

PRS 05
Ymgynghoriad ar y sector rhentu preifat
Consultation on the private rented sector
Ymateb gan: Tai Pawb
Response from: Tai Pawb



promoting equality in housing
hybu cydraddoldeb ym maes tai

Tai Pawb

Response to:

Private rented sector

Local Government and Housing Committee inquiry

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Who we are

Tai Pawb (housing for all) is a registered charity and a company limited by guarantee. We are Wales' leading national organisation promoting equality and diversity in housing. We imagine a Wales where everyone has the right to a good home. Too many people in Wales don't have somewhere to live in security, peace, and dignity: we are determined to change that. We support and work with our members to help them put ideas into practice while influencing policy makers to make housing policy fair. We are the thought leaders on equality, diversity, and human rights issues for the housing sector and beyond.

Tai Pawb operates a membership system which is open to local authorities, registered social landlords, third sector organisations, other housing interests and individuals.

What we do

Tai Pawb works closely with the Welsh Government and other key partners on national housing strategies and key working groups, to ensure that equality is an inherent consideration in national strategic development and implementation. The organisation also provides practical advice and assistance to its members on a range of equality and diversity issues in housing and related services, including QED – the equality and diversity accreditation for the housing sector.

Our response will draw insights from across our projects and research, including support for refugees, our [Back the Bill](#) campaign, recent research around housing and our Gwent Private Rented Sector project seeking to help end homelessness.



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For further information visit: www.taipawb.org

Charity registration no. 1110078

Company No. 5282554

1. Introduction

- 1.1 Tai Pawb works across a range of housing issues in seeking to address housing inequality. This includes support for refugees and asylum seekers, the LGBTQ+ community, older people, disabled people and black and minoritized communities. We also support members to address the climate emergency. Across this breadth of work, the private rented sector (PRS) is a recurring challenge. Not only does it have less regulation than the social sector, but, among a range of issues, its homes are more expensive, can be harder to access, are less easy to adapt and more expensive to heat.
- 1.2 The PRS provides accommodation to a significant number of people in Wales. The recent census identified that it accommodates 229,000 or [17% of all households](#), an increase of 45,000 households since 2011.
- 1.3 The first part of this consultation response will focus on national questions and ‘the bigger picture’ of the PRS, highlighting the impact of the lack of a strategy or plan, not just on the PRS but the wider housing sector. Due to its size, the PRS has to be part of the solution to the current housing crisis in Wales; although as it stands its inherent difficulties (as alluded above and further referenced in this response) can prevent this.
- 1.4 The second part of this response will focus more closely to the questions identified in the consultation, including considerations to improve the state of the sector. In particular, we will include information from our project covering Gwent that works with private sector tenants and landlords.

The bigger picture

- 1.5 Tai Pawb welcome this opportunity to contribute to a greater understanding of the PRS. We feel this is a golden opportunity to pose some “bigger picture” questions around housing in Wales.

For instance,

- What is the Welsh Government plan for the PRS?
- What is an appropriate size for it?
- What is the Welsh Government's plan for the PRS within a wider housing strategy?
- Who is most suited to be accessing the PRS?
- Given the focus on rapid rehousing and ending homelessness, how well is it suited to contributing to such programmes?

1.6 We feel these are questions that need to be factored into any discussion on the state and future of the PRS. Currently, it is not clear the Welsh Government has answers to these questions. Without considering these points, it is difficult to fully resolve the more specific issues raised by this consultation.

1.7 Lastly, it is important to reflect that the PRS does not exist in isolation. The impacts of a lack of social homes, long social housing waiting lists, building of accessible homes and a malfunctioning housing benefit system are keenly felt in the PRS. If we are to make homelessness brief, rare and unrepeated and end the housing crisis in Wales, its necessary to look at housing as whole to resolve our housing crisis rather than just one sector. The Welsh Government is reviewing its approach to housing and homelessness through the Ending Homelessness National Advisory Board, upcoming White Paper on Homelessness legislation and a Green and White Paper on a right to adequate housing and fair rent. Unless there is a golden thread connecting these areas of work, there is a danger changes developed in isolation do not offer the systems change required.

2 Supply, quality, and affordability of accommodation in the PRS

Supply on a national level

- 2.1 In 2015, a [PPIW research paper](#) into the private rented sector identified that 174,000 homes would be required in Wales for the rental sector as a whole by 2031. Of which, 37% would need to be in the social sector; with a projection 109,610 homes for the PRS. 45% of these homes were predicted to be needed in Cardiff, Swansea, and Newport.
- 2.2 The housing market has undergone significant changes since 2015. Covid 19, the rise of Air BnB and holiday lets has put increased pressure on the supply of homes. While the PRS has grown in recent years, figures suggest that [13, 593 people](#) were housed in Temporary Accommodation in 2022, an increase of 50% since 2019. This suggests there is a lack of a suitable accommodation across all tenures, including the PRS in Wales.
- 2.3 However, it is important not to just to focus on targets. Houses are homes. Any efforts to increase supply should be based on local need and take account of demand around accessibility and household size. Failure to do so could lead to further forms of [hidden homelessness](#). Given the original projections are from 2015, we believe more up-to-date analysis and figures, taking account of the type of homes needed in the private rented sector is required. Undertaking this work can help gain an understanding of the size and type of homes needed and allow a more strategic approach to the sector (and housing as a whole).

Consideration – Local Government and Housing Committee requests the Welsh Government undertakes and publishes research on the PRS to ensure supply meets demand and supports better planning.

Affordability

- 2.5 In recent years, the Bevan Foundation has done some excellent work on the affordability of the PRS, in particular in relation to the Local Housing Allowance (LHA). LHA is the way Housing Benefit, or the housing

element of Universal Credit is calculated and has been frozen since 2020. In May 2022, The Bevan Foundation undertook some [analysis](#) into the 1775 properties available to let in the private rented sector and found that only 24 (or 1.4%) of properties were available at or below LHA rates. Additionally, only 7 LA areas (meaning over two thirds of LAs) did not have properties to let at LHA rate in the PRS. Given the cost-of-living crisis, this means for some the PRS is simply unaffordable. Unless the LHA is updated, this trend will continue to put increased pressure on households, the PRS and correspondingly the social sector leading to increased demand and waiting lists.

Consideration – The Local Government and Housing Committee lobbies the UK Government to increase the Local Housing Allowance rate to an appropriate figure.

The PRS in Gwent:

2.6 Our [Helping End Homelessness](#) project operates across Gwent in partnership with The Wallich and seeks to support tenants and private landlords. As part of this work, we have held conversations with all stakeholders; tenants, letting agents and LA staff and this paints a particularly challenging picture. While honing in on Gwent, there are issues that are mirrored Wales-wide.

Demand outstripping supply and survival of the fittest

2.7 Across the whole of Gwent we have found there are normally multiple applicants for each property in the PRS. One employee of Newport council reported: “We have up to 30 people applying for each flat. People are now coming from Bristol to live in Newport, but still working in Bristol and earning far higher salaries than those in Newport. The letting agents are never going to choose the lowest earner or the person on benefits when there’s that much competition.”

The PRS is increasingly unaffordable

- 2.8 Given the pressure on supply, it's unsurprising that rents continue to rise across Gwent. To support their applications for properties, some potential tenants are offering a number of months' rent in advance (sometimes up to 12 months) and these applications are seemingly always prioritised, offering a more secure return on investment.
- 2.9 Adverts of 'must earn over £26,000' or 'professionals only' on property listings are now appearing across Gwent, discriminating against lower earners or those on benefits. A member of staff at a homelessness charity in Newport identified that out of 27 landlords, 14 have stated outright that they do not accept housing benefit (almost 52%). As one interviewee explained, "The truth is that anyone who earns less than about £22,000 a year simply cannot afford to live in the private rented sector in 2023."

Expectations and standards are rising, but many still fall short of Fitness for Human Habitation standards

- 2.10 The Renting Homes Act has introduced measures to improve standards. As one landlord in Newport said, "Things have changed for the better in this respect because standards are being raised, standards have come up a lot in the last 5 years."
- 2.11 However, despite the improvements, some tenants are still struggling with poor conditions at the point of moving in. In part, this may represent a combination of the pressures of supply and demand. As one tenant stated, "It was pretty stressful and a bit depressing that, I think because we had to look at the bottom end of the market, they felt they didn't need to meet basic standards. There seemed a discrepancy between the language people like Shelter would use to describe what the minimum standards should be and what our experience was."
- 2.12 Another tenant reported that he eventually accepted a flat after just a video tour, because he was desperate to find somewhere after several unsuccessful applications. Often, flats would be taken off the market

before viewings could take place, such was the demand. Yet on arrival at his new home, he found it a filthy state.

- 2.13 More broadly, tenants reported difficulty in getting support with repairs and improvements whilst in the property: “We’ve had many problems with the house including damp – but they (the landlord) are insisting there is nothing wrong with the roof. They just painted over it, don’t wanna know.”
- 2.14 While the Renting Homes Act has brought in greater standards, it may be that the pressure on the PRS and affordability of it means that tenants are not always able to realise what was intended by the policy.

Welsh Housing Quality Standard

- 2.14 Over the last 20 years, the WHQS has seen significant investment and improvement in social homes. Not just in the standard and quality, but improvements in insulation mean heating a social home can be cheaper than heating a home in the PRS. For a PRS tenant, this presents a double blow; firstly, as identified through issues with the LHA, tenants are likely to be paying more to rent their home than a comparable home in the social sector and secondly, they are likely to pay more in heating it. Given investment in the social sector is likely to continue, there is a danger of a two-tier tenant system evolving without further intervention.

3 The opportunities for greater partnership working between social and private landlords

- 3.1 While there are differences between the social and private rental sectors, there are also opportunities for the sectors to work together. Based on our experience, the following partnership schemes are working well.

Good practice

- 3.2 [Pobl Bond Board](#) assists low-income individuals and families into the PRS by issuing a paper bond to landlords. The bond is a one-year contract between the landlord, tenants and Pobl and aims to help people who are homeless or threatened with homelessness to find privately rented accommodation. Benefits for the landlord include a complementary service, property compliance visit, free basic inventory, links to DWP to arrange direct landlord payments and assistance with tenant queries. Despite these benefits, many letting agents are reluctant to involve themselves in the scheme. This from a Bond scheme staff member in Newport: “A lot of the letting agencies (and in Monmouthshire and Torfaen as well as Newport) outright refuse to accept the paper bond. We explain it’s the same as the cash bond, but they don’t see it that and simply refuse to consider a tenant with a paper bond.”
- 3.3 [Caerphilly Keys](#), led by Caerphilly County Borough Council, helps private landlords find long term tenants for properties, while also preventing homelessness. Support offered includes managing a tenancy, budgeting, maximising income, alleviating debt, support with education, learning and employment, and referral to other organisations. One landlord who has used the scheme for many years commented: “Working with the Local Authority to provide suitable accommodation in this difficult sector and receiving their guidance and support at every turn, has been to our mutual benefit. The Local Authority has access to resources far beyond ours, not only within the Authority but also in the private sector. These include health, mental health, drug dependence, debt, counselling, etc.”
- 3.4 [Monmouthshire Lettings](#) replaces traditional estate agent services with a local authority run service, which is free of charge for landlords. The service helps landlords ensure they are compliant with legislation, offers tenant support and provides advice and support to tenants and landlords around any queries.

Consideration – Local Government and Housing Committee recommends Welsh Government share best practice and offer funding to upscale and encourage better partnership working between the PRS and social sector.

4 The challenges facing private sector landlords

Confusion around new legislative requirements

- 4.1 Conversations across Gwent identified confusion and frustration at the changes to the Renting Homes Act amongst private landlords. A landlord in Newport: “The new legislation is meant to simplify things...it has done the opposite. The new contracts are 26 pages long and read as though written by barristers for barristers. I agree with a lot of what is in the Act and the changes, but not the way it has been brought in. It seems like it has been rushed. Give us some more time to get our heads around it. There are 3 weeks to go (until the changes need to be finalised) and **I still have no idea what I’m doing. I have spoken to many other landlords who don’t know how to do it either.** Even when I’m in the room with the tenant, they do not understand the new contracts. And that’s before we even get into things like language barriers.”

Private landlords leaving the sector

- 4.2 We were told many landlords are deciding to sell. In Newport, a tenant who has been asked to leave their house said: “Since this has happened to us, this was an eye opener. Now we have heard of so many people having the same situation because landlords are wanting to sell up. Either selling or they have doubled, tripled the rent.”

A staff member at Blaenau Gwent council estimated that 10% of the private landlords they work with have decided to sell since December 2022.

Consideration – Research is undertaken on the impact of turnover of the PRS to understand the scale of properties exiting the market and how they are replaced.

A lack of support and advice

- 4.3 Conversations with landlords in Gwent have identified a number of issues around a lack of support and advice. These include Landlord Forums no longer running and a PRS Officers Network dissolved in September 2022. Previously, these forums were considered invaluable.

Landlords also told us there was also a feeling that Rent Smart Wales does not have many answers for questions and while the National Residential Landlords Association is the best source of information for landlords, not all landlords know about them. In particular, we were told more online guidance would be welcome.

5 Barriers to accessing the private rented sector

Young people

- 5.1 As has already been referenced, there are significant financial barriers to accessing the PRS. Our work in Gwent has identified salary is the biggest barrier for young people. Many young people will be earning less than “£26,000 salary” advertised and a system which prioritises people who have more money will by nature impact younger people more who are at the beginning of their careers, likely to be paid less and may not have savings to pay rent in advance.

Disabled people

- 5.2 The EHRC’s report into [Housing and disabled people](#) highlighted some of the challenges facing the housing sector in Wales. It is estimated that [26% of the population in Wales are disabled](#). With an ageing population, the number of disabled people is forecast to grow to 58% by 2035, these challenges will increase.
- 5.3 This response has already outlined the challenges facing affordability and access to the PRS. However, this is compounded for disabled people. Recent research by Tai Pawb into people’s experiences of homelessness found that all disabled people interviewed struggled to find suitable properties in the PRS. In some cases, this led to accidents in unsafe accommodation while in others, it meant suitable homes could not be found. One research participant even tried to secure Air BnB accommodation as a temporary measure.

5.4 As well as access to accessible homes, information about them in the private rented sector can be limited. The EHRC UK report found that estate agents do not typically provide information about the accessibility of private lets, compounding an issue on supply.

Consideration – Local Government and Housing Committee recommends Welsh Government ensures better information is made available regarding accessible homes to rent.

Adaptations in the PRS

5.5 Given the challenges around accessible homes, adaptations are particularly important for disabled and older people in the PRS. While funding is available for adaptations (i.e., Disabled Facilities Grants), conversations with [Care and Repair Cymru](#) identified the following issues for getting adaptations in the PRS:

- Engaging landlords – Tenants reported they often found this quite time consuming and difficult, regularly leading to permission for adaptations being rejected.
- Client reluctance – Even though tenants recognise they may need help or adaptations, they are reluctant to raise it with the landlord for fear of making them aware of them being disabled or potential eviction notices.
- Lack of eligible funding pots – The majority of funding for adaptations appeared to be available for homeowners or the social rented sector.
- Good and bad practice – While the majority of landlords are happy for minor work to be carried out on their properties some are not. In the worst of cases, it has been known for landlords to refuse adaptations to try and force a tenant to move out and get a new one in on more favourable terms.

Pets in the PRS

5.6 Caring for a pet can increase people's [wellbeing](#) and therefore be an important part of a happy life. In particular, for people experiencing

homelessness, [research](#) has shown having pets can alleviate loneliness, isolation, depression, substance abuse and criminal activity.

- 5.7 There are also questions around guide dogs. For instance, given the challenges associated with supply of the suitable accessible homes in the PRS, for someone with a guide dog this can add an additional complication through ensuring there is somewhere for the dog to exercise regularly.

Refugees and access to the private rented sector

- 5.7 On having a right to remain in the UK granted, refugees have 28 days to leave their government accommodation (note this is exactly half of the number of days a LA has a duty to prevent other people in Wales avoid homelessness). A recent [focus group](#) by Tai Pawb identified all refugee participants experienced homelessness at this point, with them failing to secure accommodation. This is backed up by research by the [Refugee Council](#) which identified that of 54 refugees interviewed, none had found anywhere to live when the 28 days' notice ends. One of the causes for this is that refugees are unable to access the PRS. As they are unable to work prior to refugee status being granted, they are not able to either build up savings or a credit history, making them ineligible due to the checks in place for the private rented sector. Failing to secure accommodation once this notice period ends means they are forced into seeking the support of local authorities, often in expensive Temporary Accommodation.

Recommendation – Local Government and Housing Committee consider options for guarantor schemes (or similar) for refugees that enable them to access the PRS and avoid expensive forms of Temporary Accommodation.

6. How effectively is the private rented sector regulated?

6.1 The Renting Homes Act (Wales) has been implemented for less than a year. Given a key focus of the act is to raise standards for tenants, across all sectors, it is too early to judge the full impact of this. However, it seems sensible that when the Welsh Government undertakes a review, part of this review looks at how effectively the sector is regulated and whether any changes are needed.

Consideration – Local Government and Housing Committee encourages Welsh Government to look at regulation in conjunction with reviews of the Renting Homes Act (Wales).

6.2 Tai Pawb believes that greater regulation would need to be done in partnership with tenants and landlords and could bring positive benefits to the sector and housing in Wales as a whole. Potential options to explore could include:

An over-arching regulator

6.3 Introducing a Housing Ombudsman, as used in some countries such as Canada, could provide an opportunity to have clarity over accountability and help drive up standards. The role of a regulator could also help drive better data on the PRS to improve standards, identify training needs and help for future planning; a win-win for all stakeholders.

Strengthening the role of Rent Smart Wales

6.4 Increasing the capacity and purpose of RSW could provide an opportunity to have a greater system of regulation, by using an established and recognised body.

Improving the capacity of enforcement teams

6.5 Investing in greater resources within councils and environmental health teams could ensure where cases of neglect or breaches of requirements occur, they are more likely to be investigated sooner and resolved. This

would amplify the confidence of tenants to raise issues, rather than worry about any retaliatory action or that the LA doesn't have the capacity to resolve. It could also improve standards amongst the properties in the poorest condition.

Investment in tenant groups

6.6 The social sector has a greater level of tenant participation in their activities, whether that is through Board members, tenant panels or regular consultation. While it is not possible to transfer this model over to the PRS, increased investment in tenant-based groups could provide an opportunity for additional scrutiny, support for tenants to have a voice and access to advice and advocacy.

7. The availability of data on the private rented sector and how it can be improved

Limited data available

7.1 Data on the PRS in Wales is limited. Public data is either linked to the Census or Stats Wales. There is also a paucity of data compared to the social housing sector. Given the status of the PRS in Wales, this is unhelpful from a delivery and planning perspective.

The benefits of Equality, Diversity, and Inclusion Data

7.2 Since 2020, Tai Pawb have been working with social housing providers on [Deeds Not Words](#), a campaign which aims to tackle racial inequality and discrimination in the social housing sector. Well publicised cases of poor housing conditions and lack of repair across the UK have shown elements of discrimination and racism around repairs and living conditions in social housing. However, comparative information is not available on the PRS. While it is easier for Social Landlords to capture EDI data and make changes, a lack of data for the PRS makes it hard to know fully what is happening for instance in relation to living conditions, standards, accessibility, overcrowding and landlord relations (i.e.,

complaints or evictions notices). Capturing data on the PRS would help inform this and could help improve people's homes, tackle discrimination, provide insights for training opportunities for landlords and help better planning in relation to supply.

Consideration – Local Government and Housing Committee recommend the Welsh Government undertake a regular survey of the PRS to capture information on tenants and guide future planning of the PRS.

8. Conclusion

- 8.1 The PRS currently provides homes to a significant proportion of the Welsh population. For some people, it provides a safe, suitable home they can afford in a location of their choice. For others, it remains inaccessible, unaffordable, and unsuitable – and increasingly so.
- 8.2 Wales is suffering from a housing crisis; while the PRS is a factor in this, this is as much to do with the environment the PRS operates within rather than the fact it exists.
- 8.3 Tai Pawb feel the challenges associated with the PRS are due to a lack of a housing vision and strategy. A joined-up inter-governmental and inter-departmental approach to policy, planning and building could ensure everyone's housing needs are met. Individual actions suggested in this response have the potential to help meet the housing needs of people in Wales, they are unlikely to deliver the fundamental reforms required to ensure long-term sustainable solutions.
- 8.4 That is why we feel incorporating a right to adequate housing is the best way to deliver this. A right to housing would offer benefits to the PRS including a clear direction of policy, homes that meet renters' needs and help deliver more energy efficient properties for landlords. Back the Bill's cost-benefit [analysis](#) identified that delivering a right to housing for all citizens is tenure neutral and could be done in Wales through increased social or private rented housing. While realistically, it would likely mean a collaboration between local authorities, RSLs and private developers in increasing supply and driving up standards,

implementation offers opportunities for the fundamental reform needed to the Housing sector in Wales with benefits to all, including the PRS.