



Written evidence – The Private Rental Sector

TPAS Cymru are the national organisation for tenant engagement in Wales. We have extensive membership across the nation, including every housing association and stock retaining Local Authority in Wales, community projects and supported housing providers.

Despite providing oral evidence, we would like to provide some additional thinking that we were unable to provide on the day. We will break this down into the sections, in the same order of questions when providing oral evidence.

Policy and Vision

We think that the WG seem to understand that the PRS needs some form of regulation. With the implementation of Rent Smart Wales and the changes with the Renting Homes Act and notice periods. But as can be seen in our report, the landlord and tenant awareness of the Act, or the effectiveness of it is questionable within the private sector. There needs to be a long-term vision rather than short term fixes. PRS was for many in the past a temporary thing before buying a house. Even longer-term renters enjoyed reasonable rent stability. This is no longer the case, rent levels are crippling many, the standards don't seem to be getting better.

We need to understand what the PRS is for in the long term, especially now that we are so dependent on it. We need a wider 'Housing Strategy that encompasses all the sectors, social, homeowner and PRS, to ensure the provision of homes that people can afford long term and safe.

What is the PRS for? What do we want to be? We need to build more homes, but what types of homes?

We are looking at each policy area in silo, we are considering changes to homelessness legislation when we need a whole housing strategy, that includes the homeowner sector.

There were almost 162,000 single parents in Wales, in the latest ONS, that's 12% of families. Approximately 1 in 8 families in Wales are headed by a lone parent.

Those that are becoming single parents, who can't afford to keep the home they had with their partner, because universal credit won't pay the housing benefit element to them, so they are forced to find a private rental property that is in the same area, so that UC will provide them with the housing benefit element to pay to a landlord. So, the policy enables the support of a landlord but not a parent trying to keep their home and consistency for their children. And, of course, increasing the possibility of homelessness.

One housing strategy that supports all tenures, including homeowners, PRS and Social Housing.

When we think about the vision, we need to be using methods such as HOUSING OPTIONS which is provided by some LAs for tenants who were on the social housing waiting list to ensure that they are moving into suitable accommodation. A single parent told us that when they went to housing options, the officer from housing options went with them to check the suitability of the property for her and her child. Measuring the gaps between the banisters. At minimum, this should be a consideration for those that are disadvantaged. One in four dependent children lived in a lone family and yet they are an unseen disadvantaged group. Focus group evidence tells us that, the PRS and homeowner sector are prejudiced against single income households. Landlords will generally choose a 2-income household, despite 67.4% of single parents work in Wales.



Supply and affordability

People are desperate for decent homes. There are too few homes and prices are continuing to rise. The lack of social housing is allowing PRS landlords to capitalise on the vulnerable. Every decision made in each tenure can have an impact on the other sector, take the example about the single parent homeowner as an example of that.

We are now relying on the PRS so much and whilst there are some fantastic landlords, it can't be their responsibility to provide an out for the housing crisis we are in. It needs to be one joined up strategy.

It isn't affordable. Lower levels of LHA for those in the PRS than social housing. Market rents that continue to increase because of that lack of supply and essentially lack of competition which is driving prices up.

Like mentioned earlier re Housing Options. Also, increasing that supply of social housing or at minimum, finding a way to ensure that social rents are set in the PRS and remembering that people don't want to have to move, they just want their homes taken care of. Legislations are in place with Rent Smart Wales, but there is a need for better methods for **enforcement.**

We attend the RSW meetings, and we see the figures, and we believe they are doing the best they can with the resources that they have; but that doesn't mean more can't be done with the right investment.

When we asked tenants what the limitations were to access the PRS specifically, the credit checks, need for referencing and guarantors, the need for a guarantor to own their own home, the huge lump sum for a month (sometimes 6 months) rent and bond upfront, which is completely unaffordable. No kids, no pets, no UC, which doesn't take into account that some people are working and claiming, some people are unable to work etc. For single parents, these are additional disadvantages.

Joined up thinking is needed with other policy areas, for a more sustainable solution. We should be teaching our children about credit scores, money management etc, so we are not setting the next generations up to face the same adversities.

Yes, we need to increase supply, here are some potential options to do so.

- 1) We need to improve the social housing requirement (S106) on new developments – its way to easy for developers to get out of building social housing. This has been evidenced time and time again in planning applications.
- 2) Over recent years we have lost more properties for rent than the amounts that are being built. That loss is to AirBnb, short term rental, second homes and empty homes. Unless WG are prepared do more on tackling that or raising more money from that, then it's unlikely we will solve the supply issue.
- 3) We need to carefully consider how to convert unused offices and retail space that is no longer needed since following the pandemic. Many are getting excited about this but the conversion regulations are not providing the quality we are looking for.

Is the funding structure the best funding structure? Or should there be more devolution?

If we had more social housing, we wouldn't rely so much on LHA or the UK Government. Strategically, we need the right balance.

The sector is aware that welfare is not devolved, but it does not make sense to renters that housing is devolved, and council tax is set locally but local housing allowance is not. Such flaws are resulting in renters having to sacrifice basics, like warmth and food, to cover the gap between the LHA rates and the market rates. Affordability of rent is essential to ensuring fairness, as well as restrictions on the size and rent rises. Whilst we can understand that landlords have mortgages that are rising, respondents felt that there should be a limit as to how much profit a landlord can make when it comes to people's homes.

Barriers, diversity and discrimination

- Reference checks, employment checks, guarantors, 28 days to do this. Delays opportunities. There needs to be a deposit schemes from WG.
- Discrimination for people with pets: pets are part of people's families.
- The credit checks, need for referencing and guarantors, the need for a guarantor to own their own home, the huge lump sum for a month (sometimes 6 months) rent and bond upfront, which is completely unaffordable. No kids, no pets, no UC, which doesn't consider that some people are working and claiming, some people are unable to work etc. For single parents, these are additional disadvantages.

Tenants told us of an app where you can increase your credit score through paying your rent, which may minimise some of these barriers if this was something that was used across Wales.

Views on whether the Renting Homes (Wales) Act 2016 has affected your members or the communities you support, including any impacts, either positive or negative;

As mentioned earlier, the awareness and effectiveness of the Act is questioned by tenants as there are still cases of section 21 notices with 2 months' notice. Tenants in the PRS are still feeling vulnerable to eviction, still having to find new homes in short periods of time because landlords are selling their homes, which is in their right, but what about that tenant with children trying to find a suitable home. What about the cost implication of moving in a time of uncertainty and a cost-of-living crisis. Better enforcement of the Act is essential, more investment in social housing, which is regulated.

As a starting point, Welsh Government could work with Mortgage Lenders to ensure that those who are taking a Buy to Let mortgage, must register for Rent Smart Wales before their application is accepted. That way, at a minimum, RSW would be aware of more PRS landlords and the landlords would be aware of the Renting Homes Act and other legislative requirements.

Data

- 1) We have backed the NRLAs ask for the housing conditions survey.
- 2) The huge problem, they register on Rent Smart Wales every 5 years, so it doesn't tell us what the turnaround is because they don't de-register. Perhaps deregistration needs to become a requirement.



- 3) Regular survey of household needs in the PRS. What is the purpose of the PRS? The survey should link to that. There is no point in collecting the data unless it can actually make a difference. Doing something with the data.
- 4) As above.

For any further information or explanation, please contact Elizabeth@tpas.cymru