

## DORMONT ESTATE

Dormont, LOCKERBIE, Dumfriesshire, DG11 1DJ

Tony Cain  
 Secretary, Housing Improvement Task Force  
 Housing Division 2  
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Correspondence on the 9<sup>th</sup> April 2002 and 17<sup>th</sup> April 2002

Dear Mr Cain

### ISSUES IN IMPROVING QUALITY IN PRIVATE HOUSES FIRST REPORT

As a landlord providing private rented accommodation in rural Scotland, I should like to make a couple of comments on the above.

In Section 4 *Investment Patterns in Private Sector Housing* I think that the investment patterns of owner occupiers and private landlords would be better differentiated if the headings to the subsections stated to which sector the comments referred. It is clear from the Report that there are quite distinct differences in attitude between the 2 types of investors, not least because those who own their own houses occupy them, whereas landlords generally do not, and this clearly influences their investment decisions.

In Annexe B you attempt a typography of landlords and tenants. Whereas I would agree with your differentiation of the 2 types of landlord, my experience in the rural rented sector leads me to believe that there are many more different types of tenant than your typography suggests. I have analysed the types of tenant that rent accommodation from me and attach a table of the results. Whereas the typography that you suggest in your Report may be valid in urban Scotland, I would suggest that my experience is replicated across many other areas of rural Scotland and suggest that this distinction is drawn out in your Report. For many tenants living in Rural Scotland the choice is not between rented and owner occupied accommodation but between rented accommodation in a town and rented accommodation in the countryside.

Rented Sector			Age Band			Family Status			Skill Status		
Reg.	Unreg.	Tied	Retired	Middle Aged	Young	Family	Couple	Single	Prof.	Skilled	Unskilled
	✓				✓	✓			✓		
	✓				✓	✓				✓	
	✓			✓			✓			✓	
	✓		✓				✓		✓		
	✓		✓				✓			✓	
	✓			✓	✓			✓		✓	
	✓			✓		✓				✓	
	✓			✓		✓	✓		✓		
	✓			✓		✓	✓		✓		
	✓			✓		✓	✓				✓
	✓				✓	✓			✓		

You say that the private rural rented sector is complex and I think this is borne out in the analysis I attached to my earlier letter. You also say that the Task Force understood that there were differences between the urban and rural private rented sectors, not least the fact that the private rented sector is more important in rural areas than in urban ones, and that it tried hard to distinguish these in the Report. There is little evidence of this, and therefore to settle on the regulated and tied/service sector as a proxy for what is happening in rural areas does your Report a severe injustice. Of the houses I let, none come into either of these categories. Both are now a small and diminishing element of the rural rented housing market, as are regulated tenancies. For your Report to be meaningful and provide an accurate and comprehensive picture of what is happening in the private rented sector, given its importance in rural areas, you should commission further research.

I am no expert in the economics of rural housing, but I do have a little experience as a provider of rented housing in rural Dumfriesshire. I have presented you with an analysis of those that rent housing from me. Other rural rented housing providers may have a different tenant profile – larger estates will, for example, have a number of houses occupied on a tied/service basis in addition to those let on unregulated tenancies. My understanding of the reasons why tenants chose to rent housing from me are:-

- Quality of life in the countryside is better than in town. Bad neighbours are less likely. Houses have gardens and children can play safely. Small rural schools are perceived to be better. The lack of public transport is not a factor in choosing to live here. Some tenants are self-employed and work from home, others travel to work in local towns.
- Towns have less choice in the rented sector anyway. Local Authority housing has dried up and Housing Associations have long waiting lists.
- Private rented housing is available in the countryside at market rents which are only marginally higher than Housing Association rents.
- The reasons for choosing to rent, as opposed to buying, are many and varied and may be associated with affordability. Some houses in more desirable locations will be snapped up as holiday homes at prices well in excess of market value. But certainly, despite the evidence that tenants are staying here long term, renting is regarded as a much more flexible option if one wants to move. In a weak owner occupied housing market, a tenant can move house without the uncertainty over having to sell.
- The market that I see operating is strong. I recently offered two houses to let which were taken within two weeks. A survey (to be published in June) has just been completed by Shelter Scotland which confirms that there is unmet demand for rented housing in this area. The Housing (Scotland) Act 1988 gave rural landlords a major incentive to improve housing for rent. Rising demand followed and has continued to be strong ever since. This has undoubtedly coincided with the demise of the public sector.

I hope these comments have been useful. I do not know the composition of the Task Force, but if you have no-one on it from the rural private rented sector, may I suggest you contact either the Scottish Landowners Federation or the Royal Institution of Chartered Surveyors in Scotland. Both organisations have a considerable first-hand knowledge and expertise in this area of the housing market.

Yours sincerely

Mr JA Carruthers