

# **A REVIEW OF THE PRIVATE RENTED SECTOR IN ENGLAND: Vulnerability and Innovation**

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## **About The Young Foundation**

Inequality corrodes people's lives, but it doesn't have to be like this. Bound by our shared humanity, we believe we have the power to shape the societies and communities we want to live in.

We confront inequality by working with people to create the changes that will lead to more equal and resilient communities.

*How do we do this?*

We work alongside communities, using the tools of research, to understand how people experience inequality and their solutions, and social innovation, to find new ways of tackling social problems.

We have created and supported over 80 organisations including: *Which? The Open University, Language Line, Social Innovation Exchange, School for Social Entrepreneurs, Uprising and Action for Happiness.*



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# THE PRIVATE RENTED SECTOR IN ENGLAND

## Summary

- The private rented sector (PRS) has increased by 21% since 2008, while both owner-occupation and the social housing sector have decreased.
- 29% of PRS homes fail the ‘Decent Homes’ Standard, and 16% present a severe threat to health and safety.
- The PRS suffers from a lack of professionalism, as most landlords are part-time and only own one property.
- Efforts by the Government to create an investment infrastructure for the sector have not been sufficient to scale-up the sector where it is most needed.
- Adults on low incomes with children, migrants, and people with BME backgrounds are some of the most vulnerable groups in the PRS, with younger people and older facing challenges in the sector as well.
- The Assured Shorthold Tenancy, the most common tenancy type in the PRS, is a source of instability and inequality for tenants.
- The systemic lack of professionalism in the sector has created barriers to innovation in the sector.
- Key enablers to innovation involve the expansion of housing associations into the PRS, the introduction of regulation, different models of community-led and community-focused housing, as well as not-for-profit lettings agents.

## This review

The ongoing housing crisis in England has been acknowledged by the majority of relevant public sector, private sector, and third sector bodies. As the country with the oldest housing stock in Europe (Nicol *et al* 2016), as well as some of the slowest construction rates in the long- and short-term (Aubrey 2015), our sluggish rate of housebuilding has inflated the cost of housing both for aspiring homeowners and those renting in the private sector.

This review of the private rented sector (PRS) in England has been conducted to provide an overview of the PRS in England, as well as outline the vulnerabilities compounded and created by it, to inform the Young Foundation’s Housing Accelerator programme. The Housing Accelerator is a programme that will address the failure of provision in the housing sector, as well as the problems of those on low incomes or who are vulnerable within PRS housing. It will provide support to thirty existing housing innovations that focus on one of the many issues exacerbated and engendered by the PRS, including insecurity, cost, quality, and choice.

This review will therefore examine the recent history of the PRS in England, its changing place in the market, and Government policy that has attempted to scale up the sector. After identifying the sector-wide trends and forces, this review will then proceed to outline the kinds of vulnerability engendered by the PRS, as well as those vulnerable groups within the PRS who are most at-risk of its shortcomings.

Finally, the various barriers and enablers to innovation in the PRS will be identified. In order to strategically inform the Housing Accelerator programme, this section will hone in on granular enablers to innovation that do not require significant legislative or structural change, and instead can enable agile and adaptive solutions. By the same token, the barriers outlined will be the local obstacles to implement the kinds of 'local' enablers identified. Though they are inextricably bound up with the larger structural challenges of the PRS, these are specific barriers to small-scale or citizen-led innovation that could potentially disrupt the sector.

Below are several tenure types of interest to this review:

Private rented sector (PRS): homes rented out at a market rate or built specifically for renting at a market rate.

Owner occupied: homes which are bought by their occupants, either outright or with a mortgage.

Social housing: Accommodation which is affordable to those on low incomes, either provided by the local council or a registered provider (social landlord), and distributed according to a local council's allocation scheme.

## **Background**

Homeownership in England has declined over the last twenty years, from 70% to 65% in 2016 (Barton 2017), with the most significant decrease occurring after the 2008 financial crisis, while private renting has increased by 121%, from 15.7% 1996 to 19% in 2016 (ibid). This has been broadly attributed to a combination of stagnant wages and superheated housing markets around urban centres, which, in turn, stem from a chronic lack of supply (JRF 2016; Aubrey 2015). England's uniquely dysfunctional housing market arises from a lack of institutional infrastructure to incentivise the construction of houses in regions of high demand, as it is currently more profitable to invest in existing housing assets than to build new houses. In areas of high demand, buying land to speculate on empty lots provide low risk returns (ibid).

Alongside the fall in home ownership, the decades-long and continuing decline in social housing stock has contributed significantly towards the rise of the private rented sector, beginning with the Right to Buy policy in 1980, and subsequent alterations, which forced local authorities to sell their own housing stock (Barton 2017). With the Housing and Planning Act in 2016, the Right to Buy policy was (voluntarily) extended to housing associations, with no clause guaranteeing the replenishment of stock they sold off. Currently, 17.2% of households live in a socially-rented local authority or housing association property (Department for Communities and Local Government 2017), a near 5% decline from 22% in 1996 (National Audit Office 2017). This represents a significant decline in the availability of affordable housing in England.

## **The state of the private rented sector**

The PRS now plays a bigger role in UK housing than at any other point in recent history, but in comparison with PRS's in other countries, the UK suffers from a sector that is immature fragmented, and ill-placed to act at the scale it needs to meet demand. Tenants are afforded few rights relative to the landlord, and have little legal recourse to contest evictions. The majority of tenancies in the PRS are Assured Shorthold Tenancy (AST), which constitutes the majority of PRS tenancies in England. Under the AST, a fixed term is agreed, (usually six to twelve months), after the expiration of which the landlord is entitled to repossess the property (Wilson 2016).

Currently, 29% of PRS homes fail the 'Decent Homes' standard for social housing, which comprise minimum standards for quality of space and amenities, as well as health and safety (MacDonald 2016: 21); PRS homes only have to pass the Housing Health and Safety Rating system used by local authority environmental health officers, with no minimum standards for all types of rented properties (ibid). 16% of PRS homes in 2015 presented a severe threat to health and safety, compared with 6% of socially-rented homes (Citizens Advice 2015).

In 2014 the PRS became the second biggest tenure in the UK, overtaking social housing (Wilson 2017). The 2015-16 English Housing Survey reported that 'private renters spend a significantly greater proportion of their income on their housing costs than social renters or those buying a mortgage' (Department for Communities and Local Government 2017: 2), spending on average 35%, as opposed to 18% for those with a mortgage, and 28% for those living in social housing (ibid). Over the past decade, the number of private rented households receiving housing benefit has more than doubled from 410,000 to 1.1 million (Citizens Advice 2015). According to a 2010 study, 56% of those who own a home outright and 51% of those who own a home with a mortgage are in receipt of an inheritance, compared with 34% of PRS tenants (Appleyard and Rowlinson 2010); home ownership is not simply an index of inequality, but a mechanism through which it can be preserved inter-generationally.

Despite being the second largest tenure type in England, it remains a 'cottage industry' with the following characteristics (Bate 2017: 5):

- 89% of landlords in the UK are individuals;
- 92% of landlords are part-time, and;
- Only 2% of landlords have a portfolio of over ten properties (ibid).

## **Building the private rented sector through policy**

The PRS lacks an institutional infrastructure to incentivise the construction of affordable privately rented homes (Cole *et al* 2017). The Coalition Government and subsequent Conservative Government have attempted to address this lack of institutional infrastructure through multiple policies, with an initial £3.5 billion Housing Stimulus Package for PRS homes (Bate 2017). In this way, they hoped to

address questions of quantity and quality in PRS housing by encouraging larger developers to enter the market.

However, this policy has been met with mixed responses. For example, a spokesperson for Savills' commented that the 'market didn't really respond to the aggregator role [the Government] put in place' (ibid:12); i.e. the Government's attempt to be a market-maker for the PRS did not result in a significant entry of developers into the market. Subsequently, a PRS Taskforce was set up, which recommended a £1 billion 'Build to Rent' fund which offered loans to developers building housing for institutional investors, as well as reducing stamp duty on the large-scale purchase of homes (Cole *et al* 2017) to incentivise commercial developers to enter the market in a more systematic manner. However, the bill also diluted the power of local authorities to introduce selective PRS licensing, which made the enforcement of housing standards regulation difficult (ibid). Furthermore, there have been doubts as to whether this investment in the PRS will lead to genuinely affordable homes, given other systemic problems, such as the land market, (Robson 2017), which in turn affect the attractiveness of low- to medium-end PRS housing for potential investors.

The sale of high-end new builds for the overseas market has risen steeply in areas of highest demand, such as London, where the proportion of overseas buyers increased from 10.5% in 2014 to 17.9%; in inner boroughs, overseas buyers account for 36% of sales (Barton and Wilson 2017). These are buyers who are under-represented at the bottom end of the market and over-represented at the higher end, pushing profitability away from where local demand lies (ibid). However, there is less evidence to support the phenomenon of 'Buy-to-Leave' overseas as it has been characterised in the media (i.e. high-end properties bought by overseas buyers solely as an investment and left empty). Studies by the University of York and the LSE indicate that the bulk of new builds bought by overseas buyers have been for the purposes of letting, though, it should be noted, they are less likely to be occupied than UK-owned homes, with occupation sometimes limited to a few weeks a year (ibid).

Government policy on housing since the coalition, with its emphasis on home ownership and the construction of 'Starter Homes' to be sold at 80% of market value, has done little to address the question of affordability for those on low incomes in the PRS (Akehurst 2015), or the systemic problems which concatenate through England's inflated housing market (Cole 2017). The 2016 Housing and Planning Act made efforts to address the worst abuses of the private sector by creating a database of rogue landlords and property agents, as well as introducing banning orders and rent repayment orders in cases of abuse.

Likewise, there were encouraging signs in the 2017 Housing White Paper that issues in the PRS were being addressed, including the encouragement of institutional investors, such as pension funds, to invest in the PRS. There has also been the development of 'family-friendly' tenancies of three years at minimum to tackle issues of stability, but only in Build to Rent properties (Department for Communities and Local Government 2017b). However, the underlying issues of transparency around ownership and artificial scarcity in the land market aren't significantly addressed (Aubrey 2015; Tilford 2013), and there is currently no offer for the majority of those in the PRS (Akehurst 2017). More and more vulnerable people who would have previously been tenants of local authority or housing association social housing are moving into the PRS, and experiencing the shortcomings of the English PRS first-hand.

## Vulnerability in the private rented sector

A person can be considered vulnerable according to Section 189 of the 1996 Housing Act as a result of: old age; mental illness; mental handicap; physical disability; having been in care; having been in the armed forces; having been in custody; having fled actual or threatened violence; or other special reasons (National Homelessness Advice Service 2015). However, those in the lower-end of the PRS are usually there because they do not qualify for social housing, which are usually reserved for traditionally vulnerable groups. In the next section we will focus on groups who are vulnerable within the PRS precisely because they do not have access to other kinds of housing.

Key literature suggests that the current PRS compounds existing vulnerabilities, as well as being a source of vulnerability, and is not currently meeting the increasing demand for housing in England from people locked out of other parts of the market.

### People in poverty

One of the most vulnerable groups in the PRS are adults with children; Shelter's analysis of the Family Resources survey showed that 1.3 million private renting households 'struggle to get by after paying rent' (Shelter 2017: 9), which make up 10% of working age families and 30% of PRS households, with tenants in London and the Southeast under the most financial strain (ibid). In turn, housing in the PRS has been identified as a significant cause of in-work poverty (JRF 2016), with the number of people experiencing in-work poverty living in the sector having doubled, from 2.2 million in 2004/5 to 4.5 million in 2016 (ibid). These are people who either do not qualify for social housing, or are on waiting lists for social housing, but collect the LHA to pay their rent. However, as much as 10% of those on low incomes in the PRS are eligible for housing benefit, but do not collect (Cole *et al* 2017).

The proportion of PRS rent being paid for through the Local Housing Allowance has risen (Cole *et al* 2017). While it was assumed that after the deregulation of private rents in 1989 that 'housing benefit would take the strain' (Wilson 2017: 3), a Housing Benefit cap was introduced by the Coalition Government once it was understood that 45% of Housing Benefit expenditure in the PRS was attributable to rent rises (ibid).

This, coupled with the extension of Right to Buy to housing association social housing stock under the 2016 Housing and Planning Act, has ensured that people on low incomes in the PRS have fewer options and less security around their accommodation, with the most recent White Paper acknowledging that the end of a PRS tenancy is now the most common cause of homelessness (Department of Communities and Local Government 2017b). By 2020, the Chartered Institute of Housing has predicted that there will be 244,000 fewer socially-rented homes (Chartered Institute of Housing 2016).

Typically, those on low-incomes also face chronic issues of access and quality. In areas of high demand, like inner London boroughs, there is often a shortage of PRS homes affordable to those on low incomes, and thus have to move where there are affordable PRS homes. Furthermore, quality and health and safety standards are significantly worse in the PRS, which has long-term effects on mental and physical health (McFarlane 2014).

## **BME people**

Black and Minority Ethnic (BME) people are more likely to be tenants in the PRS, with 28% of Mixed Race people, 35% of East and Southeast Asian people, and 24% of Indian and Bangladeshi people currently living in the PRS, compared with 16% of white people (Barton 2017). Specifically, BME people in the PRS are more likely to suffer from overcrowding (McFarlane 2014). Given the poor quality and often hazardous conditions of low-end PRS homes, low-income BME people are more likely to have existing vulnerabilities compounded by a PRS tenancy, especially when considering people from BME backgrounds are more likely to be homeless and be affected by ‘hidden homelessness’ which is not accounted for in official statistics owing to temporary accommodation with friends or family (ibid). BME people in the PRS are also more likely to suffer from overcrowding as a result of the overall lack of affordability in the sector (ibid).

## **Migrants**

Migrants are over-represented in the private rented sector, with 75% of migrants currently living in a private rented home (Perry 2012), compared with 19% of the population, and 31% of BME people (McFarlane 2014). This over-representation intersects with key issues around lack of knowledge of tenancy rights, support networks, and the intensified precarity of low-paid migrants and refugees in the private rented sector (ibid). In addition, they often lack the fundamental means of accessing good quality PRS accommodation, such as deposits, references, creditworthiness and access to quality homes, as new migrants ‘often enter the market through the least desirable accommodation... filling voids created by people who have moved on to better conditions...this has been described as “the new migrant penalty”’ (ibid: 11). The closing of several funds and support networks for refugees and migrants, such as the Refugee Integration and Employment Services and the Migration Impact fund have left them more vulnerable in comparison with other groups in the PRS (ibid).

## **Young people**

Young people are another significant portion of the population who are more likely to be facing the challenges of the private rented sector and whose vulnerabilities are often compounded by the PRS. Only people over the age of 40 are more likely to own their own home, compared with over 70% of over-55s being homeowners (Barton 2017). The picture for young people is drastically different; 10% of 16-24s and 39% of 25-39s are homeowners, while 65% and 42% are living in the private rented sector, respectively (ibid). This is due to the confluence of stagnant wages and rising house prices. In the JRF report *The Future of Housing for Young People* (Clapham *et al* 2012), the relationship between young people, homelessness, and the private rented sector is outlined; 75,000 young people in 2008 experienced a chaotic housing pathway (which includes tenancies in both social and private rented housing, as well as homelessness) and ‘difficulties in sustaining tenancies as a result of reduced funding for housing-related support services’ (ibid: 6), with the number projected to rise to 81,000 in 2020.

## **Older people**

Though older people currently constitute a smaller proportion of PRS tenants, given longer term trends of decreasing home-ownership, with projections estimating that one third of sixty-year olds will be renting in the PRS by 2040 (Wilcox, Perry and Williams 2015), it is important to recognise the unique vulnerabilities older people face in the PRS. Issues of health and quality in PRS homes affect older people more, with damp

and cold being the problems that exacerbate existing health issues the most (Oldman 2016). Disrepair and difficulty in getting home adaptations carried out also indicate that the PRS is not sufficiently equipped or incentivised to sufficiently accommodate different levels of need within the sector.

### **Tenancy type**

Vulnerability is created by the PRS through the asymmetric relationship between tenant and landlord, exemplified through the Assured Shorthold Tenancy. Shelter have alleged that tenants who have requested repairs or sought the assistance of a local authority environmental health department after the expiration of the fixed term have been victims of retaliatory eviction (Akehurst 2015).

In 2015, the DCLG introduced measures to prevent landlords who have been issued Improvement Notices by local authority environmental health officers from evicting tenants within a six-month period, but this still does not cover repairs (Wilson 2016). Landlords have the option to create longer term Assured Tenancies, but this is entirely at their discretion, and despite evidence from other countries with more stable rental markets, such as Germany (Cole *et al* 2017), that longer term tenancies create stability for both landlords and tenants, the DCLG have only introduced 36-month 'Family-Friendly Tenancies' for PRS homes created by the 'Build to Rent' fund (DCLG 2017).

Tenants' rights are a key area of contestation that multiple organisations have focused on to address the vulnerabilities created by the PRS through the formulation of agreements for long-term tenancies, such as Shelter's Stable Rental Contract (De Santos 2012). Comparative analyses of more robust rental markets alongside our own, such as the IPPR's *Lessons from Germany* (Davies *et al* 2017), have drawn up recommendations for wholesale reform of our PRS, from the legislation of more equitable tenant-landlord relationships alongside ways of efficiently scaling-up the PRS market using existing legislation, publishing data on local rental rates to increase transparency, in addition to steps towards building a stronger tenants' lobby in England (ibid).

## Barriers to innovation

Many of the recommendations to ‘fix’ the PRS require changes to legislation, market reform, institutional investment, and the support of local and central Government to implement. Small-scale interventions designed to disrupt the PRS are possible, and there are different models that small-to-medium size organisations or campaigning groups in the PRS can implement to address the issues outlined above. We will subsequently review the barriers to innovations in the PRS, as well as what stops innovation being adopted by other organisations or scaled-up, and then review the enablers to innovation, identifying which aspects of the market could serve as vehicles for change.

### Maturity

The maturity (or lack thereof) of the PRS is a key issue. Despite repeated efforts by the Coalition Government and the subsequent Conservative Government to help the PRS scale-up with the Housing Stimulus Package for the Private Sector and the Build to Rent fund (respectively), these efforts haven’t yielded a dramatic boost to house building where it is most needed at the low end of the PRS in areas of high demand, leaving current supply-side problems to escalate (Bate 2017).

This institutional immaturity has a number of implications, with the first and foremost being that 89% of landlords are individuals (ibid) who ‘make a conscious decision to invest (and not all do) as a form of pension provision’ (Scanlon, Whitehead and Williams 2016: 12). This inherent lack of professionalism has viewed as one of the key barriers to quality and consistency in the PRS (ibid), and has several implications for organisations attempting to innovate in the PRS, which we will examine below.

### Data

One serious barrier to change is the lack of good data in the PRS. This includes data on landlords themselves, as well as data on rental markets which would put renters on a more equal footing with the market (Davies *et al* 2017). This extends to data on land ownership, the obscurity of which has been the subject of grassroots attempts to publicly map it (e.g. [www.whoownsengland.org](http://www.whoownsengland.org)). This fragmentation not only prevents deeper analysis of the sector as a whole, but can even extend to the scale of a single high-rise building, which are often owned by multiple landlords, in contrast to other countries, in which the unit of transaction is often the building (Scanlon, Whitehead and Williams 2016).

The DCLG’s Private Landlords Survey, with a sample size of six hundred, is far from statistically robust, infrequently conducted, and contains little information on the financial models they use, which would be necessary for developing appropriate incentives for meeting current PRS demand (ibid). Additionally, the proliferation of surveys that offer conflicting accounts on the portfolio sizes of landlords prevents a basic profile of the sector from being conclusive (ibid). This creates challenges around developing localised solutions tailored to the local PRS profile, leaving the majority of PRS landlords out of the conversation around potential solutions to the issues that affect both landlords and tenants.

## **Incentivising Investment**

The UK as a whole has some of the lowest levels of institutional investment in the PRS of European or North American countries (Scanlon, Whitehead and Williams 2016). Private individual landlords own approximately 71% of PRS stock (ibid: 21) but are currently unable to access the funds and support offered by the Government's Build to Rent Scheme; subsequently, a majority of landlords are currently not incentivised to professionalise or improve their rental practices, and are left out of measures to improve the sector.

Additionally, the English housing market is still geared towards home ownership and Buy-to-Let, while the rental market is still seen as high risk to investors who would be likely to invest in a stable private rented sector (ibid). This in turn creates challenges for developers who would consider implementing affordable rent models in new developments.

## **Landlords**

Landlords themselves are a significant barrier to innovation and disruption in the PRS. In particular, they are resistant to any form of rent control, introduction of longer tenures, and regulation, both on a national and regional level, as evidenced through the research published by the National Landlords Association, (Scanlon and Whitehead 2015; NLA 2017). The NLA is a membership body that lobbies on behalf of PRS landlords to tweak the legal and regulatory environment in their favour. However, it should be noted that only 65,000 landlords are members of the NLA, representing a very small proportion of the 1.75 million landlords in the UK (Homelet 2016). The resistance from landlords to disruption in the sector can be attributable to the fragmentation of the sector as well as the active lobbying of landlords to preserve their legal advantages in the market.

## **Enablers to Innovation**

### **Housing Associations in the private rented sector**

There is a large body of recent literature that has outlined how housing associations could take on a much bigger role in the PRS in a way which addresses the vulnerabilities and volatilities currently fermented by the market (Davies et al 2017; Cole et al 2017; Bate 2017; Scanlon, Whitehead and Williams 2016; Hilber 2015). Housing associations, alongside being charitable organisations that provide social housing on the behalf of local authorities, are also developers that are increasingly diversifying their portfolios to cross-subsidise their socially purposeful activities. Their remit goes beyond the supply of social housing: they run employment initiatives, community engagement programmes, supported housing, as well as social and financial inclusion schemes.

As place-based developers with a social purpose, housing associations are able to access funds through the Government's 'Built to Rent Scheme' (Davies et al 2017; British Property Foundation 2015). Depending on how the housing association enters into the Section 106 agreement of the Housing Act with the local planning authority to agree the terms of the development, housing associations are poised to offer a range of rents

in a single development, and as opposed to traditionally agreeing a proportion of affordable- and socially-rented properties, can agree a set income for the development, and offer a mix of rents within the same development. The housing association Home Group have developed a model of this with the New Economics Foundation, which they call 'Flexirent' (Hedley and Morritt 2015).

With a flexible number of affordable and market rent properties in one development, the proportions of either can fall and rise to meet the fixed income of the development, and thus provide a low-risk return for investors. In this way, a housing association can help attract investment into the sector while providing affordable PRS homes. It has been noted that housing associations who enter the PRS to solely cross-subsidise their socially-rented properties have not done so successfully; housing associations in the PRS need to be actively addressing the gaps in the market to successfully diversify (Bate 2017). Housing associations can work at scale to address problems of demand and quality in the private rented sector, as well as access institutional support and attract investment.

Similarly, through their increasingly heterogenous development portfolios, they have more leeway to offer a range of tenure types through these kinds of private rented developments, and could fix rent rises into tenancy agreements (Davies et al 2017). In this way, housing associations are able to address some of the key vulnerabilities engendered by the PRS in a way that does not require political or legislative change.

### **Regulation**

Alongside building incentivising institutional infrastructures, numerous organisations have called for a more systematic regulation of the PRS (Moore and Dunning 2017). This would address the aforementioned issues of quality and safety, as well as provide a 'direction' for the sector amidst growing levels of institutional investment. Implementing 'light touch' education and communication strategies through existing registration process could include smaller landlords in the professionalisation process, and help keep the sector apprised of new regulation (ibid). However, this would face problems of commitment that all voluntary accreditation schemes. Incentivising compliance by providing tax relief for landlords who let to low-income tenants (ibid), has proved effective in Ireland, and should be considered in England.

Introducing regulation could also ease issues of access and sustainment in the PRS, which could help both tenant and landlord. Better support could be offered to help low-income tenants access housing in the PRS, such as schemes that reduce deposit costs, as well as better marketing of different kinds of schemes and tenancy types in the PRS, and, most importantly, tenant's rights (ibid). In Ireland, regulation also improves the quality and transparency of data in the sector: tenancies need to be registered with the Residential Tenancies Board, which publishes a database that includes the property, its location, and its rent. This has entailed the creation of a public rent index, and improved public understanding of the sector (ibid).

### **Community-led housing and diversified models of community housing**

Community-led housing presents a viable option for those ineligible for social housing or those who are not prioritised for social housing (Netto et al 2015). Community-led

housing encompasses housing cooperatives and community land trusts, and relies on the effort of a dedicated community (ibid). Currently, community-led housing only exists as a very small proportion of the English housing market, but could grow with governmental support and partnerships with financial institutions.

In countries where community-led housing has been successful, such as Switzerland and Argentina, a public recognition of the necessity of other forms of housing, the use of empty buildings, and multi-disciplinary working was needed to bring the concept to fruition. In both instances, the government played a large role in developing innovative financial instruments to attract investment to the community-led housing sector (ibid).

There are also ways of encouraging community living to address the vulnerabilities of older people, migrants and other at-risk groups in the PRS. Different forms of intergenerational living and co-housing could be used to tackle the isolation and loneliness faced by older people (Czischke 2013). More agile approaches which do not require wholesale development or house-building are found in scattered strategies for housing refugees and asylum-seekers with host families, which helps to build social links and support that is missing in traditional support schemes (Netto *et al* 2015). Schemes in England like Homeshare UK, in which a householder lets out their home to someone in housing need at a low rate in return for 10 hours of support a week, provide a template for schemes that do not need significant material or legislative change to implement.

#### **Public online lettings and not-for-profit lettings agents**

One way in which problems of tenancy insecurity and unpredictable rent rises could be countered are through public online lettings and not-for-profit lettings agents. The relationship between lettings agents and prospective tenants has been symptomatic of the asymmetry between landlord and tenant in the PRS, with Scotland banning lettings agents' fees altogether (Bate 2017). Not-for-profit lettings agents, like Rentsquare, could provide discounts to landlords offering long-term rental contracts, thus emulating the German private rented sector model in which stable and secure tenancies benefit both landlord and tenant (Davies *et al* 2017).

The fragmentation of the PRS in England is such that even a reliable method of obtaining data on average local rental costs and stock would give prospective tenants a considerable advantage (ibid), so Rentsquare's utilisation of open data to give tenants an accurate picture of what a 'market' rent looks like opens up a space for developing a more transparent approach to the sector.

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