

Evidence submitted to the Local Government and Housing Committee for the consultation on the Private Rented Sector

I welcome this opportunity to submit written evidence to the Senedd's Local Government and Housing Committee consultation on the Private Rented Sector. My response addresses parts of the terms of reference set out in the consultation document in turn and is based on my past research and my expertise in the private rented sector.

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

1. There are challenges in the supply, quality and affordability of accommodation in the private rented sector (PRS). Unfortunately, there is limited robust evidence on the quality of privately rented housing in Wales which needs to be urgently addressed. A route to improve this would be to introduce a Wales Housing Survey. However, there is evidence from across the UK that demonstrates that the private rented sector has lower-quality properties than other sector, for example nearly 1 million households in England live in properties that do not meet the decent home standard¹. In recent research for the Joseph Rowntree Foundation and the Scottish Government, we found that 4-in-10 renters had some form of dispute with their landlord, just over one-in-four renters (26%) had an issue with damp or mould in their property, and just under half of renters (44%) surveyed reported that they had problems with keeping the property warm in winter². While these are experiences from across the UK, and not directly in Wales, it is anticipated that there will be similar experiences given the comparable socio-economic and housing circumstances.
2. A core challenge in the supply of accommodation in the private rented sector is the switch to short-term holiday lets and Airbnb's. For landlords, this is a much more unregulated market, with potential tax advantages and higher returns. The UK Government have phased in tax changes to private landlords' ability to claim finance interest relief on mortgage costs, which would reduce the profitability of private landlords. By switching to fully furnished short-term holiday lets and Airbnb's, landlords are able to claim these tax deductions and improves their financial bottom-line³. This has substantial repercussions for neighbourhoods across Wales, where there is competition between renters and tourists for accommodation and this results in a loss of housing for renters. There is a need to find a way to bring these properties back into the private rented sector and discourage the switch to long-term short-term lets, while also not hampering the tourist sector and the economic advantages this brings to local communities.

Barriers to accessing the private rented sector

3. The private rented sector has grown considerably over the last twenty years and provides housing to a diverse population, especially with the high-waiting lists for

¹ Department for Levelling Up, Housing and Communities (DLUHC). (2022). English Housing Survey. Retrieved from <https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-headline-report>

² Simcock, T. (2022). Living in Scotland's private rented sector: A bespoke survey of renters' experiences. UK Collaborative Centre for Housing Evidence. <https://housingevidence.ac.uk/publications/living-in-scotlands-private-rented-sector-a-bespoke-survey-of-renters-experiences/>

³ Simcock, T. (2021). Home or hotel? A contemporary challenge in the use of housing stock. Housing Studies. <https://doi.org/10.1080/02673037.2021.1988063>

social housing and home-ownership becoming out-of-reach for many. This means that for many households, the sector is a necessity rather than a choice. Our recent research in Scotland, identified that 44% of renters were renting because it was their only option⁴.

4. The current welfare system is a major barrier to accessing the private rented sector for low-income renters. There have been changes to housing benefit, including the introduction of Universal Credit, the Shared Accommodation Rate (SAR), and the freeze to Local Housing Allowance (LHA). The freeze to LHA rates has meant that housing benefit has not kept up with rent increases, placing families into hardship and difficult choices on whether to pay the rent, bills, or food. In my previous research, we identified that the impact of the introduction of the Shared Accommodation rate was found to be landlords reducing or stopping letting to under-35's who claim benefits (54% of landlords)⁵. In our recent research in Scotland, we found that 41% of low-income renters found it difficult to afford their current rent, in comparison to 26% of middle-income and 15% high-income renters. Furthermore, we found that 44% of renters whose rent is covered in full or in part by Universal Credit or Housing Benefit found it difficult to afford their rent. This places a substantial challenge in being able to access and move within the sector. There is an urgent need to bring the LHA rates back to the 50th percentile of market rents and remove the SAR to ensure renters can afford to live in the sector.
5. Access to the private rented sector has been a barrier for many pet-owners. I am currently leading a project exploring the financial impact of pet ownership in rental properties commissioned by Battersea Dogs and Cats Home. We are currently in the early stages of the project and expect to publish in Autumn 2023. However, we have undertaken an international evidence review of experiences of renters with pets. Our review has examined 51 sources of research and evidence from the UK and comparable rental markets. Our review identified that pet owners face difficulties and obstacles when trying to find suitable, pet-friendly accommodation in the private rented sector. These obstacles include restrictions on pets imposed by landlords, a lack of available options, prejudice against tenants with pets, and the comparatively greater expense of pet-friendly rentals (both the upfront costs and higher rent levels)⁶. The evidence shows that certain groups are more susceptible to these barriers compared to others. These include lower-income groups⁷, African-American pet owners⁸, and individuals trying to escape domestic violence and homelessness⁹. As a result of these obstacles and barriers, pet owners may be forced to accept

⁴ Simcock, T. (2022). *Living in Scotland's private rented sector: A bespoke survey of renters' experiences*. UK Collaborative Centre for Housing Evidence. <https://housingevidence.ac.uk/publications/living-in-scotlands-private-rented-sector-a-bespoke-survey-of-renters-experiences/>

⁵ Simcock, T., & Kaehne, A. (2019). *State of the PRS (Q1 2019): A survey of private landlords and the impact of welfare reforms*. Edge Hill University.

⁶ Applebaum, J.W., Horecka, K., Loney, L. & Graham, T.M. (2021) Pet-Friendly for Whom? An Analysis of Pet Fees in Texas Rental Housing, *Frontiers in Veterinary Science*, 8:767149. doi: 10.3389/fvets.2021.767149.

⁷ Toohey, A.M. & Krahn, T.M. (2017) 'Simply to be let in': Opening the doors to lower-income older adults and their companion animals, *Journal of Public Health*, 40(3), pp. 661-665.

⁸ Rose, D., McMillian, C. & Carter, O. (2020) Pet-Friendly Rental Housing: Racial and Spatial Inequalities, *Space and Culture*, 26(1), pp. 116-129.

⁹ Giesbrecht, C.J. (2022) Intimate Partner Violence, Animal Maltreatment, and Concern for Animal Safekeeping: A Survey of Survivors Who Owned Pets and Livestock, *Violence Against Women*, 28(1), pp. 2334-2358; Slatter, J., Lloyd, C. & King, R. (2012) Homelessness and companion animals: more than just a pet? *British Journal of Occupational Therapy*, 75(8), pp. 377-383.

substandard accommodation¹⁰, keep their pets a secret from their landlord¹¹, or in some cases, relinquish their pets¹². Based on our analysis, we have found that allowing pets in rental properties can also have advantages for landlords, such as promoting longer tenancies at higher rents¹³, improving communication and strengthening the landlord-tenant relationship¹⁴. Although some studies do report a small number of incidents of pet-related damage, the majority of the evidence suggests that pets do not cause significant costs to landlords or rental properties. The Renting Homes (Wales) Act 2016 does not impose a limit on the deposit, which is limited in England to 6 weeks. This should provide landlords with the necessary security, if they require an additional pet deposit, to cover any potential damages or repairs. There is a need for the Welsh Government and stakeholders to communicate the benefits of renting to pet-owners to landlords and letting agents to remove any barriers. Our research can play a key part in this and ensure that the messaging is evidence-informed, and we hope to meet with the Welsh Government once our project is in a later-stage to share findings and key learning to support efforts to enable pet-owners to access the PRS easily.

Effectiveness of regulating the private rented sector

6. The recent enactment of the Rent Homes (Wales) Act 2016 and the subsequent amendment will take time to embed into the day-to-day experiences of renters across Wales. Despite these welcome changes to the underlying framework of private renting, a core challenge has been the enforcement of regulation.
7. My past research identified a post-code lottery of enforcement in the private rented sector by local authorities across England and Wales¹⁵. The research identified that HHSRS inspections of properties in Wales had decreased by 22% in 2017/18 compared to 2012/13. While I have not yet had the opportunity to undertake further research to explore the latest trends, it is not likely that there will have been a substantial increase in enforcement activity. There is a substantial need to ensure that funding is available for local authorities to recruit enforcement and environmental health officers, but also funding for education and professional training programmes to ensure there is a pipeline of potential recruits into these roles.
8. A further challenge in the regulation of the sector is the onus placed on renters to challenge and enforce against poor practice by landlords and agents. In my recent research for the Joseph Rowntree Foundation and Scottish Government, we identified that renters were overall not fully aware of their rights nor had the capacity

10 Power, E. (2017) Renting with pets: a pathway to housing insecurity? *Housing Studies*, 32(3), pp. 336-360.

11 Soaita, A.M., & McKee, K. (2019) Assembling a 'kind of' home in the UK private renting sector, *Geoforum*, 103, pp. 148-157.

12 Shore, E., Peterson, C. & Douglas, D. (2003) Moving as a Reason for Pet Relinquishment: A Closer Look, *Journal of Applied Animal Welfare Science*, 6(1), pp. 39-52.

13 Carlisle-Frank, P., Frank, J.M. & Nielsen, L. (2005) Companion animal renters and pet-friendly housing in the US, *Anthrozoös*, 18(1), pp. 59-77.

14 Graham, T.M., Milaney, K.J. Adams, C.L. & Rock, M.J. (2018) "Pets negotiable": How do the perspectives of landlords and property managers compare with those of younger tenants with dogs? *Animals*, 8(3), <https://doi.org/10.3390/ani8030032>.

¹⁵ Simcock, T., & Mykkanen, N. (2018). The Postcode Lottery of Local Authority Enforcement in the PRS. Residential Landlords Association: Manchester, UK. DOI: [10.13140/RG.2.2.15441.58729](https://doi.org/10.13140/RG.2.2.15441.58729)

to challenge poor practice due to market conditions¹⁶. In our research, we recommended that there was a need to explore how to shift the onus from renters having to complain about an issue, to landlords needing to demonstrate compliance, for example, with standards and repairs¹⁷. While there might not be concrete policy solutions to develop this in the short term, this should be a medium-term funding priority for further research on the private rented sector.

Availability of data on the private rented sector and possible improvements

9. There is a need for significant data and research on the private rented sector in Wales. There are several challenges and potential solutions. These challenges are as follows:
 - a. Limited administrative data on the sector, including regular data on housing conditions and experiences of households
 - b. Limited regular data on the experiences of private landlords
 - c. How evidence and research on the private rented sector is undertaken, published and collated
 - d. The loss of formal housing education provision across the UK and limited funding opportunities
10. One of the key challenges is the lack of administrative data and a regular survey on the housing conditions and experiences of households. In England, there is the regular English Housing Survey, which provides important and useful data on changes in the housing system. Currently, in Wales there is no such system. There is data available from the most recent Census, but, as this is undertaken once per decade, this does not provide the regular data and insight that is needed. This further hampers the scrutiny of the efforts of the Welsh Government in improving standards and security in the private rented sector. The Welsh Government should seek to commission a regular Wales Housing Survey, whether this is directly commissioned or if a joint-commission with the UK Government to expand the English Housing Survey may be more appropriate. Furthermore, efforts should be taken to ensure administrative data on the private rented sector held by local authorities and the Welsh Government is made available, through secure routes, such as the Administrative Data Research UK (ADR UK) programme. Housing and communities is a core priority of the ADR UK, and the Welsh Government should commit to ensure all data on the PRS is available through this programme to academic researchers to develop a better understanding of the private rented sector.
11. The experience of and challenges faced by private landlords is an area across the whole of the UK where there is limited robust data. The UK Government have introduced a Private Landlord Survey, which is a welcome addition to the research landscape on the PRS. However, more data and insight are required over a broader topic base. This should be seen as a priority for development. To address this, there needs to be increased funding to undertake this work, either through direct

¹⁶ Simcock, T., McKee, K., Marsh, A., Harris, J., Moore, T., Soaita, A., & James, G. (2022). *What do lower income tenants in Scotland's private rented sector want to see from a new Rented Sector? Summary Report*. UK Collaborative Centre for Housing Evidence. <https://housingevidence.ac.uk/publications/what-do-lower-income-tenants-in-scotlands-private-rented-sector-want-to-see-from-a-new-rented-sector/>

¹⁷ Simcock, T., Marsh, A., & Moore, T. (2022). *Co-producing solutions to the challenges faced by low-income renters in Scotland*. UK Collaborative Centre for Housing Evidence. <https://housingevidence.ac.uk/publications/co-producing-solutions-to-the-challenges-faced-by-low-income-renters-in-scotland/>

commissions from governments or increased funding from UK Research and Innovation (UKRI). However, a challenge is the engagement of private landlords in any research project, with access being a key barrier. Enabling academic researchers and Rent Smart Wales to work together, such as Rent Smart Wales distributing academic surveys to landlords and agents, would provide a further opportunity to reach a greater number of landlords and enable a more robust understanding of the issues faced by private landlords.

12. The subsequent challenge is how evidence and research on the private rented sector is undertaken, published and collated. Much of the research on the private rented sector undertaken in Wales is conducted or commissioned by stakeholder organisations, which usually results in a briefing and/or report being published on the findings. Very rarely does this research get published in a scientific peer-reviewed journal. These reports and briefings may end up on a website for a certain period of time, but over time these documents can be lost from public access (if made public at all). Alongside turnover within these organisations, insights can be lost, leading to the re-commissioning of research that, rather than advancing our understanding of issues, could be argued to re-invent the wheel. There is a need for a strategic approach to research on the private rented sector, in both the commissioning, but also the publication and long-term storage of insights. Community repositories of research and networks (such as ThinkHouse and Renting Evidence) have developed out of this need, but these rely on individuals to maintain. Finally, there is a greater need for stakeholders to publish their research in peer-reviewed journals, such as Housing Studies or People, Place and Policy. Not only would this enable longer-term preservation of research findings but enable researchers to build upon existing research and demonstrate the quality of their research by engaging with the peer-review process.
13. The final core challenge has been the loss of professional housing courses at Universities across Wales and the broader UK over the last decade. There are now only four providers registered with the Chartered Institute of Housing to provide degree-level and above education – and with only one provider in Wales. This loss of housing education and research hampers the development of a critical understanding of housing issues in Wales. Furthermore, the loss of housing education at universities reduces the ability to train new professionals and upskill existing staff. The Welsh Government, and more broadly the UK Government and Scottish Government, should seek to encourage Universities to develop new housing education and research provision. Everyone deserves a decent, safe and secure home, and without critical insight and professional education, issues are likely to remain.

Final comments

14. I would like to thank the Committee for this opportunity to provide evidence and input into the consultation on the Private Rented Sector (PRS). The PRS provides housing to a fifth of renters across Wales, at all stages of life and from different socio-economic backgrounds. Renters face many challenges, including financial insecurity and challenges in accessing the sector if they own a pet. There is a growing body of research highlighting the negative impact of the insecure nature of private renting on

health and wellbeing¹⁸, being able to feel at home in their rented property and being able to put down roots in their communities¹⁹. Recent research identified an association between private renting and higher levels of biomarker C-reactive protein (CRP), which is indicative of chronic stress/infection²⁰. Further research has found that insecure housing and in particular private renting can have a negative effect on psychological well-being, with private renters experiencing anxiety and finding it difficult to 'settle down'²¹. While the Renting Homes (Wales) Act 2016 does now provide enhanced security from eviction, there is a need for continued research and evaluation to understand how the Act is affecting both landlords and tenants. Furthermore, there is a need to ensure that the private rented sector continues to be a focus of research and critical oversight to ensure issues are discovered and solutions and innovations identified, to safeguard that the PRS is home to good quality housing that contributes to, rather than detracts against, the health of people living in the sector.

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About Dr Tom Simcock

Dr Tom Simcock is a Research Fellow and Research Manager of the Healthy Housing Initiative at the University of Huddersfield. Tom has extensive experience of leading and managing multi-disciplinary research and evaluation projects. Tom's research interests include health and housing, the private rented sector, and housing inequalities. Tom's most recent research has focussed on housing policy and the private rented sector, including research on the experiences of low-income renters in Scotland, and the financial costs of renting to pet-owners. Tom is a Chartered Psychologist of the British Psychological Society (CPsychol), a certified member of the Market Research Society (CMRS), and a member of the Housing Studies Association. Tom is an elected member of the board of the Housing Studies Association and holds the officer role of Secretary. Tom is also the Chair of Renting Evidence, a knowledge-exchange initiative which brings together academics, stakeholders and policymakers to share research on renting to support evidence-informed policymaking and practice. Tom is regularly called upon by policymakers for his expertise, and previously gave evidence to the Welsh Parliament. His research has influenced Government policy-making, including being cited in government consultations on the private rented sector, and has been widely cited in debates in the House of Commons, House of Lords, and by the London Mayor. Tom's research has received national and international media coverage, including in the New York Times and on the front page of The Times.

¹⁸ McKee K, Soaita A & Hoolachan J (2019) 'Generation Rent' and the Emotions of Private Renting: self-worth, status and insecurity amongst low-income renters. *Housing Studies*. <https://doi.org/10.1080/02673037.2019.1676400>

¹⁹ Soaita AM & McKee K (2019) Assembling a 'kind of' home in the UK private renting sector. *Geoforum*, 103, pp. 148-157. <https://doi.org/10.1016/j.geoforum.2019.04.018>; Hoolachan, J. et al. 2016. '[Generation rent' and the ability to 'settle down': economic and geographical variation in young people's housing transitions](https://doi.org/10.1080/13676261.2016.1184241)'. *Journal of Youth Studies* ([10.1080/13676261.2016.1184241](https://doi.org/10.1080/13676261.2016.1184241))

²⁰ Clair A, Hughes A. Housing and health: new evidence using biomarker data. *J Epidemiol Community Health* 2019; **73**:256-262.

²¹ McKee, M., Reeves, A., Clair, A. et al. Living on the edge: precariousness and why it matters for health. *Arch Public Health* **75**, 13 (2017) doi:10.1186/s13690-017-0183-y