

# Private rented sector

## Summary of engagement

Wednesday, 24 April 2024

### Background

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1. As part of the Local Government and Housing Committee's inquiry into the private rented sector, the Citizen Engagement Team proposed a qualitative approach to engagement, comprising focus groups with private sector landlords and tenants.
2. This summary paper is based upon contributions made by private sector landlords and tenants during three focus groups which took place between 22 February and 4 April.

### Contributors

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3. Contributors were recruited through Tai Pawb, Acorn and Carmarthenshire People First.
4. Six landlords and thirteen tenants participated in the focus groups. Contributor composition varied with contributions received from individuals in five local authority areas, across three Senedd regions.
5. Thank you to everyone who contributed to the programme of engagement.

### Format

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6. The format of engagement was informal and largely comparable across all focus groups, but varied slightly to meet the specific needs of contributors. Two focus groups were held face-to-face with one focus group taking place online.
7. The following themes emerged from the discussions.

### Affordability

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8. The majority of tenants contributing during the focus groups were keen to emphasise that the cost of renting in the private sector was increasingly challenging, particularly against the backdrop of the rising cost of living.
9. A number of tenants shared examples of what they considered significant rent increases, along with unreasonable conditions of payment. This included being required to pay rent in full up to 6 or 12 months in advance, and requiring a high level guarantor if a tenant was on a fixed term contract.
10. One contributor explained that the property they had rented for £600 per month in 2016 had now increased to £1,300 per month in 2024.
11. Some contributors also shared the view that bidding wars for rental properties in Cardiff are encouraged by letting agents, which is further driving up rents.
12. Whilst the aim for most tenants was to own their own home, many explained that it was extremely difficult to save whilst renting. Those who were able to live with family may be able to purchase a property more easily, but this is not an option for many. The lack of autonomy over their own home and the nature of their tenancy agreement (which may, for example, prohibit children and/or pets) were cited as key reasons for wishing to own their own property.

## Communication

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13. Whilst many contributions explicitly or implicitly expressed largely negative relationships between a landlord and tenant, some contributors shared examples of positive landlord and tenant relationships.

*“My circumstances are slightly different because my landlords are a couple and they’re pretty on top of everything – whether it be maintenance, whether there’s an increase in rent.*

*I have autism and live alone. They accommodate me to the best of their abilities and knowledge. We have a mutual respect. If there are any issues I have, I let them know, if they have any, they let me know. We try and resolve those to the best of our abilities.”*

*Tenant*

14. These positive relationships were largely as a result of clear and consistent communication between landlord and tenant, which some contributors offered

as a pragmatic solution to many of the issues that arise between landlords and tenants.

*Having some sort of review – once every 6 months or once a year – the landlord meets up with the tenant just to see how things are going. It would be an opportunity to ask three magic questions – what works well?, what doesn't work well? and what can be improved?. . . if you've been living in your house for a year or two years, it would be great to set out some sort of review process so that the landlords can go away and improve their services if they were having more people with learning disabilities, physical disabilities, the elderly or students coming into their service. I guess also, from the landlord's perspective – reviewing the tenants. Reviewing the contract at the same time – if it needs renewing, if the tenant has been good or there's criticism to address.*

*Tenant*

## **Condition of privately rented properties**

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**15.** A number of tenant contributors participating in the focus groups shared anecdotal accounts of rented properties in poor states of disrepair. Some experienced issues with landlords failing to acknowledge and/or address problems within the property, whilst others were frustrated with the lack of responsiveness from their landlord.

*"Based on my experience, the landlord has not really fixed any of the problems in my apartment. I've had two windows that won't open for almost as long as I've been living here. The landlord hasn't shown up."*

*Tenant*

**16.** Some participants called for legislation to be introduced to compel landlords to respond to their tenants within a specified timescale, when issues concerning the poor standard of their property are raised.

*"Clear communication channels to the landlord should be a must. There should be some obligation in place to resolve an issue after 'X' amount of time has passed."*

*Tenant*

- 17.** One tenant shared an example of issues with mice and mould in the property, which she shares with her daughter. She keeps the property in good condition and tried to clean the mould. Whilst she was initially reluctant to tell her landlord for fear of the consequences, the issues were raised with the letting agent but the issues persisted. The issues were only raised with the landlord when a support service intervened to advocate on behalf of the tenant. In the meantime, the rent has increased and the issues remain unresolved.
- 18.** Some explained they were apprehensive of raising the poor condition of their property with their landlord for fear of retaliatory action such as eviction or a rent increase.
- 19.** Conversely, landlords shared examples of tenants failing to maintain their property to a reasonable standard. Some landlords gave examples of tenants deliberately damaging their property once served with an eviction notice. As such, not only were they incurring costs associated with evicting a tenant, but were also needing to spend in order to rectify the damage caused.
- 20.** This process is often further complicated by the fact that some landlords are unlikely to be reimbursed for costs incurred, whilst also having to be mindful that local authority representatives are encouraging tenants to remain at the property until they are evicted.

*“Even if they say they haven’t paid their rent for 8 months, the local authority will tell them to stay there because they’ve got nowhere to accommodate them.”*

*Landlord*

## **Discrimination**

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- 21.** Some contributors, both landlord and tenant, acknowledged that it is entirely possible that some landlords may discriminate against prospective tenants who may be in receipt of low or irregular income.
- 22.** Benefit claimants and those with unreliable income streams were given as examples of tenants who may be considered less desirable, due to the perceived negative connotations associated with their ability to honour the terms of a tenancy agreement.
- 23.** A number of landlords participating in the focus groups explained that where there may be a number of applicants for a tenancy, the decision a

landlord will ultimately need to make is not rooted in discrimination but rather, long-term business viability. A landlord needs to ensure that a tenant is able to pay their rent on time and maintain the property in a reasonable condition. Failure to do so can result in significant ramifications for a landlord who may have a mortgage to pay and/or repairs to make to rectify any damage to their property.

*“As a private landlord, if you can get £700 with a married couple with one child, both working, good reference and bank account details readily available, compared to someone who’s street homeless, who needs to go to the benefit officer, you’re going to make the sensible option as a business person.”*

*Landlord*

**24.** Individuals who lead chaotic lives or those with complex needs may not have identification documents, a bank account or the necessary skill and/or capacity to maintain a tenancy agreement. However, some participants, both landlord and tenant, were eager to emphasise that it is unjust to vilify all private landlords when there are so many who support their tenants.

*“A lot of our tenants who live in our properties that we support, wouldn’t be able to get into the private rented sector because they’ve had issues where they’d lost ID, they don’t have the skills or capacity to deal with the demands of moving into the private rented sector.”*

*Landlord*

*“I think in regards to my situation, this is the first time I’ve rented and my landlords are pretty good. They’ve certainly set the bar on how renting should be. I’ve got good communication with my landlords. From a scale of 1 – 10, my experience with my housing situation is 7.5 – 8.”*

*Tenant*

## **Housing stock**

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**25.** In addition to the criticism aimed at landlords according to some contributors, the need to keep abreast of changes in legislation affecting the sector, was a reason given for some landlords exiting the private rented sector. This, in turn, would impact upon housing stock in what many viewed as an already depleted market.

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*"I'm not sure there are many big landlords out there. I think a lot are like most of us, who have a few properties. I think we'll see a lot of failure in that sector in a few years' time."*

*Landlord*

- 26.** Whilst discussion on housing legislation was fairly limited, some contributors shared the view that some clause of the Renting Homes Act are optional and are therefore disapplied. Anecdotal evidence suggests that some letting agents are removing 'fit and habitable' requirements from contracts and that this is legal.
- 27.** Some contributors explained that a consequence of a lack of privately rented accommodation is that landlords can be selective about who they choose to accommodate as tenants in their property.
- 28.** Some tenants participating in the focus groups said that the Welsh Government should intervene in order to control rents whilst the lack of supply is addressed. A combination of rent caps and ending 'no fault' evictions could be helpful and were described as 'sticking plasters', whilst issues concerning supply are addressed.

*"I would strongly recommend that the Welsh Government pursue rent control as policy. It wouldn't just help me out, in the sense of it keeps my cost from going up or lowers them."*

*Tenant*

- 29.** Contributors said they would be happy to live in social housing, but did not consider this a realistic option due to the high demand for social housing.
- 30.** Some offered the view that due to the lack of housing stock, students are having to sign leases in October for the following academic year because there is no guarantee they would be able to secure accommodation at short notice. Additionally, contributors with experience of the private rental market in Cardiff said that whilst there is a great deal of luxury student accommodation, much of it is unaffordable. There is also a perception that there are more student properties than there are students to fill them.
- 31.** The lack of privately rented accommodation was considered particularly acute in rural areas, where some contributors explained that people are often priced out of their communities.

## **‘Landlord bashing’**

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**32.** A number of landlord contributors were of the view that private landlords are often negatively characterised as unreasonable and greedy. These generalisations, which one participant described as ‘landlord bashing’, are unwarranted and is an unfair reflection on those who support and care for the wellbeing of their tenants.

*“The problem I always have is, there’s a constant landlord bashing agenda and feeling that landlords have deep pockets. Yesterday, I was speaking to a landlord who has 20 properties, going into an IVA. I speak to landlords all the time who are struggling to make ends meet. The whole system is a mess.”*

*Landlord*

**33.** Despite often unjust media coverage of private landlords evicting tenants, landlords participating in the discussions stressed that it is not in their interests to evict a tenant without good reason. Evicting a tenant is a time-consuming, costly and often contentious process and it is therefore unlikely that a landlord would evict a tenant without justification.

*“It costs money to change tenants. It’s in our interest to have stability there – we want someone who is going to stay there long-term and pay and look after property. That’s all we ask. When that relationship breaks down, it is extremely difficult to move that tenant out.”*

*Landlord*

## **Makeup of the private rented sector**

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**34.** Some participants explained that the demographic makeup of the private rented sector covers a wide spectrum. Whilst the needs and circumstances of tenants vary, the nature of the support (or lack thereof) and accommodation provided by landlords also varies.

**35.** The needs and level of support required by some tenants can be multifaceted and complex, which may render certain accommodation unsuitable. However, some landlords participating in the focus groups emphasised that they do accommodate vulnerable tenants and provide support for those with particular needs.

*“Four of my five flats are occupied by homeless people and one is occupied by a person who is suffering cancer and heart problems.”*

*Landlord*

*“I have 13 flats. . . all are quite a good standard and all that we charge is the local housing rate because we accept that people there are never going to be able to pay top up rent or anything else. So we typically get £393 per calendar month. It’s been like that for years. We refuse to go chasing £20 - £30 a month as top ups on there.”*

*Landlord*

**36.** One participant gave an example of the level of support they provide their tenants, with the aim of encouraging them to live as independently as possible within the community. This involves helping them with debts, managing utilities and preparing food. They also support their tenants with benefit entitlement.

## **Solutions**

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**37.** Whilst much of the discussion during focus groups focused on the challenges within the private rented sector, some shared possible solutions to some of the issues raised. These included:-

- Landlords currently have no social responsibility towards tenants. Some contributors would like to see a statutory duty on landlords to co-operate with tenants.
- Consistent and clear communication between landlord and tenant.
- Ensuring information relating to the private rented sector in Wales is accessible to different groups of people with varying needs.
- Views on Rent Smart Wales were largely positive from both landlords and tenants participating in the focus groups, however some felt that it is a ‘paperwork exercise’. Some said they were concerned that there have only been three prosecutions in South Wales and that Rent Smart Wales needs ‘more teeth’ and resources.

*“What the Welsh Government can improve upon is making information about the private rented sector more accessible, which might include the type of support the individual might need or could get.”*



*Tenant*