LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

CALL FOR VIEWS ON EMPTY HOMES IN SCOTLAND

SUBMISSION FROM AL ASTAIR STRUTHERS

I am a landlord of two private rented HMO apartments in Aberdeen which has been suffering a prolonged recession over recent years with the crash in the oil price.

I have been lucky that one of the two properties has been occupied throughout this period, however the second property has been vacant since August last year despite being marketed by two separate agents and through more informal routes such as Gumtree. The second property is due to become vacant next month and I am very worried about this situation as it means I am exposed to paying 2 mortgages, 2 council tax payments, 2 factoring charges and utility supply standing charges with no rental income. This is going to cause very serious financial issues for me that I am unsure how I am going to deal with.

The open market rental value of these flats was approximately £1,300pcm 3 years ago and the current asking price is now £650pcm and even at this level there has been very little interest and no lease secured.

The vacant property is in good condition, newly re-decorated and in a good area that is well served by local amenities, two bus routes and is near to the Robert Gordon University Campus.

Mine is a situation that is common place in Aberdeen where there are currently a large number of vacant properties due to an oversupply in a restricted market, probably made worse by the recent explosion of student flats which has “hoovered up” a large proportion of the former PRS market in the city.

I’m sure this situation will sort itself out in time, however, it is a factor that should be considered when addressing vacant properties in Scotland. In circumstances of market failure landlords perhaps need help with finding tenants and full Council tax exemptions so long as they can demonstrate that they are actively trying to find tenants in a reasonable manner (i.e. not charging over inflated rents to dissuade actual interest). Recently there has been a trend to penalise landlords of properties that are vacant for more than a few months which makes sense in a good market but does not help in market failure situations (not that I am suggesting that this would be an expected outcome of this review).