



OFFICIAL REPORT
AITHISG OIFIGEIL

Local Government, Housing and Planning Committee

Tuesday 17 February 2026

Session 6



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CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1
SUBORDINATE LEGISLATION	2
Private Housing Rent Control (Exempt Property) (Scotland) Regulations 2026 [Draft]	2
Investigation and Commencement of Repair (Scotland) Regulations 2026 [Draft]	2
Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2026 [Draft]	2
Non-Domestic Rate (Scotland) Order 2026 (SSI 2026/39)	44
Non-Domestic Rating (Valuation of Utilities) (Scotland) Amendment Order 2026 (SSI 2026/44)	44

LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE
7th Meeting 2026, Session 6

CONVENER

*Ariane Burgess (Highlands and Islands) (Green)

DEPUTY CONVENER

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

COMMITTEE MEMBERS

- *Meghan Gallacher (Central Scotland) (Con)
- *Mark Griffin (Central Scotland) (Lab)
- *Fulton MacGregor (Coatbridge and Chryston) (SNP)
- *Alexander Stewart (Mid Scotland and Fife) (Con)
- *Evelyn Tweed (Stirling) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

- Mike Callaghan (Convention of Scottish Local Authorities)
- Gillian Campbell (Existing Homes Alliance Scotland)
- Aoife Deery (Citizens Advice Scotland)
- Sharon Egan (Association of Local Authority Chief Housing Officers)
- Anna Gardiner (Scottish Land & Estates)
- Gillian McLees (Chartered Institute of Housing Scotland)
- Tom Ockendon (Scottish Federation of Housing Associations)
- Emma Saunders (Living Rent)
- Elaine Waterson (Energy Saving Trust)

CLERK TO THE COMMITTEE

Jenny Mouncer

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Local Government, Housing and Planning Committee

Tuesday 17 February 2026

[The Convener opened the meeting at 09:30]

Decision on Taking Business in Private

The Convener (Ariane Burgess): Good morning and welcome to the seventh meeting in 2026 of the Local Government, Housing and Planning Committee. I remind all members and witnesses to ensure that their devices are set to silent. Mark Griffin and Fulton MacGregor join us remotely.

The first item on our agenda is a decision on taking business in private. Do members agree to take agenda item 4 in private?

Members indicated agreement.

Subordinate Legislation

Private Housing Rent Control (Exempt Property) (Scotland) Regulations 2026 [Draft]

Investigation and Commencement of Repair (Scotland) Regulations 2026 [Draft]

Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2026 [Draft]

09:30

The Convener: The next item on our agenda is to take evidence on three draft affirmative instruments: the draft Private Housing Rent Control (Exempt Property) (Scotland) Regulations 2026, the draft Investigation and Commencement of Repair (Scotland) Regulations 2026 and the draft Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2026. We will also take evidence on an anticipated instrument on minimum energy efficiency standards in the private rented sector.

We are joined in the room by Gillian Campbell, the director of the Existing Homes Alliance Scotland; Anna Gardiner, a senior policy adviser at Scottish Land & Estates; and Gillian McLees, the national director of the Chartered Institute of Housing Scotland. Tom Ockendon, who is the policy lead at the Scottish Federation of Housing Associations, joins us online. I welcome you all to the meeting and thank you for coming to discuss these Scottish statutory instruments. There is no need to turn on your microphones because we will do that for you. Tom, there might be a bit of a pause as your microphone comes on and off, but we are familiar with that so please do not worry.

We will begin our questions now. We have about an hour and 10 minutes for this item, so we are quite tight for time and I might need to cut you off. We will try to direct our questions, because they will not all be relevant to each of you.

My questions, which are for everyone except Gillian Campbell, who gets to have a rest, are about the Private Housing Rent Control (Exempt Property) (Scotland) Regulations. I will start with Anna. Do you agree in principle with the proposal to exempt mid-market rent and build-to-rent properties from the rent control area provisions?

Anna Gardiner (Scottish Land & Estates): In short, yes. It is fair to say that Scottish Land & Estates welcomes the exemptions for both build to rent and mid-market rent and very much recognises that the build-to-rent exemption helps to rebuild investor confidence and supports the new-build rental supply.

However, we have a caveat. We feel that the eligibility criterion requiring more than six units under a single planning consent is problematic, as it is likely to cut out potential new builds that are intended specifically for rental in rural areas.

Gillian McLees (Chartered Institute of Housing Scotland): The CIH welcomes the exemptions for mid-market rent and build to rent. Along with others, we fought for those exemptions to be introduced for investors in order to prevent any barriers to the supply of new homes across Scotland, as they will give wider choice for all renters during a housing emergency. We welcome the exemptions and see no issue with the definitions as provided.

The Convener: Great. Tom, what is your view? We cannot hear you. Hang on for a minute. Your microphone is on, so the problem may be at your end. Can you try again? It is still not working.

We will have to carry on with Anna Gardiner and Gillian McLees, until we can get Tom Ockendon connected. I would like to get a sense of the likely impacts of the regulations on tenants and landlords. I will come to Gillian first.

Gillian McLees: For landlords and tenants, anything that can guarantee new home delivery is positive. The regulations will allow landlords to have money to invest in their properties to keep them up to the standards that we would require. It is important for tenants and renters to have an element of choice across all tenures and anything that is a barrier to those choices would be detrimental.

The Convener: Do you have anything to add, Anna?

Anna Gardiner: I am concerned for tenants because of the potential impact on the supply of new rural properties, which will make it harder for tenants to find homes in the places where they want to be.

The regulations are really good overall and will make life a lot easier for landlords and investors by improving financial viability in urban environments, but they do not take proper account of viability in rural environments, where landlords might be trying to bring forward only one or two units for rental to tenants.

The Convener: The regulations include definitions of mid-market rent and build-to-rent housing. Are you content with the detail of those definitions?

Gillian McLees: The Government worked closely with the sector to create those definitions, and the work of the housing task force is reflected in the definitions as published.

Anna Gardiner: I raised an issue with the definitions during the stakeholder engagement. It was felt that the rural schemes will be okay because of the MMR exemption, but that assumes that rural schemes are going down the grant funding route. It is unacceptable to force all small rural development into a situation in which the developers have to depend on public finance.

The rural and islands housing fund is a wonderful tool and a great enabler. The rural sector is grateful that it exists because it helps to bring properties forward, but it does not suit everyone who is trying to bring forward housing. That is partly because of the way in which the grant conditions are set up, which means that there can be problems with standard securities into the future. One way around that would be to make the rural and islands housing fund more flexible, so that there is greater acknowledgement of the on-going investment that people have to make in those properties. The grant is intended only to get projects off the ground and is rarely more than 50 per cent of the costs. We would like the grant to be made more appealing to more people, which might counteract the situation in which people who do not want to use the grant then find themselves caught out when an area is designated as a rent control zone, creating funding security issues for a project that is already unviable.

The Convener: Have you raised that with the Government?

Anna Gardiner: We have raised our concerns about the conditionality of certain aspects of the rural and islands housing fund. There must be some sort of commitment to the Government when someone uses Government money to take projects forward, but there is no regard to the on-going investment. We all know how much money is needed to keep housing going in the condition that it should be in.

How the standard security is set up means that people are restricted if they want to sell the farm or estate in the future because they have to go to the Scottish ministers to ask for consent. There are lots of barriers, including use of the rural housing burden. There are all sorts of other tools that could be brought into play to ensure that housing stays as housing. I may be going a little off message, but it is relevant to the solutions.

The Convener: It is connected.

We do not have Tom Ockendon's audio connected yet. We will have a brief suspension, during which we will try to get him back.

09:40

Meeting suspended.

09:44

On resuming—

The Convener: We have Tom Ockendon back online, which is great.

Tom, I will ask you the three questions that you might have heard me put to Anna Gardiner and Gillian McLees so that you have an opportunity to respond to them. The questions are whether the SFHA agrees in principle with the proposed exemptions for mid-market rent and build-to-rent properties, what the likely impact will be on tenants and landlords, and whether you are content with the detailed definitions of mid-market rent and build-to-rent housing—I have given them to you all in one go.

Tom Ockendon (Scottish Federation of Housing Associations): Thank you for your patience with the audio issues.

We agree with the principle behind the regulations. The regulations acknowledge that MMR properties are already effectively rent controlled through the Scottish Government grant obligations, under which the rents are linked to local housing allowance at first let and then to the median point of the broad rental market area.

Any additional rent restrictions would not necessarily increase protections for tenants in registered social landlord MMR homes, but they would depress confidence and supply during a national housing emergency. We therefore think that the exemption gets the balance right.

The initial introduction of rent control really compromised RSLs' ability to bring investment into MMR homes. The exemption will increase the supply of MMR homes and, we hope, of social homes. That is because, by using MMR homes, RSLs typically make the development of social homes more viable. Therefore, we support the exemption in principle. As we know, MMR is an important tenure for an important demographic that is hurt by low supply, so the exemption makes economic sense, and it makes sense for supply, too.

We were a part of the stakeholder development process for the regulations, so we agree with the criteria for the MMR restrictions, which are based on the existing rent increase restrictions that are placed on social landlords. We also support the definition covering both the landlord or a third party; we feel that their inclusion is necessary, both to cover the full scope of MMR ownership and because of the historical management models in the sector, in which the registered social landlord might own or lease the home while a subsidiary body might issue the private residential tenancy.

The way in which the regulations set out the criteria for mid-market rent captures the whole

sector. That is important, because capturing the whole sector means that we will get the biggest benefit for supply. The definition covers existing MMR providers while leaving space for potential new entrants to the mid-market rent sector. However, MMR property is tightly defined in a way that includes a protection, which may not leave room for new entrants who wish to move away from the affordability-linked mid-market rent model.

What was your third question?

The Convener: It was about the impact of the regulations on tenants and landlords, which you touched on in relation to MMR being important for people who are looking for that kind of tenure.

Tom Ockendon: The regulations strike a good balance between the landlord and the tenant. Tenants are already protected from steep rent increases through the affordability links with local housing allowance and the broad rental market area, which are conditions of the affordable housing supply programme grant that RSLs receive in order to supply mid-market rent.

An important point on the governance arrangements is that although MMR homes are provided by the subsidiary of an RSL, the parent RSL—in other words, the main RSL—must comply with strict governance and reporting requirements through the regulator on the regulatory framework, standards of governance, financial management and constitutional requirements. Those governance structures add strong protection, particularly against any profit-making.

RSLs are non-profit-making organisations and do not make profit on mid-market rent homes. Any money that is gained from mid-market rent goes back into the RSL and is used for existing stock or for investment in communities. The MMR provision for RSLs means that tenants are protected from profit making. Tenants can also refer themselves to rent service Scotland, because the private residential tenancy protection still exists.

When we talk about supply, it is important to recognise that that is an issue for tenants. In a national housing emergency, any measures that strike the right balance between supply and protection will ultimately benefit tenants, provided that those measures are based on the same affordability criteria that underpin mid-market rent.

The Convener: You focused primarily on MMRs. Out of curiosity, is that because housing associations are not involved in build to rent?

Tom Ockendon: That is right.

The Convener: We now move to questions about the Investigation and Commencement of Repair (Scotland) Regulations 2026, otherwise

known as Awaab's law. There will be questions for everyone, which Mark Griffin will ask.

Mark Griffin (Central Scotland) (Lab): As the convener said, my questions are about the regulations that are better known as Awaab's law. Do the witnesses agree that the broad approach taken in the regulations is proportionate and that it balances protection for tenants with the rights of landlords?

Gillian Campbell (Existing Homes Alliance Scotland): The Existing Homes Alliance Scotland very much welcomes the introduction of the regulations as a means of delivering better outcomes for Scotland's tenants. We think that the regulations strike the right balance between the interests of tenants and landlords and hope that they will ensure that building failures that result in damp and mould are addressed in a timely manner.

It is right that the regulations focus on the fabric of buildings, but we must recognise that fuel poverty is also a major driver in many damp and mould cases and that that might be outwith landlords' control. However, improving the energy efficiency of homes is within landlords' control and that helps to tackle fuel poverty by reducing how much it costs to keep a home warm. We therefore believe that the introduction of minimum standards on energy efficiency for the private rented sector is a key policy intervention for helping to address damp and mould and that that should sit alongside the regulations known as Awaab's law, as part of a holistic strategy for damp and mould.

Anna Gardiner: We very much support the principle of Awaab's law, but the concern that we have about the balance between tenants' and landlords' interests relates more to the impact on rural landlords. Things tend to be more challenging in rural areas, where properties are typically older and more susceptible to damp and mould. The regulations as drafted have some give in them with proposed new section 14(9) of the Housing (Scotland) Act 2006, which will ensure that some of those challenges can be dealt with. However, we feel that the guidance will be absolutely critical if things are to be fair and if the rural sector is to be given the breathing space that it requires to do things properly.

The risk with having strict timescales is that they almost force the use of temporary solutions whereby the root cause of the damp and mould are not addressed in the drive to get things fixed quickly so that landlords do not get into trouble and the tenant is more comfortable sooner. There is a risk of having temporary fix after temporary fix, without the root cause being addressed.

We need to make sure that the guidance is suitably flexible so that landlords are encouraged

to really get to the root of the problem. In the long run, that will always be more economical. We are grateful that we have been invited to take part in the work on building up the guidance.

The Convener: It sounds like we also need to encourage more small and medium-sized enterprises and rural construction companies to address the issues that will be coming forward.

Tom Ockendon, you indicated that you wanted to come in.

Tom Ockendon: SFHA members were supportive of the introduction of Awaab's law and measures to deliver better outcomes for tenants. We supported that through work in relation to the Housing (Scotland) Act 2025 and, as part of that commitment, we facilitated a series of round tables with our members. Along with the Association of Local Authority Chief Housing Officers, we formed a recommendations paper, which was submitted to the Scottish Government, and to the committee as evidence.

On the broad approach, we think that the regulations reflect those conversations. Mostly, they build on the existing regulatory framework and they amend the right to repair, which is really important. The focus on damp and mould is also welcome. There are also key mitigations for landlords in relation to circumstances that are beyond their control. We think that that strikes a good balance between the interests of tenants and of landlords.

I agree with Gillian Campbell's point about fuel poverty. A lot of cases of damp and mould will be related to tenants' inability to afford to heat their home. There are a few key drivers of damp and mould. In the social sector, there are really high energy efficiency standards. In 2023, 78 per cent of housing association homes had an energy performance certificate band of C or above. Among the key drivers of fuel poverty are not necessarily energy-inefficient homes but high energy costs and low incomes, which are especially acute in certain parts of the country.

The implementation timeline—from October—is broadly welcome; it is more welcome than the initial suggestion in the housing emergency action plan of a March implementation. As Anna Gardiner did, we made the point that the guidance will be really important. Given the implementation timeline, it is really important for the guidance to come out in a timely manner, so that housing associations can prepare thoroughly and get their processes and policies in place. The October timeline is not necessarily too much of a problem; the problem will be getting the guidance in advance of that, rather than a couple of weeks beforehand, in the build-up to implementation.

I will make one quick point on the annual return on the charter. Housing associations will be reporting on three new indicators on damp and mould from April 2026. We will probably have that information in the late summer of this year, and the regulator would support a thematic review of those indicators to understand what the situation in the sector actually is. An implementation date of October would not necessarily allow that evidence to be taken into account.

The Convener: Thank you very much.

Gillian McLees, do you want to come in on this?

Gillian McLees: I do not have much to add. I concur with everything that has been said so far, so I will not necessarily repeat it. We officially support the Government's approach and appreciate its collaborative style of working with the sector while drawing up the guidance. We wish to continue to work with the Government to make the guidance impactful.

It is worth highlighting that social landlords have been reporting on the issue for the past year, as Tom Ockendon pointed out. It will be important to continue to do so and to take those findings into consideration.

We also believe that there might be a bit of a timeline issue. October is definitely doable, but meeting the new duties will come with challenges, some of which we may not be aware of yet. There might be unintended operational challenges, specifically within mixed-tenure blocks where there are disputes with regard to liability and costs. That should all be covered in the guidance.

There has been a concern about how the private rented sector will be monitored and how enforcement there will work under a similar set of circumstances. It would be good to see that when the guidance comes out. Specifically, we know from experience and all our research that low-income tenants are less liable to raise a concern or a complaint, so we really need to make sure that they are being protected and that they have the confidence to take complaints through to the First-tier Tribunal.

There is also no mention yet of whether temporary accommodation will be covered in the regulations, and we would look for that to be included in the guidance.

10:00

The Convener: Thanks very much for that.

Mark, some of your other questions may have been touched on, but do you want to come back in?

Mark Griffin: Yes. I was going to come back on the issue of temporary accommodation that Gillian McLees has just raised. It is good to hear witnesses say that they are broadly supportive of the balance between the protection of tenants and of landlords, but concerns have been raised—on a similar basis to Gillian's—about whether all residents in temporary accommodation will be given protection. Shelter has raised concerns that some tenants in temporary accommodation will not be covered, which is a big concern, considering that there are 10,500 children in temporary accommodation. Do witnesses support Shelter's call for all tenants in temporary accommodation to be explicitly given the same protections as tenants in the private sector and permanent tenants in the social sector?

Gillian McLees: Until we have the detail of the regulations, it is difficult to comment fully, but I would say that, while local authorities or private landlords are potentially leasing out their homes to RSLs, the responsibilities might be confusing. There has to be some way to understand the differences. For example, the housing provider might not be the point of contact for the tenant, although they are responsible for the repairs. Making sure that there is clear communication and a clear line of responsibility will be vital.

Tom Ockendon: Shelter flagged that issue to us just prior to our giving evidence to the committee. It is not something that we have had time to engage on with our members, and it is difficult to comment before we see the detail. However, it is something that we can go and talk to our members about.

The Convener: Thanks very much.

Mark, do you have any more questions?

Mark Griffin: I have two questions that I will wrap up into one. Do our witnesses think that the timescales for investigating and commencing repairs, as well as for the compensation arrangements, are appropriate? What would be appropriate in terms of raising awareness of the responsibility of landlords and the rights of tenants in order to give tenants the ability to challenge landlords to meet the expected timescales?

Anna Gardiner: I touched on the timescales earlier, but the guidance will be key. For rural and island areas, the supply chain can be a real issue, as can the weather. Even in urban areas, the weather can be a real issue for things such as repointing, when a damp event has been triggered by prolonged sogginess, which we have all been able to relate to recently. If that is covered off properly in the guidance—for example by saying that landlords should stay in touch with the tenant and vice versa, so that everyone knows where they stand and what is being done to address the

problem—that will mitigate situations going as far as enforcement and compensation. If the guidance is too light, it will leave a lot of people being not quite sure about where they stand, and more and more cases will be sitting at the tribunal, which probably does not have the resource to deal with them.

It is critical that the guidance covers all the different scenarios that need to be considered and that information is provided on the tools that can help landlords and tenants. Landlords need to understand what good prevention looks like, and tenants do, too, in relation to measures within their control for dealing with damp and mould, for example.

Investment in that at the outset will be key to whether the regulations work in the long term. Everyone supports the principle behind the regulations; no one wants the situation that generated them in the first place to be repeated. The Government has the power to set things right from the outset.

The Convener: Does anyone else want to come in on timescales, compensation or awareness raising?

Tom Ockendon: There are currently no statutory timeframes for the investigation of repairs in Scotland, but social landlords have in place comprehensive repair policies that specify timescales. In most circumstances, those timescales exceed the ones that are set out in the regulations.

We broadly welcome the timescales involved: the 10 days for investigation, the three days for reporting and the five days for commencing a repair. The early evidence from colleagues in England on their experience of Awaab's law suggests that the timescales of 10 days for investigation and five days for commencing a repair are broadly okay, but the three-day timeline for providing a written report is causing a bit more difficulty. That has taken up a significant amount of administrative time, especially for smaller and medium-sized housing associations, and that impact might be felt here, too.

As Anna Gardiner said, the guidance will be really important. I know that templates in that regard are being considered, which might be useful.

On the timescales, in some cases, it might be slightly difficult to complete a damp and mould repair within the maximum period of 20 days. With damp and mould, there is sometimes an obvious repair, but, equally, there can be various routes for surveying and remediation, which might necessitate different contractors, so it is really

important that the guidance lays out when and where—[*Inaudible.*]

The Convener: We have lost the audio. We might come back to Tom Ockendon.

We will move on to a completely different topic—the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2026—and use a different part of our brains. Our questions are not for everyone, but I hope that we can get Tom Ockendon back online, because we want to ask him some questions.

I will bring in Evelyn Tweed.

Evelyn Tweed (Stirling) (SNP): I thank the witnesses for all their answers so far. It is good to see them.

I will put this question to Anna Gardiner in the first instance, and we will see whether we can get Tom Ockendon back online in a minute. Do you agree, in principle, with the proposed regulations to give councils more flexible powers to set council tax for second and long-term empty homes?

Anna Gardiner: Scottish Land & Estates supports the policy objective of reducing the number of long-term empty homes and supporting sustainable communities. Rural housing scarcity is an issue, and measures that are aimed at bringing viable properties back into use are positive when they target the right stock.

An important thing to point out is that, in rural and island areas, the inconsistent use of discretion by councils means that, instead of addressing homes that are being kept from the residential housing stock, the council tax premium is capturing properties and dwellings, such as rural operational accommodation, that are unsuitable for full-time occupation. Self-employed farmers and land managers are unfairly excluded from the definition of “job-related dwellings”.

Although we support the principle of the regulations, we feel that the execution is flawed. Without amendment and clear guidance to support councils, the policy will continue to deliver unintended, inequitable and counterproductive effects across rural Scotland.

Evelyn Tweed: Tom Ockendon, would you like to come in—if you are with us?

Tom Ockendon: Can you hear me?

Evelyn Tweed: Yes.

Tom Ockendon: Sorry, I thought that we were going to be asked to comment only on Awaab's law and the MMR exemptions. However, I will say that our broad position is that the moneys that will be raised should be earmarked for and spent on affordable and social housing.

Evelyn Tweed: Thanks. What impact did the introduction of the power to charge a premium on second homes in 2024 have? Has it reduced the number of second homes and have there been any unintended consequences?

Anna Gardiner: There has not been a significant reduction in the number of second homes. Some might argue that that is because the tax was not set high enough, but others would suggest that it is because properties that were considered to be second homes are not actually second homes for the purposes of the council tax premium. The types of accommodation that I listed earlier—rural operational accommodation, unsuitable dwellings and houses that are occupied by people who will always need to have them—will never be released back into the market for other people. Those types of accommodation were probably never part of the main housing stock in the first place. That is where the failure to properly use discretion is an issue.

Back in the day, councils even recommended that people list those properties as second homes so that they would not be charged council tax. That has now come back to bite, because those properties are listed as second homes even though they were never actually second homes, and councils are refusing to give them their proper definition.

The difficulty is that, the higher the premium that can be charged, the wealthier councils will be, so there is a perverse incentive not to apply discretion. That is the problem with the legislation.

The Convener: You say that properties will never be released back into the market in the way that is intended by the policy. Is that because they are operational accommodation or the other things that you talked about before?

Anna Gardiner: Operational rural accommodation can be accommodation that does not fit into other sectors. Under the way in which everything is set up, accommodation can be in the private rented sector or the short-term let sector. However, the problem lies when accommodation is needed for a short period of time as a place to stay while doing a piece of work to avoid commuting an hour back to the nearest Airbnb or hotel. That can be for seasonal work or, quite often, for researchers. That accommodation lies in between the two sectors.

One example that has been raised with me relates to a property that is subject to flooding. The people involved can do holiday lets only during the summer months, and they have a strategy in place for when the flood risks kick in. Their property could never be let in the private rented sector—they cannot get insurance for it, so it would never be compliant for letting—but they can still do some

short-term lets in the summer. However, because of the rules on business rates and council tax, they are on the cusp of falling back into council tax, and if that happens, they are at risk of being charged the premium. There are those kinds of properties that fall in between.

10:15

There are other properties that lie empty for succession reasons. If there is someone in a tied property who is about to retire—they might be a shepherd, say, or have some other rural occupation—they can continue to live in that property as long as they want to. However, the replacement employee will need somewhere to live, so when a property becomes available for succession purposes, the owner holds on to it so that it is ready for when the out-going employee retires. Those properties end up sitting empty and subject to the council tax premium, even though the regulatory system does not enable them to be let on a short-term basis. That would be the ideal solution, but, because of the risk of not being able to get the property back, it has to sit empty, and those properties get charged the premium. There is something very unjust about that, because this is all about rural business.

The Convener: Thank you. It was good to get that detail, but I am mindful of the time, having just looked at it. I know that I asked the question and it was helpful to get an understanding of what you meant when you said that some properties would never be released to the market.

Evelyn, are your questions complete?

Evelyn Tweed: Yes.

The Convener: I call Willie Coffey to ask about the same topic. I think that it is just Anna Gardiner and Tom Ockendon who will answer your questions, Willie.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning. I want to continue the chat about empty properties, and I will perhaps start with Anna Gardiner. I have a number of urban properties in my constituency that have been empty for ages. Despite the best efforts of a number of people, we do not seem to be able to get any response from the owners to our encouragement to do something to bring the properties back into use. Do you think that the higher council tax premium will make things worse or better with regard to those more urban properties that we could probably do with bringing back into the stock?

Anna Gardiner: A property is empty for a reason, and the Scottish Empty Homes Partnership has been very good at enabling investigations and so on to try to get to the root

cause of why a property might be sitting empty. However, the work for which it is funded should perhaps look at these things in a different way. If there is no good reason for an owner to have held on to a property for however long it might be, it would, to my mind, be logical for a council tax premium to be paid, but if there is a reason for the property lying empty, that needs to be understood before any hefty premiums are charged.

The partnership has many case studies of people inheriting a property and just not knowing what to do with it. They suddenly get this property, and they have never been a landlord or anything else before. Indeed, they might not have been able to clear out the property yet, as that can be a massive emotional hurdle for families. We need support services in place to ensure that properties are not left empty for any length of time in the first place, and, if they are empty, to identify the reason why.

Willie Coffey: Okay, that was really interesting. Tom, do you have a view on long-term empty properties and whether the council tax premium will make the situation worse or better? What do you think?

Tom Ockendon: We do not have a particular view on the specifics of the council tax premium—it is not something that we have really looked into—but we would say that, in a national housing emergency, anything that brings long-term empty properties back into the supply of social housing would be a positive.

Willie Coffey: Okay. In that case, I will come back to Anna Gardiner.

What is your opinion of the overall fairness of applying higher premiums to second homes, long-term empties and so forth? After all, the people who own these properties are already paying the land and buildings transaction tax, for example. What is your view of that payment burden on the people who own empties and second homes?

Anna Gardiner: Properties are there to be lived in if it is possible for them to be lived in. Granted, the rural sector is very complex but, taking housing as a whole, I think that the danger is that such a tax just becomes a cash cow. There are some stark examples of that, particularly in Wales, where a higher premium can be charged—eligibility for non-domestic rates is different in Wales, and the eligibility threshold is higher. One example that I saw recently involved a farmer in Wales who had converted their steading into holiday lets—the properties were never in the full-time housing sector at all—but, because they were in a very remote area where the market for short-term lets is very seasonal, half the units ended up becoming eligible for council tax because they did not make the grade for business rates, and the farmer was

charged the second-home premium on properties that were never designed to be in the housing stock. That is an example of how things can be really unfair, and there is a danger that that will happen in the more remote areas of Scotland, too. In some places, the income might be great in the high summer, but it is usually pretty low in the off-season. People have to make hay while the sun shines, but that does not mean that they have the readies to pay a council tax premium.

The use of discretion has to be really carefully designed, and discretion should be used properly and consistently across the country.

Willie Coffey: I was going to ask whether you are advocating for a discretionary element before the premiums can be applied, so that local authorities can decide on a case-by-case basis whether to apply them. Is that your position?

Anna Gardiner: Yes, and the decision must come back to the policy intention, which concerns full-time housing. There must be consideration of why a property is empty, whether it is a second home and whether it was ever meant to be used as a home. To apply a premium to a property that was never in the main housing stock in the first place causes distrust in the rationale behind such a tax.

Willie Coffey: Thanks for those answers.

The Convener: Fulton MacGregor, you had questions concerning council tax. Have they been answered, or do you still need to ask them?

Fulton MacGregor (Coatbridge and Chryston) (SNP): My questions have mainly been answered, but I will just ask a supplementary question on the back of Willie Coffey's line of questioning. It will be directed to Anna Gardiner—sorry, Anna; I know that you have been in the hot seat for a while.

What factors do you think councils need to take into account when they are considering the charge being greater than 100 per cent for second homes? Can you speak about that in terms of impacts on tourism? Is that an issue that needs to be taken into account?

Anna Gardiner: A number of things should be taken into account by councils. Operational necessity is one—whether a property is required for agricultural land management or estate operations, is used for ad hoc worker accommodation or is integral to the functioning of a land-based business. Another issue is structural suitability. There should be an assessment of whether the property is fit for year-round residence or is perhaps more appropriate for tourism. A further issue is the practical consideration of whether the property is ever going to meet the compliance standards for a private residential

tenancy. Insurance is another factor, and there are also issues around rural businesses: councils need to recognise that rural properties are often older, off-grid and have higher management costs, and that there is a shortage in the supply chain when it comes to carrying out renovation works, which is of particular relevance with regard to empty properties. It is also important to bear in mind that, as I have already mentioned, some properties are maintained not as housing stock but as operational assets.

Ultimately, there need to be much more clear and transparent criteria for the use of discretion. We would like to see guidance specifying when exemptions are appropriate. We feel strongly that, if a property was never designed for the main housing stock, it should not be subject to council tax premiums.

The Convener: We will move on to another topic, which I think that all our witnesses can respond to. It concerns the anticipated draft Energy Efficiency (Domestic Private Rented Property) (Scotland) Regulations. They have not yet been laid, but there is enough information in the public realm to enable us to ask some questions about them. Meghan Gallacher will start off the questions on this topic.

Meghan Gallacher (Central Scotland) (Con): I will direct my questions to the Chartered Institute of Housing Scotland and Scottish Land & Estates, but I will give Anna Gardiner a break by going to CIH in the first instance.

Gillian McLees, is the approach that has been taken in the draft proposed regulations proportionate, and does it balance the rights of tenants and landlords?

Gillian McLees: Anything that improves engagement between tenants and landlords is important, and we welcome that, so we welcome the Government's decisions on the regulations to date. Without having anything to scrutinise, it is difficult to speak about the issue in anything other than broad terms, but, broadly, we agree with the introduction of the standards and think that they are proportionate.

Meghan Gallacher: Has the lack of detail been an issue? Is that a concern in the sector?

Gillian McLees: As you pointed out, there is enough information available to enable us to take a view. However, in the years since the previous regulations were introduced, which was during the Covid pandemic, the details have changed, and it is unclear whether the private rented sector and social housing will be held to different standards. We would like some clarity on that, for sure.

Meghan Gallacher: That is helpful. Anna, could you give your view on the issue? I know that the

situation with regard to rural homes will be more challenging than it will be with regard to homes in urban settings.

Anna Gardiner: This is a classic example of a piece of legislation on which we would have liked a rural impact assessment to be carried out. The Housing (Scotland) Act 2014 provides a precedent for carrying out rural impact assessments. If those could be done before proposals were put together, things might work out fairer in the long term.

The 2020 regulations did not undergo full parliamentary debate. The recent consultation implied that there was universal support for those regulations, but, given that they did not receive the level of scrutiny that we would like to have seen, we do not think that that is a fair statement. At that time, concerns about fairness and rural impact were raised, but, as far as we can see, they have not yet been resolved. That is something that might have been addressed had there been a rural impact assessment.

I should stress that we are not against there being minimum energy efficiency standards in the private rented sector; we are against how that requirement plays out in reality. Our biggest concern is the impact on the rural housing supply. We saw what rent caps did to the number of rental properties available in rural Scotland: it has reduced in every rural region. Rural Scotland cannot afford the housing stock to be brought down any further, yet the bars just get higher and higher. All the issues that we have addressed today raise high-risk red flags in terms of the rural housing stock. The harder it is to provide rural housing—that is, the more expensive it is to run and maintain and the lower the rents are—the more likely it is that landlords will withdraw from the sector. We do not want to see that happening, because the rural economy depends on housing and we seriously need to repopulate rural Scotland, not promote depopulation, which is all that will happen with a shortage of housing.

10:30

Meghan Gallacher: That is helpful. My colleague Alexander Stewart will speak about housing supply in a moment.

Gillian Campbell, I put the same questions, on timing and on striking a balance between landlords and tenants, to you.

Gillian Campbell: Getting the balance right between driving up standards and providing protections for tenants, along with protecting housing supply, is absolutely critical, especially given the housing emergency, which is particularly intense in certain rural and urban communities. Getting the balance right has to be the starting point.

We also have to remember that private renters are disproportionately affected by fuel poverty, with 41 per cent in fuel poverty compared with 20 per cent of owner-occupiers. There is also a clear and well-evidenced link between fuel poverty and the energy efficiency of homes, with 48 per cent of households who live in homes that are EPC band F or G in fuel poverty compared with 32 per cent of those who live in properties that are in EPC band C or above. Increasing reams of evidence show the health benefits of people living in more energy-efficient homes. Balance is absolutely critical, but a part of it is about the wellbeing of some of our most vulnerable communities, including people who live in housing that is not suitable for 21st century Scotland.

In terms of timing, we had the recent announcement from the United Kingdom Government of the warm homes plan and its intention to introduce the EPC band C standard for private rented properties from 2030. Given the heritage of this discussion in Scotland—we have been talking about it for not far off a decade, so it is not new to people—I see no reason why Scotland should fall behind the rest of the UK in terms of the quality of private rented stock.

Meghan Gallacher: Is there the risk of a challenge, given that it will be more difficult to get rural homes up to the higher energy efficiency standard, because of geography and build, rather than because people do not want to invest in them? How do we protect the housing stock to ensure that people have homes to live in?

Gillian Campbell: The system needs to be set up so that it has the built-in flexibility, exemptions and appeals processes to ensure that it does not exacerbate housing supply challenges in particular areas. That is absolutely fundamental. There are ways of designing the guidance, the appeals process and so on to provide those protections. We need appropriate exemptions, which need to be temporary, because technology changes in ways that might allow a solution to become available in five or 10 years' time. For technical reasons, they should not be permanent. However, reasonableness and flexibility need to be built into the system.

We all want the same things: decent-quality homes, an end to fuel poverty and a decent supply of homes across the whole country. As was said in relation to other regulations, it is about getting the guidance and the communications around it right and ensuring that we strike the right balance between protecting tenants and the housing supply.

I will briefly touch on the exemption of short-term lets, which the Scottish Government included in its consultation in the summer. The Existing Homes

Alliance feels that short-term lets should not be excluded from the minimum energy efficiency standards for a number of reasons. First, there is a risk that their exclusion could exacerbate the housing supply issue by potentially incentivising landlords or property owners to switch from renting to short-term lets.

Secondly, properties and homes are flexible. They often move between different sectors and tenures. Excluding a significant proportion of homes now means potentially placing the burden of upgrading them in the future on the public purse. If they are then switched to social rented properties—the Scottish Government is encouraging local authorities and RSLs to acquire homes in the market where possible to increase supply—the cost of upgrading them will sit with the public purse or with future owner-occupiers. It is a complex situation, but temporarily excluding large chunks of the housing stock will be counterproductive and costly.

Meghan Gallacher: Complex is definitely the right way to describe it. We heard examples earlier of situations in which homes cannot be turned into long-term rental properties. There is a need to look at the various ways in which the overall aims and objectives can be perceived and dealt with.

My last question is on the proposed regulations applying to new tenancies from 2028, with a backstop of 2030. I am keen to hear witnesses' thoughts on when the proposals should take effect, what the likely impact of introducing them will be, and whether a delay would be a help or a hindrance.

Gillian McLees: We would urge the Scottish Government to make a decision on that sooner rather than later. Implementing the proposals in the lead time up to 2028 and 2030 is achievable if we get details on the regulations soon. A short turnaround would be impossible, so we should get the information out sooner rather than later. We have been talking about it for a number of years, so it is not a green subject.

We would urge the Government to ensure that it also issues information about support for landlords and tenants, and that that is put out at the same time as the regulations. That includes information about any potential exemptions, such as whether a different way of funding or any efficiencies are needed in rural circumstances.

We ask the committee to be mindful that one unintended consequence could be that people leave the sector because of one thing or another that is added to the regulations. However, we would still urge the Government to ensure that the regulations come out sooner rather than later.

Anna Gardiner: If that April 2028 deadline is set in stone, then the sooner the regulations are firmed up, the better. The longer the delay, the more the deadline will need to be pushed back. The reason for that is that people need to be able to prepare. The fact that your tenant is not leaving today does not mean that they will not leave in 28 days' time. It is important to make sure that everything is set up properly and that the 2028 deadline is flexible until such time as all the ducks are in a row.

It is also important to consider establishing the exemption process in a way that involves as little bureaucracy as possible, because the bureaucracy will be a hurdle for many landlords, who will withdraw from the sector if they feel that it is a mountain that they are not able to climb within a short period. If they can plan properly, that makes it a lot easier, and there will be much more compliance from the outset. The issue we have had is that the goalposts have kept moving—I am thinking specifically of the proposed cost cap—and people have been proactive and have invested in good faith, only to discover that the current proposals mean that they will not cover their investments, some of which are quite serious.

On Gillian McLees's point about funding, an owner-occupier in the rural sector gets a rural uplift, but a rural landlord does not. Where is the parity in that? There is a clear acknowledgement that it is more expensive to do things in the rural world, which is why that rural uplift has been given to the owner-occupiers. However, nothing has been given to rural landlords.

Meghan Gallacher: Let us hope that the Scottish Government takes that on board.

I saw lots of nodding heads around the table, so I do not think that anyone will disagree that the sooner the regulations are issued the better. Gillian Campbell, do you want to say anything to wrap that up?

Gillian Campbell: We very much agree with the need to introduce the regulations as soon as possible. We think that all properties should have to comply with EPC band C by 2030, at the latest. It is unfortunate that there have been delays and that there are potential risks with the home energy model that could result in 2028 being a challenge. However, that 2030 backstop date is highly achievable.

We agree that some landlords in particular will need support. They can already access the private landlord loans through Home Energy Scotland's scheme, which is funded by the Scottish Government, along with advice and practical support, and we think that that should continue. There is a need to look at more flexibility for higher-cost areas.

EPC band C is not a challenging standard. Research that we commissioned last year established that most private rented homes could meet EPC band C at an average cost of less than £3,500. The target is highly achievable and affordable. It has been a long time coming and we need to get on with it.

The Convener: Thank you very much. I bring in Alexander Stewart with our final few questions.

Alexander Stewart (Mid Scotland and Fife) (Con): I thank the witnesses for their comments so far. Regulations always have an impact, and it has been obvious from your evidence that the regulations have a potential negative impact on the housing supply. As you have already indicated, landlords have left the sector and more might do so when the regulations are brought in and have that negative impact.

Risks are involved, and you have all been quite articulate about where you see them. What should we do to mitigate those risks and to try to support the housing supply? As you have identified, we might be losing that supply and the landlords because of the risks to the sector and to the industry that those regulations might bring.

Anna Gardiner: As you have said, the regulations could further constrain supply in the private rented sector. As a landlord, you get a 28-day notice for the changeover of a tenancy—that is the standard one month's notice that a tenant needs to give you. However, the bureaucratic process for compliance when you are getting an exemption—bear in mind that the older housing stock in rural Scotland means that most people in such areas will probably have to seek an exemption—will require people to jump through quite a lot of hoops, with paperwork and so on, which will extend void periods between letting. That is a real concern for me.

Most people have a queue of prospective tenants already chapping on the door, asking when a property will come up. The frustration over properties sitting empty due to bureaucracy is one of the biggest anger points for rural landlords. The classic case is when a property is abandoned and the bureaucracy that you have to go through to check everything before you can then allow the next tenant to come in means that properties sit empty for months and months. We do not want the legislation to cause properties to sit empty for even a day longer than they should under normal circumstances.

Gillian Campbell: Getting the balance right is critically important. Studies have found that some landlords have expressed an intention to reduce their portfolios or to leave the sector in response to various regulatory changes over the past few years. However, there is a difference between

expressing dissatisfaction about forthcoming regulations and withdrawing from the market.

A study by the UK Collaborative Centre for Housing Evidence in 2023 found no evidence that non-price regulation causes disinvestment. Landlords exit the market for a range of reasons, including capital gains or retirement—they consider several different factors. I believe that, when rent caps were introduced in 2022, the number of PRS properties increased slightly, so we need to be careful about some of the assumptions that we are making. Granted, particular areas are more affected than others, but we need to be mindful of that fact and continually monitor the impact.

10:45

We must ensure that we do not allow nervousness about market impacts to leave us in a position where tenants, who often have limited housing options, are stuck in cold, damp homes that they cannot afford to heat. The point of the regulations is to protect some of our most vulnerable households because any situation where people cannot afford to live in a warm home is unacceptable in 21st century Scotland.

We absolutely must monitor that to mitigate any negative impact on the market. The objective is to improve housing quality, affordability and supply and, if we start to see quality homes being taken off the market, we must take action to mitigate that, including by doing some of the things that Anna Gardiner spoke about, such as having processes that are as streamlined as possible, that are not bureaucratic and that do not add to the challenges.

Gillian McLees: I agree with the other Gillian. Improving standards is key to creating better communities for the people of Scotland and specifically for those on low incomes, so any concern about landlords leaving the sector should not prohibit improvement in standards. That is key, but we must also be acutely aware of the fact that we are not monitoring those numbers properly. At the moment, the data to support either side of the argument is not there, but that information could be a way of understanding, once and for all, where the issues are. We should leave it to local authorities to do that, because they know their communities best.

Alexander Stewart: Enforcement will also be an issue in the regulatory process, and it is local authorities that will be given that task. It would be interesting to know whether you think that that is the right place to put that task. Do local authorities have sufficient resources to do that effectively? We have already spoken about the fact that the impacts on rural and urban authorities might be different. It will take time and resources to ensure

that properties are at the required standard, and you spoke about the knock-on effect of the time spent waiting for voids to be dealt with.

It would be good to get a flavour of what you all think. Is it right to make local authorities responsible? If that is right, how should they be resourced to ensure that the sector gets the required support to be effective and efficient?

Gillian McLees: It is important that local authorities do that, because they know their communities and know where the housing needs are. However, it would be unrealistic not to acknowledge that that has to be resourced somehow. Until we have the report and can scrutinise it in detail, we will not know who is and is not included or whether it mentions PRS or temporary accommodation. We support an all-tenure solution, but we need to see the detail sooner rather than later if we are to comment more fully.

Anna Gardiner: It is difficult to comment without knowing what the approach will be. Local authorities are already in charge of overseeing the landlord register and so already have some systems in place, but how effective those systems are is open to question. They will, inevitably, need to be resourced properly to do the job properly but, without seeing the exact detail, it is hard to say more.

Alexander Stewart: Does anyone else want to add anything?

Gillian Campbell: I support what the others have said. It makes sense for enforcement to sit with local authorities, but they must be adequately resourced.

The Convener: I thank everyone for that discussion of the SSIs and for joining us today.

I will briefly suspend the meeting to allow for a changeover of witnesses.

10:49

Meeting suspended.

10:56

On resuming—

The Convener: For our second panel we are joined by Aoife Deery, a senior policy officer at Citizens Advice Scotland; Sharon Egan, head of housing services at South Lanarkshire Council, representing the Association of Local Authority Chief Housing Officers—ALACHO; Emma Saunders, national organiser at Living Rent; and Elaine Waterson, policy manager for Scotland from the Energy Saving Trust. We are joined online by Mike Callaghan, policy manager at

COSLA. I welcome you all to the meeting, and I thank you all very much for coming along this morning.

There is no need for you to operate your microphones; we will do that for you. Please indicate clearly if you wish to speak. We will prompt somebody when we start our questions, so that you know that a question is coming to you first, but please indicate clearly to me or to the clerks if you want to come in. Mike, you will be raising your hand rather than using the chat function.

I will start with a number of questions on the draft Private Housing Rent Control (Exempt Property) (Scotland) Regulations 2026. I will tee you up for this, Aoife. The first question is to get a sense of whether Citizens Advice Scotland agrees in principle with the proposed exemptions for mid-market rent and build-to-rent properties from the rent-controlled areas provisions. Do you agree with those exemptions?

Aoife Deery (Citizens Advice Scotland): At the development stage, we expressed some concerns about what the provisions would mean for mid-market rent tenants in that they would effectively create a two-tier system for private tenants. However, we see that care has been taken in the regulations to exempt only MMR that has been given grant funding, or the equivalent, by the Scottish Government. We are keen for that to be kept under review, ensuring that there are no adverse consequences for those tenants such as large rent increases. I cannot comment very much on build to rent, as we do not have much evidence on that.

This is an important opportunity to remember that we are in a housing emergency. We should be doing all that we can to keep everyone in the homes that they have, if they are suitable for them, and to ensure that everyone has a safe, warm, affordable home. Rent controls are a positive contribution to that. We want them to work, but we think that some elements need to be kept under review.

Emma Saunders (Living Rent): On mid-market rent, what remains unclear for us is what the mechanism is for tenants to complain about rent increases. We are talking about the only tenants in Scotland who will not be able to contest a rent increase. There is no provision for them either to go to the Scottish Housing Regulator or to go through rent adjudication, and that is a big problem. That could be clarified and rectified in the regulations, and we would encourage that that be looked at.

We are also concerned by the ending of MMR contracts across Edinburgh and Glasgow, where housing associations have rented out buildings for five to 10 years, to allow another developer to

come in. Now that those contracts are ending, the private MMR tenants, who were selected because they were on low incomes, are facing 50 per cent rent increases.

There is a lot going on in the MMR space that is not quite regulated or not quite planned for but about which we feel that there should be a bit more consideration. It would be clearer if the Scottish Government published separate guidance about how it will control mid-market rents and whether it will follow the same model as for rent controls. Right now, it seems as though mid-market rents are controlled by the side door, as it were, of rent control regulation, instead of through a specific Government vision.

11:00

We are really concerned about the exemption for build-to-rent properties, for several reasons. It is not a time-limited exemption, so this is a free-for-all gift to big developers in Scotland, encouraging them into our city centres—especially in Glasgow, Edinburgh and Dundee—to build unaffordable housing. We are already seeing that happening. Right now, Glasgow city centre is being targeted by build-to-rent developers and pension funds, which want to build homes that people cannot afford. We think that that exemption should be time limited and that there should be a higher minimum number of homes; otherwise, we will have a two-tier system, which will not solve the housing crisis—it will push up rents. We must consider how that interacts with the long-term future of our cities, which housing is developed in our city centres and whether we can afford that.

The Convener: Can I get a little bit of clarity on that? The build-to-rent exemption is not time limited at the moment, and you are saying that that should come to an end. Is the reason for that the fact that we are in a housing emergency and we need to build housing? Therefore, for a time, Living Rent is okay with—

Emma Saunders: We do not like the exemption at all, and 97 per cent of respondents to your consultation did not think that the build-to-rent sector should be exempt. We think that it is a wrong exemption to have. It is like a present to developers, who will extract money and wealth out of Scotland. However, you could improve it by bringing in a time exemption. When the minister brought in the exemption, at first, it was about new developments; however, new developments do not stay new for ever. At one point, old developments should come into the fold; otherwise, we will have a two-tier system for ever, potentially. Does that answer your question?

The Convener: It helps. I think that I need to sit with that one for a little bit longer for it to drop

through, but you have got it on the record. Perhaps others would like to come in on the exemption question.

Sharon Egan (Association of Local Authority Chief Housing Officers): Good morning. During the consultation period, ALACHO submitted a response in relation to the exemptions to rent control measures. We absolutely agreed with the exemptions around mid-market rent, which will bring options to the market for tenants, but we expressed concerns about exemptions for build to rent, because we think that rent control is not necessarily a concern for that sector—we flagged that as part of the consultation process. However, we recognise that the exemptions will allow more tenancies of different types and affordability to come into the market.

The Convener: Tom, I do not know whether you put your hand up. I will ask my next question and then we can bring you in as well.

Some of you have started to touch on this a bit—actually, I will wrap my next two questions together. I would interested to understand from Sharon Egan, first, the likely impact of the regulations on tenants and landlords. To get a bit granular, are you content with the detail of the definitions of mid-market rent and build-to-rent housing as they are proposed in the regulations?

Sharon Egan: I mentioned just now that the exemptions will bring more options to the market in terms of affordability and housing types, which is especially important at this time, with a housing emergency and increased levels of homelessness. ALACHO absolutely agrees with the definitions for both MMR and build to rent. We think that they are purposeful and bring necessary safeguards for both tenants and landlords.

The Convener: Who else would like to respond to the question about the impact of the regulations and the definitions contained within them?

Emma Saunders: As far as impacts are concerned, we are quite clear that the regulations will create a two-tier system. In that respect, we have been looking at what happened with the right-to-buy legislation. I should say that it was not legislation that we really liked, but the fact is that it was undermined from 2001 onwards, prior to its being sort of ended in, I think, 2014.

We are really concerned that this legislation will do the same thing. It might promise rent controls, but, because of all the exemptions, it will actually destroy them from the get-go. Similarly, the Housing (Scotland) Act 2001 was heralded as helping the right to buy when it actually destroyed it—and we were very happy that it did so. That example provides a historical parallel that we can

learn from just now, and we are therefore very concerned about the impact on tenants.

As for the details of the definition, I have already said that we would really like to see time limits with regard to the build-to-rent exemption, and we would like mechanisms that would allow tenants in build-to-rent and mid-market rent properties to contest rent increases and to have access to rights with regard to their rents.

The Convener: Thanks.

Mike, you have not had a chance to speak yet. First of all, though, I should apologise for calling you Tom earlier—I got used to saying Tom when we were taking evidence from the previous panel. Do you want to come in on any of those questions?

Mike Callaghan (Convention of Scottish Local Authorities): Yes, very briefly. I just want to agree with the point made by Sharon Egan from ALACHO about the definitions of mid-market rent and BTR. We think that both are fit for purpose if the necessary safeguards are in place to ensure that the scope of the exemptions, if they are allowed, is properly limited. Emma Saunders also made a good point about looking at time limits with regard to the build-to-rent exemption. However, the fact is that we are in a housing emergency, and a lot of the work that has been developed from the report of the housing investment task force, which engaged closely with developers, is obviously focusing on the need for more housing in Scotland. We need to think about the impact on tenants, too, and the affordability of housing in our city centres.

On the issue of rent controls more broadly, I would reiterate the point that councils need sufficient and satisfactory resources to ensure that rent controls can be practically delivered through the various new systems, which will require information technology administration as well as staff resources, and that councils' views must be fully taken on board by the Scottish Government in developing the guidance on rent controls, particularly with regard to some of the elements that have just been mentioned.

The Convener: Thanks very much.

We will now move on to the next SSI—the Investigation and Commencement of Repair (Scotland) Regulations 2026, otherwise known as Awaab's law. I call Mark Griffin, who is joining us online, to ask a number of questions. Come on in, Mark.

Mark Griffin: Good morning. My question is similar to the one that I asked the previous panel. Do you agree that the broad approach taken in the regulations is proportionate and strikes the right balance between protection for tenants and the rights of landlords when it comes to the regulations, or what is called Awaab's law?

Aoife Deery: I would go back to my answer to the first question. The issue is not so much about the balance between tenants and landlords as about enabling people to stay in safe, warm, affordable homes, and these regulations go some way towards achieving that. Of course, we will have to see how they work in practice, but, broadly, we think that we are in agreement with them.

Some areas might need to be looked at a wee bit more, such as who will enforce the regulations; who will monitor whether repairs have been started and, importantly, completed—and, indeed, completed to a high standard; and that compensation, where it is due, has been paid. The last of those is an issue that we are seeing quite frequently, especially among private tenants who go to tribunal. Not only is the tribunal process quite long, onerous and difficult to go through without advice and support, but moneys are not always paid. It is a difficult process for people to navigate, and I think that the advice sector is really important in that respect.

To answer your question, I would say that we agree with the broad approach, but some details need to be worked out.

The Convener: Does anybody else want to respond?

Sharon Egan: ALACHO's members support the proposed changes—particularly the fact that the legislation has been based on the Scottish framework, so we welcome that. We think that it targets landlords and tenants, because it includes landlords' responsibilities and it recognises that tenants have rights and that we would address any issues to ensure that they are living in warm and suitable homes.

We recognise that there are underlying issues in relation to fuel poverty, which should be recognised alongside the legislation that has been drafted. We welcomed engagement with the Scottish Government on the drafting of the guidance and the legislation as it was prepared.

As you heard during the first evidence session this morning, in conjunction with the Scottish Federation of Housing Associations, ALACHO has prepared a joint document and has submitted it to the Scottish Government for review.

Emma Saunders: We support the general principles, because mould and damp have a terrible impact on tenants' health and can have long-term health consequences. However, we are concerned about the detail, so I will provide specific feedback on that. We think that there should be a mechanism to enable tenants to contest the matter or report it if they disagree with the landlord's report or with the finished work. That

is important, because there is often a "lick of paint" approach whereby a landlord will come in and paint over the mould, which does not solve the structural damp issues and means that the mould comes back. Tenants report worsening mental health because they keep reporting issues and then they get worse. The landlord gives it a lick of paint but nothing works, which creates a spiral of disengagement and disempowerment.

We think that there should be an increase in the penalty for non-compliance. Right now, the penalty can go up to a maximum of £300. That means that if a landlord in the social housing sector carries out repairs within one month or within six months, they will face the same penalty. That does not encourage speediness of repairs, and it also does not take into account any of the long-term health impacts.

We hear that tenants are increasingly turning to no-win, no-fee lawyers with regard to the long-term health impacts—and, at the moment, given that the legislation is not giving them good compensation, we think that that is fair enough. There should be a review after six months, to ensure that the works have been effective.

For the private rented sector, there should be a clear definition of a "competent person", because, right now, it is very much at the discretion of a landlord. A landlord could believe a person is competent, but what does that mean in practice?

As others have raised, overall, this framework does not protect temporary housing tenants, which is very concerning. In our experience, PRS properties that are rented through the council are the worst forms of housing. People can be in temporary housing for two or three years, with enormous mould and damp problems but with very little recourse to repairs.

The Convener: Thank you very much for that. Mark, do you want to ask your other questions?

Mark Griffin: Yes. Thank you, Emma, for raising the issue of temporary accommodation. We have received written concerns from Shelter that the same level of legal protection will not be given to tenants in temporary accommodation, which is a big worry, given that there are 10,500 kids in temporary accommodation. Do other witnesses have similar concerns about a lack of protection for tenants in temporary accommodation?

Aoife Deery: We agree with that. It seems like an omission from the regulations. We can see that the regulations apply only to PRS tenants and Scottish secure tenants, but if you are in temporary accommodation, you often have a short Scottish secure tenancy or an occupancy agreement.

We are aware that there are other issues, such as the fact that local authorities may not

necessarily own all the temporary accommodation that they provide. For example, they may use bed and breakfasts and hostels, which is where we see the worst issues with the condition of properties. That issue really needs to be looked at.

11:15

Mark Griffin: I have a couple more questions to wrap this up. Emma Saunders touched on the levels of compensation. Do witnesses agree that the timescales for investigating and commencing repairs and the compensation arrangements are appropriate? Secondly, do witnesses think that there should be a programme of awareness raising, both for landlords and tenants, of the responsibilities and rights that are conveyed by the regulations?

Sharon Egan: ALACHO believes that the timescales that have been set out are appropriate, given that there are clear rights for tenants and clear standards for landlords to adhere to. Some of the awareness raising will come about through the work that we are doing with the Scottish Government to develop the legislation. There will be clear standards, templates and guidance for landlords, so that we can ensure that the sector responds as a whole and that there is consistency. Similarly, we want to ensure that tenants know their rights. Local authorities and the sector are already seeing evidence of, since the requirements went live south of the border. I can speak only for South Lanarkshire Council, but we have definitely seen more tenants coming forward with concerns about damp and mould and we have responded to them appropriately. The timescales that have been set out so far in the guidance are appropriate. We feel that the compensation arrangements are also proportionate.

Aoife Deery: It is really important to have the timescales laid out clearly, as they are in the regulations. To give some context, in quarter three of last year, we had 340 reports of damp and mould, with people coming to us for advice about that, which is a 13 per cent increase on the previous quarter. It is a growing and significant area of housing advice for us. Most of the people who come to us for advice are asking not about small amounts of damp and mould, but extensive damp and mould that they have been living with for months, if not years, without understanding their rights and not knowing how to get it resolved. They may have tried to get the issue resolved, to no avail. Many people are coming to us for advice about that, so it is important that the regulations are clear about what needs to be done within a certain number of working days. The inclusion of a written summary of findings is important, because that will be a touch point for tenants and landlords to refer back to, so that everyone has a shared

understanding of the problem and what the solution needs to be.

It is important that the Scottish Government has an extensive awareness-raising programme to make tenants and landlords aware of the changes before the regulations come into force. When the Covid regulations were introduced, the Scottish Government wrote to all landlords to make them aware of new rules. That could be done again, as this is a significant change that will require a change in practice for the sector, and people will want to know where to go for support and advice. The role of the advice sector is critically important. The regulations will come into force very soon, so people need to get ready for them. I echo Sharon Egan's comments about the development of guidance, which will be very helpful.

Emma Saunders: For us, the timescale that has been set out should be a maximum, but we welcome the clarity, especially for private sector tenants. Before, the timescale was described as "reasonable", which could mean anything. However, in order for the timescales to be effective, we need mechanisms for penalties and compensation as an incentive.

As I said earlier, we do not think that the penalties in the social sector are good enough and, right now, there are no penalties in the private rented sector, which means that a tenant would need to go to the tribunal and get a repair order and, if what is in that repair order is not done, they would need to get a rent rebate order. That process could take up to two years, during which time they will be exposed to mould and damp every day, which will have an impact on their health, without any compensation or rent rebate.

One of our members has a two-month-old child who has been to hospital three times for respiratory issues because they live in a home with mould and damp. The house has been repainted now, but the issue is going to re-emerge.

Having a mechanism for appeal, enforcement and ensuring that the works are well done is important. Otherwise, although there is guidance, people will give properties a lick of paint and move on, but the structural issues that are impacting people's health will not be addressed.

Mike Callaghan: We agree that the timescales seem to be acceptable. I have been informed of that by our advisers from ALACHO.

I have some points to make about the regulations that are laid. We are supportive of their principles. Similar to rent controls, which are important, our member councils want to ensure that efficient and effective systems are in place to enable work to progress timeously.

Emma Saunders underlined that some important issues related to damp and mould need to be addressed. Some start-up systems and resources for councils will be required as part of that, and local government will need to have input on the guidance. I understand that a business impact report is still to be published on that. It will be useful to see that when it emerges.

It is also important to note that, although temporary accommodation is, obviously, supposed to be only temporary, it must still align with the Scottish housing quality standard. That is an important point, and it should not be lost.

Another point is the cumulative impact of regulations on the PRS, which is an important part of the mix of housing, given the chronic housing shortage in various parts of the country. It could lead some small landlords to disinvest, which would reduce the availability of housing. We are concerned about people being evicted from properties as a result of that. There has got to be some balance and support, and we have to be aware of the overall availability of housing stock.

As I said, our member councils want us to be in a position in which our systems can respond efficiently and effectively to instances of damp and mould.

Emma Saunders: Just to follow up on the part on compensation, we are concerned that that mixes three things together, which all need to be addressed. The first is that tenants who have a substandard service should get a rent rebate that means that they are paying less rent if their home is not watertight or in good condition; the second is that landlords who do not follow regulations should be fined; and the third is that there should be compensation related to the health impacts of being exposed to mould and damp. Right now, there is only a mention of compensation, and we do not know whether that will involve a fine, a rent rebate or an impact remediation. We think that that is inadequate.

The Convener: We will now move on to the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2026. My notes say that this topic will likely engage witnesses from Citizens Advice Scotland, Living Rent and COSLA.

Evelyn Tweed: Good morning, and thanks for all your answers so far.

I will pose this question to Aoife Deery first. Do you agree in principle with the proposal in the regulations to give councils more flexible powers to set council tax for second and long-term empty homes?

Aoife Deery: Apologies, but I let the clerk know that we do not have evidence on that.

The Convener: Okay, you are off the hook.

Emma Saunders: We agree with the measure in principle, and we think that it is important. Local authorities in Wales have the ability to raise council tax by up to 300 per cent, and that has had a positive impact, especially in rural and tourist areas, where it has brought homes to the market and made things much easier for first-time buyers. So, yes, it is positive and it could help in areas that have been negatively impacted by tourism.

Mike Callaghan: We support the provision. It provides flexibility and empowers local authorities to use the powers appropriately to bring in people to their areas, bring properties back into use, and use revenue raised for regeneration and grants. Bringing second homes into primary use is positive, particularly in the context of the housing emergency.

Local authorities around the country are best placed to understand their communities, housing pressures and the likely impact of the decision whether to introduce taxation on these types of properties through council tax. They are also accountable to local communities for the outcomes. As I say, we are supportive.

Evelyn Tweed: What impact did the introduction in 2024 of the power to charge a premium on second homes have? Has it reduced the number of second homes and have there been any unintended consequences? I will go to Emma Saunders first.

Emma Saunders: We do not have enough evidence about the numbers. This is a bit tangential to your question, but we are keen for the legislation to go ahead and we would like there to be a review of the charging of non-domestic rates for short-term let properties and the business rates exemption. In rural areas and hotspots such as Edinburgh, an increasing number of homes are being turned into short-term lets, which has an impact on tenants as it makes it much harder for them to find a permanent home to rent. We are therefore keen on some of the legislation that the Scottish Government has brought forward to limit the number of short-term lets, and the measure that we are discussing could do a similar thing, which would have a positive impact on the housing crisis because it would give more tenants access to homes. For that to be effective, however, there needs to be a review of the non-domestic rates and the business rates exemption for small businesses.

Evelyn Tweed: Mike Callaghan, do you have anything to add?

Mike Callaghan: I do not have the necessary information before me about the number of empty homes to inform my answer, but it is a useful

question and it is important for us to take that on board via the SEHP as part of our efforts to reduce the number of empty properties across the country. The impact of the issue also depends on the area. In some areas, there is a variable impact on the local housing system, but in popular tourist and holiday locations there is a balance to be struck, particularly because some second homes are permanently occupied by local residents.

As I say, I will need to get the figures and information to inform our answer.

Sharon Egan: Like Mike Callaghan, we do not have the specific detail on that question. However, our members have discussed the importance of the role of our empty homes officers in understanding why properties are lying empty, and we have sometimes unearthed complex reasons for that. Devolving that power to local authorities would be useful, in terms of their clear understanding of the complexities around why properties are empty and local issues around tourism and second homes. ALACHO has submitted written evidence about that, and we are broadly supportive of the measure.

The Convener: We will stay with council tax regulations, and I will bring in Willie Coffey, who has a number of questions.

11:30

Willie Coffey: Good morning, everybody. The Scottish Government estimates that there are more than 40,000 empty properties in Scotland, 32,000 of which are empty for longer than six months, and that there are around 20,000 second homes in Scotland. There is a tally of about 60,000 properties that could come back into some form of use. Do you think that the council tax premium proposal will help or hinder that situation? What are your views on that? Emma, could you offer a view to begin with, please?

Emma Saunders: We think that the premium will absolutely help to bring these houses back into use and that it is absolutely essential. Every incentive to bring these homes into long-term use should be used, and every Government tool to do that should be used.

Willie Coffey: Sharon, what is your view? You might have heard Anna Gardiner on the previous panel pleading for a discretionary element for local authorities. She cited quite a number of circumstances in the rural setting that gave committee members an insight into the reasons why houses can be empty for long periods. Do you think that there is a need for a discretionary element that councils can apply when considering all the circumstances?

Sharon Egan: That is where the localised element would come into play. If that power is devolved to local authorities, they can make that decision, because they will absolutely understand the context of the housing market in their areas. Whether there are discretionary or different rates is to be considered, but local authorities will definitely know the balance with regard to the use of second properties and where the empty homes are. As I mentioned, they will also know about the complexities that often come with empty homes. If people have purchased a property at a low value decades ago, are no longer in the area and do not understand how the deterioration of the property is impacting the local community, the local authority will absolutely understand that. In general, we are supportive of devolving that power, but it is unclear how that will roll out across the country.

Willie Coffey: Mike, a view from COSLA on this issue would be really welcome.

Mike Callaghan: I agree with the points that Sharon from ALACHO has just made. Local authorities are best placed individually to understand local pressures and the likely impact of any decisions in respect of particular properties, housing stock and empty homes. They are accountable to local communities for local outcomes. For long-term empty homes in any particular community, the local authority is obviously best placed to make those decisions, with local discretion as to whether to apply the council tax premium.

Willie Coffey: Finally, I have a question about the fairness of the whole idea behind the policy. Is it fair to apply it to second-home owners in particular, who might have paid extra through land and buildings transaction tax, for example? Is there a fairness debate to be had on the second-home element? Emma, could you offer a view on that?

Emma Saunders: For us, the key focus should be on the housing emergency, especially in areas that have a high concentration of second homes, because those are areas where people are struggling to find homes. In the Highlands, our members speak about living in caravans, sheds and cabins for years, sometimes with kids, because they want to stay in their communities. They work in the schools, hospitals and youth centres, but cannot access long-term homes. The fairness debate should be about how we support them to have access to homes.

Willie Coffey: Sharon or Mike, do you have a view on fairness with regard to second homes? Anything from you, Mike? Is the policy fair?

Mike Callaghan: It has to go down to local circumstances. We do not have an actual position on that, and there are obviously arguments for and

against. My colleague from ALACHO might have a view on that as well.

Willie Coffey: Many thanks to you all.

The Convener: I will bring in Fulton MacGregor to ask the last question on the council tax regulations.

Fulton MacGregor: The area that I was going to ask about has been mainly covered by Willie Coffey. Rather than simply asking a question for the sake of it, I will pass back to you, convener.

The Convener: Okay. Thanks very much.

We now move on to the anticipated draft Energy Efficiency (Domestic Private Rented Properties) (Scotland) Regulations. First, I want to thank Elaine Waterson for her patience this morning—this is a topic on which her contribution is very welcome. For background, and so that we are all on the same page, the regulations have not yet been laid—although I think that we all know that.

I will bring in Meghan Gallacher with the first questions.

Meghan Gallacher: We have been talking about these proposed regulations for quite some time. I am hoping to get the witnesses' opinion on whether they agree that the broad approach taken in the proposed regulations is proportionate and balances the rights of tenants and the rights of landlords.

Elaine, because you have been waiting so patiently, I will come to you first.

Elaine Waterson (Energy Saving Trust): Thank you. Overall, we strongly support introducing minimum energy efficiency standards in the private rented sector. That is because the sector contains some of the least efficient homes in Scotland. Nearly half of private rented sector homes are EPC band D or below, and about 14 per cent fall into bands E, F and G. Poor energy efficiency is one of the key reasons why fuel poverty rates are so high in the sector. The latest Scottish Government figures show that 41 per cent of private rented households live in fuel poverty, which compares with about 20 per cent in the owner-occupier sector.

The fuel poverty rates in the private rented sector are really high, but tenants' ability to influence the energy efficiency of the homes in which they live is very limited. Unlike owner-occupiers, tenants cannot simply decide to improve the insulation of the home that they are living in or make other upgrades themselves. Therefore, having a standard has a really important role to play in ensuring that the properties that they rent meet reasonable levels of energy efficiency.

Improving energy efficiency will help to cut energy demand, reduce tenants' bills—that is really important, as they are really high—make homes warmer and more comfortable, lower rates of fuel poverty and reduce emissions. Therefore, it has a role to play in meeting Scotland's climate change targets and our fuel poverty targets. It will also bring health benefits to tenants by reducing their exposure to cold homes.

Our view is that yes, the proposed regulations balance the rights of tenants and landlords.

Meghan Gallacher: I will move on to the topic of geography. There are differences between homes in rural areas and homes in more urban settings. Do you think that a different approach, and different forms of engagement with landlords, might be needed in rural areas in particular to ensure that homes are made as energy efficient as possible, while recognising that some property types may not be able to achieve the highest efficiency standards?

Elaine Waterson: Absolutely. Rates of fuel poverty are very high in lots of rural areas, but, as you say, the property types in some of those areas are very different, and it might be more challenging and more expensive to improve the energy efficiency of those properties. In some cases, exemptions will be needed relating to costs and other factors. There will need to be a different approach and an acknowledgement of the fact that all homes in all parts of Scotland are not the same.

Meghan Gallacher: That is great. Thank you very much, Elaine. Aoife Deery had her hand up, so I will go to her next.

Aoife Deery: To touch really quickly on your first question, we agree with the broad approach. We think that it is proportionate. It has been trailed for a long time, as has been mentioned.

Our evidence shows that a range of harms are caused by poor energy efficiency. There is a real interconnectedness, as Elaine Waterson mentioned, between fuel poverty and energy efficiency, and poor physical and mental health. We set out extensive evidence of that in our report "Left in the cold: Experiences of damp and mould in Scotland", which we published last year.

On your question about different geographies, there will be different needs and different ways of engaging with landlords, who effectively have the power to upgrade the energy efficiency of their properties. As Elaine Waterson said, there is a higher concentration in rural areas of properties that are harder to treat and properties with lower energy efficiency ratings. However, it is about supporting landlords to achieve as much as they can, rather than not taking any action at all. At the end of the day, the tenants living in those

properties are paying high energy bills and suffering the consequences of poor energy efficiency. That cannot be allowed to continue.

Meghan Gallacher: That is helpful. Are there any further comments? Do any witnesses think that there is not a balance? I see that everyone is in agreement that there is—that is great.

My final question is about the minimum energy efficiency standards that will apply to new tenancies from 2028, with a backstop date of 2030. When should the proposals take effect and what is the likely impact of any potential delay to introducing the regulatory requirements? Should they take effect as soon as possible? That is what we heard from the previous witnesses.

Elaine Waterson: The key implication of delays is that the longer that the effect is delayed, the more tenants miss out on the benefits that the standards are designed to deliver. Without the standards, many tenants will continue to live in homes that are colder, more expensive to heat and less comfortable than they should be, which will mean that fuel poverty remains higher than it would otherwise be.

There are wider impacts, too. Without the standards, we will lose opportunities to cut energy demand and reduce emissions, which will slow progress towards meeting climate change targets and will put higher demand on gas and electricity networks.

At the moment, landlords lack clarity about what will eventually be required of them and when it will be required. That clarity is really important so that they have certainty and lead-in time to plan and prepare.

On the dates, we agreed with what the Scottish Government originally proposed—no, sorry, we did not. We thought that there should be a backstop date of 2030 and that the standards should apply to new tenancies from 2028. The longer we have to wait for an agreement on what the standards will be and when they will apply from, the more uncertainty will be created. If we wait for longer, landlords will have less time—and they need that time to plan. They need to know what is happening. For example, if they are doing renovations to their properties, it makes sense for them to consider energy efficiency as part of that. Time for that is really important.

Meghan Gallacher: Witnesses on the previous panel also mentioned the lack of confirmed detail. There has been a lot of moving goalposts between where we began when we started talking about the issue and where we are now. Does anyone want to raise any other views?

Emma Saunders: On the timescale, I agree that as soon as possible would be good, especially

since right now there are better regulations in England than in Scotland. Scotland has always led the way on housing and it would be nice if that continued.

I have comments on other aspects of the standards aside from the timescale. Our concern is about renovation—that is, tenants being affected in order for landlords to meet the targets. We are keen for tenants to have some protections in that regard. We are also concerned about how renovation will interact with the rent control legislation. Potential exemptions to rent controls around renovation have been mentioned, so we could see tenants facing high rent increases after renovation, which, de facto, would lead to evictions if they could not afford those rent increases. We are keen for renovations not to lead to higher rent increases.

We are concerned about the cost cap exemption being set at £10,000 rather than £15,000, especially given inflation and higher building costs. We think that a cap of £15,000 is more appropriate for the renovations that may be needed.

My last point—I am sorry to bang the drum on this—is about short-term lets. Short-term lets are proving to be the place where landlords go when they want to escape other regulations, whether those are around rent controls or around council tax, and they could potentially do the same around energy efficiency. Short-term lets need to be covered by energy efficiency regulations, otherwise it will be harder for properties to come back into the PRS at some point and they will be even more attractive to short-term-let landlords.

11:45

Meghan Gallacher: That is certainly on the record. Thank you.

Aoife Deery: I will pick up on a couple of Emma's points.

We are keen to avoid energy efficiency improvements leading to rent increases. The costs of improvements should not be passed along to tenants. There needs to be a review of the schemes on offer for landlords to make sure that they are fit for purpose and that they support landlords appropriately. Tenants cannot foot the bill for that; in many cases, they are already paying very high energy bills, because of the lack of good energy efficiency.

With regard to the date at which the proposals come into effect, it is important to remember that they are complementary to Awaab's law, which is coming in quite soon. It is therefore important to try and align the policies as much as possible. Improving energy efficiency will also deal with a lot of damp and mould issues, and so it is about tying

them together and providing a bit of policy coherence.

Sharon Egan: I echo the point that colleagues on this panel and on the previous panel have made about guidance being available as early as possible. At ALACHO, we come it at from the perspective of the housing emergency and the private rented sector being a viable housing option to many. It is important to be aware of potential unintended consequences for the sector, given that a variety of standards are being placed on private landlords at the moment. Mike Callaghan mentioned Awaab's law and the impact that it will have on the sector. I point out that we need to be mindful of that with this, too.

Meghan Gallacher: That is helpful. Thank you.

The Convener: We still have questions in this area, so I will bring in Alexander Stewart. You can maybe tuck your other bit in there, Emma. Alexander, I invite you to come on in on the same topic.

Alexander Stewart: We have heard that regulations can have an impact on the sector, which could be positive or negative. We are asking about how that impact happens. The proposed regulations might well have a negative impact. The sector, which is a supplier of housing, has been talking about that, because some landlords might feel that they need to leave the market if they are not able to comply with the regulations. There is a risk to supply in all of this, which could perhaps have even more of an impact on the sector in a rural environment as compared to an urban environment—although it would still have an impact on the latter. If there is a risk, how should we mitigate and manage that risk so that we do not lose the stock and supply in the housing sector that we so badly need?

Sharon Egan: It is about the guidance being available as early as possible so that landlords can understand their responsibilities and be able to implement and put things in place. It is also about any support or communications that come out between now and the guidance coming into place. We felt that the timescales—2028 in relation to new lets and the backstop date of 2030—were reasonable and gave landlords time to prepare.

Aoife Deery: Sharon Egan's point about guidance is absolutely correct. I agree with that.

I referred earlier to reviewing the schemes on offer to support landlords and the advice sector. Knowing where to seek high-quality advice will be really important, so it is about having an awareness campaign.

It is also important to note that the number of landlords in Scotland has been going down over the past few years whereas the number of

registered properties has, in fact, been going up, which the committee has probably heard before. It is heartening to see that more properties are coming on to the market; there is perhaps more of a professionalisation of the sector, with more landlords—accidental landlords, who find it more difficult to adhere to the rules—leaving the market. I think that that is a good thing, but it is something to keep monitoring.

Emma Saunders: Landlords may leave the market, but the homes never do. The homes remain in Scotland, which is why it is interesting to tie the proposals up with other legislation, such as the regulations on council tax on empty homes. It is about ensuring that, if homes leave the private rented sector, they enter the homeowner sector and become available for other people.

Construction risk is more of a key risk. In England, the Ofgem grants for energy company obligation 4 have been disastrous in their impact on the fabric of buildings. I think that 92 per cent of the works have damaged properties. We are really keen for retrofitting work to be done properly here. We are seeing such things happening just now in retrofits of some council homes, where mould and damp are being trapped because of poor design and poor execution. We would be interested to think through how having accredited workers and schemes could ensure that landlords do the right type of work for each property.

Elaine Waterson: I echo what others have said about the importance of making it as easy as possible for landlords to comply with any regulations that come in, ensuring that they have all the support that they need. There is already a lot of support for landlords in Scotland through the Scottish Government's Home Energy Scotland advice service, which provides landlords with advice and support and access to low-cost loans that are funded by the Scottish Government. That kind of support will be really important if we want the standards and the regulations to work in practice. It is also important that landlords know that that support is available to them.

Alexander Stewart: My next question is about the enforcement of the proposed regulations. It is important that we get that right. At the moment, local authorities are being earmarked for that role. Are they the suitable bodies to deal with enforcement? It would be good to get your views on that. If they are, sufficient resources will be required to ensure that the measures are effective and efficient. Some local authorities may face a bigger challenge, depending on their size, their capacity and their workforce, on their rurality or urban situation and on how many properties they have to manage.

As we heard earlier, property being left void is not where we want to be. If the proposed regulations have an effect in that respect—if that is a knock-on effect of enforcement—it could jeopardise everything that we are trying to achieve in ensuring that we have more properties, and more properties of the right standard. It will be important to enforce the policy effectively. It would be useful to get a view on that from all of you.

Sharon Egan: The important thing here is the guidance and having absolute clarity about what the guidance entails, how it is interpreted and how the policy is rolled out operationally. That will have an impact on local authorities, and I imagine that levels of ability, skill set or capacity to carry out the enforcement role will vary across the country. As you say, resources would need to be considered. Whether that comes back as funding to create posts for carrying out enforcement is yet to be considered, but I suppose that it comes back to the clarity of the guidance.

Aoife Deery: It is a really good question. Most of our concerns around the Housing (Scotland) Act 2025 have been about enforcement and resources, so I am pleased that they are being picked up, especially in relation to the proposed regulations. I think that local authorities are suitable bodies but, as you have pointed out, Mr Stewart, resources will be a challenge. Local authorities have to be appropriately resourced to carry out enforcement and I think that, as holders of the local landlord registration systems, they are well positioned to do that. As landlords have to register with them, it could just be a question of the rating of the properties that authorities hold on their registers and whether the relevant certificates are held. It is a new function for local authorities, and that needs to be taken into consideration. What would it mean for landlords if they repeatedly do not comply? How would any penalties be enforced? Would it be a matter of removing landlords from the register? We need a wee bit of clarity on that.

Mike Callaghan: I welcome the question—it was well put. The other witnesses have underlined the need for resources for appropriate local authority enforcement if that is deemed to be the option that we go with. That certainly seems appropriate in some ways, given what has been said about local landlord registration.

We support the principle of energy efficiency standards, but, as Sharon Egan from ALACHO and Aoife Deery have said, as well as awareness campaigns, guidance needs to be available as soon as possible. Overall, if we want the system to work efficiently and effectively, local authorities need to be appropriately resourced, as has been said.

Emma Saunders: For the system to work well, enforcement is key. Local authorities are best placed to do that, but, in our experience, enforcement in relation to the landlord register, the PRS and short-term-let landlords has not been as effective as it could have been. There needs to be a review of how enforcement is working in practice in each local authority. As well as having the powers, there needs to be a culture in which people think that enforcement must be carried out well, because having bad apples is bad for everyone and has clear consequences for tenants. That requires stronger penalties for landlords who break the law and a clear stick-and-carrot approach in which landlords who do well are supported and landlords who do not are penalised.

Elaine Waterson: I agree with what others have said. Enforcement is vital if the proposed regulations are to do what they are expected to do, and local authorities should play a key role in regulation.

I flag that other parts of the UK—England and Wales—have had such regulations in place since about 2018, so a lot could be learned about what does and does not work from the experience there.

Alexander Stewart: Thank you.

The Convener: This has been a very useful discussion on the SSIs. I thank the witnesses for making time to join us.

I suspend the meeting briefly to allow the witnesses to leave.

11:57

Meeting suspended.

11:58

On resuming—

Non-Domestic Rate (Scotland) Order 2026 (SSI 2026/39)

Non-Domestic Rating (Valuation of Utilities) (Scotland) Amendment Order 2026 (SSI 2026/44)

The Convener: Agenda item 3 is formal consideration of two negative instruments. Do members have any comments on either instrument? As nobody has any comments, does the committee agree that we do not wish to make any recommendations in relation to the instruments?

Members indicated agreement.

11:59

Meeting continued in private until 12:12.

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