

Private Rented Consultation - RCTCBC

19th May 2023

1. The supply, quality and affordability of accommodation in the private rented sector

- Whilst the PRS has grown substantially over the last 20 years due to cheap borrowing, the supply of new social housing and affordable owner-occupier housing has been limited. Some of the increase in the PRS is the result of speculative Landlords who have entered the PRS to obtain better returns. However, increasing interest rates and tighter regulations is resulting in these first time or hobby Landlords selling up. Their tenants are then struggling to afford to step on to the property ladder.
- RCT's biggest challenge is the number of landlords leaving the sector which places pressures on using the PRS as a Housing Option for discharging homeless duty
- Some Landlords who are staying in the sector are charging inflated rents and therefore unwilling/no need to work with the Local Authority to offer affordable accommodation. This exploitation of the market by Agents and some Landlords could be curtailed through capping rent or re-introducing rent control measures
- The majority of PRS stock in RCT is older, traditional, terraced properties which are difficult to bring up to required standards and heat
- There is also an increase in tenants seeking rental accommodation such as overseas student families/Ukraine refugees

2. The challenges currently facing private sector landlords;

- Universal Credit – Landlords are not getting direct payments and this can often result in an increase in rent arrears
- The cost of living crisis is resulting in tenants unable to pay rent
- The introduction of new standards with Renting Homes Act and the affordability of making the required improvements – room space standards are not realistic in the current housing crisis.
- Current LHA rates are not realistic
- Rental costs are high due to a number of issues landlords are faced with:
 - Increasing interest rates leading to landlords struggling to service their mortgages
 - Increases in operational costs such as certification, repairs and materials
- Tenants with support needs and not engaging in support
- Survey carried out with landlords in RCT revealed the following reasons for leaving the sector:
 - Tenants with rent arrears
 - 'Bad' tenants
 - Damage to properties
 - Rising rental costs
 - Lack of support for tenants
 - Introduction of Renting Homes Act
- Many landlords are aware of likely changes in Minimum Energy Efficiency Standards (MEES) and that significant investment may be required of them to

improve difficult to treat properties to a proposed minimum 'C' rating. This is another contributing factor for them leaving the sector.

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

- Ensuring there is sufficient support for landlords as well tenants
- Continuing to engage with landlords via RCT's Landlord Forum, Landlord Newsletter, mailing list
- Engaging with landlords to identify what the barriers are and to come to reasonable, joint solutions – landlord focus groups
- Review of LHA
- Continue to deliver RCT SLA

4. Barriers to accessing the private rented sector including challenges facing young people and people with pets;

- Increased rents being charged along with unrealistic bonds – PRS not accessible for many people
- Increased number of landlords asking for Guarantors – not all tenants can access a Guarantor
- Landlords leaving the sector resulting in less available properties

5. How effectively the private rented sector is regulated;

- In the main, PRS accommodation is not proactively inspected in terms of compliance with Part 1 of the Housing Act 2004. Whilst Rent Smart Wales licence holders have a duty to comply with licence conditions, compliance with these standards is difficult to assess and Housing Authority checks are in the main 'reactive' and brought about as a consequence of a complaint from an occupying tenant. Of the PRS properties inspected, the vast majority warrant enforcement action due to the presence of Category 1 and/or 2 hazards.
- Consideration should be given to a mandatory property accreditation scheme to ensure that all PRS accommodation meets legal standards but to also ensure that better quality and well managed properties can be identified and differentiated by customers. Rent control measures could be linked to these property standards. Property accreditation could be introduced in a similar way to EPC rating however, it is appreciated that this would require significant investment to introduce and manage.
- Legislation, RCT Council and RSW all geared at ensuring the PRS is regulated
- RCT Housing Enforcement team are proactive in dealing with complaints from tenants and working with landlords to improved standards

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

- Varying data available such as Rent Smart Wales, local data to enable targeted area based schemes
- RCT has a database of landlords which is used as a mailing list – landlords provide consent to be added to mailing the list

7. **What's good about the PRS?**

- Where there is availability, this cover the whole of RCT and meets different needs (type, size, location)
- Valued resource as an additional housing option