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**Landlord portfolio and investment survey**

In December 2024 SAL conducted a survey of its landlord members to find out about their rental property portfolios, investments plans and experiences of increasing rents. Many of the survey questions were repeats of questions asked in previous surveys in December 2022 and December 2023 allowing us to monitor trends in the sector.

**The headline findings from the survey are that landlords continue to withdraw properties from the private rented sector in significant numbers. Those remaining in the sector are becoming much more inclined to carry out annual rent increases, while a surprisingly low number of tenants choose to exercise their right to challenge rent increases.**

We had responses to the survey from 678 landlord members who own 5,157 properties, an average of 7.6 properties per landlord. Based on an extrapolation of data from this survey and a similar survey we conducted in December 2024 of our letting agent members, we estimate that SAL members are involved in owning or managing approximately 168,341 properties in Scotland, 48% of the 350,500 properties on the Scottish landlord registration database.

Survey findings were as follows:

1. There has been a very slight decrease in the proportion of landlords planning to reduce their portfolio size in the next 5 years. 53% of respondents are now planning to reduce their portfolio size (this time last year it was 56%). 10% of respondents are now planning to increase their portfolio size (this time last year it was 9%). However, these figures are very different from those in February 2022 when we asked a similar question about plans for the next 10 years and these figures were 34% and 19% respectively.
2. Those responding to the survey reported having withdrawn 8.5% of their properties from the sector during 2024. Last year’s survey revealed that a further 6.4% of respondents’ properties were withdrawn from the sector during 2023. Extrapolating these figures across the whole of the private rented sector in Scotland suggests that around 52,225 homes (14.9% of 350,500 homes on the landlord registration database) could have been lost from the sector in the last two years and not yet reflected in landlord registration figures due to the three-year renewal cycle.
3. When asked about their reasons for withdrawing properties from the sector, the most common reasons given were (figures in brackets are from the December 2023 survey):

Perceived hostility towards landlords from government/politicians - 79% (83%)

Increasing regulation in the sector - 70% (74%)

Concern about proposal to introduce rent controls - 62% (75%)

1. Landlords were asked how they will go about withdrawing their properties from the market. For 43% of properties the landlord will serve notice to evict their tenants. For 27% of properties the landlord will wait until the tenants choose to move out. 30% will be sold to another landlord with tenants in place. Last year this figure was 22% which suggests that selling properties with tenants in place is becoming a more popular option.
2. 61% of respondents have done rent increases on their tenanted properties during 2024, an increase from 45% in 2023. A previous survey in December 2022 revealed that prior to the government introducing restrictions on the amount a landlord can increase rent by, just 8% of landlords increased their rent on an annual basis.
3. A surprisingly low proportion of tenants challenged the rent increases they received during 2024. 3% negotiated a lower increase directly with their landlord and only 0.5% appealed the rent increase through the rent officer. For those who did apply to the rent officer, in 55% of cases the rent officer set the rent at a figure lower than that the landlord had proposed in the rent increase notice.
4. Respondents estimated that 60% of their tenants are paying rent below market value (in December 2023 this was reported to be 72%). 15% are paying more than 20% below market value (in December 2023 this was reported to be 23%). The reduction in these figures suggests that landlords have been working to bring their rents more in line with market values, perhaps in response to proposals to introduce long term rent controls (including a restriction on between tenancy increases) within designated rent control areas in the future.
5. 54% of respondents have a mortgage on at least one of their rental properties. 8.9% of properties have outgoings (including any mortgage repayments) which exceed the rental income.
6. The survey revealed that landlords are a mature population with 84% aged 50 and above. Just 3% of respondents were aged below 40. This very low figure does raise concerns about the future of the private rented sector and whether there will be sufficient numbers of landlords to accommodate the demand for housing in the sector in decades to come.
7. 30% of respondents have been a landlord for more than 20 years and most reported that they became a landlord as part of pension planning or to generate additional income.

The survey findings will assist with SAL’s policy work and we are hugely grateful to the many members who took time to complete the survey.

Any queries about the survey can be directed to:

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