

Inquiry Submission

Reforming the Private Rented Sector

Levelling Up, Housing and Communities Committee

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About this inquiry

This inquiry by the Levelling Up, Housing and Communities Committee is aimed at scrutinising the Government's proposals for reforming the private rented sector as set out in its White Paper, A Fairer Private Rented Sector.

Key points and recommendations

- The number of older people living in the private rented sector (PRS) is set to increase significantly over the next few years.
- Living in a non-decent home can be particularly harmful to many older people living in the PRS.
- Age UK continues to support the abolition of Section 21 no fault evictions.
- This reform needs to be accompanied by other policy changes to minimise the number of landlords who leave the market as a result. Failure to do so could lead to a significantly reduced supply of rental properties and have an adverse impact on tenants.
- We welcome recognition of the need for more social housing supply, which we believe will continue to have an important role in housing lower income groups for a long time to come.
- Local Authorities must be adequately resourced to enforce standards and tackle bad landlords.
- We support the extension of the Decent Homes Standard to the PRS, which will be important to improving the living standards of many older tenants. Investment in retrofitting will be required to improve the existing housing stock.
- Financing for adaptations, such as the Disabled Facilities Grant, must be clearly signposted and available for PRS tenants.

About Age UK

Age UK is a national charity that works with a network of partners, including Age Scotland, Age Cymru, Age NI and local Age UKs across England, to help everyone make the most of later life, whatever their circumstances. In the UK, the Charity helps more than seven million older people each year by providing advice and support. It also researches and campaigns on the issues that matter most to older people. Its work focuses on ensuring that older people: have enough money; enjoy life and feel well; receive high quality health and care; are comfortable, safe and secure at home; and feel valued and able to participate.

Age UK Response to the Inquiry

Age UK welcomes the Government's white paper on a Fairer Private Rented Sector. As the introduction to the White Paper sets out, the PRS is now home to a much broader group of people for whom the existing structure of the market is not suitable. According to the 2020/2021 English Household Survey there were 382,00 households, with the household reference person aged over 65, living in the private rented sector and just under 1.2 million aged between 45 and 65ⁱ. Many of this younger age group will not be able to afford owner occupation and so the number of older people is set to rise significantly as this cohort ages. Issues such as insecurity of tenure, lack of affordability and non-decent homes are problematic for all renters but particularly difficult for more vulnerable groups such as older people.

Rising rents are difficult to keep up with and moving when you are older can be a traumatic event. It is expensive, requires energy, often requires digital skills to identify a new property and can involve changing amenities like doctors and local authority care packages. Moving also breaks community ties and disrupts local support networks, and we know that older people in the private rented sector are more likely to experience loneliness and isolationⁱⁱ. Equally, a non-decent home can be particularly concerning for an older person. For example, damp exacerbates health issues, people feel the cold more as they age, and hazards are more likely to cause a fall if someone is frail. Adaptations can be difficult to get in the private rented sector and we know that accessible housing is in short supply and difficult to findⁱⁱⁱ. Importantly, the fear of experiencing any of these problems can affect people's wellbeing even if the move, the fall or the inability to pay the rent never materialises.

As a result, proposals for longer tenancies are welcome, as is the introduction of a single Housing Ombudsman with real enforcement powers, the extension of the Decent Homes Standard to the PRS and the new Property Portal. These reforms need to reset attitudes within the PRS so that all participants fully acknowledge the role properties have in providing real homes for a wide group of different people.

However, we still have concerns about some of the points raised by the Committee.

Supply

It is difficult to extrapolate absolute numbers from the available data but looking at Scotland, where similar reforms have been in place since 2017, supply is certainly constrained and it looks as though the number of rental properties has reduced over the period since the reforms were enacted, particularly in some areas^{iv}. Anecdotal evidence

suggests that some landlords have moved from long term let to Airbnb and others have left the market altogether. The Indigo report for Nationwide cites a number of different reasons for landlords leaving – tax changes, difficulty of meeting required energy efficiency levels, Covid, a bad experience with a tenant, “vilification of landlords” and the primary cause amongst the participants in its research, the weight of regulation. It is likely that, in many cases, it is the accumulation of several factors which tips the balance of sentiment. Whatever, the causes, the result of these decisions contributes to a marked imbalance of supply and demand in some areas and a knock-on effect on prices and availability^v.

Evidence from the report suggests that tenants feel a real sense of security within the PRS, not only because of a legal right to stay in a property but also, crucially, if they have a good relationship with a good landlord and if there is an adequate supply of affordable options. Despite the Scottish reforms, some lower income renters still feel vulnerable. Despite now having long term tenancies, they remain concerned about being asked to leave their homes and the lack of affordable alternatives means that they remain reluctant to raise complaints^{vi}.

Age UK welcomes the decision to abolish Section 21 no fault eviction. Given that families with school age children, older people and other groups for whom insecurity of tenure has serious social and personal consequences now live within the PRS, establishing long term tenancies is essential. Alongside this, however, measures must be put in place to ensure an adequate supply of affordable homes and encourage good existing landlords to remain in the market. As the Nationwide report suggests, inadequate supply is particularly difficult for lower income groups and those who might be perceived as riskier tenants to take on. There are some groups, currently within the PRS for whom even a reformed PRS is not suitable and we welcome recent comments recognising the need for more social housing to be built. To avoid the drip feed of regulation which creates a sense of uncertainty, cited by the Nationwide report as one reason for landlords leaving the market, the reforms introduced in England must be as comprehensive as possible and seen to be as complete as possible. The principles behind the reforms and their objectives should be clearly set, so that landlords can understand what the Government will be working towards in future.

The English Private Landlords survey, using data from the Tenancy Deposit Scheme, shows that 33% of landlords are retired and 59% are over 55^{vii}. Many own a rental home as part of their retirement income assets and rely on this for their day to day expenses. A property feels like a relatable place to invest money and less complicated and intimidating than volatile and complex financial products. Many of these people have time to manage their properties well, the ability to engage with the lives of their tenants in a meaningful way and this should be a relationship which works well for all parties. The reforms must encourage good, engaged, efficient landlords to remain in the market.

Enforcement

Enforcement is key to making these reforms a success and this will require additional resources. Having to demonstrate compliance through the Property Portal will encourage many landlords who might fall into the “mixed and lower compliance”^{viii} groups to adhere to the regulatory requirements. Anecdotal evidence suggests that this was a product of similar changes, introduced in Scotland. There will remain, however, a group of non-decent properties and bad landlords, and it imperative that Local Authorities have access to all the tools needed to deal with them, and that these are properly resourced. For vulnerable residents, including some older people, this enforcement will need to be proactive, not just reactive. We know that vulnerable groups are reluctant to come forward so the Government must ensure the resources to make this a reality.

Accessibility

We welcome the extension of the Decent Homes Standard to the PRS and we would like to see the review of the Standard that is currently taking place address the issue of accessibility. There is currently a huge shortage of accessible homes^{ix}. The higher accessibility standards for new build which have recently been announced are a big step forward but we also need to address existing stock. By using the Decent Homes Standard to require all retrofitting to incorporate accessibility where possible, we can slowly alter the profile of all rented homes. It is much cheaper and more efficient to make a bathroom wall strong enough to take a grab rail when a bathroom is being redone than to wait until someone needs a grab rail and then pull wall down and refit it.

With an ageing population and a crisis in social care we need older people within the private rented sector to be able to live as independently as possible without the need for help with day to day tasks. This requires properties to be structurally adaptable and accessible and requires adaptations to be easily available. It also requires the Disabled Facilities Grant and other sources of finance to be well signposted and available to PRS tenants with minimal bureaucracy. The new PRS must address this issue at all levels, through the Decent Homes Standard, in a new written tenancy agreement, in the information & advice given to landlords & tenants, through the new Property Portal and through enforcement of legal requirements.

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- ⁱ <https://www.gov.uk/government/statistics/english-housing-survey-2020-to-2021-private-rented-sector>
- ⁱⁱ https://www.independentage.org/sites/default/files/2018-03/Unsuitable_insecure_and_substandard_homes_Independent_Age_2018_0.pdf
- ⁱⁱⁱ <https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/consultation-responses-and-submissions/safe-at-home/accessible-homes-cp-age-uk-final.pdf>
- ^{iv} <http://rentbetter.indigohousegroup.com/wp-content/uploads/sites/3/2022/05/Wave-2-Executive-Summary.pdf>
- ^v <https://www.citylets.co.uk/research/reports/pdf/Citylets-Quarterly-Report-Q4-2021.pdf>
- ^{vi} <http://rentbetter.indigohousegroup.com/wp-content/uploads/sites/3/2022/05/Wave-2-Executive-Summary.pdf>
- ^{vii} https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1078643/EPLS_Headline_Report_2021.pdf
- ^{viii} <https://www.gov.uk/government/publications/a-fairer-private-rented-sector/a-fairer-private-rented-sector>
- ^{ix} <https://www.habinteg.org.uk/latest-news/new-government-data-reveals-accessible-homes-crisis-for-disabled-people-1557/>