

Carl Sargeant AC / AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref CS/01018/13

William Powell AM
Chair Petitions committee
Ty Hywel
Cardiff Bay
Cardiff
CF99 1NA

26 June 2013

Dear William

Thank you for your letter requesting information surrounding the key issues for action raised in the Aberystwyth Housing Survey Report 2012, produced by Aberystwyth Students' Union.

Firstly, may I just mention that the report is a very strong piece of work, and has been recognised as such in correspondence from both the previous Housing Minister and myself. The findings in the report largely back up the already sound basis by which we are currently taking action through the proposals to introduce a mandatory registration and licensing scheme for all landlords and letting/management agents operating in the private rented sector.

In terms of the specific issues you have raised, I will deal with these in the order in which they were put:

High rents – I do recognise that there is an issue with the level of rents charged, especially in high-density student areas such as Aberystwyth. The private rented sector is a marketplace, and as such, the Welsh Government does not have the power to govern the level of rents charged to tenants, particularly those who are not in receipt of Local Housing Allowance.

Summer rent – This is governed by the contract; a legally-binding document between the landlord and the tenant. The charging of rent during the summer, and whether or not tenants can live there for certain periods is something that should be documented in the contract, and this is certainly something that I will be looking at making clear in the code of practice when the registration and licensing scheme is implemented. I know that there is an issue with “double-renting”, but this is an illegal practice which is already legislated for. Landlords working in student housing often have a need for the non-habitation of premises to carry out repairs, decorations and replacements of furnishings. I am, however, aware that not all landlords do charge for the periods of non-habitation, and this is something that can often be negotiated before a contract is signed.

Administration fees – These fees for the set-up of the tenancy are not illegal, but they must be detailed up-front. The report highlights the large differences between fees charged by agencies. I note with interest that those agencies which charge no fee, or small fees do not seem to fair any better or worse, in terms of customer satisfaction amongst students, than those which charge larger fees. Again, the codes of conduct in the new scheme will re-iterate the need for landlord and agents to make prospective tenants aware of the level of fees which they will be charged. Any fees which seem unfair can always be challenged, and nobody should sign up to any contract with which they are not entirely comfortable.

Deposit Protection Scheme fees – I would suggest that passing on these fees as an additional charge is unfair. Although they are legally obligated to register the deposit, a landlord or agent has a choice of whether they register the deposit in a “custodial” scheme, for which there is no fee, or an “insurance” scheme, for which there is a fee. Anyone who is faced with being charged such a fee should challenge it before signing their contract.

Condition of properties – The main driver for bringing in the proposed scheme was to raise the standards of the private rented sector. Whilst the majority of properties are maintained to at least a reasonable standard, it is clear that there are many properties which are simply not. The scheme will ensure that all landlords / agents will maintain their properties to a decent living standard, because failure to adhere to this could ultimately lead to fines and / or the removal of their ability to manage properties in the private rented sector.

Pressure to sign contracts – Whilst I agree that this is a problem in areas of high-demand, nobody is actually under any obligation to sign up to a tenancy agreement until they are fully satisfied that the agreement is right for them. This is not something that we can actually legislate for, but agree with the findings of the report that this is more of an educational issue.

One major new part of the new scheme will also be the obligation for landlords / agents to provide all tenants with an information pack which spells out their rights, roles and responsibilities. Whilst the exact content of the pack is yet to be finalised, it is clear that many of the issues raised above can be dealt through this avenue. My officials have been working closely with a wide-range of stakeholders in developing the proposals so far, and the National Union of Students has been a valued member of these discussions. I hope that this close working arrangement will continue into the future when we get into the finer details of how best to educate all parties involved in the private rented sector, students included, about the scheme, as well as the currently existing legislation.

The petition calls for the Welsh Government to “engage in a full and frank consultation” on the issues facing the private rented sector. I would argue that this has already been done. Full consultations and discussions involving input from all stakeholders have led us to where we are now in bringing in the registration and licensing scheme. I believe that the new scheme will see a major improvement in the private rented sector.



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