# Propertymark urges Scottish government to rethink rent controls amid soaring housing emergency



Scotland’s housing crisis has reached alarming proportions, with an industry body urging the government to reconsider its strategy. Propertymark, a representative organisation for the property sector, is calling for a shift in focus from rent control measures to enhancing investment in the private rented sector. This plea is underscored by a recent report from Shelter Scotland, revealing that 42% of adults in Scotland—over 2.3 million people—are now affected by a housing emergency. This marks a significant increase of 800,000 individuals since 2021.

Alison Watson, Director of Shelter Scotland, lamented the situation, stating, “It’s been a year since the Scottish Parliament declared a housing emergency. Since then, homelessness has gone up and social housebuilding has gone down.” Amid increasing pressures from economic factors such as the cost of living crisis, the report detailed a rise in homelessness applications and a stark lack of suitable housing options. Glasgow has seen the most substantial uptick, particularly with applications from asylum seekers and refugees.

Against this backdrop, Propertymark is particularly concerned about the Scottish Budget decision to raise the Additional Dwelling Supplement (ADS) from 6% to 8%. This move, according to Timothy Douglas, head of policy and campaigns at Propertymark, could deter potential landlords from entering the market, further exacerbating the housing supply issue. Douglas stressed, “Instead of focusing solely on rent control through the Housing Bill, the Scottish government should concentrate on pro-growth policies that will make housing more affordable.” He advocates for a reduction in the ADS, initiatives to enhance property energy efficiency, and the construction of additional social housing.

The crux of Propertymark’s argument is predicated on the belief that rent controls can disrupt the housing market, resulting in unintended outcomes such as reduced housing quality and increased discrimination. This perspective is supported by a comprehensive review of nearly 200 studies which indicate that rent controls may worsen housing availability, particularly for vulnerable groups. In a contrasting dialogue, First Minister John Swinney’s vision for Scotland aims to increase investments in affordable housing. However, critics argue that the simultaneous introduction of permanent rent controls could undermine these ambitious plans, ultimately leading to fewer available privately rented homes.

Propertymark’s call to action also highlights the need for collaboration within the sector to challenge proposed long-term rent controls. Advocates argue that policies should instead be geared towards increasing housing supply while addressing underlying economic inequalities to effectively tackle affordability concerns. Furthermore, concerns persist that without strategic interventions, the increasing demand for housing coupled with stagnant supply will pose long-term challenges to Scotland’s housing landscape.

In this precarious situation, the Scottish government faces mounting pressure to recalibrate its approach to address both the immediate and long-term challenges posed by the current housing crisis. A concerted effort towards investment, regulatory reform, and innovative housing solutions remains imperative to ensure that all Scots have access to safe, affordable housing.

### Reference Map

* Paragraph 1: [[1]](https://www.property118.com/propertymark-warns-against-rent-caps-as-scotlands-housing-crisis-worsens/), [[2]](https://www.gov.scot/publications/homelessness-in-scotland-2023-24/pages/the-extent-of-homelessness-in-scotland/)
* Paragraph 2: [[2]](https://www.gov.scot/publications/homelessness-in-scotland-2023-24/pages/the-extent-of-homelessness-in-scotland/)
* Paragraph 3: [[1]](https://www.property118.com/propertymark-warns-against-rent-caps-as-scotlands-housing-crisis-worsens/), [[3]](https://www.propertymark.co.uk/resource/scottish-government-pushes-ahead-with-rent-control-despite-pleas-from-sector.html)
* Paragraph 4: [[4]](https://www.propertymark.co.uk/resource/rent-controls-distort-the-market-and-lead-to-discrimination.html), [[5]](https://www.propertymark.co.uk/resource/rent-controls-clash-with-swinneys-economic-vision-for-scotland.html)
* Paragraph 5: [[6]](https://www.propertymark.co.uk/resource/sector-must-act-together-to-challenge-long-term-rent-controls.html), [[7]](https://www.propertymark.co.uk/resource/rent-control-repercussions.html)
* Paragraph 6: [[1]](https://www.property118.com/propertymark-warns-against-rent-caps-as-scotlands-housing-crisis-worsens/), [[2]](https://www.gov.scot/publications/homelessness-in-scotland-2023-24/pages/the-extent-of-homelessness-in-scotland/)

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## Bibliography

1. <https://www.property118.com/propertymark-warns-against-rent-caps-as-scotlands-housing-crisis-worsens/> - Please view link - unable to able to access data
2. <https://www.gov.scot/publications/homelessness-in-scotland-2023-24/pages/the-extent-of-homelessness-in-scotland/> - This Scottish Government report provides detailed statistics on homelessness in Scotland for the year 2023-24. It highlights significant increases in homelessness applications, assessments, and households in temporary accommodation compared to the previous year. The report attributes these rises to factors such as the cost of living crisis and pressures within the housing system, including backlogs and a lack of suitable properties. Notably, Glasgow experienced the highest numerical increases across all measures, with a substantial rise in applications from asylum seekers and refugees.
3. <https://www.propertymark.co.uk/resource/scottish-government-pushes-ahead-with-rent-control-despite-pleas-from-sector.html> - Propertymark's article discusses the Scottish Government's decision to proceed with rent control measures as part of the Housing (Scotland) Bill, despite opposition from industry bodies. The article emphasizes that rent controls can distort the housing market, leading to unintended consequences such as reduced housing quality and increased discrimination. Propertymark advocates for alternative policies to improve affordability in the private rented sector, including reducing the Additional Dwelling Supplement and increasing the construction of social housing.
4. <https://www.propertymark.co.uk/resource/rent-controls-distort-the-market-and-lead-to-discrimination.html> - This Propertymark report examines nearly 200 studies on the effects of rent controls, highlighting negative impacts such as market distortion and increased discrimination. The report argues that rent controls can lead to lower housing quality and reduced availability, particularly affecting vulnerable groups. Propertymark calls for policymakers to focus on increasing housing supply and addressing income and wealth inequalities as more effective solutions to housing affordability issues.
5. <https://www.propertymark.co.uk/resource/rent-controls-clash-with-swinneys-economic-vision-for-scotland.html> - Propertymark's article critiques the Scottish Government's rent control proposals within the Housing (Scotland) Bill, suggesting they conflict with First Minister John Swinney's economic vision. The piece argues that while the government plans substantial investments in affordable housing, the introduction of permanent rent controls could undermine these efforts by reducing the availability of privately rented homes and increasing costs for renters due to restrictive regulations.
6. <https://www.propertymark.co.uk/resource/sector-must-act-together-to-challenge-long-term-rent-controls.html> - In this article, Propertymark emphasizes the need for a unified approach to challenge long-term rent controls proposed in the Housing (Scotland) Bill. The piece highlights concerns that such controls could harm the private rented sector by reducing housing availability and quality. Propertymark advocates for alternative measures to make the sector more affordable, including reducing taxes impacting private landlords and increasing the construction of social housing.
7. <https://www.propertymark.co.uk/resource/rent-control-repercussions.html> - This Propertymark article discusses the potential repercussions of rent controls introduced in the Housing (Scotland) Bill, expressing concerns that they could harm the private rented sector. The piece highlights that rent controls may lead to reduced housing availability and increased costs for renters due to restrictive regulations. Propertymark calls for a focus on increasing housing supply and addressing income and wealth inequalities as more effective solutions to housing affordability issues.