

Additional Questions; Agorfa/Cefni Lettings reply.

Question 9: "The paper from Agorfa notes that social lettings agencies can have wider community benefits. Could you elaborate on what the wider community benefits are? How can more landlords be encouraged to get involved with social lettings agencies?"

Social lettings agencies are relatively new, having been in existence for about 5 years in England and emerging in Wales over the past three years. These agencies continue to evolve and fine tune throughout their development. There are broadly three models that exist in Wales;

Local authority.

Housing Association.

Independent social lettings agencies often working in partnership with local authorities, such as Cefni Lettings.

The comments contained in this paper relate to the approach, methods of working and experiences of the Cefni social lettings agency which operates in five counties (Powys, Gwynedd, Ynys Mon, Conwy and Denbighshire) the development of the agency over the past three years has been encouraged and supported by the Welsh Government and respective local authorities both strategically and financially.

There is emerging evidence that social lettings agencies can have both a direct and indirect impact on community development and cohesion arising from the provision of choice and opportunity in the private rented sector.

Some benefits are more or less immediate as seen in the housing of vulnerable people others, are emerging over time as agencies become established in the community.

Benefits;

Working with large numbers of landlords enables social lettings agencies to establish a local housing resource and move away from ad-hoc opportunistic engagement with the PRS.

Cefni lettings provide a recognised pathway into this PRS housing resource for individuals and families who are homeless or precariously housed.

Linking the private rented sector with local authorities and statutory agencies assists strategic engagement with the sector.

Cefni is successful in exploiting the opportunities available in the PRS to provide accommodation across the region for those at risk of harm, such as people fleeing domestic violence.

In partnership with the Drug intervention programme and the probation service we have created 98 units of accommodation for heroin users, both individuals and families, with offending backgrounds.

In partnership with North Wales Police, Altcourse and Parc prisons we continue to provide accommodation for prison leavers.

The PRS is able to offer a flexible response and offer dispersed accommodation to certain client groups who may be a risk to themselves or others.

The key to our effectiveness lies in the two main themes of our work. Firstly the need to establish good working relationships with each landlord for whom we provide a range of services whereby they are able to develop their businesses which we are able to exploit in terms of choice and opportunity for the community. Secondly, we aim to create sustainable tenancies which not only benefit the landlords business but also reduce the incidence of failed tenancies and repeat homelessness.

Other benefits to the community include;

Understanding the supply and demand side of the local PRS, types of accommodation, numbers, rents, locations.

Providing a housing option easily accessed, understood and used on the High St.

Managing empty properties that have been brought back into use.

Developing business plans with landlords that are based on achievable and affordable rents.

Utilising the whole spectrum of a landlord's portfolio for a range of needs.

Linking landlords with accredited trades people locally.

Creating employment and training opportunities within the agency.

Providing an example of what a community based social enterprise can achieve.

Question8: "Is the perception" "that many tenants in the private have to move on a frequent basis accurate, or is it the case that many

stay in the same property for a number of years? Would private landlords be willing to give longer fixed term tenancies....."

Whilst it is true that many failed tenancies can be traced back to poor decisions made by both landlord and tenant at the start of the tenancy we have evidence that it is possible to create planned sustainable tenancies which benefit both landlord and tenant. In the past 4 years we have established over 1200 tenancies of which only 53 have failed. In addition we have seen the average length of a tenancy rise from 7 months to over 3 years. We believe this is primarily a function of the pre-tenancy work we carry out with both landlord and tenant which establishes;

That the landlord is fit and proper.

That the landlords needs and expectations best meet the needs of the tenant.

The property is in good condition.

Is affordable.

That the tenant wants to live there.

Is willing to work with us.

Understands what needs to change to make the tenancy work.

That support is available to assist any change.

There is a range of practical, financial and emotional support available to the landlord and tenant.

Ground rules are established regarding mediation and the conduct of the tenancy.

The property is effectively managed.

Both landlord and tenant know how to contact us should things begin to go wrong.

Many landlords would be willing to give longer term tenancies; it is generally in their interest to do so, reducing tenant churn and voids and maintains rental income. A recent questionnaire circulated to 300 Cefni landlords showed that 83% would welcome longer tenancies although many pointed to the current housing benefit system and the time it takes to gain possession in the event of rent arrears as a barrier to this. Social lettings agencies are able to move towards longer tenancies by agreeing 3 and 5 year management agreements with landlords.

Question10: "the UK Government" "has said that it believes some landlords will reduce their rents as a result of the changes to the housing benefit system that it is implementing. Do you believe this is going to be the case, and what impact do you think the changes are likely to have on the sector? Are some private landlords likely to stop renting to tenants in receipt of Housing Benefit?"

The short answer is that nobody knows for certain, as there are a number of variables that will come into play such as; an increase in unemployment, local economic conditions, rise in mortgage interest rates, existing debt, use of discretionary housing payments, location of rented properties(local supply and demand) differing impact on both existing and new tenants.

We are currently carrying out an exercise with landlords examining the likely impact of the changes on each business. The maths tend to show that there are going to be difficulties particularly for single tenants, but that it would not make financial sense to evict and seek alternative tenants as a first recourse.

Question 11: "What role can private landlords and social lettings agencies play in bringing significant numbers of empty homes back into occupation? What support is needed from the Welsh Government and local government for this to be a "

We are working with empty homes officers across the region, linking them with landlords who own empty properties or those who a seeking to purchase and renovate property. Landlords are indicating that they would be more willing to bring empty property back into use if someone was prepared to take on the responsibility for the management. As a result we are currently managing 15 units that have been brought back into use and are currently in discussions on a number of other possibilities.

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