

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations change how rent in relation to a private residential tenancy is determined on referral by a tenant to a rent officer (or on subsequent appeal to the First-tier Tribunal for Scotland) under the Private Housing (Tenancies) (Scotland) 2016 Act (“the 2016 Act”). They also change how rent in relation to statutory assured tenancies is determined under section 25 of the Housing (Scotland) Act 1988 (“the 1988 Act”) on referral to the Tribunal.

Regulation 2 makes the changes to the 2016 Act and regulation 3 makes the changes to the 1988 Act. These changes apply only in relation to a referral or an appeal that is prompted by a rent-increase notice given to the tenant on or after 1 April 2024. The changes are temporary and apply only from 1 April 2024 until the end of 31 March 2025, after which the Regulations will expire.

The changes ensure that, where a rent-increase notice has been given to the tenant and the tenant refers the matter to a rent officer or to the Tribunal, the rent to be paid will be the lowest of the rent proposed by the landlord, the open market rent or, if the gap between the current rent and the open market rent (“the market difference”) is more than 6%, the permitted rent. (The market difference represents the percentage difference between the current rent and the open market rent.)

The maximum rent increase depends on how big the existing gap is between the current rent and the open market rent (see the table below). If the gap is 6% or less, the current rent can be increased by an amount up to that percentage. If the gap is more than 6% but less than 24%, the current rent can be increased by a percentage that is calculated using a formula. This percentage is less than the gap. For example, if the gap is 14%, the increase in rent cannot exceed 8.7%. If the gap is closer to 24%, the increase is capped at a figure closer to 12%. If the gap is 24% or more, any increase in rent is capped at 12%.

<b><i>Gap between current rent and the open market rent (as a percentage of the current rent)</i></b>	<b><i>Maximum increase in current rent allowed (as a percentage of the current rent)</i></b>
0%	0.00%
1%	1.00%
2%	2.00%
3%	3.00%
4%	4.00%
5%	5.00%
6%	6.00%
7%	6.30%
8%	6.70%
9%	7.00%
10%	7.30%
11%	7.70%

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

<b><i>Gap between current rent and the open market rent (as a percentage of the current rent)</i></b>	<b><i>Maximum increase in current rent allowed (as a percentage of the current rent)</i></b>
12%	8.00%
13%	8.30%
14%	8.70%
15%	9.00%
16%	9.30%
17%	9.70%
18%	10.00%
19%	10.30%
20%	10.70%
21%	11.00%
22%	11.30%
23%	11.70%
24%	12.00%
Above 24%	12.00%