

Minister for Housing and Welfare
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Jim Eadie MSP
Convenor
Infrastructure and Capital Investment Committee
Scottish Parliament
Edinburgh

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Dear Mr Eadie

I am writing to clarify my understanding of an exchange during Stage 2 with David Stewart MSP on the formula for a rent cap in a Rent Pressure Zone. When I responded to David Stewart's questions on the formula, I did this on the understanding that he was referring to the minimum cap that may be set for a sitting tenant. However, having considered the Official Report, I wonder if there may be some ambiguity on this.

Just to be clear, section 31 of the Bill provides the formula for the minimum cap, which is: Consumer Price Index (CPI) + 1 per cent, together with an additional percentage if appropriate, and a sum in relation to a landlord's improvements. The minimum cap is therefore CPI plus 1 per cent (plus a sum in relation to a landlord's improvements). But this could be more, if Ministers deem it appropriate, based on the specific circumstances of a Zone, to add an additional percentage to this.

I hope you find my clarification helpful.

Kind regards

MARGARET BURGESS