches. Broadly would take market conditions into consideration, probably well over a 3 year period. We will sell the ones that have poorest yield first.’ (Landlord, portfolio, 18).

“I would move our investment into commercial - in Scotland, but if we were convinced that English and Welsh PRS was remaining as it is, broadly in terms of the balance of power, then we might consider that” (Landlord, portfolio, 45).

“I’m going to invest south of the border where the environment is more favourable to landlords. I am based in Glasgow now so will get an agent and be hands off. I just want an easy life. I can’t invest in a market that is subject to the vagaries of Scottish Government who have lost the plot” (Landlord, investment, 6).

In contrast, a few letting agents and one landlord/agent took a more optimistic view:

“the market is still a very viable option. Bricks and mortar is still a place to make money. We just understand that we are going to have speedbumps thrown at us” (Agent, 560).

I disagree that the sector is contracting – as a letting agent, we have seen more properties come to us now than we have in the last 5 years. There are some people who have not been a landlord for 20 years, who are now coming back with properties. Landlords who are a bit long in tooth are getting wary of all the interventions, so they seem to be the ones who are leaving perhaps earlier than they would have. But it is not a huge exodus...There is actually a new influx of landlords where the PRT is all they know, so have nothing to compare it to (landlord and agent, investment, 150)

However, most landlords perceived that the system was now unfair and biased against landlord, that the balance of power had shifted too far towards tenants and was acting as a disincentive for the supply side of the sector.

The majority of clients are single property owners - they are not JP Morgans... We need a balance between raising rights of tenants and protecting landlord investment. The PRT is now working too far in favour of tenants. (Agent, 150)

Interviews with wider stakeholders also explored opinion on the future of the sector. Most of these organisations were supportive of the PRT and agreed that has correctly served to improve tenants' rights this brought compared to the SAT, and this was now generally accepted in the market. Most also considered that the large amount of subsequent legislation has created unintended consequences including loss of supply and increasing rents. There was a call for clarity of the government's strategic direction and policy, rather than what was claimed by one as 'reactive' legislation. An alternative view from one stakeholder suggested a future vision should be one where the PRS is not seen as a market, and that housing (regardless of tenure) should be seen as a human right, with firmer government vision and ambition needed around regulation and control:

"[The recent legislation] is reactive, and it's not being based on conversations in the sector. It's not being based on evidence and Scottish Government are not necessarily thinking about some of the unintended consequences like behaviour change from landlords." (Wider stakeholder)

"There has definitely been an increase [in sales from the PRS] even before the cost of living [legislation], but there's even more of an increase in landlords looking to sell and I think that's always inevitable with legislative change." (Wider stakeholder)

"The PRT for instance created no real fuss. The current rent restriction and the proposed rent control system seems to be having a different impact [for sales]. Policy that impacts so directly on rental income has in my opinion shaken the rug out of the whole sector. For a long time, there was a settled market and now it's getting shaken out." (Wider stakeholder)

"That lack of strategic direction, a lack of leadership, the fact that there isn't a rented sector strategy, there was a draft strategy. The previous private rented sector strategy that was introduced in 2013 sort of fizzled out. And I don't think there's a really clear direction for the private rental sector just now. The previous strategy had a really clear ambition." (Wider stakeholder)

"We don't think it should be seen as a market, people being allowed to treat it as market rather than as a right and landlords being able to prioritise making high profits." (Wider stakeholder).

"The future of the PRS could honestly go well if the government uses ambitious policy reform. Or it goes badly because it tries to please both landlords and tenants and ends up going in the middle of the road. That's more confusing for everyone and so I think this is an opportunity to deliver an affordable PRS through proper regulations, proper rent controls and better protections against evictions. There is a desire and vision around that. And I think if they don't deliver on that vision, it will be very complicated and very difficult." (Wider stakeholder).

Summary – Views on the future of the PRS in Scotland

There has been a significant lowering of confidence from landlords/agents in the future sustainability of the PRS over the last five years. Those who were either very or quite confident in the PRS reduced from 41% in 2019 to 17% of respondents in 2024, and those that were not confident increased significant 42% in 2019 to 70% in 2024.

Drivers of this reduced confidence in the sector came from perceived impacts, risks and opportunities. On impact, the PRT was most commonly neutral but with more negative than positive responses; this was similar for ADS (specific to Scotland) and MITR (UK tax). The clear exception was the rent increase freeze and caps for which a substantial majority of respondents (67%) indicated negative impacts. Extended notice periods were also more negatively viewed than the PRT. The greatest risks were rent control and restrictions on evictions with MITR and changes to welfare benefits seen to have comparatively lower risk. A much lower proportion of landlords and agents saw any of these aspects as opportunities.

In terms of future plans, a much higher proportion of landlords stated they planned to sell all their residential portfolio now compared to five years ago (45% in 2024 compared to 23% in 2019), and less said they planned on buying more properties for let (9%, down from 17%). A lower proportion intended to buy additional STLs (3%, down from 6%), and less were moving residential stock to STLs (4%, down from 15%). A very small proportion planned to move STLs to residential (1%).

Intention to sell doesn't necessarily follow through to actual sales. The research explored the extent to which the intention to sell follows through to actual sales. In 2019, 23% of landlords said they planned to sell all of their residential portfolio. Considering the different datasets on stock numbers (above), this level of intention to sell does not align with the indications of a small reduction in the PRS stock over the same period. Therefore, there is evidence that more landlords say they will exit the sector than actually do.

Tracking Tribunal data where the reason for eviction was Ground 1; intention to sell (first six months in 2022) showed that the majority of these properties were likely to have been sold (35 out of 50). The extent to which these were sold to another private landlord is unknown, nor whether these properties may have been replaced by other sales into private renting from owner occupation but indicates significant churn within the sector. Other evidence of sales in the sector comes from local authorities and homelessness statistics, and the Scottish Government housing data shows a reduction in PRS stock. Taken together it is fair to conclude that more stock has been flowing out of the PRS than flowing into it over recent years.

Interviews with landlords and agents confirmed that few respondents were optimistic about the future of the sector; most perceived the external environment as distinctly unfavourable for private landlords. The problems faced by small-scale landlords were considerable and they felt overwhelmed by a combination of high costs, burdensome regulation, complexity and uncertainty. Whilst only a limited number of landlords had to date begun to sell property, a larger number of smaller landlords stated an intention to sell their stock and, in some cases, leave the sector altogether.

Most wider stakeholders, while supportive of the PRT, considered that the large amount of subsequent legislation has created unintended consequences including loss of supply and increasing rents. Most called for clarity of the government's strategic direction and policy for the PRS, rather than what was claimed as 'reactive' legislation. However, one alternative view suggested the future vision should be one where the PRS is not seen as a market, and where

housing (regardless of tenure) is seen as a human right, with firmer government vision and ambition needed around regulation and control.

8. Conclusions and recommendations

Conclusions

The research questions set for this final endpoint have brought us full circle to the original research aims, specifically:

- Protecting against excessive rent increases - What is the demand/supply position in relation to PRS in Scotland and how is that affecting rent levels? To what extent do the 2016 Act provisions protect against excessive rent increases? What lessons can be learned from Scotland's more recent experience of caps on rent increases?
- Security of tenure - Do tenants feel more secure and why/why not? Do they know their rights have changed under the PRT? Do they feel able to exercise these rights? Is this sense about tenants' rights and empowerment, or is it about relationships between the tenant and landlord/letting agent?
- Tenants' overall experience - overall, how have things changed for tenants – have things become better or worse and why?
- Overall, what else is still to be achieved and how?

The conclusions draw on evidence taken from across the three Waves of research between 2019 and 2024. These questions should be seen in the context of increasing regulation in Scotland post the Private Housing (Tenancies) (Scotland) Act 2016, as set out in the introduction of this report, and a new Scottish Housing Bill introduced in March 2024 which proposes further revision to PRS regulation (in addition to wider housing sector legislation).

Supply and demand context

The Wave 2 report in 2022 concluded that PRS stock appeared to be levelling off, or perhaps reducing, with significant supply/demand imbalance emerging. The final report shows that PRS stock has indeed reduced since 2017 (although with some evidence of recent stabilisation in stock numbers), there has been a significant fall in lets, and average time to let is amongst the lowest in the UK (showing decreasing supply relative to demand). Tenants are finding it more difficult to find a home (with low-income and disadvantaged groups more so), while landlords/agents find it easier to let a home. Overall, the evidence suggests supply/demand issues are becoming more pressing in Scotland. There are also pressures in the PRS across the UK overall, with many common market factors driving the imbalance.

It is not possible to conclude on whether the PRT specifically has driven the reduction of PRS stock and availability of lets in the PRS, but the scale and nature of more recent regulation in Scotland has certainly impacted on investors' appetite to remain in the sector, clearly combined with a range of other market factors common across the UK - supply/demand imbalance, period of high inflation, rising costs, and increased interest rates and mortgages.

It is outwith the scope of this research to undertake a housing systems analysis, but this research points to the requirement for ongoing in-depth monitoring work being undertaken. Further work should be done to build on the primary data obtained through this study and generate ongoing data sources. Such housing systems analysis work would support better understanding of this least understood part of the housing system as it evolves and goes through further changes in the years to come. It would especially support better understanding of the impact of policy changes.

Protecting against excessive rent increases

One of the original policy objectives of the 2016 Act was to “provide more predictable rents and protection for tenants against excessive rent increases”. Another policy objective was to “provide security, stability and predictability for tenants and appropriate safeguards for landlords, lenders and investors”.⁷⁰

Average advertised rents for new lets in Scotland have increased since 2017 and have accelerated significantly in recent years post pandemic.

The baseline report in 2019 hypothesised that rent increases would become more common as an unintended consequence of the PRT stating that rents can only be increased once every 12 months where previous tenancy regimes were silent on rent increases. Since 2019, this research has been found that the most common rent increase practice continues to be at change of tenancy.

The rent increase freeze/cap introduced by Scottish Government in September 2022 only limited rent increases in-tenancy, and therefore has done nothing to prevent the increased level of market rents for new listings. Understanding the effect of this legislation is made more challenging by a lack of data on changes in rents during tenancies. ONS uses data provided by the Scottish Government that does not capture this, meaning its data comparing rents does not capture the impact of the rent increase freeze/cap introduced by Scottish Government in September 2022⁷¹. This is a major gap in official rents data in Scotland which means the impact of rent policy is difficult to assess. However, the RentBetter Tenant and Landlord/Letting Agents Surveys and qualitative research provided evidence of experiences and rent setting behaviours.

The most common way for rent increases to occur in the PRS in Scotland is on change of tenancy, as reported through both the Tenants and Landlord/agents survey and in qualitative interviews. Most tenants do not experience in-tenancy rent increases – these are experienced by around a third of tenants, and only 15-23% of tenants experience annual rent increases (depending on whether asking landlords or tenants respectively). According to tenants there

⁷⁰ <https://www.gov.scot/policies/private-renting/private-tenancy-reform/>

⁷¹ *Because of data collection limitations, Scotland rents data (underlying the PIPR's stock measure) are mainly for advertised new lets, which were not subject to Scotland's in-tenancy price-increase cap and are not subject to temporary changes to the Rent Adjudication system, as described in the [Cost of Living \(Tenant Protection\) Scotland Bill](#) and the [Scottish Government's Cost of living: rent and eviction page](#), respectively”.
[Private rent and house prices, UK - Office for National Statistics \(ons.gov.uk\)](#)*

is evidence of a slight increased frequency of rent increases, compared to five years ago, with 23% reporting at least annual increases in 2019 and 28% reporting this in 2024. There has been an increase in rent increases being incurred annually, and the long-term private renters interviewed reported more frequent rent increases since the rent cap introduction in September 2022. By comparison, landlords reported little overall change to the profile of frequency of rents increases, although they, like tenants, reported a rise of the proportion of rent increases at change of tenancy.

It is notable that where properties are managed by letting agents, regular and annual rent increases are much more likely than for landlords who directly manage tenancies. Since the establishment of the rent increase cap in September 2022, letting agents have been significantly more likely to increase rents to sitting tenants. This should be seen in the context of more PRS properties now being managed by letting agents.

Where in-tenancy rents were increased pre-September 2022, both landlords/agents and tenants said these increases were more often above the cap than below the cap of 3%. Only 22% of landlords and 31% of tenants reported rent increases before 2022 of below 3% (although many didn't know/couldn't remember). Where rent increases have occurred for sitting tenants, rent increases pre-September were more likely to be above the cap than below the cap. Therefore, assuming compliance with the rent freeze/cap of 3%, the rent increase cap is likely to have had the effect of dampening rent increases for this significant minority of tenants who experience in-tenancy rent increases (around a third).

The Scottish Government also had a wider policy objective of encouraging the professionalisation of the sector through the use of letting agents⁷², alongside its objective to protect tenants against excessive rent increases. However, there appears to be a conflict between the fact that letting agents are much more likely to increase rents to sitting tenants than landlords, while more landlords are moving to letting agents to manage their stock due to increasing complexity of regulation and perceived risk.

Wave 1 showed that the Rent Pressure Zones as introduced by the 2016 Act have failed, and this final report shows rent adjudication has been considered for a very small number of rent increases relative to the number of PRTs (estimated between 0.1% and 1% of PRTs).

Rent affordability is worse for those on low incomes and other marginalised groups, and across the research we see there appears to be an 'acceptance' or normalisation of high rents relative to net incomes. Tenants are generally aware of significant rent increases, even those that have not themselves experienced a recent increase, and throughout the research since 2019 we have found rent increases to be a key factor in tenants' ability to move, and their reticence to challenge landlords for fear of needing to move and therefore experience higher rent. Affordability and financial circumstances are a key factor in sense of security (discussed further below).

⁷² <https://www.gov.scot/publications/letting-agent-code-practice/>

It is therefore clear that none of the Scottish legislation since 2017 has had the impact of protecting most tenants against excessive rent increases or high market rents. The rent cap did limit rent increases for a significant minority of tenants (around a third) that experienced in-tenancy increases, but there is evidence of maximisation of rent increases at change of tenancy which is the most common time to increase rents, beyond those increases experienced in many other areas of the UK where no in-tenancy rent cap was in place. Average rent increases and high market rents have not been curtailed across the sector as a whole, and the prospects of further rent control may have served to exacerbate the level of current rent increases due to the uncertainty and risk perceived by landlords.

The Scottish Housing Bill introduced in March 2024 proposed a revised approach to rent control (including existing and new tenancies). The evidence presented in this work supports the conclusions from the CaChe 2022 rent control review, and the Scottish Government working group, namely that any new system of price control must be very carefully designed, must be supported by robust data on actual rent levels, and there should be ongoing monitoring using both market analysis and stakeholder opinion. The RentBetter brief does not involve consideration of what an effective system of rent control might look like, but it is clear that caution should be deployed to avoid unintended consequences as have been experienced across Scotland thus far, whilst at the same time achieving the objectives of protecting tenants against excessive rent increases, and ensuring the sector becomes more affordable overall.

Security of tenure and empowering tenants

As the majority of tenancies move to PRT, it is clear that the majority have increased legal security of tenure. However, affirming this increased security requires knowledge to *actually* empower tenants. Since 2019, the RentBetter research has shown lack of awareness of rights across the population, and this has not improved over the five years. It is also shown that where tenants have the knowledge, advice and information, and sometimes hands on support to navigate rights then good outcomes can be achieved. That said, Tribunal experiences seldom appear to be positive for tenants, and tenants' desired outcomes rarely achieved.

Despite not knowing their rights, consistently tenants consider that they are secure, and we see that tenant confidence has grown significantly over the last five years. The Tenants survey showed that only 2% of respondents had ever been served an eviction notice, and 1% over the last five years. Tenants' confidence is associated with financial security, affordability and being able to pay the rent and trusting and positive relationships with their landlord. Therefore, this preference for a subjective relationship rather than an objective contractual relationship continues, and demonstrates that the cultural norms established over 40 years through the relatively unregulated Assured Tenancy regime (and regimes predating that where the power balance was even more in favour of the landlord) takes time to change through a regulated regime.

However, there are signs of a culture shift, with landlords in this final wave highlighting increasing prevalence of contractual relationships, and tenants demanding higher quality in property and services, particularly in instances where rents are increased. Examples were seen through the research where long-standing tenants could have low expectations and/or didn't

feel able to challenge for higher standards and many were very unhappy, but then more recent tenants who had higher expectations, and were more likely to have better standards because they are in newer lets and could be more inclined to challenge.

We also see that tenants' overall experience is driven by the market, their financial security, and there is clearly less confidence and less power where the tenant has less income. Many tenants 'feel' they would be confident to challenge landlords, but the thought of the reality for them means time, money and potential failure in pursuing the case. All the research has highlighted the importance the supply/demand imbalance in driving negative tenant experiences, making tenants less likely to exercise their rights due to concerns not to "rock the boat" or to "poke the bear" due to ultimately fear of losing their home, and having to pay higher market rents with there now being very few affordable alternatives in the market. Giving tenants more rights in an environment where supply is seriously constrained and financially volatile for landlords is unlikely to be effective, unless they are aware of those rights, and encouraged and actively supported to use them through strong and proactive enforcement.

It is clear that most landlords and agents are supportive of increased security of tenure and feel broadly neutral about the PRT and the risks it presents. The exception is where landlords rarely need/want to evict a tenant and, in this respect, the longer notice periods, and very long waiting periods for Tribunal eviction proceedings create negative experiences and outcomes for landlords and presents them with greater risk. The research provides evidence that wrongful terminations or 'informal' evictions occur, although this research suggests that only a very small minority of all tenants have ever been served an eviction notice of any sort. We also see examples of where tenants can challenge these evictions and have good outcomes – again emphasising the importance of information and advice.

However, there are still some SATs being used through ongoing longer tenancies, and we see from this research that a minority of landlords are consciously not inclined to move tenancies over to PRTs to avoid the enhanced rights of the PRT, and rent control. Since the PRT has now been in place for almost seven years, it is reasonable that all tenancies should be transferred to the enhanced rights of the PRT, as proposed (following consultation) by the new Housing (Scotland) Bill.

In conclusion, most tenants do seem to feel more secure, but we also know that lower-income tenants and others that are disadvantaged do not have this same sense of security. This suggests different segments within the market, with the market working better for financially secure households and those able and confident to assert their rights, and less so for those less financially secure, and/or those with the less ability and confidence to challenge. However, the fact that most tenants feel more secure, and yet the external environment has worsened considerably for both tenant and landlord, does suggest there must be some enhanced security of tenure working in practice through the PRT, compared to five years or so ago. The fact that most tenants do not know their rights, and do not put this sense of security down to their legal rights, shows there is much more to be done in raising tenant awareness, empowering them more and thus increasing the security of tenure experienced, even further. The greatest focus should be those on those with least power in the market (lower income households and others in housing need and facing disadvantage), who are also most likely to

suffer from less well informed, and unscrupulous landlords operating at the bottom end of the market.

Tenants' overall experience

We also see that most tenants are satisfied in private renting. Most often, tenants feel that looking back over the last five years, private renting has stayed the same, but more people feel it has got worse rather compared to those that felt it got better. Across the five years of research, we have seen this is worse for people with less power. As for affordability and the sense of security, the overall experience of lower income tenants, the unemployed, tenants with children and other disadvantaged groups is worse for those who have to rely on the bottom end of the market. However, there has been a change in satisfaction of tenants' experience of landlords and letting agents. Five years ago, there was lower satisfaction amongst tenants renting through agents, compared to landlords, and now there is little difference; albeit tenants still say they prefer the direct connection and personalised service they receive from 'good' landlords rather than agents who often add a layer to the communication and decision making. The fact that satisfaction with letting agents has improved points to the Scottish Government's policy to professionalise the sector through the Letting Agent Code of Practice. The one exception here is the probable unintended consequence of tenants renting through letting agents experiencing significantly more common rent increases compared to those renting directly from landlords.

Overall experience getting better or worse is dependent mainly on financial circumstances. The renting experience has got better for those with improved income and therefore choice to move, and has got worse for those with reduced income, and sometimes with poor health circumstances. Those who were unhappily stuck in private renting experienced the worst conditions at the bottom end of the market and due to their financial circumstances were powerless to change their situation, or had low priority for social housing. In some of the poorest of situations (damp, mould, lack of repairs) the legal rights provided through the PRT should have helped resolve the situation, but again due to lack of choice of affordable options people (across tenure) tenants tended not to challenge.

As found for security of tenure, in conclusion, tenants' overall experience in the PRS is still largely driven by the market, with significant differences between the positive experience of many tenants and in particular those with economic power, compared to the poorer experience for lower income tenants, and those in greatest housing need living in the bottom end of the market. All tenants on PRTs have stronger legal rights than those in the assured tenancy regime, but the experiences noted by the study show that this is unlikely to have had much impact for lower income and disadvantaged tenants who still have little power or choice in reality. Again, tenant empowerment and stronger enforcement should help drive change.

Unintended consequences

This research has highlighted the importance of an unbalanced market in driving negative tenant experiences, making tenants less likely to exercise their rights due to concerns not to 'rock the boat' due to fear of losing their home and there being very few alternatives in the private market which tenants can afford. Financial volatility and uncertainty in the market,

and to some extent continuing informality means that for those with less power, security of tenure and improved experiences have proved limited.

There is evidence of the unintended consequences created by the range and scale of recent legislative change on the Scotland's PRS, when combined with the constrained market and significantly changed financial environment. Many landlords have made significant rent increases at change of tenancy to reflect the increased risks and, based on tenants', landlords and letting agents appear to have started to increase rents more frequently. Some landlords have sold, and more say they intend to sell.

The scale of negativity from landlords about regulation is the cumulative effect of a series of constant regulatory change, and the prospect of more significant change. This has created a very different environment to that which existed when many of the current (and aging) landlords invested in the PRS 20 years ago. What is clear is that landlords consider the various aspects of 'original' PRT to be one of the lowest of the risks currently in front of them. Being able to undertake this work over a five-year period to assess the impact of policy change shows that there are many different factors at play in driving systemic and cultural change. It shows that this change is slow, and that policy and legislative change is only one part of a much bigger picture amongst a raft of economic, political and social factors. This means pinpointing the various impacts of the PRT is difficult.

The resulting impact for tenants in the current market is that they find it increasingly difficult to find an affordable private rented home, rents are higher, and those with less power are less able to challenge landlords and agents for better property condition and service. These impacts and recommendations were already identified in Wave 1 and Wave 2, in advance of the latest set of legislative change; hence most of the resultant recommendations are again repeated, focusing on supporting and empowering tenants through information, advice and through much stronger enforcement regime with accompanying resources to address bad landlords/agents, and to support tenants with little economic power or choice. Legislation in itself has been inadequate to markedly improve tenants' perception of security of tenure and the shift in balance of power between tenant and landlord, and it must be accompanied by empowerment and enforcement, and a wider assessment of the housing system and the role the PRS should play in it.

Recommendations

Whatever their circumstances, all tenants should have access to affordable, secure, quality homes that can become the foundation of a healthy life. However, the findings indicate that many tenants, particularly those on low incomes, are being denied access to such homes. To improve the experiences of all tenants, the Scottish Government and wider stakeholders are urged to consider the following recommendations. These recommendations are agreed between the Nationwide Foundation and Indigo House.

Confirm the role of PRS in Scotland – There should be a review of the Scottish Government's strategy for the PRS. Given the stagnation and the likely reduction in supply in the PRS, the Scottish Government should clarify its position on its role in the overall housing system.

Deliver a greater supply of affordable housing – For those living in poverty or for those in housing need, the best housing solution is access to good quality, affordable housing. However, there is a vicious cycle in the PRS at the bottom of the market, where lower income tenants in lower quality properties are less likely to assert their rights to have repairs or improvements done due to lack of choice of affordable alternatives. Scottish Government should increase funding for a new supply of social and Mid-Market Rent (MMR) and other affordable housing, including increasing resources for the purchase of PRS stock by housing associations to ensure affordable housing is accessible to all.

End the Short Assured Tenancy (SATs) – PRT's provide enhanced rights to tenants. However, some tenants remain under SATs, which afford them less rights. As proposed by the Housing (Scotland) Bill 2024, SATs should now be halted entirely to move all PRS tenants to PRTs to ensure all PRS tenants have the same enhanced rights provided by the PRT.

Create stronger deterrents for wrongful evictions – Tenants must be able to feel secure in a tenancy and have the option to live in their home for as long as lawfully possible. However, this is not possible while landlords are able to abuse grounds for eviction. Where landlords use eviction grounds where there is no fault on part of the tenant (sale, family moving in, refurbishment, lender selling, use for something else), then the legal procedures should require the landlord to prove that these things have occurred and eviction was lawful, rather than the tenant having to prove that was the case in the event of it being unlawful.

Provide early information and advice for tenants – More early and ongoing information and advice should be provided to PRS tenants. There should be a plain language, accessible information leaflet provided at the start of each tenancy (say 2-4 pages) accompanied by a verbal walk-through explaining rights and responsibilities by the landlord or agent. Ensuring tenants understand and feel empowered to enact their rights when required would increase tenants' sense of safety and security in their homes, and prevent tenants living in poor-quality dangerous conditions.

Increase resources for information and advice – For tenants to feel confident enough to address concerns with their landlord, and risk possible disputes, they need to be able to access advice services for support and information. To support tenants in potential disputes, there should be increased public sector resources, ring-fenced for the PRS, for independent advice agencies and for local authorities' PRS regulatory and advice services.

Deliver more and better enforcement – Everyone needs to have a safe, good-quality home to support their health and wellbeing. But a lack of enforcement or access to legal redress within the PRS means that tenants may be unable to use their rights, which can leave them living in poor quality, sometimes dangerous homes. There should be much greater emphasis placed on strong and targeted enforcement of existing legislation, especially at the bottom of the market where tenants have less market power to address failings and less choice to move elsewhere. The Scottish Government should support targeted enforcement through additional ringfenced funding for existing enforcement routes – local authorities and the First Tier Tribunal.

Give tenants real access to justice – capacity should be increased in the First Tier Tribunal system, and the system should be simplified to encourage tenants and landlords to seek formal justice when necessary. This should be accompanied by awareness raising and support through information, advice and advocacy.

Undertake regular monitoring and analysis of the housing system – This work points to a requirement for ongoing in-depth monitoring work, to better understand this part of the housing system as it evolves in the years to come. This will allow the government to implement effective legislation and monitor its effects.

Support delivery of net zero and energy efficiency – The Scottish Government should support landlords by providing them with clear and accessible information and advice and provide financial grants to landlords to enable them to bring properties up to climate change compliance. Improving energy efficiency should help tenants with energy costs, reducing the financial burden and any associated stress, anxiety and wider health issues. It could also help deter sales out of the PRS or to non-compliant landlords.

Carefully assess rent control – if the Scottish Parliament determines that price control should be introduced in the PRS, this must be very carefully designed to avoid any unintended consequences of increasing rents (by whatever means) and reduced supply. A first step in any move to implement rent controls would be establishing a system of ongoing collection of robust rent data which is ONS compliant, through a centralised resource to ensure quality assurance. An example is the Centre for Housing Market Analysis, through which the Scottish Government already provides consistent housing market data to support local authorities in preparation and ongoing monitoring of their Local Housing Strategies.

Appendices

Appendix 1 – Limitations and Quality Assurance

Limitations

Secondary data analysis - the over-riding issue with published secondary data on the PRS is that much of the administrative data is not readily accessible for research purposes. A number of strategies were explored with the Advisory Group to mitigate these limitations. This included exploring the FTT data alongside the Landlord Registration Data to look at sales and using multiple data sources – Scottish Government Estimates, Landlord Registration Data and industry datasets to provide a rounded picture of the overall PRS stock. Advertised rents make up most of the data we have on rents and, as noted in the report, the methodology of capturing and updating rents data is under review.

Scottish Household Survey (SHS) - data collected on rents and income was not intended to be used for detailed analysis. In order to consider affordability, data from the SHS are analysed alongside data collected in the RentBetter Tenants Survey and other data sources. In 2020, the Scottish Household Survey moved onto telephone meaning it is not advisable to look at trend data based on the 2020 and 2021 data. The 2022 survey was back to a face-to-face methodology. However, there were concerns about the under-representation of private renters, the impact of which is noted in the report.

Landlord and letting agent survey – As the survey was conducted on an online self-completion basis, it was subject to a risk of respondents being atypical of the population of landlords / letting agents as a whole. In addition, as the survey was networked by a range of stakeholders to known contacts, there was a risk of differential response from certain areas or from certain types of landlord / letting agents. These risks were substantially mitigated by having a very broad range of partners encouraging completion of the survey, with coverage across the country and gathered via multiple routes. Where a difference in geographic profile was identified then overall results were weighted in line with the known national profile.

RentBetter Tenants Survey - The starting point for the sample was a database of private rented tenants, which was intended to limit the amount of screening required to secure respondents who were in scope. However, there were some considerable challenges with sample quality, which meant that a significant number of addresses on the database were not actually private rented properties. Where this was the case, interviewers were instructed to use a 'focused enumeration' approach, seeking interviews in areas adjacent to those addresses identified on the databases, with these being screened to ensure that the respondent was a private renter.

The RentBetter Tenants Survey report Annex 3 includes a comparison of the PRS tenant profile to the SHS. The RentBetter sample has a very similar economic status profile compared with the SHS, with slightly fewer working households and more households where the HIH is unemployed, retired and looking after the home/family in the RentBetter sample. Overall, the RentBetter survey has achieved a good mix of household types. The RentBetter sample has proportionately fewer families, single adult and small adult households and more large adult

households. The age of the SHS respondent profile is similar to the RentBetter sample, with slightly fewer young people and slightly more older people in the RentBetter sample. Annex 3 of the tenant survey report shows that weighting results back to the Wave 1 profile has limited impact on results.

The Wave 1 survey fieldwork ended shortly before the UK lock-down in response to the Covid-19 pandemic in late March 2020. The timing of the completion of the Wave 1 tenant survey fieldwork meant that none of the quantitative survey findings were impacted by the pandemic. However, Wave 3 was delayed due to the pandemic and those interviewed in Wave 3 have subsequently been experiencing the recent cost of living crisis. It can be challenging to unpack the impact of that from the impact of legislation.

The disruption due to the pandemic will inevitably have impacted on the private rented sector over the short and medium term. For example, the tenant body in Wave 3 may still be recovering from the impact on individual workplaces and the wider labour market, and some may still be repaying debts built up during the Covid-19 pandemic as well as debts associated with the cost of living crisis. The supply of private renting may also have changed as landlords and institutional investors made decisions about their portfolio of rented property, short-term and holiday lets in the post-Covid-19 travel and tourism market.

Qualitative interviews with landlords, tenants and stakeholders – The qualitative research approach allows for intensive exploration and description of key issues, allowing for insights into participants' views. The qualitative approach does not allow us to generalise for the whole population of landlords and renters, but it does allow us, given the number of interviews involved in this research and the recurring themes found, to summarise and develop general conclusions on the basis of certain household types and experiences.

Quality Assurance

Quantitative surveys

The survey questionnaires for both the Landlord and Tenant surveys were developed in an iterative manner within the research team, with feedback provided by the Advisory Group and with the final versions being signed off by the Nationwide Foundation.

For the Landlord survey, all responses were received online. Each individual response was checked to ensure consistency with routing. Where "Other" responses were noted in relation to "list" questions, these were checked and, where appropriate, back-coded to the relevant option within the list of responses provided for that question. Responses to open-ended questions were checked for grammar and spelling and were then listed verbatim.

For the RentBetter Tenants Survey, target quotas were set and detailed interviewer instructions were provided in writing and a verbal briefing provided to each interviewer in advance of their commencing fieldwork. Survey responses were completed by face-to-face or telephone survey. Telephone Survey responses were completed using computer-aided telephone interviewing, whilst face-to-face surveys were conducted on a pen and paper basis, with responses being data processed using the SNAP data processing software. All responses

required name and address details to be provided along with an email address or telephone number for subsequent contact. Following data processing, each individual response was checked and edited as appropriate to ensure consistency with the identified routing. Where "Other" responses were noted in relation to "list" questions, these were checked and, where appropriate, back-coded to the relevant option within the list of responses provided for that question. Responses to open-ended questions were checked for grammar and spelling and were then listed verbatim. A selection of responses from each interviewer was taken and contact made by a research supervisor to verify that the interview had been conducted in an appropriate manner, that the interviewee met the selection criteria for the survey and that basic questions had been recorded accurately.

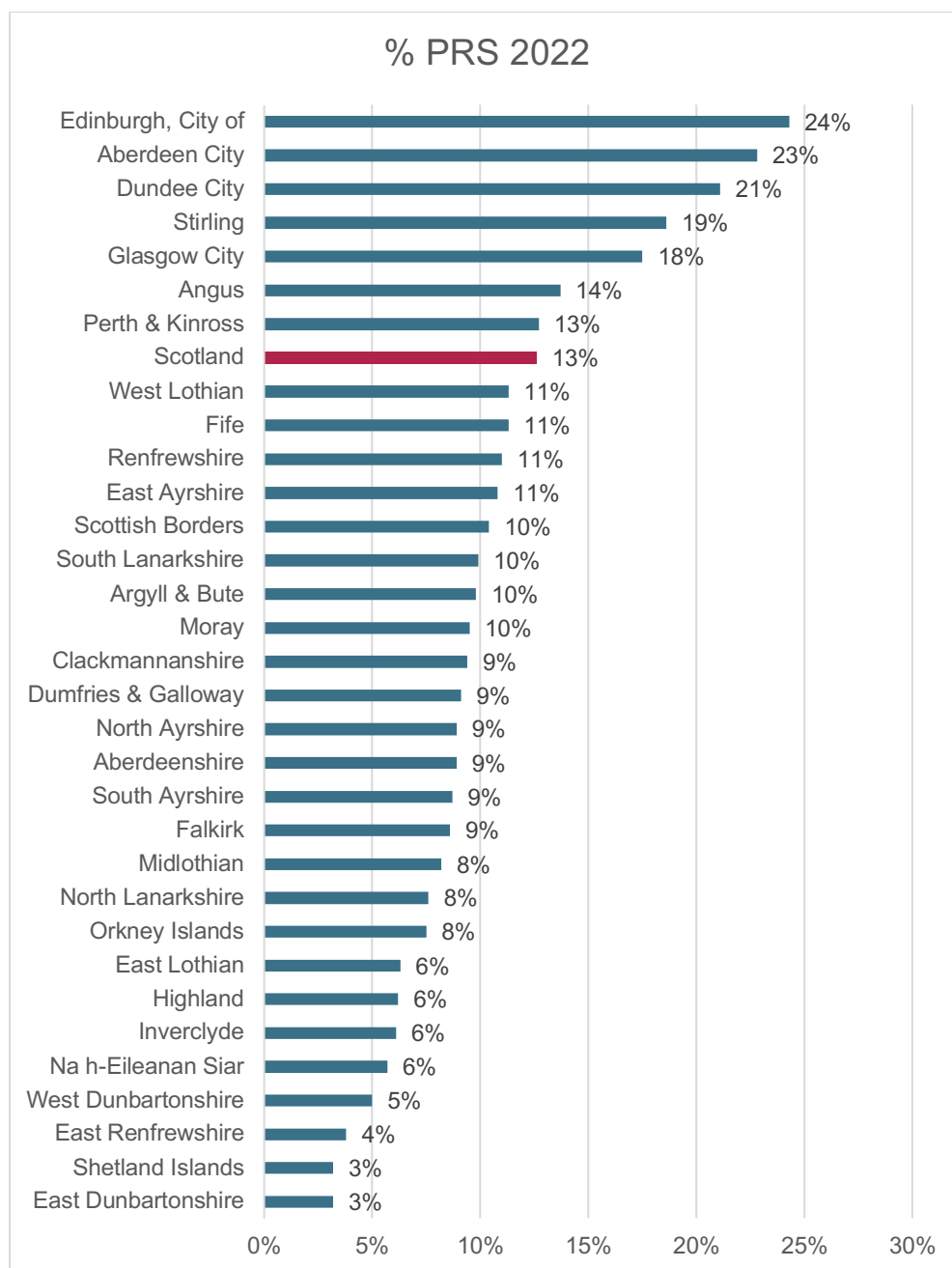
Qualitative interviews

The qualitative interview topic guides for landlords, tenants and wider stakeholders and sampling framework for each were developed in an iterative manner within the research team with feedback provided by the Advisory Group and with the final versions being signed off by the Nationwide Foundation. Interviews were recorded through a combination of notes and quotes and recording and transcription. The emerging themes from the interviews were generated and peer reviewed against transcripts before reporting commenced.

All final quantitative and qualitative outputs were peer reviewed by another research team member before Team Leader final review and sign off.

Appendix 2 – Dwellings and households

Figure A2:1: The PRS as a % of households in each LA (2022)



Source: Scottish Household Survey data (2022)

Table A2:2: Household characteristics by tenure (2022)

Number of people	Owner occupied	Owned outright	Buying with loan	Private rented	Social rented	Local authority	Housing assoc.	Other	All
1 person	30%	37%	21%	37%	50%	47%	54%	50%	35%
2 people	39%	47%	29%	38%	25%	26%	22%	34%	36%
3 people	14%	10%	20%	13%	13%	14%	11%	9%	14%
4 or more people	17%	7%	30%	12%	13%	13%	12%	7%	15%
All	100%	100%	100%	100%	100%	100%	100%	100%	100%
Base	7,070	4,430	2,640	1,110	2,250	1,250	1,000	120	10,550

Household type	Owner occupied	Owned outright	Buying with loan	Private rented	Social rented	Local authority	Housing assoc.	Other	All
Single adult	15%	11%	20%	35%	33%	30%	37%	30%	22%
Small adult	20%	15%	26%	30%	11%	12%	10%	28%	19%
Single parent	2%	1%	4%	8%	11%	11%	10%	3%	5%
Small family	13%	3%	26%	10%	8%	9%	8%	6%	12%
Large family	6%	2%	9%	3%	5%	5%	5%	1%	5%
Large adult	10%	10%	10%	6%	7%	8%	5%	5%	9%
Older smaller	19%	32%	2%	4%	7%	8%	6%	7%	14%
Single pensioner	16%	26%	2%	4%	18%	18%	19%	20%	15%
All	100%	100%	100%	100%	100%	100%	100%	100%	100%
Base	7,070	4,430	2,640	1,110	2,250	1,250	1,000	120	10,550

Tenure	Owner occupied	Owned outright	Buying with loan	Private rented	Social rented	Local authority	Housing assoc.	Other	All	Base
All households	65%	36%	28%	13%	22%	12%	9%	1%	100%	10,550

Highest Age	Owner occupied	Owned outright	Buying with loan	Private rented	Social rented	Local authority	Housing assoc.	Other	All
16 to 34	12%	3%	24%	52%	20%	19%	21%	30%	19%
35 to 59	44%	26%	67%	36%	45%	45%	45%	34%	43%
60 or over	44%	72%	9%	12%	35%	36%	34%	37%	38%
All	100%	100%	100%	100%	100%	100%	100%	100%	100%
Base	7,070	4,430	2,640	1,110	2,250	1,250	1,000	120	10,550

Number of cars	Owner occupied	Owned outright	Buying with loan	Private rented	Social rented	Local authority	Housing assoc.	Other	All
0 cars	12%	15%	9%	42%	54%	52%	56%	38%	25%
1 car	47%	51%	43%	42%	38%	39%	36%	45%	44%
2 or more cars	41%	34%	49%	16%	9%	10%	7%	17%	30%
All	100%	100%	100%	100%	100%	100%	100%	100%	100%
Base	7,070	4,430	2,640	1,110	2,250	1,250	1,000	120	10,550

Net income	Owner occupied	Owned outright	Buying with loan	Private rented	Social rented	Local authority	Housing assoc.	Other	All
Up to £6,000	2%	2%	0%	3%	3%	2%	4%	6%	2%
£6,001 to £10,000	4%	6%	1%	3%	11%	11%	11%	5%	5%
£10,001 to £15,000	8%	13%	3%	9%	17%	17%	17%	12%	10%
£15,001 to £20,000	11%	14%	6%	16%	23%	24%	22%	18%	14%
£20,001 to £25,000	10%	12%	8%	14%	15%	15%	14%	12%	12%
£25,001 to £30,000	9%	10%	7%	12%	9%	9%	9%	10%	10%
£30,001 to £35,000	8%	8%	7%	9%	5%	5%	6%	3%	7%
£35,001 to £40,000	8%	6%	9%	8%	4%	4%	4%	8%	7%
£40,001 to £50,000	13%	8%	20%	10%	6%	5%	6%	13%	11%
£50,001 to £60,000	11%	6%	16%	7%	1%	1%	1%	1%	8%
£60,001 to £70,000	5%	3%	9%	2%	1%	1%	1%	0%	4%
£70,001 to £80,000	4%	2%	6%	1%	0%	0%	0%	1%	3%
£80,001 or more	5%	3%	7%	1%	0%	0%	0%	1%	3%
Unknown or low	4%	6%	2%	7%	5%	5%	5%	11%	5%
All	100%	100%	100%	100%	100%	100%	100%	100%	100%
Base	7,070	4,430	2,640	1,110	2,250	1,250	1,000	120	10,550

Source: Scottish Household Survey, (Household characteristics by tenure – Tables 1.1 and 1.11 to 1.15)

Appendix 3 – Landlord and tenant qualitative interview sample profiles

Landlord and letting agent interviewee profile

A total of 28 landlords and 5 letting agents (some were both) were interviewed. These were categorised as follows⁷³:

- 5 were accidental landlords, with 1 property
- 7 were investment landlords with between 1 and 20 properties (average of 7 properties)
- 10 were portfolio landlords with between 5 and 25 properties
- 2 were business landlords with between 18 and 100 properties.
- 5 were letting agents with portfolios ranged in size from 140 to 1,600 properties.

In terms of the type of area and types of markets where properties were located (some had different properties in different types of locations):

- 23 had properties in urban areas
- 25 in cities
- 10 in rural areas
- 29 had properties in pressured area, 0 unpressured and 22 in mixed markets.⁷⁴

All respondents had experience of the Private Residential Tenancies (PRT). Most landlords (18 out of 28 landlords) and one letting agent (out of 5) said that all their tenancies were now PRTs. This included all types and sizes of landlords ranging from 1 to 175.

There were a few respondents who were unsure due to having agents managing the tenancy. Some landlords (10) said that they still had a mix of tenancy type, with a small number of landlords explaining that either all or most of the tenancies were on Short Assured Tenancies (SAT), with relatively long tenancies. No landlords reported having pre-1988 Protected Tenancies on fair rents.

Respondents with larger portfolios were landlords who were investment, portfolio and businesses landlords with larger stock sizes of between 11 and over 50. About a quarter of the sample of respondents had tenants who received housing benefit. Those who did not have tenants on housing benefit were careful to emphasise that this was not due to discriminatory practices but as a consequence of rent being higher than LHA levels for the area effectively making the property unavailable to tenants reliant on housing benefit to pay rent.

⁷³ A typology of landlords developed by Rugg and Wallace of the University of York was used to categorise landlords in the recruitment and analysis as follows: Accidental - 1 or 2 properties, not intending to remain as a landlord; Investment - employed elsewhere in addition to being a landlord, or other income/ retirement income; Portfolio - no other employer, and actively involved in managing properties; Business – large number of properties and have created ancillary property companies with employees, or have a large portfolio of businesses, of which property is one.

⁷⁴ 'Pressured' areas were described with landlords and letting agents to mean areas where there was high rental demand and relatively high prices, with 'unpressured' described as lower demand and lower prices.

Tenant interviewee profile

A total of 40 PRS tenants were interviewed between January and mid April 2024. The following analysis provides a breakdown of the circumstances of the participants.

Overall, 23 participants were female, 16 male and one non-binary person. The youngest interviewee was 19 and the oldest 81 years old. The average age was 41 and the media 35 years old. The age and household profile for all 40 was as follows:

Age	Number (n40)
25 or under	5
21-30	1
26-30	4
31-40	14
41-50	5
51-60	4
61-70	4
Over 70	3

Household	Number (n40)
Single	16
Couple	11
Single parent	7
Flat share	4
Couple with children	2

The ethnicity reported was:

Ethnicity	Number (n40)
White	34
White Polish	2
Asian	1
Black African	2
Black Caribbean	2

Ten people interviewed were disabled, five of whom said they were unable to work and reliant on disability benefits. One older man interviewed also had a disabled wife. One other person said they were off long-term sick and another was on maternity leave. Two were retired and not working at all. Five were students, one of whom worked part-time and two had come from outside of the UK and were living on their scholarship, and the other two reliant on their parents. The working status of the other 27 participants was wide ranging as shown below:

Working status	Number (n27)
Working full time	16
Two part-time jobs	1
Self-employed	4
Part-time	7

Around a quarter (11) were in health and social care, around a quarter were also in the services industry (9) and other sectors people reported being in were engineering, education and financial services.

The local authority area of residence were:

Local Authority	Number (n40)
Glasgow	14
Edinburgh	10
Aberdeen	5
Borders	2
Perth and Kinross	2
Dundee	1
Renfrewshire	1
Dumfries	1
Highland	1
East Ayrshire	1
South Lanarkshire	1
Forth Valley	1

Five reported being in a rural area, one in a mixed area and the majority 34 were in an urban area.

21 were renting from a landlord, 3 from a friend who was also their landlord and the remaining 16 from a letting agent. Just over half (23) were in a two-bedroom property and the rest were either in a one (7) three-bedroom property (7), with a few (3) in a four bedroom. Most people interviewed (29) lived in flats and several (8) lived in a house with access to a garden.

In terms of type of tenancy, participants were not always clear, but most (28) opted to say they were in a private residential tenancy (PRT), around a quarter (11) said they were on a short-assured tenancy and some (5) did not know.

Length of time renting	Number (n40)
Less than 2 years	2
2-5 years	6
6-10 years	15

More than ten years	17
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Most tenants (32) had been renting for six years or more. A few (5) had owned their own property before and because of the relationship breakdown were no longer being able to afford to buy. One of the key messages that emerges from this research is the challenges single people in particular face to affording rent and they feel that being able to buy has become impossible. A few (5) other interviewees had been in a council owned property prior to privately renting. One person left this property to move closer to family and the others all had disabilities and wanted ground floor accommodation and had been informed by the council that they would have to wait a long time for this to be possible. A couple had been in student accommodation before. For all others (28), they had always private rented. Those interviewed had been either in the same tenancy for a long time or one previous, only a couple had rented a few before, and so generally when tenants found a place they did not move.

Almost half (19) of those interviewed said that they had issues with the property needing repairs done. A few (5) said they had really bad issues with mould and one person had a boiler that did not work and had been without heating for a few months. One other person said that the main issue is the wear and tear and nothing being replaced, whereby years on she still had never had a carpet replaced.

Most (31) said they had issues with affordability.

A quarter (10) had recently or were continuing to have a dispute with their landlord or letting agent.

Around half (21) have had rent increases over the past five years.

The group were split in levels of satisfaction, with just over half (21) saying they were satisfied with their landlord or letting agent, some (6) had mixed feelings and around a quarter (13) said they were not satisfied at all.

A small proportion of the sample (6) had been at risk of eviction over the past year, with one single mother currently in the process of trying to find a new place to live which was very stressful. Two others had been at risk of eviction within the past couple of years. One person had simply refused and the landlord changed their mind. The other person challenged the eviction through the first-tier tribunal system and although they moved out whilst the case was happening, as the landlord had not sold, the person was given compensation.

A few (4) had a current dispute, one against their letting agent and three against their landlord. In all cases this was for repairs not being undertaken with damp, mould and damp resulting. A few others (6) had a past dispute with their landlord or letting agent, either going to the first-tier tribunal or threatening to do so, getting advice from Citizens Advice to get deposits back.

Half (20) were on low incomes. A quarter (13) were in receipt of benefits. Two were students without any income and reliant on parents.

Some interviewees (12) were asked in the past to leave. The main reason for this was because the landlord was selling (9), one other couple had been asked to move to downsize and given a smaller property by the same landlord, one person had been asked to leave so the landlord could renovate and another because of the state of the flat as a result of their behaviour.

Some interviewees (13) had experience of being in a flat share and for almost all apart from a couple when they had been a student. A couple of other people had flat shared when they had been working in low paid employment. No one enjoyed this experience and it would be fair to say it was a situation that was tolerated and viewed as being exceptionally uncertain, with a lack of control over who you were living with and having to split the bills regardless.

Appendix 4 – Glossary of terms

Additional Dwelling Supplement (ADS)

Assured (AT) or Short Assured Tenancies (SATs)

Broad Rental Market Areas (BRMA)

Department of Work and Pensions (DWP)

Housing Benefit (HB)

Landlords/Letting Agents Survey (LLA)

Local Housing Allowance (LHA)

Mid Market Rent (MMR)

Mortgage Interest Tax Relief for private landlords (MITR)

NTQ (Notice to Quit)

NL (Notice to Leave)

Private Residential Tenancies (PRT)

Private Rented Housing Panel (PRHP)

Rent Pressure Zones (RPZs)

Scottish House Condition Survey (SHCS)

Scottish Household Survey (SHS)

Scottish Index of Multiple Deprivation (SIMD)

Short-term lets (STLs)

Single Housing Benefit Extract (SHBE)

Universal Credit (UC)