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Ariane Burgess (Convener),  
Local Government, Housing and Planning  
Committee,  
The Scottish Parliament,  
Edinburgh,  
EH 99 1SP

19 January 2023

Dear Convener,

In advance of the evidence session you have planned on the Cost of Living (Tenant Protection) Act 2022 ("the Act") on 24 January, I am writing to provide the Committee with an update on the Scottish Government's intentions for the Act after 31 March 2023.

You will be aware that the Act is a key part of the Scottish Government's help for tenants facing the impact of the cost crisis. It introduced a temporary rent cap and moratorium on the enforcement of evictions, along with increased damages for unlawful evictions – until at least 31 March 2023.

We have made clear we will retain and use the provisions in the Act where they remain necessary and proportionate in connection with the cost of living crisis. This is demonstrated in the regulations we have laid before Parliament today, which:

- **expire** the rent cap provisions for the social sector on 26 February, so that it allows social landlords to implement any changes to rent levels from the end of March, in light of the collective voluntary agreement on rent setting that has been put in place with social landlords; and also
- **suspend** the rent cap provisions for purpose-built student accommodation, recognising that that the fixed nature of rents at the start of the academic year and the annual turnover in tenancies means that the measures have a very different impact to tenancies in the private rented sector. However, suspension, rather than expiry, allows us to keep that conclusion under review.

In my statement to Parliament last week, I made clear that there are distinct differences between how the social and private rented sectors operate. There is simply not the opportunity to agree a collective, voluntary approach to rent setting in the private sector, given its very different nature.

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Therefore, with that in mind - and in light of the clear economic evidence demonstrating the continued pressure being placed on private rented households due to the ongoing cost crisis – I can confirm today that we will bring forward regulations later this month, to extend the remaining provisions in Part 1 of the Act for a further 6 months to 30 September 2023 provided it remains necessary and proportionate. This will mean that the rent cap for the private rented sector will continue, along with the moratorium on enforcing evictions – which will continue to apply across all sectors.

In order to ensure the provisions are proportionate, the Act gives power to vary the level of the rent cap. And whilst the focus of the emergency measures continues to be on protecting tenants, the Scottish Government recognises that the ongoing impacts of the cost crisis may also be experienced by some landlords.

The Scottish Government is therefore of the view that it would be proportionate to raise the rent cap in the private rented sector to allow within-tenancy rent increases of up to 3%. The safeguard for landlords to apply for additional prescribed costs (within set limits) should their circumstances require it will continue to be in operation and the maximum rent increase on this basis will be raised to 6% of overall rent (which is double what it is at present). In effect, this preserves the status quo of allowing exceptional rent rises of 3% above the rent cap. Applicable legislative requirements relating to the rent-increase process and the frequency of rent increases will still apply. Rent can still only be increased once in any 12 months.

The decision on whether to extend the measures is, of course, for the Parliament to make and I look forward to going through the due process on that in the coming weeks.

Finally, the important issue of future reform of the rented sector was rightly raised during my statement to Parliament last week. Programme for Government in September 2022 set out our intention to bring forward a new Housing Bill in 2023 and the exact timings of that would be kept under review, in light of our emergency work to support tenants through the costs crisis. Having reviewed that work and recognising the extension of our emergency legislation, I can confirm today that we intend to introduce that Housing Bill – which will include long-term rent control measures - as soon as possible after the 2023 summer recess.

I look forward to discussing all of this in more detail with the Committee at the evidence session planned for next week.

Yours sincerely,

**PATRICK HARVIE**

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