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John Griffiths MS

Senedd Cymru

Wednesday 22nd March 2024

Dear John,

I am writing to you as Chair of the Local Housing and Government Committee regarding your recent inquiry into the Private Rented Sector (PRS) in Wales. Community Housing Cymru (CHC) was grateful for the opportunity to provide both written and oral evidence to the committee to demonstrate the positive outcomes that can be achieved when all aspects of the housing market are functioning well. We regret that we were unable to provide written evidence at the time but we were represented at the oral evidence session by a sector representative, Serena Jones of Coastal Housing Association, and this letter builds on that evidence.

The PRS plays an important role in the housing market alongside other tenures. Alongside social housing and routes into home ownership, this provides choice for people about where and how they want to live and enables a well functioning market. When the PRS thrives this can reduce downstream pressure onto social housing by providing flexible, secure and decent homes to people across Wales. The housing market is innately interconnected, which is why a long-term strategic approach across housing is vital to ensure unintended consequences are avoided.

One of the main ways that housing associations are involved with private landlords is through acquisition of private rented properties. This could be buying back former right to buy properties in an area where the social landlord has an existing footprint; expanding supply by converting PRS properties into social housing; or by purchasing properties with tenants in situ to avoid evictions that could result in homelessness.

The Transitional Accommodation Capital Programme (TACP) has been instrumental in supporting this kind of activity by making funding available to all social landlords to bring homes into social housing, including PRS acquisition as well as off the shelf acquisition of new housing from private developers, and investing in empty properties and strategic voids. £95m of funding has so far been committed through TACP, with 936 homes brought on stream in the first year of the programme (22/23). We are hopeful that further funding will be made available for future financial years, but have not yet had

confirmation of this from Welsh Government.

A recent joint survey of housing associations and local authorities demonstrates increased acquisition activity since TACP was made available. Social housing providers also outlined a number of challenges in working to bring PRS properties into the social sector, particularly that the age and quality of some PRS properties are such that they require significant investment to meet WHQS. This would require longer-term investment than the TACP is set up for, and there are value for money considerations. There may also be local or regional market considerations to consider when looking at PRS acquisitions to avoid knock on impacts. Purchasing properties with tenants in situ can also be complicated when considering wider allocations policies. This suggests that, whilst there is some scope for expanding PRS acquisitions by social landlords, this will always be somewhat limited. The full briefing is attached for your reference.

Ultimately, more social homes are needed - the Committee's forthcoming inquiry into social housing supply is therefore really important and we look forward to the opportunity to input closely to that

If you have any questions, or to arrange a meeting, please ask your office to contact [Elly-lock@chcymru.org.uk](mailto:Elly-lock@chcymru.org.uk)

Yours sincerely,

**Elly Lock**  
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**Community Housing Cymru**