



10 Things you need to know about student accommodation...

- 1. It's popular** - 1.7 million full time students in the UK, a 15 % rise in beds in Glasgow in 2016 and an ongoing requirement for more beds.
- 2. Construction** - Development is subject to strict timetables to ensure that the accommodation is ready and available for students at the start of the academic year.
- 3. Tenure** - Providers of accommodation generally own the property or take it on a long lease, sometimes under income strip arrangements. Nomination agreements are also used; the education provider takes a guaranteed number of beds in a purpose-built student accommodation (PBSA) scheme.
- 4. Operators** - There is a wider range of operators than ever before, including higher education institutions, funds and investors, dedicated PBSA providers, and individuals.
- 5. Student tenancy agreements** - By the end of 2017, private providers of PBSA with over 30 beds and appropriate planning consent will be exempt from the requirement to use the new private residential tenancy that will replace Short Assured Tenancies.
- 6. Landlord registration** - Every landlord of residential property in Scotland, including student accommodation, must register as a landlord with the relevant local authority.
- 7. Houses of Multiple Occupation (HMOs)** - In addition to a registered landlord, premises shared by three or more unrelated students who share kitchen and bathroom facilities must have an HMO licence issued by the relevant local authority which must be renewed either annually or every three years.
- 8. Tenant deposit schemes** - Tenancy deposits must be properly registered and protected in a Deposit Scheme in accordance with the Tenancy Deposit Schemes (Scotland) Regulations 2011.
- 9. Planning** - Some permissions seek to prohibit occupation as mainstream residential accommodation, or use outwith term time as holiday lets.
- 10. Tax** - If the relevant tests are met, zero rating for VAT purposes can be achieved in respect of construction and first sales. If the relevant conditions are complied with, significant savings can be made by the use of the residential LBTT rates and Multiple Dwellings Relief.

Key Contacts



Chris McDaid
PARTNER – REAL ESTATE
 0131 656 0295
chris.mcdaid@brodies.com



Richard Smith
PARTNER – REAL ESTATE
 0141 245 6284
richard.smith@brodies.com