



University
of Glasgow

Harris, Vanessa (2018) *The impacts of the new Private Residential Tenancy Regulation on the private rented student accommodation sector in Scotland, and their landlords*. [MSc]

Copyright © 2018 The Author

Copyright and moral rights for this work are retained by the author(s)

A copy can be downloaded for personal non-commercial research or study, without prior permission or charge

This work cannot be reproduced or quoted extensively from without first obtaining permission in writing from the author(s)

The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the author

When referring to this work, full bibliographic details including the author, title, institution and date must be given

<http://endeavour.gla.ac.uk/325/>

Deposited: 13 December 2018

University of Glasgow

School of Social and Political Sciences

Urban Studies

**The Impacts of the New Private Residential Tenancy Regulation on the Private Rented
Student Accommodation Sector in Scotland, and Their Landlords.**

Word count: 14,399

Presented in partial fulfilment of the requirements for the degree of

M.Sc Real Estate and Regeneration

August 2018

Acknowledgements

I would like to express my gratitude towards my supervisor, Dr Allison Orr, for her guidance and patience throughout the year.

Thanks are also due to everyone who participated in the research, for making the completion of this research possible.

Abstract

Private Residential Tenancy was introduced to the Scottish Private Rented Sector on the 1st of December 2017, replacing the previous tenancy mechanism of Assured and Short Assured Tenancies in Scotland. This study was initiated to explore the impact that the new lease would have on the student sub market of the private rented sector in Scotland as it was identified that the student submarket did not operate the same as the rest of the private rented sector. Therefore, the aim of this study was to identify the impacts that the new lease would have on the private rented sector student accommodation sector and their landlords.

A qualitative research approach was adopted to investigate the topic from the perspective of professionals in the submarket. Glasgow and Edinburgh were chosen as case studies as both cities have contrasting local economies therefore conclusions could be drawn based upon the narratives of both cities, and therefore addressing the wider impact of Private Residential Tenancy on the wider Scottish student market.

The findings of this research concluded that PRT increases the risk for landlords in the market, and management practices would have to be adapted to mitigate risk. In addition to this, future investment into the private rented student accommodation sector will be reduced making the market less responsive to increasing student demand.

CONTENTS

Chapter 1 : Introduction	1
1.1 Rationale for Study.....	1
1.2 Research Objectives and Questions.....	2
1.3 Research Methodology and Methods.....	2
1.4 Dissertation Outline.....	3
Chapter 2 : The Student Accommodation Market In Scotland.....	4
2.1 Introduction.....	4
2.2 The Structure and Nature of the Student Housing Market.....	4
2.3 Residential Tenancies – What Students Look for.....	6
2.4 Residential Investment Characteristics	8
2.5 Legislative Change and Market Conditions.....	9
2.6 Issues Stemming from Private Rented Sector Student Housing.....	10
2.7 Need for Legislative Reform.....	11
Chapter 3: The New Private Residential Tenancy in the Student Accommodation Market.....	13
3.1 Scottish Government Response.....	13
3.2 New Tenancy Agreement.....	14
3.3 Changes and Potential Impacts on Tenants and Students.....	14
3.4 Risk Return Characteristic.....	15
Conclusion to Chapter.....	16
Chapter 4: Research Methodology and Methods.....	18
4.1 Introduction.....	18

4.2 Research Philosophy and Approach.....	18
4.3 Research Strategy.....	19
4.4 Methods Sampling and Recruitment.....	20
4.5 Ethical Considerations.....	22
Chapter 5: Research Findings.....	23
5.1 Introduction.....	23
5.2 Managing the Student Market.....	23
5.3 Market Change as a Result of PRT.....	27
5.4 Managing Risk and Return.....	31
5.5 Landlord Submarket Preference.....	35
Chapter 6: Conclusion.....	39
6.1 Introduction.....	39
6.2 Research Objective 1.....	39
6.3 Research Objective 2.....	39
6.4 Research Objective 3.....	40
6.5 Research Objective 4.....	41
6.6 Future Areas for Research.....	41
6.7 Strengths and Weaknesses of the Study.....	42
6.8 Policy Recommendation.....	42
 APPENDICES	
APPENDIX 1: PRIVATE RESIDENTIAL TENANCY CHANGES.....	44
APPENDIX 2: MANDATORY GROUNDS FOR EVICTION.....	49
APPENDIX 3: CODING ANALYSIS AND THEMES.....	51

APPENDIX 4: INTERVIEW SCHEDULE.....	65
APPENDIX 5: CONSENT FORM.....	67
APPENDIX 6: PLAIN LANGUAGE STATEMENT.....	68
BIBLIOGRAPHY.....	69

ABBREVIATIONS

1. PRS – Private Rented Sector:
2. PRSAS – Private Rented Student Accommodation Sector

1 has been used when describing the wider private rented sector and 2 has been used to describe the student specific sub-market of the private rented sector.

3. HEI – Higher Education Institution
4. RPZ – Rent Pressure Zone
5. BTL – Buy to Let Mortgage
6. ASAT – Assured and Short Assured Tenancies

CHAPTER 1: INTRODUCTION

1.1 Rationale for study

As of 1st of December 2017 in Scotland, Private Residential Tenancy (PRT) replaced the previous letting system of assured and short assured tenancies (ASAT). This means for those renting and letting properties all new tenancies will be on a PRT lease. The new tenancy agreements will be open-ended and will no longer expire within an agreed time period. For the tenant this means they will be able to terminate the lease agreement at any time with 28 days' notice given to the landlord (TSG, 2018). However, the landlord is not able to terminate a lease without reasonable grounds for eviction, so they cannot evict the tenant due to the expiration of the lease as the lease no longer ends (18 reasonable grounds for eviction must be used). The aim of the new tenancy agreement is to support tenants and prevent sub-quality homes from being let on unfair terms, however this change in legislation potentially has unexpected consequences for student landlords and tenants. There has been concern raised from student landlords as the PRT lease is seen as most heavily impacting this submarket due to the nature of student tenancies (Lindsay's, 2018)

Student rentals have typically been lucrative investments for landlords particularly for properties where a house with a multiple occupation (HMO) licence can be obtained. There is the concern held with student landlords as their tenants will now be able to leave properties when they choose, meaning the landlord has no control over the timing of re-lets. This has also lead to further concerns from landlords and letting agents that student tenants will vacate the property at the end of the academic year, leaving landlords vulnerable to void periods (McIntosh, G, 2017). Concern has been raised similarly in the case of local markets where short-term summer lets subsidise the student market, they will no longer able to benefit from the inflated holiday rental values (BBC, 2017).

This topic lacks critical investigation as private residential tenancy (PRT) has only been recently introduced, therefore this study is valuable as it aims to address landlords concerns and assess the impacts PRT will have on the private rented student accommodation sector (PRSAS). Currently there is no research exploring this topic and how the PRT will affect students and their landlords, therefore this study is reliant upon known theoretical perspectives on the previous functioning of the student lettings to give a background and areas for research.

1.2 Research Objectives and Questions

The research objective for this study is to examine the impact of the new private residential tenancy regulation on the private rented student accommodation sector (PRSAS) in Scotland, and their landlords. The following research questions are closely aligned with the research objective of this study, and have been constructed to address this aim;

1. To examine if PRT changes the risk attached to student lettings and how landlords will manage that risk.
2. To evaluate the ways that traditional student lettings management practices will change to adapt to PRT.
3. To assess if PRT will affect future investment into the PRSAS.
4. To examine if PRT allows PRSAS to respond to student demand.

1.3 Research Methodology and Methods

A qualitative research strategy was adopted for the purpose of this study. A semi structured interview schedule was utilized in the interest of collecting relevant information on the research topic. The data was then analysed using an interpretive approach in order to identify common themes that had arisen. To allow for a wider application of the research within the Scottish PRSAS, the research has focussed on Glasgow and Edinburgh as case studies, this was seen as valuable to the research as both cities have contrasting local economies therefore they may be affected by PRT differently. Glasgow and Edinburgh are comparable as they are established educational cities, with growing populations due to the number of students enrolling in their local higher education institutions (HEI) each year. In both cities there has been consistent demand from students for PRSAS properties and it has increased investment demand from landlords due to the perceived security of the investment. PRT could be seen as a disruption to returns due to the flexibility the new tenancy now offers, which means there may be less security in PRSAS property investment than there had previously been under ASAT agreements.

1.4 Dissertation Outline

Chapter 2: has been structured to enable an initial investigation into the private rented sector student accommodation market to be carried out, allowing for research questions and line of inquiry to be developed.

Chapter 3 Presents the main features of the PRT lease that could impact student landlords and highlights where the research should be focussed to address the key concerns that have been raised.

Chapter 4 explains the research methods and methodology used for the study. Research objectives were found enabling a suitable research methodology and strategy to be identified that was most relevant to the study.

Chapter 5 presents the findings of this study, they are organised thematically in order to identify areas addressing the research questions.

Chapter 6 is the final chapter draws the *conclusion* of this study, this section addresses the weaknesses of this study and areas of possible further research.

CHAPTER 2: THE STUDENT ACCOMMODATION MARKET IN SCOTLAND

2.1 Introduction

This chapter will review the existing literature to understand what is already known about the student lettings market. It starts by reviewing the structure and nature of the sector, before looking at how the legislation had changed and may possibly impact tenants and landlords, before identifying the gaps in knowledge which the research that follows will try to address.

2.2 The Structure and Nature of the Student Housing Market

There are a number of options available for students when choosing accommodation such as HEI owned student housing, private student halls and the PRSAS. Bouzarovski et al (2013:76) and Huston et al (2015:297) had both found in separate studies British universities levels of institutionally owned student accommodation had failed to meet demand, therefore students have had to look for off-campus providers such as private student housing providers or alternative accommodation in the PRS (Johari et al, 2017:1).

The NUS's (National Union for Students) student survey on 'Homes fit for study' (2014:13) is the most recent survey to date offering statistics on the choices students have in the housing market in the United Kingdom, it is demonstrative of Bouzarovski (2013), Huston (2015) and Johari's findings (2017). The survey reveals the majority of students live in PRSAS at 52%, with the second most common being student accommodation managed by their educational institution at 25%, and private halls of residence only accommodating 9% of students. Becoming a student is often characterised by leaving home and gaining independence however some students live at home during their studies. The same study found 8% of students live in the parental home during term (NUS, 2014:14) as many students do not have the income to fund living independently (Christie et al, 2002:210). NUS had found 78% of Students living at home had stated it was for financial reasons (NUS, 2015:18), and it has been suggested students living at home is a result of the rising cost of living making independence unsustainable (Cashmore, 2017).

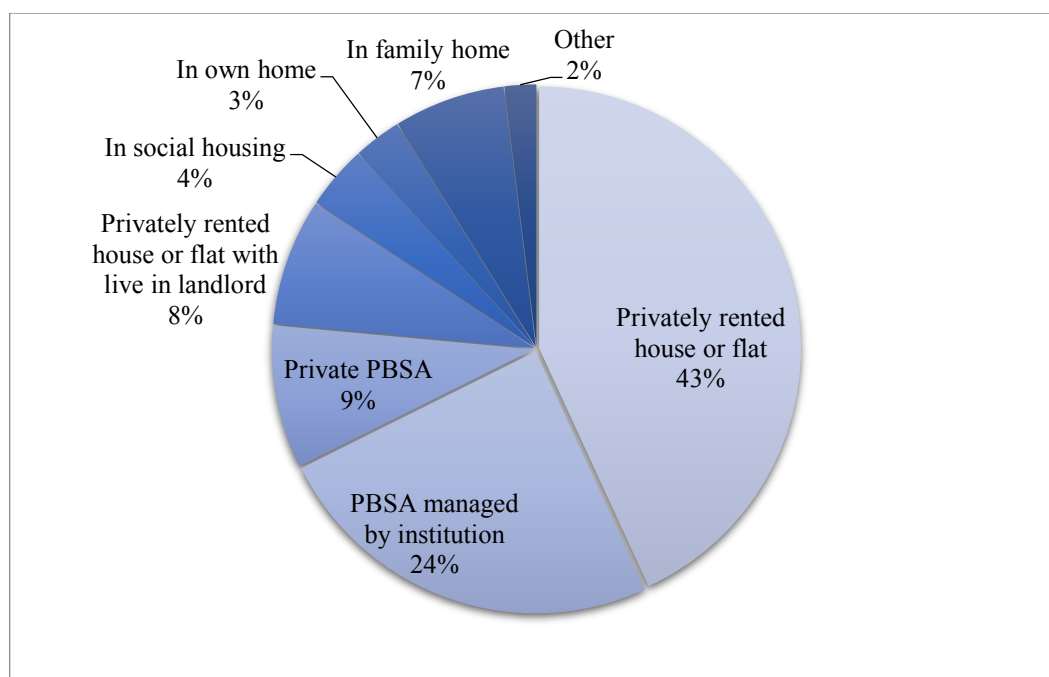


Figure 1: Full-Time Student Accommodation (NUS, 2014:13)

Humphrey and McCarthy's (1997:57) assessment of the growth of HEI's was correlated with the continuous expansion of universities since the 1992 Further and Higher Education Act. The act had encouraged wider university participation throughout the population as higher education was argued to benefit society by creating conditions for social mobility and economic advantage (Bathmaker, 2003:2). Prior to 1993 universities were publically funded, however as funding became more restrictive they have become commercialised entities, treating education as a product that can be marketed (Tilak, 2009:450). This has resulted in a market of HEI's, aiming to attract more students by expanding their recruitment pool internationally (Stevenson & Askham, 2011:6). HEI's across the United Kingdom have had to consider the availability of student accommodation when expanding their organisations as the demand for accommodation from students must be satisfied in order to enable growth (ibid:7). International students are seen as playing a crucial role in the financing of Scottish HEI as local residents do not pay tuition fees (Sanderson, 2017), therefore the availability of accommodation for students must be prioritized to allow for HEI's to attract students and to be financially viable (Ernst and Young, 2016:3).

UK HEI's have significantly benefited from the low cost of borrowing. This has allowed for the expansion and redevelopment of campuses to be feasible and has been a key contributor in attracting students (Hale & Gonzalo, 2016). The attraction of modern facilities, has contributed to growing student populations in university towns, which has put pressure on the

private rented sector (PRS) in areas local to HEI to accommodate them. Munro and Livingston (2012:1612) had discussed the PRS has been widely regarded as being inefficient in terms of its performance and organisation when providing accommodation for non-student tenant groups, however the '*strong economic incentive*' to provide student housing has driven investor demand. The PRS has evidently been most responsive to the growing student demand for accommodation and has therefore become the most dominant accommodation provider (see figure 1).

In recent years there has been an influx of investment into privately provided, purpose built student accommodation (PBSA). Knight Frank's property research findings have demonstrated the current trend towards investment in the PBSA market, in 2016 £218.1 million had been invested into PBSA in Scotland (Knight Frank, 2017:1). Ernst and Young (2016:3) had found from 2006 to 2016 there had been a 47% increase in university acceptances at UK universities which they have seen as driving the new supply of PBSA. PBSA developers have taken advantage of the growing student numbers the shortfall of student accommodation (Rolt, 2017). Investment is encouraged by HEI's as the increased availability of PBSA is seen as facilitating the growth of Scottish universities, as it ensures there is quality accommodation available for the growing number of international students (Stevenson, Askam, 2011:6). Empiric student property's 2016 annual report stated approximately 70% of their occupants were international students, demonstrating their preference to the accommodation type (Empiric Student Property, 2016). PBSA providers have found international students and post-graduates prefer private PBSA due to it being more convenient to organise, as it provides serviced accommodation which is inclusive of all bills (Ernst & Young, 2016:12.) PBSA is a costlier option for students, Edinburgh University Students Association (2016:10) found 75% of students had not considered PBSA as it was too expensive. PBSA will not be exclusively examined as this research as it only seeks to investigate how the PRSAS will be affected by the introduction of PRT.

2.3 Residential Tenancies – What Students look for.

The student lettings market is described as a 'niche market' due to the fact the tenants within this market are characterized by special and distinctive needs that landlords have to meet to accommodate this type of tenant (Rugg, 2002:289). Students typically occupy larger furnished residences, such as HMO's, due to the financial benefit of sharing (Verhtesel et al,

2015:451). The specific property type (e.g. flats, houses) is not seen as an important factor for student choice (Johari et al, 2017:5). However, property location is a dominant factor of demand in the sub-market as students generally concentrate in areas within walking distance to their university (Munro et al, 2009:1805). Locational preference was found to be attributed to transportation costs and increased time for daily activities (Johari et al, 2017:4). Student use of the PRS has a distinct socio-spatial concentration resulting in local government, urban restructuring policies, in an attempt to regulate the effect students have on these neighbourhoods (Smith, 2009:1795).

McCarthy and Humphrey et al (1997:62) have explained the PRS is attractive to students in terms of the flexibility and mobility the sector offers. However, Lister (2004:316-17) argues the previous system had left students vulnerable to poorer conditions particularly those who were inexperienced in dealing with a tenancy. NUS findings (2014:4) had demonstrated an overall dissatisfaction of the condition of homes available to students in the PRSAS, despite legislation being in place to protect tenants from substandard properties. Students are more likely to receive inadequate response from their landlord (Hubbard, 2001:1906) and have poor experiences in terms of the quality of the properties that are available to them (Lister, 2006:141), For this reason students commonly change properties after their rental agreement expires.

The PRSAS can be a considerably cheaper option for students when considering the cost between serviced student accommodation, however it is an extremely competitive market. Student housing markets have peak seasons when the majority of students begin to look for accommodation, they will try to secure a property as soon as possible. NUS had found this can lead to problems as students feel pressured to find accommodation early, before there are no suitable properties left (NUS, 2014:25). When students have to look for properties they are described as having to '*scramble for what is available*' (Christie et al, 2002:218), which may result in them settling for a property that does not meet their preference because of high demand for properties within established student neighbourhoods. Moreover, students sign contracts too early in the year which no longer meet their needs when the time comes to move into the rental property due to changing circumstances (NUS, 2014:24)

When students have been living in poorer quality accommodation they will want to secure a new property, and leave at the end of their tenancy agreement (Lister, 2004:328). This

contributes to the continual 'churn' of the student lettings market in addition to the fact students graduate and return home, or change accommodation if they are not happy with whom they live with. The fluidity of sharing groups means it is highly likely students will live with more than one group of friends throughout their time at university (Christie, 2002:218), resulting in few student tenancies continuing for the following year (Munro et al 2009:1805).

Previous studies by Kenyon (1997) and Rugg et al (2002) had found students only occupy their rented properties during the academic year, with most returning to their familial home during breaks despite still paying rent. Under ASAT agreements students were contractually bound into paying rent on their property throughout the summer break (Kenyon,1997:286). Rugg et al (2002:295) had found students could not afford to stay in their rental property during the summer break and some students would pay a lowered rent to secure the property for the following academic year. Christie et al (2002:228) explained student's experiences in the private rented sector will be shaped by the level of financial support they have from their parents, those with less support from their parents are more likely to struggle to pay rent over summer breaks.

2.4 Residential Investment characteristics

Investor interest in PRSAS has grown due to the growing demand for student properties, however the sector is only attractive to certain types of investors. PRS investments are management intensive due to the fact properties need frequent maintenance to remain a competitive in the market and tenancies need to be managed competently to prevent a high tenant turnover or void periods. Scottish PRS is predominantly made up of small-scale landlords who own between 1 and 5 properties, accounting for 84% of the private rented sector, with 14% being owned by a company or property trust, and the remaining 2% being held by a financial institution (Burgess, 2013:10). The ownership composition is representative of the intensive management the PRS requires in comparison to other forms of investment for large-scale investors, therefore, the PRS is more attractive to small-scale investors (Ball, 2010:4).

PRSAS investments have become lucrative for investors as it is evident students are able to jointly pay more in rent for a property than a single household would be able to. Therefore

landlords tolerate problems with student tenancies, as they produce stronger yields (Rugg et al, 2002:295), and tenants are regarded as reliable as their rent is potentially supported by their parents (Christie et al, 2002:224). Furthermore, Landlords are unlikely to have repossession problems with students as they leave after 1-2 years (Ibid:295). Leyshon and French's (2009:455) study suggests landlords will struggle to make a return on their investment if it is not in a central location if they are marketing to students. For investors, properties in established student locales will provide sufficient returns on investment if there is high demand for the location, therefore location is a determining factor on investment.

2.5 Legislative Change and Market Conditions

Prior to 1988 the PRS had not been attractive to investors as it was deemed a high-risk investment as a result of landlords having limited rights and difficulty regaining possession of their property. The introduction of the Housing Act (1988) deregulated private sector rents and allowed for easier repossession from the tenant (Wilson, 2017:6). In addition to this, ASAT were introduced in 1989 allowing for landlords to create fixed term contracts, which could be terminated at the end of the lease agreement to regain possession of their property.

Despite the legislative reform, landlords did not have access to mortgages that were as favourable as those available to owner-occupiers instead landlords had to borrow at commercial rates (Knowles, 2002). The introduction of Buy-to-let mortgages (BTL) in 1998 allowed investors to borrow at similar rates to owner-occupiers and therefore was well received by those wanting to invest in the PRS. The full potential of the buy-to-let loans had not been fully utilized until 2003. This was due to a sharp increase in house-prices from 2003-2008 which had resulted in fewer first time buyers (FTB) being able to access the market, driving demand for PRS homes (Ball, 2010:6). The BTL boom (Ball, 2010:6) has been blamed for the inflation of house prices which has prevented owner-occupiers getting onto the housing market. In addition to this, landlords have been buying property at the lower end of the market which has resulted in a housing shortage of affordable properties for owner occupiers (Sprigings, 2008:79). The BTL boom has not been without consequences for landlords, the inflated house prices landlords had borrowed from lenders fell into negative equity after the 2008 financial crash, which caused house prices to fall. The consequence of negative equity was that landlords were trapped into retaining the investment property until their credit and asset balances (LDA, 2018).

The growth recently seen in the PRS has been the result of the 2008 financial crash, its impact on lending created optimal conditions for investors in the PRS market. As a consequence of economic recovery borrowing ability has been constrained, resulting in fewer people being able to directly buy their home, creating greater demand for PRS accommodation (Burgess, 2013:09). Increased investor demand for rental properties has driven the rise in property values, contributing to fewer people being able to become owner-occupiers and increasing their reliance on the social and private sector to provide homes (2013:8) For investors this has meant residential investments have become a secure investment where returns are guaranteed.

2.6 Issues Stemming from PRS Student Housing

The temporary nature of the tenancies in the PRSAS has meant students are recognised as not taking adequate care of their rental properties with many '*shifting the incidence of cleaning repairs to the landlord's remediation account*' (Jadevicius and Minaei, 2015:291). For this reason, many landlords require a deposit and guarantor as a contingency to cover damages to the property and unpaid rent (CAB, 2018). In addition to landlords concerns, Scottish and local government concern lies in the fact student occupied properties are more susceptible to wear and tear in comparison to other tenant groups, resulting in PRSAS making the greatest contributing to the deterioration of housing stock (GCC, 2018:4.2).

Morgan and McDowell's (1979:10) research has found social issues can arise due to the competition for low cost housing as students have been competing with other groups in society for this accommodation. Student are found to be at an advantage in the housing market as they are more adaptable in comparison to other tenant groups because they have less specialized requirement in terms of property specification (Bouzarvski et al,2013:2). Glasgow City Council have found this problematic as it results in an 'imbalance in resident demographic' (GCC, 2018:3.2). The concern is that students become disruptive to indigenous communities due to student resident turnover, instances of anti-social behaviour and the gentrification of affordable neighbourhoods (Smith and Holt, 2007:159).

Munro and Livingston's (2012) research had argued against the negative impacts of students on residential neighbourhoods. They recognised that over concentration of students is

problematic, however they had concluded the economic and cultural benefits students brought to neighbourhoods outweighed the problems they are seen to create. Furthermore, they expected if student demand declined for the neighbourhoods studied this would result in rapid disinvestment and declining house values as well as the area suffering from economic and reputational damage due to the difficulty of reverting student properties into owner occupied properties (2012:1692).

2.7 Need for Legislative Reform

The first investigation into a legislative reform to ASAT, highlighted areas of the previous regime were failing to address problems in the PRS for tenants (Burgess, 2013). The report identified the rapid growth seen in the PRS had resulted in the sector needing tighter controls to ensure those living in PRS have more security and are living in suitable quality housing (Burgess, 2013:01). Moreover, the consistent demand within the PRS has resulted in sub-standard properties and management practice across the sector, therefore legislative intervention was needed to ensure efficient management and to enable the provision of higher quality homes (Ibid:26).

Students have been stereotyped as being poor quality tenants under the assumption they do not look after their properties. This has resulted in their concerns often being ignored or given an inadequate response by landlords despite the legal obligation to keep properties in suitable repair under the 2007 Repairing Standard act (GCC, 2018:4.2). For the student sub-market, there is high demand and a tight supply of properties in desirable locations, and as a consequence it can become difficult to enforce standards and legislations upon them (Jadevicius and Minaei, 2015:291), aggravating the problem of the declining quality of housing stock.

Student's inexperience in the PRS and financial limitations equates them to being a vulnerable tenant group, they are argued to be more prone to experience poor quality properties as they did not have the option of leaving to find a better quality property during term time, due to their contractual obligation to stay under the previous tenancy (Lister, 2006:148-149). The Scottish government explain that vulnerable tenant groups are disproportionately affected by landlord malpractice, excessive rent prices and poor quality accommodation (Ibid, 2014:1). Furthermore, under the previous tenancy framework the

relationship between the tenant and the landlord was imbalanced, making disputes over poor property management and condition difficult to resolve due to the lack of security tenants had as the landlord could choose to evict them upon expiration of their tenancy (TSG, 2014:13).

CHAPTER 3: THE NEW PRIVATE RESIDENTIAL TENANCY IN THE STUDENT ACCOMMODATION MARKET

PRT has been designed to address the growing pressure put on the government to ensure the PRS is providing affordable, high quality accommodation. This chapter presents the most prominent features of the PRT lease, which aim to resolve the issues tenants had found under ASAT lease agreement.

3.1 Scottish Government Response

The Scottish Government's vision for PRT is to improve the overall quality of properties, to enable more efficient management and encourage investment in the sector. PRT should encourage landlords to provide a superior product, with the desired outcome being that increased freedom for tenants will result in self-regulation of the market as sub-standard properties will either filter out of the market or be invested in further to provide higher quality accommodation (Burgess, 2014: IV). The new legislation is expected to affect those who do not meet their legal obligations as landlords and those who are not committed to the sector.

One of the most radical changes introduced with the PRT is Rent Pressure Zones (RPZ), the feature was introduced to tackle the problem of areas which have been affected by rents increasing rapidly. RPZ has been designed to target areas where rent has increased rapidly and the local council is coming under pressure to subsidize rent for tenants on housing benefit living in PRS housing (TSG, 2017). This feature prevents landlords from increasing rents dramatically for tenants on a PRT lease to increase their profits. RPZ may limit the profit the landlord can make, however the government argue landlord's interests are protected, as they are able to increase rents as to reflect their outgoings and investment through improvement to the property (ibid, 2017).

The introduction of the Model Tenancy Agreement provides a standard format and guidance notes that can be understood mutually by the landlord and tenant. In the consultation stage of the reform, concerns were raised to the Scottish Government about the transparency of the information provided to tenants about their tenancy agreement. Those who took part in the consultation concurred any agreements between the landlord and tenant should follow a clear

and comprehensible format, explaining their rights and responsibilities, to ensure mutual understanding between both parties (TSG, 2016:2).

3.2 New tenancy agreement *(See Appendix 1 for changes)*

Private Residential Tenancy replaced the old regime of ASAT on the 1st of December 2017. All new tenancy agreements made after this date will be PRT. The main feature of the new tenancy agreement is that all tenancies will be open ended, under this agreement all tenancies will be indefinite, meaning there is not a specified term in the contract. It is now illegal to create fixed term contracts, the only way an ASAT's can exist is if there is total absence of communication between the landlord and the tenant and the contract continues under tacit relocation (City lets, 2018:18).

The most prominent feature of the new tenancy is that it is open-ended and only the tenant can end the agreement (TSG, 2017:3). The landlord can no longer evict the tenant without cause under the no fault eviction, reasonable causes for ending a tenancy are specified in the 18 grounds for eviction (*See Appendix 2*). In addition to the open-ended tenancy, tenants will be able to give landlords 28-days' notice of their intention to leave, this was seen to provide tenants with “*security, stability and predictability*” (TSG, 2016). This was recognised as a factor that will negatively affected student landlords, as students were tied into 10-12 month contracts under the previous ASAT (Lindsay's, 2017).

University halls and Private PBSA are exempt from PRT, it is the only form of private student accommodation able to continue offering fixed term tenancy agreements. The Scottish Government have excluded PBSA from PRT as this type of accommodation has been developed for the “specific purpose of providing bespoke accommodation” and therefore should not be included as part of the mainstream private rented sector (Berry and Clark, 2016:7). PBSA providers had raised concerns in the consultation stages of the bill stating PRT would not fit with their business models and this would result in less future investment in Scotland's PBSA sector (Ibid, 2016).

3.3 Changes and Potential Impacts on Tenants and Students.

Despite the removal of the no fault eviction notice in the new PRT lease, it is argued the current model makes it easier for the landlord to regain possession of their property (TSG,

2018). PRT allows for the Landlord to evict tenants using one of the 18 Grounds for eviction (See appendix). In comparison to SAT, eviction notices will be served as long as the landlord has provided the First Tier Tribunal (FTT) with evidence of their intention (See appendix 1& 2) and if granted the tenant will have to vacate the property within 28 days if their tenancy is under 6 months and 84 days will be given for tenancies of 6 months or longer. Under ASAT the landlord was unable to evict the tenant for the duration of their tenancy agreement unless there was a cause for eviction (See appendix 1). If there was cause for eviction 2 months' notice would have to be given to the tenant. In comparison, PRT makes evicting tenants a swifter process in comparison with ASAT. Previously legal disputes arising in the PRS had to be settled in the sheriff court and due to the lack of priority given to housing disputes the legal process would be prolonged (Burgess, 2014:3). The need for expeditious legal redress has resulted in all future PRS housing disputes being settled in the FTT. (see appendix 1)

3.4 Risk Return Characteristic

Scanlon, K (2016) Profile of UK Private Landlords: Council of Mortgage Lenders	% of Landlords
Supplements income	66%
Breaks even	18%
Profitable full time living	5%
Large loss	2%
Small loss	6%
Don't know	3%

(Figure 1.2)

Kemp and Rhodes (1997:130) had found the majority of Scottish landlords have small portfolios and could not diversify their risk due to the small-scale of their operations. It was found in a survey of 2,517 UK landlords, 60% of them owned one property and only 7% owned five or more properties (Scanlon, 2016:6). Figure 1.2 gives a breakdown of landlord's profitability of their investments. It highlighted the majority of landlord's investments were profitable, demonstrating many landlords appear to have repaid their mortgages and are in a healthy financial position where profit level is their only consideration. However, over a quarter of landlords are either breaking even or making a loss, therefore if their returns are

reduced they may not be able to operate. Kemp and Rhodes (1997:130) found the majority landlords surveyed were more concerned about covering their costs than making a profit.

Under ASAT's students had been contractually bound to a fixed term allowing for landlords to protect themselves against void periods, however with PRT there is no fixed term. The PRSAS has traditionally followed a specific calendar; with students searching for new properties during February and March for the beginning of the following academic year in September, with students typically vacating their properties at the end of May when term ends. (Alexander, 2018). The concern lies in the fact there is no market to re-let the property to out-with the student calendar. It is not known if landlords will be more susceptible to void periods and if it will affect their returns as students do not need to fulfil a fixed term lease agreement.

Prior to the introduction of PRT, investment in the PRS had reduced as a result of recent changes to legislation, including increasing taxes for landlords and the withdrawal of forms of tax relief landlords had previously benefitted from. The most prominent legislative changes affecting the PRS have been; the Land and Buildings Transaction Tax (LBTT), which was introduced in 2016, it imposed a 3% levy on the purchase of a second property (TSG, 2018), arguably preventing new investment into the PRS. In 2016 the UK government imposed a UK wide withdrawal of the 10% wear and tear allowance PRS landlords had benefitted from and replaced it with replacement relief that will be deducted from the cost of replacing items in their property (Clempton, 2016). In 2017 there was a nationwide restriction on the rate of mortgage interest tax relief given to PRS landlords. The lack of governmental relief in addition to the uncertainty of the length of tenure faced by landlords may result in properties being taken off the market if the landlord cannot afford the extra expenses.

3.5 Conclusion

The PRS was found to be the most responsive accommodation provider to student demand under ASAT, as a result of the financial incentive that has encouraged investment. The PRSAS is been restricted to the traditional student lettings calendar making it a highly competitive market for its users. This was found to result in students being prone to accepting unsuitable tenancy agreements, exposing students to unacceptable living arrangements as

they were unable to leave due to the fixed term lease. The legislative changes highlighted in Chapter 3 identified the most prominent features of PRT, the indefinite tenancy and the tenants right to give 28-days' notice, could affect landlords returns. The question remains to be answered as to whether the new lease will affect future investment into the PRSAS, if the PRT increases landlord's exposure to risk, and if it will affect the sectors responsiveness to student demand. Furthermore, this allows for a line of questioning to be designed to identify how management practices will be adapted to mitigate the risks of PRT.

CHAPTER 4: RESEARCH METHODOLOGY AND METHODS

4.1 Introduction

This chapter focuses on the research approach and philosophy used for this study to address how the introduction of PRT will affect landlords and the PRS student lettings market. This section will explain and justify the suitability of the methodological approach used to explore the research question and derive findings. The first section of this chapter will explore the research philosophy and the method used to research this topic, followed by a discussion of the sampling technique used to collect data and the ethical considerations made to demonstrate how this research aims to minimise risk to the participants who are involved.

Previous research has only explored student's experiences living in the PRS, Diane Lister's (2004) research into student's experience of managing their tenancy had focussed on only the students experience, which was a common theme across research into the PRSAS. This research has not adopted the common theme of student experience, instead it focuses on the landlord's perception to explain how the introduction of PRT will affect the PRS student lettings market. This study has been structured to address the research question through investigative research objectives that will identify specific areas of impact. This research will examine if the risk attached to student lettings will be affected, how risk will be managed and to identify adaptations in management practices of the sector to reduce risk. In addition to these questions the impact on future investment will be examined and to assess if this affects the responsiveness of the PRSAS to student demand.

4.2 Research Philosophy and Approach

An interpretivist research philosophy was adopted as it allows for complexity of the situation to be understood from the participant's point of view (Saunders et al, 2007:107), which is crucial to form an understanding of how PRT will affect landlords and the student lettings market through the experience of those in the industry. Interpretivism contrasts with positivism as the researcher has to 'grasp the subjective meaning of social action' (Bryman, 2016:26) as opposed to finding objective fact. Interpretivism is not without criticism; Horvoka and Lee state (2010:6) interpretivism privileges the researcher's subjective interpretation of the experience rather than the subjects. For this reason, the researcher must express factors that could influence the research findings based upon researcher bias.

4.3 Research Strategy

A Qualitative research method was chosen, as the data needed for a quantitative research method does not exist at this point in time. PRT was introduced on the 1st of December 2017, meaning the majority of student tenancies will still be under ASAT if they were signed for the current university year, therefore being unaffected by PRT. The intention of this research is to predict the outcomes PRT could have on the market, with these predictions being based upon those with experience in the PRSAS.

A qualitative in depth analysis was identified as the most efficient way to gather data to address the research questions, as this understanding of this topic would only be fully understood from the perspectives of those who are experienced in the sector. Verhetsel et al's (2015) research into students housing preference had been carried out using a quantitative methodology to explain the reasons for student's preference in the accommodation they chose. However due to the quantitative nature of this research it fails to provide a thorough analysis of the specific reasons for student preference. Quantitative data collection does not allow for nuances to be identified or for further questions to be asked. For this study it is imperative participants can be prompted to explain their reasoning further. A quantitative research approach would provide superficial data that would not be sufficient to identify outcomes of PRT, as these will be developed from participant's experience to enable possible conclusions to be drawn making qualitative more valuable to this research. Quantitative research is criticised for showing 'a static view of social life' (Bryman, 2016:166), whereas qualitative allows for a multifaceted understanding that can be found from participant's interpretations of a question.

Semi-structured in depth interviews were identified as being the most suitable data collection method as it would give a framework for a degree of comparison and would also allow for a flexible structure that gives the researcher the option to probe further into the participant's experience through open ended questions (Bryman, 2016:483). Saunders (2007:310) states in semi-structured interviews, the flow of the conversation may dictate the order the questions are answered in, or whether a question is asked. A Semi-Structured interview schedule of 14 open-ended questions were used to allow participants to speak freely on their own experience without being confined to the question being asked allowing for different perspectives to be explored during the interviews (Bryman, 2016:467).

It was accepted when interviewing professionals there would be a power differential, as the participant may want to set their own agenda with the interview therefore elements of the data had to be treated with a degree of scepticism. The series of questions formulated for the purpose of this research were structured to address the key research objectives of this study. The questions were constructed to address gaps in existing literature to enable to research to focus on the impact PRT will have on the PRSAS.

An inductive analysis of the research will be used because of the absence of pre-existing data or literature on PRT. An inductive approach allows for theories to be developed on the basis the research has not commenced with the use of pre-existing theory. In comparison, deductive research builds upon existing literature on the basis of approving or disproving a hypothesis (Saunders et al, 2007:57). A thematic analysis of the data collected was conducted as this was seen as being the most effective way of identifying key themes occurring within the data. The analysis was performed by transcribing the audio-recorded interviews and coding data into themes. Qualitative research collects non-standardised data, which means after the data has been collected common factors must be organised into categories to give it a degree of standardisation for analysis (Saunders, 2007:474).

4.4 Method, Sampling and Recruitment

Pseudonyms	Relevance to the Study
Letting Agent 1	Senior Property Manager in Edinburgh letting agency
Letting Agent 2	Operations Manager in Edinburgh letting agency
Letting Agent 3	Managing Director at Glasgow letting agency
Letting Agent 4	Letting Agent Branch Manager in Glasgow
Letting Agent 5	Operations Manager in Edinburgh letting Agency
Letting Agent 6	Managing Director for Glasgow Letting Agency
Landlord 1	Landlord in Glasgow
Landlord 2	Landlord in Glasgow and Edinburgh

Table 1: Participants and Relevance to the Study

For this study purposive sampling was carried out, as this study relied upon information from professionals with specific experience in the industry therefore it was necessary to identify participants relevant to the research question beforehand (Hesse-Biber and Levy, 2011:45).

This allows for the researcher to collect insightful data based upon the participants known experience in the topic of research (Bryman, 418:2016). Participants had been pre-selected through contact information available on letting agent websites, property portals and student forums.

8 participants from Glasgow and Edinburgh were selected for the study and participants composed of 6 letting agents and 2 landlords that specialized in the student lettings market. When starting the study, it was recognised that PRT may affect separate university locations differently. Glasgow and Edinburgh were chosen to use comparatively because both cities have large student populations Edinburgh City Council have reported students make up 12% of Edinburgh's population with data showing a 26.6% increase in the number of full time students in the city's universities between 2001 and 2012 (TCEC, 2016:4). In earlier an earlier report, students were found to account for 11% of Glasgow's population in research commissioned by Alumno Developments (The Herald, 2012). Despite having similar student population demographics Edinburgh and Glasgow have contrasting local economies. Edinburgh's local economy is supported during the summer as a popular tourism destination and through the Edinburgh Fringe festival in August, whereas Glasgow does not benefit from as large a tourism economy.

Letting agents were the main focus for interviews, as they would have a broader experience of their local student lettings market as they deal with more properties and are more likely to witness different student attitudes towards their tenancy agreements. Independent landlords were also included in the study to give an insight into how landlords, managing a smaller number of properties in comparison to letting agents, believe they will face challenges as a result of PRT. Finding participants was challenging due to the time of year the study was being conducted, as landlords and letting agents are busy with student moves. Many people who had been contacted to participate in the study had to decline due to work commitments. Furthermore, the time of year was problematic as many potential participants who had been contacted were on annual leave from work and were not available for interview. The sample size was small due to the restricted access to participants; ideally the sample would have been larger to give integrity to the results and to include a wider range of views held by those working in the student lettings market. It was anticipated prior to the commencement of this research that finding participants could be difficult.

4.5 Ethical Considerations

Ethical Approval had to be applied for prior to starting this research, as the research would involve human subjects. The study had been identified as being low risk due to the fact professionals separate their personal lives from their work. The participants that had been sought to interview were professionals in the PRS lettings market and were not viewed as high risk. However, care would have to be taken to maintain anonymity as participants would not want their name or their workplace to be identified in the study, as it could lead to harm to their business, therefore all participant's names were replaced with a pseudonym.

It was accepted when interviewing professionals in the sector there would be limits to anonymity. As the student lettings market is a 'niche' market this means there would be a narrow selection of participants that could be interviewed. Anonymity could not be guaranteed as issues highlighted in interviews may mean some participants or their organisations may be identifiable to others who work in the industry. Participants were made aware of this risk at the start of the study in the consent form and plain language statement.

Participants were provided with a plain language statement prior to their interview to ensure they were aware of what the study involved and what was being researched, allowing for participants go give informed consent to take part in the study and for their responses to be recorded. The consent form explained to the participants their involvement in the study was voluntary and they could retract their involvement in the study at any time.

CHAPTER 5: FINDINGS AND DATA ANALYSIS

5.1 Introduction

This chapter contains the findings of this study from the semi-structured interviews of professionals working in the student lettings market. This chapter has been structured by presenting the initial themes and then the sub-themes that emerged during the process of coding the transcribed interviews. The full range of supporting quotations can be found in Appendix 3. The themes and sub themes have been organized as follows.

Head Theme	Emergent Sub Themes
5.2 Managing the Student Market	<ul style="list-style-type: none"> • Ability to Plan in Advance • Adaptation to Property Management Practices • Communication
5.3 Market Change as a Result of PRT	<ul style="list-style-type: none"> • Future Investment • Accessibility to Credit • Change in Supply
5.4 Managing Risk	<ul style="list-style-type: none"> • Improving Quality of Stock • Increasing Rent • Use of mandatory grounds
5.5 Landlord Submarket Preference	<ul style="list-style-type: none"> • Student Tenant Quality • Other Tenant Groups

5.2 Managing the Student Market *(See Appendix 3:5.2)*

5.2.1 Ability to Plan in Advance

The most prominent concern the respondents reported was in regards to the 28-day notice that can now be given by their tenants. All respondents agreed the notice period would result in difficulties for planning ahead and finding replacement tenants for void periods. The notice given by students to terminate their lease was most substantial concern respondents had with the PRT lease. All respondents were afraid they will be unable to rely upon the end date the student tenants may give.

“I think what we will see happen is us getting a flood of 28 days notices at the start of the summer time and there won’t be enough (holiday let tenants) to fill all of those flats, so they will sit empty over summer.” (Letting Agent 1)

All of the letting agents interviewed believed adequate notice must be given for the market to be able to function and the 28-day notice does not meet their requirements. The lack of notice that can be given has caused the most concern for letting agents because it creates difficult conditions for them to manage. Previously the letting agents had described their management technique as being ‘proactive’ as it had involved staggering out the volume of properties coming onto the market at any time to ensure the volume of work they would have would be manageable. The letting agents were concerned they would not have the capacity to handle the volume of work that would be required if they are unable to anticipate notices being given.

“You could go through a stage when you haven’t got any on, and then you’ve got 12 on, it does worry me the pressure that it will put on the staff.” (Letting Agent 5).

The letting agents discussed prior to PRT their busiest times of year were; February for viewing, May for students moving out and September for new students coming in. the letting agents believed that in the future the traditional calendar they have followed in the market will be unlikely to operate this way.

“ that’s obviously not something that the new PRT allows for because we don’t obviously know when people are going to be leaving”. (Letting Agent 1)

One agent believed the minimum notice that can be given does not take into the account the level of management required for tenancy turnovers in the student lettings market. The prospect of being given 28 days’ notice of the tenant’s intention to leave would be detrimental to the property management businesses. One participant believed if students do not give enough notice it will not be possible for the business to operate if they cannot anticipate how the market is going to function.

“With a portfolio of 200 student properties, if you had to repeat that across all of them we wouldn’t be able to.” (Letting Agent 1)

The consequence of the inability to plan in advance, and the possibility of having notice given when they weren’t expected to may result in poorer quality service from landlords and letting agents. One respondent highlighted if they were overwhelmed with 28-day notices at the one time it wouldn’t be possible for them to provide the quality of service they had been able to provide under ASAT.

“We cannot deal with everything at once, ..., we had always known that these things happened on specific months of the year and it gave us time to plan...there will potentially be a rush for properties over the summer break because we could not advertise them earlier in the year. When we try to get flats turned around for new tenants coming we will inevitably miss things out if there is too much going on at the one time” (Letting agent 6)

5.2.2 Adaptation to Property Management Practices

Letting agents and landlords have been looking into the ways they can manage and adapt to the difficulties that PRT has created for them, however currently PRT is in its trial phase for those operating in the student lettings market as they are yet to experience the affect it will have and the problems they might face. The majority of the respondents had stated it was too early for them to tell how their management practices will change.

“We won’t know until it happens, at that point we will have to work out what we are going to do relatively quickly” (Letting agent 3)

The respondents felt students would want the traditional student lettings calendar to function as it did previously, however the likelihood of that happening was described as slim due to the fact students would vacate their properties for the summer. One respondent had described their new management technique would not follow the traditional student calendar and they expect to see a shift in terms of the date when student’s tenancies will begin. If successful, this strategy would ensure landlords have consistent income during the year from student tenants similarly as they had before under ASAT.

“We will be advertising the flats as available from June. So if you want to secure a flat, you are almost going to have to secure it in June, even though you don’t need it until September.”
(Letting agent 5)

In addition to the potential change in the commencement date of student tenancies, the regular February/March viewing time would not remain as it had under ASAT as it is unlikely students will serve notice early in the year for properties to be re-marketed. The letting agents expect they will have to wait until the tenant serves notice to market the properties and they cannot predict with certainty when that will be.

“The ball really is in the student’s court; they will have ownership of when they give notice because they only have to give the 28 days.” (Letting agent 4)

5.2.3 Communication

The current strategy letting agents have deployed to reduce the impact of the 28-day notice is by engaging more frequently with their tenants. One participant felt they could not trust student tenants to give their notice in enough time or their reply would be vague. The respondent had implied they would have to coerce students into giving notice if their intentions were not made clear to the respondent.

“You have to talk the students into serving notice ...its making them write it in the way that you know you’ve got them, and not letting them be wishy washy, ... Its about just having that recorded and having that dialogue”. (Letting Agent 5)

Most respondents had felt that currently they were unable to anticipate how they will manage the changes PRT has brought to the student lettings market. However, one of the most recurring themes amongst the respondents was their primary method of predicting what the outcome would be. The method was maintaining communication with tenants currently on the PRT lease to anticipate their actions in the future. Letting agents and landlords will be reliant upon their tenants giving them notice in a reasonable time therefore they will have to maintain communication throughout the year to ensure a degree of certainty can be created. This method may not be received well by students as this may be seen as infringing on the independence they had expected when living in the PRSAS. Another strategy to manage the uncertainty that landlords and letting agents are facing, is to make students fully aware of

how the new tenancy works. One respondent had highlighted they would ensure their tenants fully understood the new tenancy and the responsibility they have to ensure the PRSAS operates efficiently.

“I think that as a landlord or letting agent, you must make your tenant fully aware of the new tenancy... because if there is a mutual understanding of how it works, then it should work well” (Landlord 2)

Both the landlord and tenant will be required to communicate with each other with complete transparency. If both parties are ‘upfront’ (Letting agent 1) about their intentions, landlords and letting agents will be able to make arrangements for future tenancies and be able to manage void periods in between student tenancies by having short-term lets and holiday rentals.

5.3 Market Change as a Result of PRT (See Appendix 3:5.3)

5.3.1 Future investment

A number of the respondents had questioned the effectiveness of PRT in encouraging investment into the sector, despite the Scottish government stating new investment was needed in the PRS (TSG, 2014:06). One respondent questioned the motives of the PRT lease as they felt it would not encourage future investment in Scotland’s PRSAS, regardless of the growing demand for properties in the submarket.

“All I think it’s doing is restricting the supply, there are all of these rumours about how terrible it is (The PRS) even though that isn’t the case or the reality, I think that it puts a lot of (investors) off.” (Landlord 1)

When discussing the prospect of future investment in the Scottish student market, another respondent believed that investors would be more likely to invest in other parts of the UK.

“People might choose England over Scotland, like I said if you know that you’ve got more rights and power as a Landlord in England and you don’t care where your property is, it might sway you to buy property in England.” (Letting agent 5)

All of the agents interviewed had discussed that a number of their clients did not live in close proximity to their rental property. With few landlords having property for personal reasons, a number of properties are treated purely as investment therefore it can be assumed in the future potential investment will not be directed to Scotland as a result of legislative restriction.

5.3.2 Accessibility to Credit

A potential consequence of increasing legislative control on the sector was identified, as the PRT lease is recognised as being fully operational across the PRSAS and the risks to landlords become more apparent, lenders may not view rental properties as stable investments if adequate returns cannot be made due to unreliable tenancies. Only respondent had reported their current buy to let mortgage was given on the condition that the rent that is achieved on the property is greater than the monthly repayment of the loan.

“as part of the agreement with my mortgage, I had to prove that my property could generate more income than the monthly repayment of my mortgage” (Landlord 2)

One of the most considerable findings was the impact PRT may have on access to BTL mortgages. Only one respondent had predicted a potential consequence of PRT would be limited access to credit for Scottish PRS landlords.

“Eventually it might be harder to get a buy to let mortgage on a new property in Scotland if the lenders realise landlords aren't doing so well” (Letting agent 6)

As a consequence, limited access to credit would result in fewer new PRSAS properties coming onto the market in the future. If less lenders are unwilling to give out buy to let mortgages, and landlords leave the market, it will tighten if the student demand for PRSAS properties continues to increase. Limited access to credit will potentially restrict ownership in the sector to those with the most financial capital that do not need to borrow. This suggests ownership of the sector may shift from highly geared small-scale independent landlords to corporate investors.

5.3.3 Change in Supply

PRT creates a number of factors that together may contribute to the market becoming restrictive and fewer properties being available for students using the PRS. The majority of the respondents did not believe the current supply would fall as a result of the introduction of PRT. One respondent had explained that if landlords left the market as an effect of PRT they would be replaced with a new landlord that would want to enter the market, therefore the supply would remain unchanged.

“We might see a dip in supply, but I still think we will see an awful lot of people coming into the market to fill that gap.” (Letting Agent 1)

However, it was clear the same respondents had not considered how PRT would allow for the market to respond to the increasing number of students coming to their cities, despite stating that student numbers in their city had been increasing.

“There is evidence to show student numbers are on the rise” (Letting Agent 1)

One respondent explained that if the market tightens it will result in fewer students being able to find accommodation in the PRSAS. Those who leave it to late or operate outside the traditional student calendar will have to use PBSA if there isn't a suitable option in the PRSAS.

“I think if there's less student flats going about students will be more inclined to go into purpose built student accommodation” (Letting Agent 3)

Some respondents argued that student's choice to live in PBSA would not be by choice it would be as a result of their preferred accommodation being unavailable.

“people would prefer to go into an HMO flat with their friends that they met during first year, and if they can't do that... they will have to get a room in a hall (PBSA) somewhere” (Letting Agent 1)

Landlord 1 believed that PRT is going to negatively impact the options available to students. She felt the legislation would have to be redrafted for it to allow the student lettings market to

operate effectively so that students are able to find accommodation and to ensure that potential landlords will not be dissuaded from investing in the PRSAS.

“Personally I don’t think PRT is going to remain the way that it is for a long time, all I think it’s doing currently is restricting the supply that would be available for students. It also puts people off the market... I think they will have to make changes to make it more landlord friendly again.” (landlord 1)

Differences in response to supply changes in Edinburgh and Glasgow

It was identified there were differences between the response from letting agents from Glasgow and Edinburgh when discussing how PRT would affect the supply of accommodation in the Student lettings market. Those operating in the Edinburgh were more confident the demand for student investment properties would remain the same, and the market would remain competitive for landlords despite the legislation limiting their rights. All of the Edinburgh agents had discussed the student market in Edinburgh is highly competitive for students, which produces attractive returns for landlords. Therefore, PRT as a single factor would not to dissuade future investment.

“We haven’t seen demand drop off, its actually gotten bigger... I still don’t think there are enough student properties out there...I mean the tenants are trying to outbid each other... we’ve seen rent increases from this year of £300 a month” (Letting Agent 5)

Despite not being a direct result of PRT, respondents from Glasgow had noticed decreasing investor interest in multiple occupancy student properties in the city due to stricter controls on HMO licenced properties. They had noticed there had been considerably fewer new of licences being granted to landlords.

“The council seem to be cracking down on HMO’s, it’s difficult to get a renewal, and if I decided to sell up I don’t think the new owner would be granted one.” (Landlord 2)

This has made the Glasgow’s student market less attractive for landlords, and in combination with the effects of PRT landlords are beginning to leave the market. Landlord confidence in the Glasgow market has been reduced due to the uncertainty surrounding PRT and the restriction being imposed in areas identified as being over populated with HMO properties.

Therefore, deterring future investment into the Glasgow's PRSAS in dominant student locations. Letting agent 4 explained that Investors will not risk taking on a larger property were the previous landlord has operated as a HMO without a certificate for lawful planning.

"We have had longstanding landlords selling... the properties have been longstanding student HMO's and they have come with lawful planning and other, larger, investors have taken them over" (Letting Agent 4)

Letting agent 4 explains that small-scale landlords are leaving the market due to the uncertainty that PRT has created, and they have typically sold to investors with larger portfolio's. This suggests a shift from independent, small-scale landlords to those with larger portfolios and institutional investors.

5.4 Managing Risk and Return (See Appendix 3:5.4)

5.4. Improving Quality of Stock

PRT increases landlords risk of void periods as students now have the flexibility to leave if the property they are living in is of poor standard. The letting agents interviewed expect that high quality properties will be unaffected by the PRT lease **as students**. Students who have taken on a poor quality property will be more inclined to leave during the academic year if they find a better property. Therefore, as the quality of a property declines, the landlord's exposure to risk of void periods increases.

"If you are at the lower end and ... the quality of the property is poor, and you aren't putting much into it, you are far more exposed to that risk that they will decide they don't like it and then leave" (letting agent 6)

Landlord 1 had explained her only strategy to mitigate the risk created by PRT was to ensure that she was providing high quality accommodation and service to her tenants.

"There is nothing I can do to manage that I've just accepted that is how it is ... the only thing I can do as a landlord is make sure that the properties are always spotless and everything is working well, and that I deal with any complaints or issues really quickly." (Landlord 1)

This method was verified by the letting agents as most effective way to reduce their exposure to void periods as they had expected the highest quality student properties will be unaffected by the PRT lease.

“Because of the risk of students leaving part way through the university year because they’ve found something better it means the landlords really got to up their game to make sure they are providing a good product to the tenants. Its beneficial for everybody because if you provide a better product to the tenants you can charge a bit more in rent”, (Letting agent 2)

Most had explained that tenancy breakdowns would be a result of students being unhappy with the quality of the property or for personal, therefore they would not be able to prevent the latter. All of the respondents stated that in order to avoid an early notice being given all properties on the market would have to be of better quality to avoid that risk.

“Even if you are providing the best quality for your tenants who’s to say they won’t have had some sort of personal dispute or someone dropping out and they can’t afford the rent anymore. It’s another reason that I have to keep my properties in the best condition, I do not want to give any of my tenants the reason to want to leave” (Landlord 2)

The wider impact of landlords improving their properties to prevent rental voids is that the overall quality of properties in the PRSAS will improve. This means that PRT will successfully address the problem of deteriorating housing stock in the student market.

5.4.2 Increasing Rent

The majority of the respondents thought that PRT would directly result in rents increasing proportionally to cover the risk of unoccupied properties during the summer months.

“From the Glasgow point of view I think that they will increase the rents, to make up the shortfall from not having a 12-month lease, some landlords have already put this into practice so we have already seen rent rise.” (Letting agent 4)

Both landlords had differing opinions in what they believed they are able to do to reduce their exposure to risk. Landlord 1 had explained that she was unwilling to test the market by

increasing her rents any further for the fear that potential tenants would not be willing to pay to rent her property.

“I don’t think I can do that because when I let out a property I always do really high end, especially the ones in the city centre... I’m already pitching it at the absolute highest price that I can get and I just wouldn’t be able to go any higher than that because I wouldn’t be able to get anyone.” (Landlord 1)

This was a contrast to Landlord 2’s views on how he could manage his risk more efficiently. He was keen to stress that if he could not make his profit in Edinburgh from the Fringe Festival, his rents would inevitably rise. Furthermore, he was confident that he would be able to achieve them due to the location of his property. The participant had discussed how using his property in the summer for a festival let had been a lucrative opportunity, that despite PRT, he would still be pursuing the festival let market during the summer.

“It’s quite a good earner for me, usually the students are quite happy to leave in august, especially if they are paying for it when it’s empty. It’s usually an unwritten agreement between us though, and they are quite happy not to get charged rent in august so that I can rent the flat for festival goers, so it’s a win/win for both of us.” (Landlord 2)

The landlord believed there would be no change in student’s willingness to leave their property during the festival under the PRT lease if a reduction in rent was given. However, when the topic of festival lets was investigated further Landlord 1 had raised concern on the fact that some students may decide not to leave for the month, however his method to prevent students from doing this would be to raise the rent.

“There is nothing I can do if they don’t want to leave, but I’m entitled to a rent rise every year anyway so if I can’t make extra money from the festival I will have to raise the rent a bit. It won’t be what I could have made from the festival but at least I’ll get something.” (Landlord 2)

The fact the landlord would have to raise the rent on their property suggests the additional income generated from the Edinburgh festival unintentionally enables landlords to keep their prices lower for students. However, if they are unable to generate income during the summer

from the inflated prices associated with the festival let market, Inevitably PRS student lets in the city will have to increase. This has raised the concern the market may become unaffordable for those who are using the lower end of the market. Two respondents had brought up price as a factor of demand for student properties, and the reason why some students have been willing to live in less attractive properties is due to affordability.

“There is a reason why people rent cheap, poorer standard properties and it’s about affordability. If landlords are having to constantly improve their properties for fear of losing out from voids, they will have to raise the rents and this is going to make for some students ... living away from home unaffordable. Because in a competitive market, like Edinburgh, most people will have to scramble for properties ...even the poorer quality ones.” (Letting agent 5)

Few of the participants had shown any concern towards the introduction of RPZ as they did not believe that it would have a considerable effect on the student lettings market. However, Letting Agent 1 and 2 had anticipated the introduction of rent control zones in the central student areas of Edinburgh.

“We anticipate the whole of Edinburgh will become a rent pressure zone” (Letting Agent 1)

“If any areas are likely to become rent pressure zones it will be those most students want to stay in” (Letting Agent 5)

Letting agent 1 did not view the introduction of RPZ as a major problem for Student Landlords due to the fact that Students do not tend to live in properties for an extended period of time, which would enable the letting agent or landlord to set the rent whenever the property is re-marketed.

“We’re not sure the rent caps would affect us too much as it would be around 5%, and that’s often the increase we are seeking anyway” (Letting Agent 1)

5.4.3 Use of Grounds for Eviction

A number of the respondents expected that some landlords will attempt to use the new grounds for eviction to operate as they had done under ASAT and to ensure their investment is profitable. It was assumed this would be more of a common occurrence in Edinburgh due

as the Fringe Festival in August would encourage landlords to rid themselves of tenants before the festival starts to increase their income.

“They can’t line up a festival rental with any certainty, but what a landlord can do is just plan renovations every summer...then that means they get it back for the festival... these are big flats so you could stagger out decent level works each summer” (Letting Agent 1)

One respondent had viewed the new grounds for eviction as being vague and lacking inadequate guidance on what was viewed as being a just reason for using one of the grounds for eviction. The respondent believed that this would encourage landlords to be deceptive about their use of the grounds.

“It might just encourage some landlords to be a little bit deceptive about it” (Letting Agent 2)

This was seen as being more easily exploited by private landlords, as most letting agents would discourage them from attempting to do so to prevent reputational damage.

“It’s not worth it for us as an agent... it’s our name above the door...but for private landlords and other agents you will definitely see that being exploited” (Letting Agent 2)

Another issue that was found with the mandatory grounds for evictions application to the PRSAS is that it does not provide the security that students need. 4 of the letting agent had stated that students preferred to have a fixed term as they perceived themselves to have more security.

“The thing is they like a fixed term... some students are saying, well I want the fixed term, I want the security of saying I’m going to be here for that amount of time.” (Letting Agent 2)

The new tenancy gives the landlord the right to evict the tenant if they intend to sell the property, previously this was not allowed under ASAT. One of the respondents had already experienced this problem with the PRT lease and a new student tenancy declaring there was no guarantee on the longevity of tenancies as tenants could be asked to vacate the property if the landlord decides to use one of the mandatory grounds for eviction.

“I had a landlord, we were moving someone in and they planned give them notice and sell it within the first couple of days of them moving in, ... so we had a signed lease with that person and it was going to go ahead and then the landlord comes and we’ll give them notice to move out in a months’ time’ ..., now that is really unfair on that tenant because they have stopped flat hunting and they been committed to that one”. (letting agent 1)

This suggests that PRT will reduce security for tenure for students. The problem will be exacerbated if landlord confidence in the market is reduced and they decide to sell. It is unlikely there will be a mass exodus of landlords from the market, however, some students will be affected by this and it may result in students looking to other accommodation providers that can guarantee the security of their accommodation.

5.5 Landlord Submarket Preference (See Appendix 5:5.5)

5.5.1 Student Tenant Quality

There was consensus amongst the majority respondents that PRT would not negatively affect landlord’s tenant preferences due to the fact that students are recognised as being low-risk tenants. The letting agents interviewed had explained that students are the least likely to default on rent payments in comparison to other tenant groups due to the fact that most student tenancies require a guarantor for the lease.

“arrears are really rare in student property. If we do have a case of arrears we just go to the guarantor” (Letting Agent 5)

It is accepted that students pose a risk to the overall condition of a property however the risk is outweighed by the higher than average investment yields from student properties.

“Students are quite notorious for not looking after properties as well as other tenants but you know what you are getting into” (Landlord 2)

Furthermore, the landlords interviewed were more confident about renting to students as they are seen as being more secure tenants for landlords in comparison to other tenant groups such as professionals.

“if it’s a young professional it’s not a guarantee that they aren’t going to leave after 2 months either, at least with the students you know that if they are here for a masters say, they are going to stay here for between 10 months to a year regardless, so you actually have a guarantee that they will stay.” (Landlord 1)

One respondent explained that areas with large student demographics are not attractive to other tenant groups, such as professionals and families, due to the likelihood of noise disturbance and anti-social behaviour. This means that for landlords with properties in popular student areas, the tenant group will remain as their target market.

“It may only be professionals that are looking and they won’t want it, because they are, maybe, doctors who want to sleep.” (Letting Agent 3)

The new tenancy agreement is easily understood, therefore it is likely that student’s awareness of PRT and what their rights as a tenant are will increase. Therefore, it is expected that students will in a have greater opportunity to negotiate with their landlords under a PRT lease.

“Tenants that properly understand how the tenancy works will be in a really strong position to negotiate if there is an issue during the tenancy because of the threat... they will be gone in 28 days.” (Letting agent 1)

The lease aimed to rebalance the relationship between the landlord and tenant, however respondents had questioned the effectiveness of PRT in doing so as some tenants may become unreasonable if they perceive they have more power than the landlord. One of the landlords interviewed had perceived this as a negative impact of the PRT lease as she viewed it as a removal of rights for her as the property owner. In the future this a may influence landlords to let to other tenants if they perceive student tenants to be too demanding.

“The students have got more power and that then becomes a bit of threat and constant game of trying to catch each other out.” (Landlord 1)

This view was contrasted by Letting Agent 1, as he perceived students to be reasonable tenants and felt that it was unlikely that PRT and increased awareness of their rights would result in students becoming unreasonable.

“I think they are all reasonable, and if the students aren’t helping you, you speak to the guarantors and they can enforce it for you.” (Letting Agent 1)

5.5.2 Other Tenant Groups

The majority of the respondents had not noticed changes in Landlords attitudes towards letting to students however one respondent had noticed an increase in young professionals sharing HMO properties therefore this may influence landlord’s preferences towards students if the tenant quality of young professionals surpasses that of students.

“Professionals can take HMO properties as well, and there’s a pattern showing that’s on the increase” (Letting Agent 5)

One agent had expected that in the future investment preference in Glasgow may sway towards properties that are suitable for professionals due to the increased volume of work that is involved with student HMO properties.

“I think there might be a sway to more professional type properties than the sway towards HMO’s...There’s a lot of work involved in that and a lot of money.” (Letting Agent 3)

CHAPTER 6: CONCLUSION

6.1 Introduction

This chapter serves as a reminder of the research questions and where the thematic findings address them. This allows for conclusions to be made on the impacts of the new private residential tenancy regulation on the private rented student accommodation sector in Scotland, and the impact on landlords.

6.2 Research Objective 1

PRT increases the risk attached to student lettings as they are no longer tied into a fixed term contract, therefore it can be anticipated that some landlords will face void periods when the academic year ends. Furthermore, the 28-day notice will also exacerbate this problem for landlords as it removes the landlords and letting agent's ability to plan in advance and re-let to a tenant or as a holiday let. The landlords and letting agents were aware of the risk PRT poses and had explained how they would attempt to adapt their management practices to manage the challenges of PRT for the coming year. In both Glasgow and Edinburgh, it was accepted that student's decision to stay or leave during the summer would be based upon the demand for their property and its location. Therefore, students that live in the highest quality properties in the best location are expected to stay for the following year. This has given landlords the incentive to maintain and upgrade the condition of their properties to reduce their exposure to risk from void periods as a result of a poorly maintained property.

The study confirms PRT will result in increased rental values in the PRSAS, as landlords attempt to offset the potential shortfall from void period as this was already witnessed by the respondents. The only concern raised for the Edinburgh market was the probability of it becoming a rent pressure zone as it would limit landlord's ability to increase their rent.

6.3 Research Objective 2

The quality of management of student properties will be affected by PRT as it leaves the insufficient time for landlords and letting agents to anticipate when tenants will leave and to remarket. Letting agents expect that unless prompted students will not give adequate notice, leaving a short period to remarket the property and find replacement tenants. The 28-day notice period will ultimately lead to poorer service as it prevents forward planning.

At this moment in time, landlords and letting agent's strategy to anticipate student tenant's behaviour is to maintain communication with their tenants during their lease however this may not be received well by student tenants. In order to maintain a degree of security, the traditional student lettings calendar is expected to change to enable landlords to avoid summer void periods. Student tenancies will be expected to start in July rather than September to ensure landlords are not left with void periods during summer break. Landlords must embrace the change to the student letting period calendar. If they accept a 9-10-month calendar, they can efficiently manage the void periods with tourist and weekly rentals.

This study could not give conclusive adaptations made to management practices in the student lettings market, the majority of student lets are still on ASAT agreements and therefore the lettings market will not be affected by PRT until the end of the following academic year. The participants did not fully know how their strategies for handling student tenancies would adapt to PRT as changes in management practices would be found through trial and error when the full effect of the PRT lease is felt.

6.4 Research Objective 3

Only time will tell whether the PRT lease will have an impact on future investment and market performance. From the respondents answers PRT risks making the student lettings market unappealing to investors as a result of removing rights from landlords and intensifying the management practices that are required in the market. As discussed in the chapter 3 prior to 1988 Housing Act the PRS was not attractive to investors due to limitation of rights to repossess the property (Wilson, 2017:6). The respondents had already witnessed landlords leaving the market as a result of being daunted by the PRT lease and more expected to leave if they are affected by void periods and tenancy breakdowns. Therefore, it can be concluded the PRT lease could result in weaken investor interest and revert the investment in the sector to the way it had been prior to 1988.

Future investment into the student lettings market may also be hindered by limited access to credit from mortgage lenders. Despite few participants highlighting this issue it was seen as being one of the most important responses as it represented that lender confidence will be reduced if landlords cannot be guaranteed income, resulting in PRS being viewed as a high risk investment. A shift in the ownership of the sector ownership from independent landlords to institutional investor may be seen as a result of PRT. This highlights, PRT as a strategy to

increase investment will fail, as the response from landlords and letting agents demonstrates investment will reduce due to the lack of confidence landlords have.

The Glasgow PRSAS will potentially be the most adversely affected by the PRT lease, with interviewees stating there would be a decline in future investment into PRS student lettings in the city due to the impact of the PRT lease and restrictions being placed upon HMO licenced properties. PRT would not be the sole reason for reduced investment, however the combination of legislation and local restrictions has made the market less hospitable to small scale/ independent landlords. PRT could be seen as a part of a multifaceted strategy in Glasgow to limit the number of students living in residential areas by reducing their options in the PRS. In contrast, respondents from Edinburgh did not believe PRT would reduce investor interest due to the consistent demand in the market and moderate control on student properties.

6.5 Research Objective 4

The long term effect of PRT on future investment will potentially tighten the PRS student accommodation market if the number of new investors is reduced and therefore cannot replace those abandoning the market, resulting in the PRS being unable to efficiently respond to increasing student demand resulting in students being forced to use PBSA if they cannot find their preferred accommodation due to limited supply and movement within the market. There will be less movement of tenants around the PRSAS if the supply tightens and students who choose to leave their property at the end of the year will experience rent increases as newly created leases are will not be protected within future RPZ's. Furthermore, it can be expected that PRT will restrict opportunity for students from low income background to access the PRSAS due to affordability.

6.6 Future Areas for Research

1. This study identified PRT may prevent students from lower income backgrounds from studying at the university of their choice if they cannot afford to leave home, however this topic could not be explored extensively. This opens up an area of further research where the impact of the PRT lease on students from low income backgrounds can be measured, however this would require a more detailed research method than used in this study.

2. This study has allowed challenges to be identified in the PRS student lettings and highlighted the ways those managing the industry will attempt to mitigate the problems associated with the new lease. This gives a background for areas of future research as the potential outcomes have been identified in this study can be tested and their impact on the market can be fully studied.
3. This study would have benefited from the input of students using the PRS to provide a balanced perspective of the market. This would open a future area for research into PRT to anticipate response and behaviour from the student perspective.
4. It was found that changes in management practices would be found through trial and error when the full effect of the PRT lease is felt. However, this gives the basis for future research as it will be possible to identify and address changes in management practice in the student lettings market when the full affect is seen.

6.7 Strengths and Weaknesses of the study

1. The study was found to be well balanced between Edinburgh and Glasgow as differences in narratives between were identifiable.
2. The study allowed potential consequences of the PRT lease on the PRSAS to be identified, this would allow for landlords and letting agents to adapt their management practices accordingly.
3. The most considerable weakness of this study was that it was too early to assess the impact the new lease will have on the student lettings market. The study was found to be premature as the impact of PRT could only be anticipated rather than measured.
4. the findings of this study can only be indicative as the study was small in size, the study would have benefitted from a larger pool of respondents to give the findings more integrity, however due to the timing of this study a larger pool of respondents was not possible.

6.8 Policy Recommendation

This dissertation supports PRT does not meet the needs of students or landlords in the PRS student lettings market as it assumes PRS users as a homogenous group. The student sub-market does not operate the same as other tenant sub-markets due to student market being highly competitive and restricted to cyclical calendar. A recommendation for an amendment to the PRT lease, would be to allow student tenants to have the option as to whether they

would prefer an open-ended PRT or a fixed duration tenancy. This would benefit both the student tenant and landlord/letting agency as this would give students the security of tenure they perceive themselves to need and it would also allow for those managing student properties to be able to anticipate with a greater degree of certainty how their student tenants will behave. This would allow for smoother operation of the student lettings market and for higher quality service to be provided.

Word Count: 14399

APPENDIX 1: KEY CHANGES TO TENANCY AGREEMENT

Feature	1988 Housing Act	2016 Private Residential Tenancy (Figure 1.1)
Tenancy (Edgecombe et al (2017))	<ul style="list-style-type: none"> Assured and short assured tenancy. The 1998 act allowed for a fixed term tenancy with the landlords being able to recover possession of the property when the fixed period had expired. 	<ul style="list-style-type: none"> Private Residential Tenancy (PRT) came into place from the 1st of December 2017. All new tenancies created after this date will be under a PRT.
Duration (Edgecombe et al (2017) (Scottish Government, 2016:33))	<ul style="list-style-type: none"> The tenant is contractually obliged to live in the property for the duration of the lease agreement. A fixed term of 6 months minimum to 12 months was commonly entered into by landlords under short assured tenancy (SAT). 	<ul style="list-style-type: none"> PRT has no fixed period. The tenancy is indefinite unless the landlord or tenant ends it.

- Under an assured tenancy there is no minimum for an assured tenancy.
- If notice to quit is not served by the landlord at the end of the agreement the tenancy will roll over by tacit relocation.

Notice to quit

(Edgecombe et al (2017))

- Landlords can regain possession when the lease expires.
 - The landlord must serve a notice to quit which is subject to a 40-day notice period for a lease exceeding 4 months.
 - A 28-day notice period is given for a lease under 4 months.
 - A section 33 notice is given to the tenant when the landlord
- The tenant must give 28 days' notice if they wish to end the tenancy.
 - The Landlord must give 28 days' notice if the tenancy is under 6 months, after 6 months an 84-day notice period must be given.

wants to regain possession of the property at the end of tenancy. 2 months' notice must be given.

Grounds for

Repossession

Shelter Scotland (2016)

- The no fault ground for repossession allows for the landlord to regain possession when the lease expires.
 - There are 17 grounds for repossession. Some of which are mandatory and discretionary. A court order for eviction must be given if the ground is approved.
 - Discretionary grounds must be decided by the sheriff court.
 - If the landlord wishes to evict a tenant under one of the 17 grounds (See Appendix 1), a
- The landlord must use one of the 18 grounds (See Appendix 1) for eviction to remove a tenant.
 - Tenants can no longer be removed due to the expiry of the lease under the no fault ground for repossession.
 - All applications by private landlords for evictions orders are now made to the First-Tier Tribunal under civil proceedings.

notice of proceedings (AT6) must be given to the tenant to notify them the landlord is going to start legal proceedings after the period of time when action can be taken

- If the tenant refuses to leave the landlord must gain a court ordered eviction notice to get the tenant to leave. If the tenant is taken to court they may be ordered to pay the landlord damages.
- The sheriff court and private rented housing panel handle possessions (PRHP).

- The First-Tier Tribunal will handle all possessions cases after the 1st of December 2017. They replace (PRHP)

Rent increases

(Shelter Scotland, 2016)

- There are no rent pressure zones.
- Rent may not be increased more than once per year. The

	<ul style="list-style-type: none"> • Rents cannot be increased until the lease ends under SAT's unless it has been agreed to in the lease. • A month's notice should be given if the landlord wants to increase the rent. • Assured tenants must be served a AT2 form to given notice of a rent increase. An AT2 can only be served once per year. 	<p>landlord must give 'rent increase notice' (section 22).</p> <ul style="list-style-type: none"> • 3 months' notice must be given. • Rent pressure zones introduced to control areas where rents have risen excessively. In controlled areas landlords cannot increase rent above the specified percentage. • Tenants can refer their increase to their local rent officer.
<p>Tenancy agreement (TSG, 2016)</p>	<ul style="list-style-type: none"> • No specified tenancy agreement. 	<ul style="list-style-type: none"> • Model Tenancy Agreement (MTA). • MTA is not mandatory.

APPENDIX 2: MANDATORY GROUNDS FOR EVICTION

1988 Housing Act Grounds for Eviction (Shelter Scotland, 2017)	2016 Private Residential Tenancy Grounds for Eviction (Shelter Scotland, 2017)
1. The landlord wants to live in the property or their partner wants to live in the property. (2 Months' notice required/ mandatory)	1. Landlord intends to sell the property (mandatory)
2. Mortgage Default (2 months' notice required/ mandatory)	2. Property is to be sold by the lender/ foreclosure (mandatory)
3. Holiday let (2 weeks' notice required/ mandatory)	3. Landlords intends to refurbish the property (mandatory)
4. Vacation let of student accommodation (2 weeks' notice/ mandatory)	4. The landlord intends to live in the property. (mandatory)
5. Minister/lay missionary property. Landlord can use ground if a minister is going to live in the property (2 months' notice required/ mandatory)	5. Family member intends to live in the property. (discretionary)
6 Re-development/Major works and refurbishment (2 months' notice required/ mandatory)	6. Landlord intends to use for non-residential purpose (mandatory)
7. Tenancy inherited under a will or intestacy (2 months' notice required/ mandatory)	7. Property required for religious purposes. (mandatory)
8. Three months' rent in arrears (2 weeks' notice required mandatory and discretionary subject to court decision)	8. Tenant is no longer an employee (mixed ground)
9. Suitable alternative accommodation available to tenant (2 months' notice required/ discretionary)	9. Tenant no longer in need of supported accommodation (discretionary) Family member intends to live in the property (discretionary)
10. Tenant served notice to quit but did not vacate the property (2 weeks' notice/ discretionary)	10. Tenant not occupying let property (mandatory)
11. Persistent delay in paying rent (2 weeks noticed required/discretionary)	11. Breach of tenancy agreement
12. Some unpaid rent (two weeks' notice required/discretionary)	12. Rent in arrears (mixed ground)

13. Breach of tenancy condition (two weeks' notice required/discretionary)	13. Tenant has a relevant conviction (mandatory)
14. Deterioration of the property or common parts (two weeks' notice required/discretionary)	14. Anti-social behaviour (proof must be given to show the landlord has taken action to prevent this happening such as getting a council ordered anti-social behaviour order ASBO). (Discretionary)
15. Nuisance or annoyance (two weeks' notice required/discretionary)	15. Association with a person who has relevant conviction or engaged in relevant anti-social behaviour (discretionary)
16. Deterioration of condition of furniture (two weeks' notice required/discretionary)	16. Landlord has ceased to be registered
17. Ex-employees of the landlord (two months' notice required/discretionary)	17. HMO licence has been revoked (discretionary)
18. No fault eviction notice.	18. Overcrowding statutory notice served on landlord (discretionary)

APPENDIX 3 CODING ANALYSIS AND THEMES

5.2 Managing the Student Submarket		
Ability to Plan in Advance	Adaptation to Property Management Practices	Communication
<p><i>“I think what we will see happen is us getting a flood of 28 days’ notices at the start of the summer time and there won’t be enough (holiday let tenants) to fill all of those flats, so they will sit empty over summer.” (Letting Agent 1)</i></p>	<p><i>“Equally we will be advertising the flats as available from June. So if you want to secure a flat, you are almost going to have to secure it in June, even though you don’t need it until September. Instead of paying for the wasted bit at the end you will potentially be paying for it at the start” (Letting agent 5)</i></p>	<p><i>You have to talk the students into serving notice, I mean they can serve notice via email but its making them write it in the way that you know you’ve got them, and not letting them be wishy washy, so having them all copied in saying that ‘we accept your notice as of.... And you are leaving on..... Just having that recorded and having that dialogue. (Letting agent 5)</i></p>
<p><i>“Before we were proactive we would release 5 flats a week and get them let, and then get the next 5 on...and so on, we did that every week from February through to may, we always had about 5 or 6 HMO properties on. I’m worried that next year it’s just going to be as you need to, you could go through a stage when you haven’t got any on, and then you’ve got 12 on, it does worry me that the pressure that it will put on the staff.” (letting agent 5).</i></p>	<p><i>“I think the only impact we might feel as an agent for the landlord, we used to do pre let season from the beginning of year, to then when we knew the tenant was moving out, then we would market the property to be available from that point in the summer whereas now the ball really is in the student’s court, they will have ownership of when they give notice because they only have to give the 28 days.” (Letting agent 4)</i></p>	<p><i>“If they say yeah we will move out but we want the flat again in September, you’ve started dialogue and you try work with that...Its about making it work for everyone” (Letting agent 5)</i></p>

<p><i>“The dangerous thing will be if someone says they are going to leave in august September and then says ‘bring it forward’, which means you only have 28 days to make other plans and do other things and for us as a business with HMO we’ve always been able to plan so far ahead and whereas now we are potentially going to have to drop that to 28 days in advance which is going to be really difficult. And with a portfolio of 200 student properties, if you had to repeat that across all of them we wouldn’t be able to.”</i></p> <p><i>(Letting Agent 1)</i></p>	<p><i>I’m hoping the calendar will stay the same for students because it gives us enough time. I’m really going to be making my tenants aware of this because it’s not fair for new students coming in who want the properties after them. If I organised for new tenants to take over their lease when they leave, and then they don’t decide to leave, and I haven’t got that in writing. I need to let go of the new tenants that were supposed to come in and that’s not fair on them.”</i></p> <p><i>(Letting agent 4)</i></p>	<p><i>“and one thing a landlord was saying to me is that he would just want to get into that dialogue with basically the tenant taking it on, to say ‘look, I take my flat back for 2 months every summer because I do renovations and do a festival let’ and just be upfront about it, because for most tenants it should be convenient and they would go ‘great, well we don’t want to be there in July and august’.</i></p> <p><i>(Letting Agent 1)”</i></p>
<p><i>“The process that ourselves and other agencies within Edinburgh follow is that we carry out our viewings for people that are looking to move in over this summer, we paired people and viewed the properties in February... so that’s obviously not something that the new PRT allows for because we don’t obviously know when people are going to be leaving”. (Letting Agent 1)</i></p>	<p><i>and I think the route it will probably go down is that students want to live in properties and not have to worry about it during the academic term I think they will want to stick to that normal calendar that set routine</i></p> <p><i>(Letting agent 1)</i></p>	<p><i>I’d like to think that the landlords here will let the tenants, you know we will speak to the tenants not in any formal way, but just keep a dialogue open with the tenants and once we know that they do want to leave in June, trying to get the tenants to serve notice on themselves. (Letting Agent 1)</i></p>
<p><i>the problem lies when your tenant says we are going to stay on for another year or they say we want to be there for august so we re-let it for September but then they change their mind and give you notice and leave in June. So then you’ve already got a new tenancy beginning in September that you have to</i></p>	<p><i>I think they will want to stick to that normal calendar that set routine, I do think that one area because now they have such freedom, and we just don’t expect that there is going to be that many students, you know if someone moves into a property and gives notice and</i></p>	<p><i>We are hoping with the communication that we currently have with our tenants whether it be student or professional, that if they know they are going to be moving out at a certain time that they would exercise their 28 day notice but they would give it well in advance</i></p>

<p><i>honour because you've signed it and then you have to figure out what you are going to do the landlord can then look to do holiday lets, but they have had no run up to that and would probably struggle to get anyone in. (Letting agent 6)</i></p>	<p><i>moves out in October, are there going to be people looking in September and October? There might be because there might be some people who failed to find a property in time for the start of time but in January that won't happen, (letting agent 1)</i></p>	<p><i>and hoping that they understand that it's for the next tenancy, they wouldn't like it if they were in that position were in June July, they still didn't have accommodation (Letting Agent 4)</i></p>
<p><i>I think the only impact we might feel as an agent for the landlord, we used to do pre let season from the beginning of year, to then when we knew the tenant was moving out, then we would market the property to be available from that point in the summer whereas now the ball really is in the student's court, they will have ownership of when they give notice because they only have to give the 28 days. (Letting agent 4)</i></p>	<p><i>I'm going to have to tie new tenants into the lease as soon as the property becomes available in the summer. I think we will see a lot more students living in the city over summer because the agents will be tying them into a lease over the summer, and they will have to take it or risk not finding anything for term. (letting agent 6)</i></p>	<p><i>"The question is, if you have got the communication right with the tenants and you've told them at the start, look this landlord takes the flat back in august are you cool with that and they're like yeah 'we don't want it anyway'. Hopefully you've done your job and it's now their problem." (Letting Agent 1)</i></p>
<p><i>We are worried as a business that all of these notices come flying in at the one time, we would worry that the impact of a lot of properties coming out at the one time would impact on our business, but it's something that we are working towards, but hoping that we will be able to accommodate (Letting agent 4)</i></p>	<p><i>"We won't know until it happens, at that point we will have to work out what we are going to do relatively quickly" (Letting agent 3)</i></p>	<p><i>"I think that as a landlord or letting agent, you must make your tenant fully aware of the new tenancy... because if there is a mutual understanding of how it works, then it should work well" (Landlord 2)</i></p>
<p><i>"We cannot deal with everything at once, ..., we had always known that these things happened on specific months of the year and it gave us time to plan...there will potentially be a rush for properties over the summer break because we could not advertise them</i></p>	<p><i>"If I'm being honest, right now we don't know, we are trying our best to sort it out, that's a question that probably won't be answered until September 2019" (Letting agent 1)</i></p>	

<i>earlier in the year. When we try to get flats turned around for new tenants coming we will inevitably miss things out if there is too much going on at the one time” (Letting agent 6)</i>		
<i>“If we find next year no one is going to tell us what their circumstances are, the students that are in at the back of that, they are going to be totally lost with that, they are going to be going through their exams and still not have accommodation sorted from when they come out of halls” (Letting agent 4)</i>		

5.3 Market Change as a Result of PRT

Future Investment	Accessibility to Credit	Change in Supply
<i>“All I think it’s doing is restricting the supply, there are all of these rumours about how terrible it is (The PRS) even though that isn’t the case or the reality, I think that it puts a lot of (investors) off.” (Landlord 1)</i>	<i>“As part of the agreement with my mortgage, I had to prove that my property could generate more income than the monthly repayment of my mortgage... but what I’m thinking now is how would I prove that in the future if I don’t know how long my tenants are staying for, you don’t have that certainty anymore and I’m positive that the lenders will use it as another excuse to say no.” (Landlord 2)</i>	<i>“people would prefer to go into an HMO flat with their friends that they met during first year, and if they can’t do that... they will have to get a room in a hall (PBSA) somewhere” (Letting Agent 1)</i>
<i>“People might choose England over Scotland, like I said if you know that you’ve got more rights and power as a Landlord in</i>	<i>“Eventually it might be harder to get a buy to let mortgage on a new property in Scotland if the lenders realise landlords aren’t doing so</i>	<i>“We haven’t seen demand drop off, its actually gotten bigger... I still don’t think there are enough student properties out</i>

<p><i>England and you don't care where your property is, it might sway you to buy property in England." (Letting agent 5)</i></p>	<p><i>well... what we might see happen is if new comers to the market can't get credit there won't be many people who will be able to replace the ones who have gotten fed up with being messed about so we might see the market tighten" (Letting Agent 6)</i></p>	<p><i>there...I mean the tenants are trying to outbid each other... we've seen rent increases from this year of £300 a month" (Letting Agent 5)</i></p>
<p><i>"It's just another thing that is making it harder for landlords. On itself its unlikely to be a make or break factor but with everything that's happening with the Scottish government, thinking all landlords are rich and should be hammered, it's just another thing that can put landlords off. And they think 'well to hell with this' I will go and invest elsewhere". (Letting Agent 3)</i></p>		<p><i>"The council seem to be cracking down on HMO's, it's difficult to get a renewal, and if I decided to sell up I don't think the new owner would be granted one." (Landlord 2)</i></p>
<p><i>"All I think it's doing is restricting the supply, there are all of these rumours about how terrible it is (The PRS) even though that isn't the case or the reality, I think that it puts a lot of (investors) off." (Landlord 1)</i></p>		<p><i>"We have had longstanding landlords selling... the properties have been longstanding student HMO's and they have come with lawful planning and other, larger, investors have taken them over...So that side of the business are seeing how, long-term, the legislation is going to impact them. And they don't want to deal with it because they have done it for so long by themselves in a certain way" (Letting Agent 4)</i></p>
<p><i>"People might choose England over Scotland, like I said if you know that you've got more rights and power as a Landlord in England and you don't care where your</i></p>		<p><i>"We might see a dip in supply, but I still think we will still see an awful lot of people coming into the market to fill in that gap, so if it does dip we will see the prices go up and we will look at it and say prices are going up and</i></p>

<p><i>property is, it might sway you to buy property in England.” (Letting agent 5)</i></p>		<p><i>now is a good time to get in” (Edinburgh Letting Agent 1)</i></p>
<p><i>“Well, the council seem to be cracking down on HMO’s, it’s difficult to get a renewal, and If I decided to sell up I don’t think the new owner would even be granted one. So I think in Glasgow we might see fewer student properties being available. (Landlord 2)</i></p>		<p><i>“Personally I don’t think PRT is going to remain the way that it is for a long time, all I think it’s doing currently is restricting the supply that would be available for students. It also puts people off the market, I don’t think it will stay like this for a long time I think they will have to make changes to make it more landlord friendly again.” (landlord 1)</i></p>
<p><i>“I don’t know about Glasgow, but certainly in Edinburgh I don’t they are going to be restrictive about giving out more licences but we still have to jump through a lot of hoops, it’s still an investment anyway, and it’s a safer investment if someone is looking to get into the HMO market to focus on a very typical student area rather on focussing on an area that is emerging as a student area or near that area so it’s a safer bet to do it where it was”. (Letting Agent 1)</i></p>		
<p><i>“a student in flat in Edinburgh is a really stable investment... I’ve never had an issue with my flat in Edinburgh there is always someone living in it and I’ve never had an issue so if I were to sell any of my properties it wouldn’t be that one.” (Landlord 2)</i></p>		

<p><i>“I mean it might dissuade some people from getting into HMO, you know from buying an HMO property or buying an HMO licence , I think my advice would be as an agent and as agents who focus on HMO’s it is a really good market, and looking at it from a really black and white perspective , an investor into property would be looking into their yield and in Edinburgh , and although our rent prices are high , our purchase prices are high as well, so a good yield might be 5% , in a non HMO property if you want to go beyond 5% you pretty much have to go into the HMO market. The discerning investor might look at it and go it wasn’t as good as it was a couple of years ago but the yield is still good and particularly if they were looking at investing their money into something else not property, they would look at 7% and go that’s a good return” (Letting Agent 1)</i></p>		
---	--	--

5.4 Managing Risk and Returns		
Property Improvement	Increasing Rent	Use of Mandatory Grounds for Eviction
<p><i>“There is nothing I can do to manage that I’ve just accepted that is how it is ... the only thing I can do as a landlord is make sure that the properties are always spotless and everything is working well, and that I deal with any complaints or issues really quickly.” (Landlord 1)</i></p>	<p><i>“From the Glasgow point of view I think that they will increase the rents, to make up the shortfall from not having a 12-month lease, some landlords have already put this into practice so we have already seen rent rise.” (Letting agent 4)</i></p>	<p><i>“The thing is they like a fixed term... some students are saying, well I want the fixed term, I want the security of saying I’m going to be here for that amount of time.” (Letting Agent 2)</i></p>

<p><i>“Even if you are providing the best quality for your tenants who’s to say they won’t have had some sort of personal dispute or someone dropping out and they can’t afford the rent anymore. It’s another reason that I have to keep my properties in the best condition, I do not want to give any of my tenants the reason to want to leave” (Landlord 2)</i></p>	<p><i>“I don’t think I can do that because when I let out a property I always do really high end, especially the ones in the city centre... but I’m already pitching it at the absolute highest price that I can get and I just wouldn’t be able to go any higher than that because I wouldn’t be able to get anyone.” (Landlord 1)</i></p>	<p><i>“It might just encourage some landlords to be a little bit deceptive about it” (Letting Agent 2)</i></p>
<p><i>“The stuff at the top end is going to be so in demand, we see some student property that is right up there with the good quality non student students property and we just don’t see them ever having problems with void periods like those at the lower end” (Letting Agent 1)</i></p>	<p><i>“There is nothing I can do if they don’t want to leave, but I’m entitled to a rent rise every year anyway so if I can’t make extra money from the festival I will have to raise the rent a bit. It won’t be what I could have made from the festival but at least I’ll get something.” (Landlord 2)</i></p>	<p><i>“It’s not worth it for us as an agent... it’s our name above the door...but for private landlords and other agents you will definitely see that being exploited” (Letting Agent 2)</i></p>
<p><i>“I still think it’s going to be the lesser quality properties, because those who are in the high quality ones are more likely to be happy and are not giving notice, therefore those properties are not on the market”. (Letting agent 1)</i></p>	<p><i>“We anticipate probably the whole of Edinburgh will become a rent pressure zone. But we don’t see it having a big impact, as there’s no restriction on the increase in rent when re marketing – only when increasing it for a tenant that’s remaining in the property. So if we’re putting HMO flats on the market we have freedom to set the price. If students were staying on for a further year then we would be restricted to the cap. But if 1 tenant was changing then it’s a new lease and the rent price is then open to increase without restriction...Overall we’re not sure rent caps would affect us too much as it would be</i></p>	<p><i>“We’ve had quite a lot of landlords kind of feeling in terms of, the one that we will get a lot of is landlords who want to still do their festival rental because now that is now very hard for them to control, and they can’t control it, unless their tenant wants to leave in July and knows that early in the year they can’t line up a festival rental with any certainty, but what a landlord can do instead is just plan, say, renovations every summer, so they might say, well I’ll do whatever this work is in the June-July of every year knowing then that it means they get it back for the festival if a landlord was still looking</i></p>

	<p><i>around 5% and that's often the increase we are seeking anyway. In some respects, it saves a bit of work for us because we don't need to sit and decide what an increase rent would be, we would just apply the cap amount". (Letting Agent 1)</i></p>	<p><i>to do that , I would ask 'what does renovation mean?' do you redo some flooring, do you re-floor half of the flat this summer and do the second half next summer and the next one and so on and stagger it out decent level works across, you know these are big flats, so you could stagger out decent level works each summer" (Letting Agent 1)</i></p>
<p><i>"Because of the risk of students leaving part way through the university year because they've found something better it means the landlords really got to up their game to make sure they are providing a good product to the tenants. Its beneficial for everybody because if you provide a better product to the tenants you can charge a bit more in rent", (Letting agent 2)</i></p>	<p><i>"If the students are happy they are less likely to give out 28 days' notice when we would still expect them to be staying there from now until may. If it's not right for them they can give that 28 days' notice so even the older stuff we have been working round that making sure when it comes up for renewal it is decorated and that carpets and appliances and furniture are replaced if they are needing that, it keeps the tenant happy. Rents will increase along with this though". (Letting agent 4)</i></p>	<p><i>"I had a landlord, we were moving someone in and they planned give them notice and sell it within the first couple of days of them moving in, ... so we had a signed lease with that person and it was going to go ahead and then the landlord comes and we'll give them notice to move out in a months' time' ..., now that is really unfair on that tenant because they have stopped flat hunting and they been committed to that one". (letting agent 1)</i></p>
<p><i>"If you are at the lower end and you are in one of those less popular locations but particularly if the quality of the property is poor, and you aren't putting much into it, you are far more exposed to that risk that they will decide they don't like it and then leave" (letting agent 6)</i></p>	<p><i>Yes, this lease is another thing, which is a slight push for landlords to make sure everything is in order and if they have to do this continually rents are going to rise, they need to cover their costs. (Letting agent 3)</i></p>	
<p><i>"We think if you have a good quality product and are therefore providing a good product</i></p>	<p><i>"It's quite a good earner for me, usually the students are quite happy to leave in august,</i></p>	

<p><i>to that person don't give them a reason to want to give you notice and leave, the only way I generally see that happening if someone moves in, and maybe they've made a bad decision and they have taken on a property they don't like and they don't think is worth the money then they might go find something else and give you notice and move out" (Letting Agent 5)</i></p>	<p><i>especially if they are paying for it when it's empty. It's usually an unwritten agreement between us though, and they are quite happy not to get charged rent in august so that I can rent the flat for festival goers, so it's a win/win for both of us." (Edinburgh Property) (Landlord 2)</i></p>	
<p><i>Even if you are providing the best quality for your tenants who's to say they won't have had some sort of personal dispute or someone dropping out and they can't afford the rent anymore. It's another reason that I have to keep my properties in the best condition, I do not want to give any of my tenants the reason to want to leave, that's not going to be my fault it's going to be theirs." (Landlord 2)</i></p>	<p><i>"There is nothing I can do if they don't want to leave, but I'm entitled to a rent rise every year anyway so if I can't make extra money from the festival I will have to raise the rent a bit. It won't be what I could have made from the festival but at least I'll get something." (Landlord 2)</i></p>	
<p><i>"I think PRT gives us more incentive to make sure that our properties are in the best condition, it gives you a bit more security, its simple things like having newish furniture in the flats that people like, and it's not that expensive, I usually just go to IKEA to get new things if anything is looking a bit shabby" (Landlord 2)</i></p>	<p><i>"I would say that if any areas are likely to become rent pressure zones it will be those most students want to stay in" (Letting Agent 5)</i></p>	
	<p><i>"There is a reason why people rent cheap, poorer standard properties and it's about affordability. If landlords are having to</i></p>	

	<p><i>constantly improve their properties for fear of losing out from voids, they will have to raise the rents and this is going to make for some students who are pushed for cash and maybe aren't supported as much from mum and dad, living away from home unaffordable for them. Because in a competitive market, like Edinburgh, most people will have to scramble for properties ...even the poorer quality ones. So I think in the long run it might not be beneficial for some students.” (Letting Agent 5)</i></p>	
	<p><i>“ I don't think next year we could honestly say to the landlords that they can do a festival let until we have spoken to the tenants and said are you going to stay in August or are you going to leave, because there isn't a ground to evict someone because the landlord wants to make money from the festival” (Letting agent 2)</i></p>	

5.5 Landlord Submarket Preference

Student Tenant Quality	Other Tenant Groups
<p><i>“We look at students as being as low risk as you can get, and particularly the type we have here in Edinburgh, which are from wealthy backgrounds in the southeast of England, down south generally and overseas, so arrears are really rare in student property. If we do have a case of arrears we just go to the guarantor in most cases that guarantor is paying the rent anyway, in the cases where it is the student who is paying it and not being able to pay it the guarantor usually steps in” (Letting Agent 1)</i></p>	<p><i>“No not really because with the amount of notice that can be given its actually probably slightly riskier letting to an unemployed person because they're circumstances are probably more likely to change ... the student is there for the academic year or if they want to stay on during the summer because they are working then that can roll on. Whereas the only short term lets we've had in from PRT have all been from professional people and not students.” (Letting Agent 3)</i></p>

<p><i>“Students are quite notorious for not looking after properties as well as other tenants but you know what you are getting into” (Landlord 2)</i></p>	<p><i>“I think there might be a sway to more professional type properties than the sway towards HMO’s...There’s a lot of work involved in that and a lot of money.” (Letting Agent 3)</i></p>
<p><i>“It may only be professionals that are looking and they won’t want it, because they are, maybe, doctors who want to sleep.” (Letting Agent 3)</i></p>	<p><i>“However professionals can take HMO properties as well, and there’s a pattern showing that’s on an increase, so three or 4 friends sharing properties together as opposed to beings student, so there is a trend showing there is another market opening up” (Letting Agent 5)</i></p>
<p><i>“if it’s a young professional it’s not a guarantee that they aren’t going to leave after 2 months either, at least with the students you know that if they are here for a masters say, they are going to stay here for between 10 months to a year regardless, so you actually have a guarantee that they will stay” (Landlord 1)</i></p>	<p><i>“I don’t think it will change the risk attached to letting to students because at the moment quite a lot of landlords, we mainly let one and two bedroom properties, so quite a lot of those landlords say that they really want a professional let in any place and that doesn’t matter whether it’s a short assured or PRT they would just prefer to have professional people because the risk is lower and they are more likely to look after the property”. (Letting Agent 3)</i></p>
<p><i>“Tenants that property understand how the tenancy works will be in really strong position to negotiate if there is an issue during the tenancy because of the threat, because if they don’t get what they are looking for they can say ‘ we are giving you notice, we will be gone in 28 days” (Letting Agent 2)</i></p>	<p><i>“ if you are providing a good property at least you are guaranteed that students will be there for at least 9 months, whereas you aren’t guaranteed that with any other group” (Letting Agent 6)</i></p>
<p><i>“The students have got more power and that then becomes a bit of threat and constant game of trying to catch each other out.” (Landlord 1)</i></p>	<p><i>“Some professionals will like the 28 days’ notice if they are working on contacts their selves and they are in a job where they move about” (Letting Agent 3)</i></p>
<p><i>“I think they are all reasonable, and if the students aren’t helping you, you speak to the guarantors and they can enforce it for you.” (Letting Agent 1)</i></p>	<p><i>“I always try to avoid students full stop, I think even now with the new agreement, well maybe it will make me even more sceptical of taking students on, at the same time even if it’s a young professional it’s not a guarantee that they aren’t going to leave after 2 months either, at least with the students you know that if they are here for a masters say, they are going to stay here for between 10 months to a year regardless, so you actually have a guarantee that its better ...I’m</i></p>

	<i>actually worried that if I take on a young professional they might get transferred somewhere else.” (Landlord 1)</i>
<i>“From our point of view we have a large student portfolio as well as a professional portfolio, there are some with small student portfolios and the letting agents might actually say well this isn’t for us because of the work that’s now going to be involved so they may start to look at that”. (Letting Agent 2)</i>	
<i>“I’d rather have students in because they don’t care it’s just part and parcel of being a student. There is less complaints from them, and usually when they get in touch it’s because they don’t know how to use the washing machine or the boiler” (Landlord 2)</i>	
<i>“You know what you’re getting with students at least, a guaranteed stay from September to June whereas other peoples circumstances can change more easily” (Landlord 2)</i>	
<i>“I wouldn’t say that my attitude has changed towards letting to them, because they are the only people who want to rent the flats that I have because of where they are. I mean sometimes young professionals want to stay in these flats too but I think they get fed up with the noise at night when they have students above and below them, and those complaints usually come back to myself and there’s not much I can do about it, so they usually leave at the end of their lease”. (Landlord 2)</i>	
<i>“Probably only in that scenario that I said when informed tenants may see it as an opportunity to negotiate something now we would always encourage landlords to negotiate, however there comes a point when you have to consider what is reasonable, what are we going to do and what are we not going to do, but given there is now that redress of power I think there is a potential there for tension</i>	

<p><i>because if a landlord is to feel as if they are being pushed around or is having their arm twisted by the tenant obviously that could lead to a bit of tension” (Letting Agent 1)</i></p>	
<p><i>“Generally the awareness is increasing about what landlords have to do and tenant rights and what not. That’s just a general thing because as the lettings market gets larger the education gets a wee bit better “(Letting agent 3)</i></p>	

APPENDIX 4: INTERVIEW SCHEDULE



College of Social
Sciences

Vanessa Harris (2085028H)

The Impacts of the New Private Residential Tenancy Regulation on the Private Rented Student Accommodation Sector in Scotland, and Their Landlords. Research Questions

1. Have you noticed changes in landlord's attitudes and practices towards letting their properties to students? If so then in what ways?
2. Do you think students will be more aware of the rights that they have under the new legislation? Do you think they will be more likely to exercise them in comparison to the previous system?
3. What implications do you think the new regulation will have on the private-rented sector student lettings market? Do you think landlords will be less willing to allow students to rent their properties?
4. Do you think landlords will have to adapt their previous practices that they have had for student lets and if so in what ways?
5. Do you think that the new legislation will result in tensions between student's tenants and their landlords and in what ways?
6. What do you think this means for the letting market, do you think you will see a change in the number of students letting in the private rented sector?
7. Do you think these changes will impact on the supply of student accommodation? If so then in what ways?
8. Do you believe this will change the risk attached to the letting of accommodation to students, and in what ways?
9. In what ways will landlords manage their risk under PRT?
10. What do you think are the impacts of the changes on student's behaviour, particularly during the summer break? Students are no longer university; do you think students will be more likely to stay in their accommodation

because their lease no longer expires or do you think students will leave due to no longer having to meet lease requirements?

11. Do you think the quality of student properties will change and if so in what ways?
12. How do you think the new legislation will affect the relationship between the landlord and the student tenant? (students have typically had a weak position in the student landlord relationship, and have had less support)
13. Do you think PRT gives students more or less security in their rented property?
14. Do you think PRT will have an effect on the number of new investors in the student lettings market, and if so in what ways?

APPENDIX 5: CONSENT FORM**Consent Form**

Title of Project: The impacts of the new private residential tenancy regulation on the private rented student accommodation sector in Scotland and their landlords.

Name of Researcher: Vanessa Harris (2085028H)

1. I confirm that I have read and understand the Plain Language Statement for the above study and have had the opportunity to ask questions.
2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving any reason.
3. I agree/do not agree (delete as applicable) to my interview being audio-recorded.
4. I understand that my name or the name of my company will not appear in the report arising from this research and that any reference to me will be done using a pseudonym to maintain my anonymity.
5. I understand that, although I will be anonymous, complete anonymity cannot be guaranteed due to the relative small numbers of landlords and agents working in the student accommodation sector.
6. I agree to take part in the above study.

Name of Participant

Date

Signature

Researcher

Date

Signature

APPENDIX 6: PLAIN LANGUAGE STATEMENT



College of Social
Sciences

Plain Language Statement

The impacts of the new private residential tenancy regulation on the private rented student accommodation sector in Scotland, and their landlords.

Researcher:

Supervisor:

You are being invited to take part in a research study. Before you decide it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and discuss it with others if you wish. Ask us if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part.

Thank you for reading this.

You have been chosen to participate in this study due to experience you have in the private rented sector student accommodation. This study aims to explore the implications of the new Private Residential Tenancy agreement and its impact on student accommodation and their landlords. Due to the legislation being recently implemented there have been no studies done to explore what impacts it may have for landlords and the student letting market. You do not have to take part in this study, if you do take part and decide later on that you no longer wish to participate all data collected during your interview will be removed from the study and destroyed. Your participation in this study will involve a one-to-one interview where you will be asked questions on your experience with private rented sector student accommodation. Your participation in this study will be kept confidential. Your name will not be used in this study, it will be replaced with a pseudonym to maintain anonymity, however anonymity cannot be guaranteed. The results of this study will be submitted as a dissertation that will be made available to the university.

Contact for Further Information

If you have any concerns regarding the conduct of this research project, you can contact the School of Social and Political Sciences **Ethics Officer**: Ms Jakki Walsh **email**: soc-pol-pgethics@glasgow.ac.uk

BIBLIOGRAPHY

Alexander, D (2018) *Continued advantages of traditional student flats: The Scotsman*. Accessed (23/6/18) www.scotsman.com/news/opinion.

Ball (2010) *The UK Private Rented Sector as a Source of Affordable Accommodation*, Joseph Rowntree Foundation, York.

Bathmaker, A.M. (2003) *The Expansion of Higher Education: A Consideration of Control, Funding and Quality* IN Bartlett, S. and Burton, D. (eds) *Education Studies. Essential Issues*, London: Sage, pp.169-189

BBC (2017) *Edinburgh is the UK's most expensive city for students*. BBC News. Accessed (29/6/18) www.bbc.co.uk/news.

Berry, K, Clark, S (2016) *SPICe Briefing: Private Housing (Tenancies) (Scotland) Bill Stage 3*. The Scottish Parliament. Accessed (9/8/18) www.parliament.scot/researchbriefingsandfactsheets/

Bouzarovski, S, Petrova, S, Kitching M, Baldwick, J (2013) *Precarious Domesticities: Energy Vulnerability Among Urban Young Adults*. In Bickerstaff, K, Walker, G and Bulkeley, H (eds): *Energy Justice in Changing Climate, Social Equity and Low Carbon Energy*, Zed Books, London, UK.

Bryman, A (2016) *Social Research Methods*. Oxford University Press, Oxford, United Kingdom.

Burgess, M (2013) *A Place to Stay, A Place to Call Home: A Strategy for the Private Rented Sector in Scotland*. The Scottish Government. Accessed (3/7/18) www.gov.scot/publications.

Cashmore, A (2017) *More students choosing to live at home and commute to classes to cut costs*: The Independent. accessed (9/8/18) www.independent.co.uk

Christie, H, Munro, M, Rettig, H (2002) *Accommodating Students: Journal of Youth Studies*, Vol.17 (2) pp.209-235.

(CAB) Citizens Advice Bureau (2018) *Student Housing- Using a Guarantor*, accessed (18/7/18) www.citizensadvice.org.uk

City Lets (2018) *Has the 2016 Act Inadvertently Killed the SAT? TC Young Explain the Effect on Short Assured Tenancies*. Accessed (1/7/18) www.citylets.co.uk/research/reports.

Clempson, R (2016) *Landlords Tax- Beware the end of 'wear & tear': Albert Goodman*, accessed (9/8/18) www.albertgoodman.co.uk

Edgecombe, S, Irvine, S, Wallace, D (2017) *New Scottish Private Residential Tenancy Regime to come into Force on 1 December 2017: Real Estate Alert*, DLA Piper. Accessed 7/7/18 www.dlapiper.com/en/uk/insights/publications.

Edinburgh University Students Association (2015) *Student Housing Survey*. Accessed (7/8/18) www.eusa.ed.ac.uk.

Empiric Student Property (2016) *Annual Report and Accounts for the Year ended 31 December 2016*. Accessed (12/8/19) www.empiric.co.uk.

(GCC) Glasgow City Council (2018) *Student Accommodation- Residential Strategy Research Report*. Accessed (5/7/18) www.glasgow.gov.uk.

Hale, T, Gonzalo, V (2016) *University Challenge: the race for money students and status*, Financial times (23/6/2016) www.ft.com accessed 13/7/18

Hubbard, P (2009) *Geographies of Studentification and Purpose Built Student Accommodation, Leading Separate Lives: Environment and Planning*, Vol.41, pp1903-1923.

Humphrey, R, McCarthy, P (1997) *High Debt and Poor Housing, A Taxing Life for Contemporary Students: Youth and Policy*, issue 56, pp.55-62.

Huston, S, Jadevicius, A, Minaei, N (2015) *Talent and Student Private Rented Sector Bottlenecks: A Preliminary UK Investigation, Property Management*, Vol.18 (3) pp.287-382.

Johari, N, Mohd, T, Abdullah, L, Ahmad, N (2017) *Evaluating off-campus student housing preference: A pilot study, American Institute of Physics*, pp1-8.

Kenyon, E (1997) *Seasonal Sub-Communities: The impact of Student Households on Residential Communities: The British Journal of Sociology*, Vol.48 (2), pp.286- 301.

Knight Frank (2017) *UK Student Housing Investment Update*. Accessed (12/7/18) www.content.knightfrank.com/research.

Knowles, N (2002) *Buy-to-let: A History*. BBC News. Accessed (18/7/18) www.bbc.co.uk/news.

Landlord Debt Advisory (2018) *Are You a Landlord with a Property in Negative Equity*. Accessed (23/8/18) www.landlorddebtadvisory.com/news/

Leyshon, A, French, S (2009) *'We all live in Robbie Fowler House': The Geographies of Buy-to-let market in the UK*: *The British Journal of Politics and International Relations*, Vol.11, pp. 438-460.

Lindsay's (2017) *A new tenancy for the private rented sector- how will it affect you?* Accessed 20/8/18 www.lindsays.co.uk/newsandinsights.

Lister, D (2004) *Young Peoples Strategies for Managing Tenancy Relationships in the Private Rented Sector*: *Journal of Youth Studies*, Vol.7 (3), pp.315-330.

Lister, D (2006) *Unlawful or Just Awful? Young people's experiences of living in the private rented sector in England*: *Nordic Journal of Youth Research*, pp141-155, Sage Publications, London.

McIntosh, G (2018) *The New Private Residential Tenancy: No Minimum Term*, Clan Gordon accessed 19/6/18 www.clangordon.co.uk

Morgan, D, McDowell, L (1979) *Patterns of Resident: Cost and Options of Student Housing*. *Society for Research into Higher Education*, Guilford, survey.

Munro, M., Turok, I. and Livingston, M. (2009) *Students in Cities: A Preliminary Analysis of their Patterns and Affects*. *Environment and Planning A*, 41(8), pp. 1805-1825.

Munro, M. and Livingston, M. (2012) *Student impacts on urban neighbourhoods: policy approaches, discourses and dilemmas*. *Urban Studies*, 49(8), pp. 1679-1694

(NUS) National Union for Students (2014) *Homes Fit for Study: The state of student housing in the UK* accessed, (20/6/18) www.nus.org.uk

(NUS) National Union for Students (2015) *Reaching home: Policy and practice for students living in the parental home*. accessed (8/8/18) www.nus.org.uk

Rolt, A (2017) *Private Sector investment drives delivery of PBSA*, *Estate Gazette: Radius Data Exchange*, accessed (12/7/8) www.egi.co.uk

Rugg, J, Rhodes, D, Jones, A (2002) *Studying a Niche Market, UK Students and the Private Rented Sector*, *Housing Studies*, Vol.17 (2), pp289-303.

Sanderson, D (2017) *Scottish Universities Rely on International Students for Funds*. *The Times* accessed 20/7/18 www.thetimes.co.uk

Saunders, M, Lewis, P, Thornhill, A (2007) *Research Methods for Business Students*. Pearsdon Education. England. UK.

Shelter Scotland (2017) *Grounds for Eviction for Private Residential Tenancy Tenants*. Accessed 7/7/18 www.scotland.shelter.org.uk

Shelter Scotland, (2016) *Rent Increases*. Accessed (12/6/18) www.scotland.shelter.org.uk

Shelter Scotland, (2017) *Grounds for Eviction for Assured and Short Assured Tenants* Accessed (12/6/18) www.scotland.shelter.org.uk

Springs, N. (2008) Buy-to-let and the wider housing market. *People, Place and Policy Online*, 2(2), pp. 76-87.

Stevenson, R, Askham, P (2011) *Purpose Built Student Accommodation: Changing the face of Student Accommodation in Sheffield: Sheffield Hallam University Built Environment Research Transactions*, vol.3 (1) 6-16.

(TCEC) The City of Edinburgh Council (2016) *Student housing Guidance*. Accessed (8/7/18) www.edinburgh.gov.uk

The Herald (2012) Students boost Glasgow's Economy by £500m a year. Accessed (10/7/19) http://www.heraldscotland.com/news/13063064.Students_boost_Glasgow_s_economy_by_500m_a_year/

The Scottish Government (2016) *Consultation Response: Consultation on proposals for regulations and policy supporting the Private Housing (Tenancies) (Scotland) Act 2016*. Accessed www.gov.scot/private-rented-sector-policy/regulations_

(TSG) The Scottish Government (2016) *Private Renting*. Accessed (12/7/18) www.gov.scot/policies/private-tenancy-reform

(TSG) The Scottish Government (2016) *Scottish Government Model Private Residential Tenancy Agreement: For the Private Rented Sector*. Accessed (17/6/18) www.govscot.org/policies.

(TSG) The Scottish Government (2017) *Easy Read Notes for the Scottish Government Model Private Residential Tenancy Agreement*. Accessed (15/6/18) www.govscot.org

(TSG) The Scottish Government (2017) *Rent Pressure Zone Application Requirements*, accessed 18/6/18 www.beta.gov.scot/publications.

(TSG) The Scottish Government (2018) *Calculating Tax - rates and bands*. accessed

9/8/18

www.revenue.scot/land-building-transaction-tax/guidance

(TSG) The Scottish Government (2018) *Private Renting accessed (7/6/18)*

www.gov.scot/policies/private-tenancy-reform.

(TSG) The Scottish Government (2018) *The impact of International Students in Scotland.*

Accessed (21/6/18) www.gov.scot/publications.

Tilak, J (2009) *Higher Education: A Public Good or a Commodity for Trade:*

Commitment to Higher Education or Commitment of Higher Education to Trade.

Prospects Vol.38 pp449-466

Verhetsel, A, Kessels, Zijlstra, T, Van Bavel, M (2015) *Housing preferences amongst students: Collective housing versus individual accommodation? A stated preference study in Antwerp (Belgium)* *Housing and the Built Environment*, Vol.32, pp. 449-470.

Wilson, W (2017) *Private rented housing: The rent control debate*, The House of Commons Library.

Ethics Committee for Non Clinical Research Involving Human Subjects
NOTIFICATION OF ETHICS APPLICATION OUTCOME – UG and PGT Applications
Application Type: **New**
Date Application Reviewed: 13/6/2018

Application Number:
Applicant's Name:
Project Title: he impacts of the new private residential tenancy regulation on the private rented student accommodation sector in Scotland and their landlords

APPLICATION OUTCOME

(A) **Fully Approved** *Start Date of Approval: whenever supervisor approves* *End Date of Approval: 01/10/2019*

(B) **Approved subject to amendments**
If the applicant has been given approval subject to amendments this means they can proceed with their data collection with effect from the date of approval, however they should note the following applies to their application:

Approved Subject to Amendments without the need to submit amendments to the Supervisor

Approved Subject to Amendments made to the satisfaction of the applicant's Supervisor

The College Ethics Committee expects the applicant to act responsibly in addressing the recommended amendments.

(C) **Application is Not Approved at this Time**

Subject to Amendments made to the satisfaction of the School Ethics Forum (SEF)

Complete resubmission required. Discuss the application with supervisor before resubmitting.

Please note the comments in the section below and provide further information where requested.

If you have been asked to resubmit your application in full, send it to your supervisor who will forward it to your local School Ethics Forum admin support staff.

Where resubmissions only need to be submitted to an applicant's supervisor.

This will apply to essential items that an applicant must address prior to ethics approval being granted. As the associated research ethics risks are considered to be low, the applicant's response need only be reviewed and cleared by the applicant's supervisor before the research can properly begin. For any application processed under this outcome, it is the Supervisor's responsibility to email socpol-pgt-ethics@glasgow.ac.uk with confirmation of their approval of the re-submitted application.

APPLICATION COMMENTS
Major Recommendations:
Minor Recommendations:

On the consent form I suggest that you explicitly provide participants with the option not to have their contribution audio-recorded. At present there is only the option to have the discussion recorded. So perhaps provide 'I agree/do not agree' (delete as applicable) chances are they'll all agree, but nice to offer them this alternative.

On the plain language statement instead of Muir Houston as I understand the correct thing at the moment (in the absence of a committee chair) is to put: 'the ethics committee administrator, Jakki Walsh, e-mail: socpol-pgt-ethics@glasgow.ac.uk

Please retain this notification for future reference. If you have any queries please do not hesitate to contact your School Ethics forum admin support staff.

Ethics Paperwork

📎 11 ▾



Thu 21/06, 13:09



Inbox

Dear

Thank you for making changes to these **ethics** forms. I am happy they conform with the suggestions of the **Ethics** Committee and grant you full **ethics** approval.

Please make sure you used the revised forms in your research. Also, please keep a copy of this email and bind it into your submitted dissertation along with a copy of your **ethics** outcome.

Good luck with your research.
Best wishes

