

fit to rent?

Today's Private Rented Sector in Wales



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Executive summary

This report presents initial results from the biggest survey ever carried out of private tenants in Wales. For the first time in Wales we have an understanding of exactly how prevalent problems are in the private rented sector (PRS). The picture is a shocking one, with nearly two-thirds of tenants experiencing some kind of poor conditions in the last year.

More than 600 renters gave us a vast range of information about their experiences of living in the sector and what they wanted from their housing.

The survey has also supplied us with basic information about the nature of the sector – the kind of data that until now we have lacked.

Key findings: who are private renters?

- Households with children now make up a significant proportion of the PRS. A third of tenants lived with dependent children under 18. A further quarter were cohabiting couples with no children. Around three in ten lived alone.
- The stereotypical image of PRS tenants as being mostly young and child-free was not borne out by the survey. Half were aged 35 and over, and nearly three in 10 were aged 45 and over. Just over a third were aged 25 to 34 and among these, around two-fifths had dependent children living with them. Nearly one in six were aged 55 or over, just over half of whom lived alone.
- Tenants saying they were in the PRS because they had no other choice outnumbered those who said they wanted to be there by four to one. Three out of five tenants said they were in the PRS due to a lack of alternatives. Only 15 per cent said they actually wanted to be there.
- More than half said they would like to buy their own home but didn't think they would ever afford it. Only one quarter (27 per cent) expected that they would own their own home within the next five years.

Key findings: conditions

- Nearly two thirds of tenants told us they have had at least one of the following problems in the last 12 months: damp, leaking roof or windows, electrical hazards, mould, animal infestations and gas leaks.
- Nearly half have had damp; nearly half have had condensation; more than two in five have had mould; more than two in five have had poor insulation / excess cold; nearly a third have had leaking roofs or windows; one in six have had poorly secured or unsafe locks and doors; and one in six have had electrical hazards.
- One in 10 tenants told us their health has been affected in the last year due to their landlord not dealing with repairs and poor conditions – equivalent to nearly 45,000 tenants across Wales. Over one in 10 tenants with dependent children said their children's health has been affected in the last year for the same reason.

- Many problems were more widely experienced in Wales than in England. In particular, tenants in Wales were 19 per cent more likely to have experienced damp; 23 per cent more likely to have experienced leaking roofs and windows; and 27 per cent more likely to have experienced trip hazards.
- Three in five tenants told us they had a smoke alarm in their current property. Less than a third said they had a fire extinguisher or fire blanket. Just over half were aware that they had a gas safety check and certificate in the last 12 months.

Key findings: practices

- Tenants reported a range of poor practices in the last year from both landlords and agents. Seven per cent of tenants – equivalent to more than 31,000 tenants – said their landlord had unfairly kept their deposit. Eleven per cent – equivalent to more than 49,000 tenants – said their landlord had entered their home without permission or the agreed notice. Five per cent – equivalent to more than 22,000 tenants – said they or another tenant had been threatened by their landlord.
- Four per cent said they were currently renting from a rogue landlord – equivalent to more than 17,800 tenants. The same number again told us they had escaped a rogue landlord in the last 12 months. Households on low incomes and households with dependent children were more likely to say they had a rogue landlord.

Key findings: dealing with problems

- While most tenants feel their landlord is responsive, there is also a minority of tenants who find it very difficult to get their landlord to address urgent issues.
- Almost three out of four who have required an urgent repair said that when something goes wrong with their tenancy their landlord normally deals with it within a week. One in 10 said it takes longer than a month or never.
- Nearly a quarter said their landlord had not carried out repairs or dealt with poor conditions in the last 12 months. This rose to nearly a third among tenants who rented from a letting agent.
- Just under one in 10 said they had complained to their local council in the last five years about a private landlord's or letting agent's behaviour. Of those who complained, around one-third said their complaint solved the problem and two-thirds said it didn't solve it.
- More than one in 10 tenants said that in the last year they had not complained about conditions or challenged a rent increase because of fear of eviction. This was higher among households with dependent children, households receiving housing benefits, and households who were in financial difficulties and constantly struggling to pay the rent.
- Two per cent – equivalent to nearly 9,000 tenants – said they had actually been evicted or served notice in the last year because they complained to the council or asked for a problem to be dealt with that was not their responsibility.
- In total, four per cent said they had either been threatened with eviction, or actually evicted in retaliation for raising problems. We estimate that more than 17,800 tenants were victims of retaliatory acts that were either threatened or actually carried out in the last year.

Shelter Cymru's recommendations

PRS licensing

- This report provides compelling evidence of the need to raise standards across the PRS. Compulsory licensing of landlords and letting agents can help to target resources where they are most needed, in problem parts of the sector. We support the Welsh Government's proposed licensing scheme and we hope that Assembly Members will move to pass Part 1 of the Housing Bill.
- We note that the Government is considering whether to introduce licensing for letting agents before tackling the more difficult task of licensing landlords. This survey does suggest that some problems may be more widespread among agents than landlords.
- Nevertheless, our fear is that tackling agents first may have a limited impact on standards across the sector. Fewer than three in 10 tenants are involved with an agent. Moreover we found that agents were more likely to rent to higher-income households. We noted that landlords and agents were equally likely to manage properties in poor condition. Letting agents were actually better than landlords at ensuring that safety measures such as smoke alarms and gas safety checks were in place.
- For this reason we recommend that the Government introduce licensing across the board simultaneously, building in additional measures to encourage landlords to come forward of their own accord, such as restrictions on use of 'no fault' eviction powers.

Home safety

- Our survey found clear issues with home safety in the PRS, with some tenants experiencing serious problems that could be prevented if safety measures were in place. We believe that current legislation should be extended to give renters greater protection from electrical and CO hazards.
- Landlords should be required to not only have an Energy Performance Certificate, a gas safety certificate and electrical safety checks – but certified copies should be provided to the tenant at the beginning of the tenancy and every 12 months during the life of the tenancy.
- A five-yearly electrical safety check would provide significant additional protection for tenants.
- Landlords should be required to install audible CO alarms in all private rented properties that have gas appliances.
- Too many tenants told us they were living in cold homes with inadequate insulation. We believe that more needs to be done to encourage landlords to commission improvements and take advantage of funding that is currently available through the Energy Company Obligation.

Enforcement

- It is clear that existing legislation on housing health and safety standards is not being enforced effectively. Two-thirds of tenants who had made an approach to Environmental Health said it didn't solve the problem.
- Local authority budgets are under huge pressure and we are concerned that public protection functions may not have enough resources to function effectively. Local authorities must ensure that public protection continues to be a strategic priority. We also suggest that the Welsh Government or the Assembly consider whether a review of local authority public protection services in relation to housing may help to identify ways of delivering the service more effectively.
- At the same time it is important to give tenants the tools they need to challenge landlords directly to deal with Category 1 hazards. The Renting Homes Bill, due to be laid before the Assembly in early 2015, proposes to give tenants an additional route to redress through the County Court, treating hazards as a breach of contract, rather than having to rely solely on Environmental Health. This is a very welcome development.
- However, we urge the Welsh Government to consider access to justice for tenants on low incomes: although Legal Aid is available for County Court action where there is a serious risk of harm, it is no longer available for damages, which may in practice make it difficult for tenants to make a claim.

Home safety

- We understand that the Welsh Government is reflecting on how protection from retaliatory eviction might sit within the Renting Homes scheme. We welcome that the Government is open to considering how tenants' rights in this area might be strengthened, and we look forward to continuing the dialogue with the aim of assisting those tenants who were identified in this survey as being particularly fearful of retaliatory acts.
- When more than half of people in a housing sector say they would rather not be living there, alarm bells ought to ring. We suggest that the time is right to hold an in-depth conversation with Welsh renters to understand the roots of dissatisfaction with the PRS, and help ensure that Welsh Government policies reflect tenants' aspirations for their housing. We noted that even among tenants who hadn't experienced problems, many still said they would rather be homeowners.
- Landlord licensing and tenancy reform are important first steps towards creating a fairer system, but we suspect that the fundamental causes of dissatisfaction run deeper.
- In the next year we will publish further reports based on data from our survey. We hope these will help policymakers to define further proposals to help people to access PRS housing that better suits their needs and aspirations.

Introduction

For too long we have been in the dark about what really happens in the private rented sector (PRS) in Wales. Despite the dramatic growth of the sector in recent years,¹ there is still far too little information available about the experiences of private tenants: we lack even basic statistics on tenant characteristics.

At a time when the Welsh Government is proposing primary legislation that will affect the lives of every tenant in Wales, this lack of information urgently needs addressing.

British Gas and Shelter in Wales, Scotland and England have come together in a ground-breaking five-year partnership with the aim of improving one million PRS homes across the UK.

In Wales, the partnership is focusing on improving standards and supplying robust evidence that will support the development of strong and successful policy.

Last year we jointly published 'Building a Private Tenants' Movement in Wales',² a clarion call for agencies to come together to ensure that the voice of tenants is heard in the policymaking process.

Now we are taking this agenda further by publishing this statistical report based on a Wales-wide survey of PRS tenants – the biggest survey ever carried out on the PRS in Wales.

This report looks at tenant experiences of poor conditions, poor practices, and what happens when they try to get problems addressed.

Our survey gathered data on numerous other important issues including tenure, affordability and tenants' hopes and aspirations, which will be published in due course.

This report also includes an opening chapter which sets out some basic information setting the scene on the PRS – the kind of data that until now we have lacked.

We hope that these reports lead to better policymaking and to a better quality of life for the growing numbers of people living in the PRS in Wales.

Methodology

We commissioned YouGov Plc to carry out a Wales-wide survey of PRS tenants. Total sample size was 602 adults. Fieldwork was undertaken between 11th December 2013 and 16th January 2014. The survey was carried out online.

The figures have been weighted to be representative of all private renters in Wales (aged 18+).

1. According to Census data, the number of tenants in the Welsh PRS rose by 42 per cent in ten years, from 130,182 to 184,254. (Census 2001; Census 2011). The number of families with dependent children in the PRS rose by 62 per cent, from 38,517 to 62,430 (Census 2001; Census 2011).

2. <http://www.sheltercymru.org.uk/wp-content/uploads/2013/09/Building-a-private-tenants-movement-in-Wales-2.pdf>

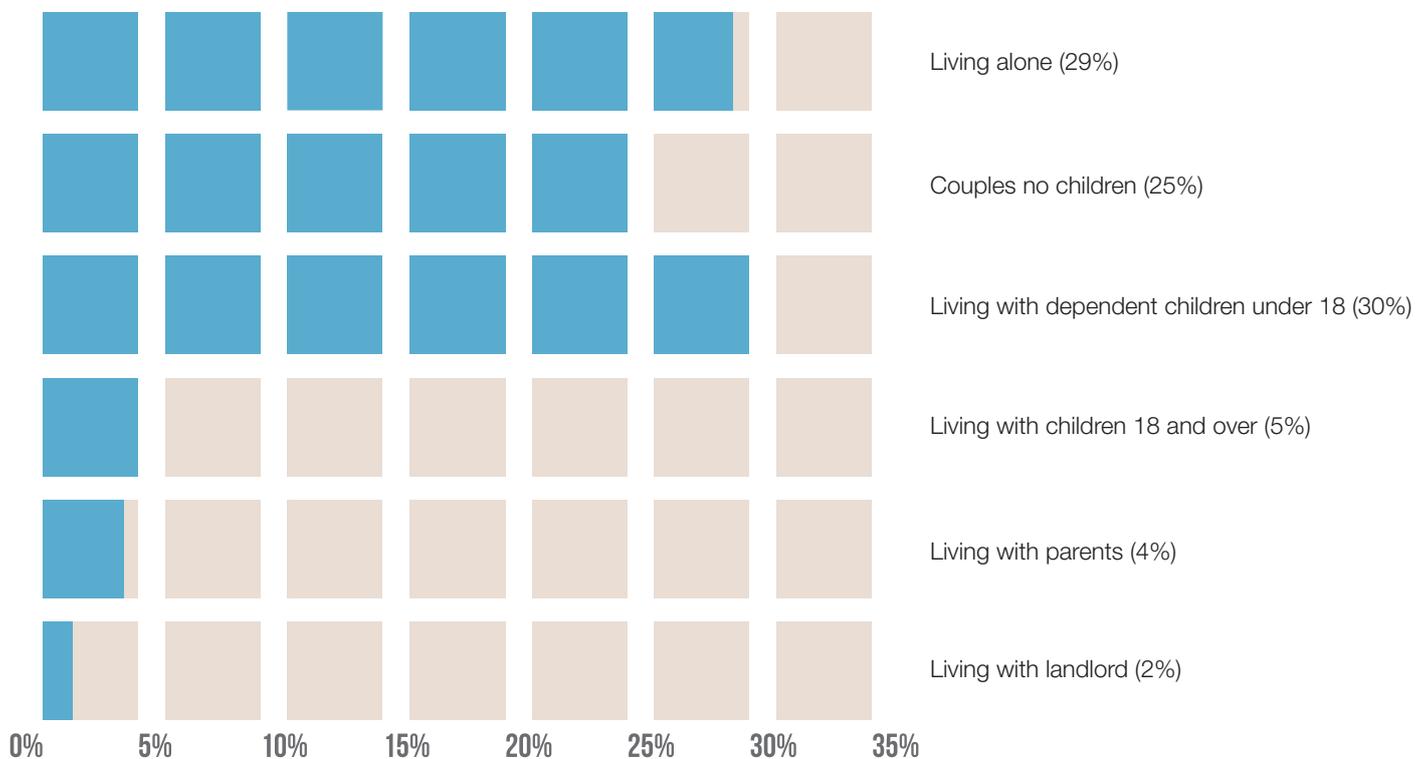
Chapter one: Who are private renters?

Household composition

The survey mirrors recent Census 2011 results demonstrating that households with dependent children now make up a significant proportion of the PRS.

While a quarter of tenants (25 per cent) were cohabiting couples with no children, **nearly a further third (30 per cent) lived with dependent children under 18**. Around three in ten (29 per cent) lived alone.

Figure 1. Household composition



Base: All Welsh private tenants

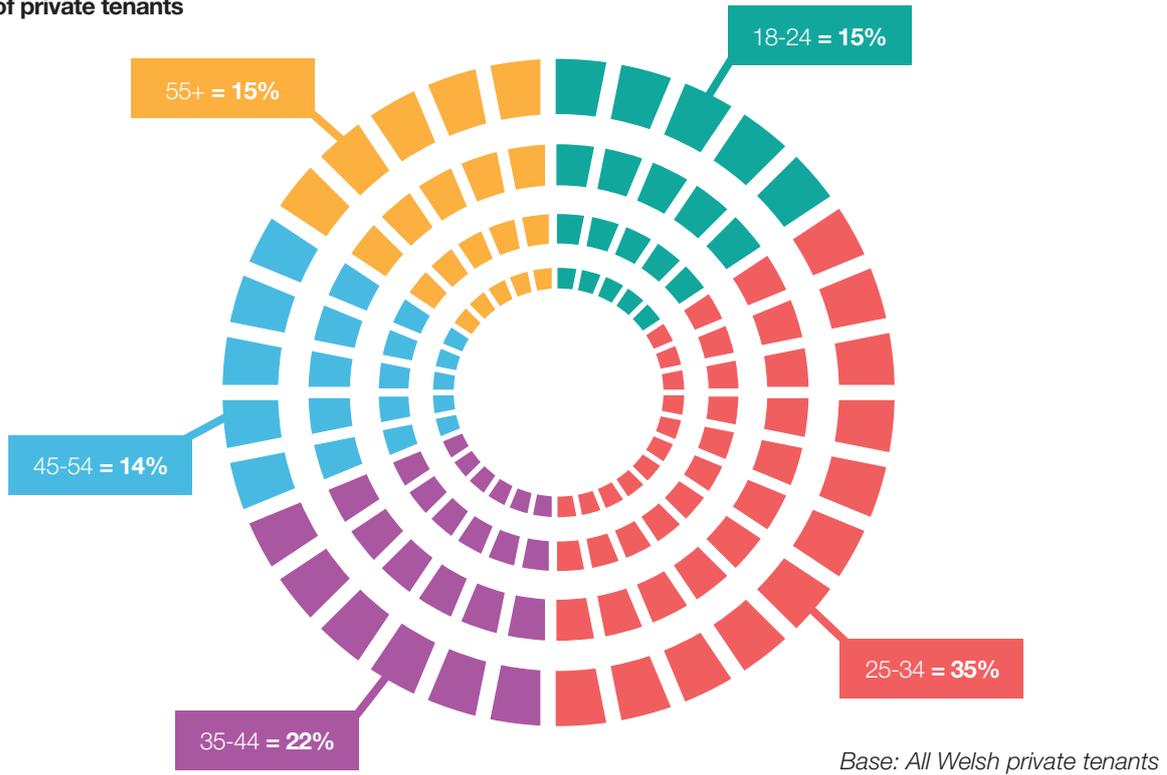
Age

The figures shatter the stereotype of private tenants as being primarily young and child-free. Half (50 per cent) of tenants in our survey were in fact **over 35 years old** and nearly three in 10 (29 per cent) were **aged 45 and over**.

Just over a third of tenants (35 per cent) were aged 25 to 34 and among these, around **two-fifths (40 per cent) had dependent children** living with them.

Nearly one in six private renters (15 per cent) were aged 55 or over. Over half (52 per cent) of the tenants in this age bracket told us they **lived alone**.

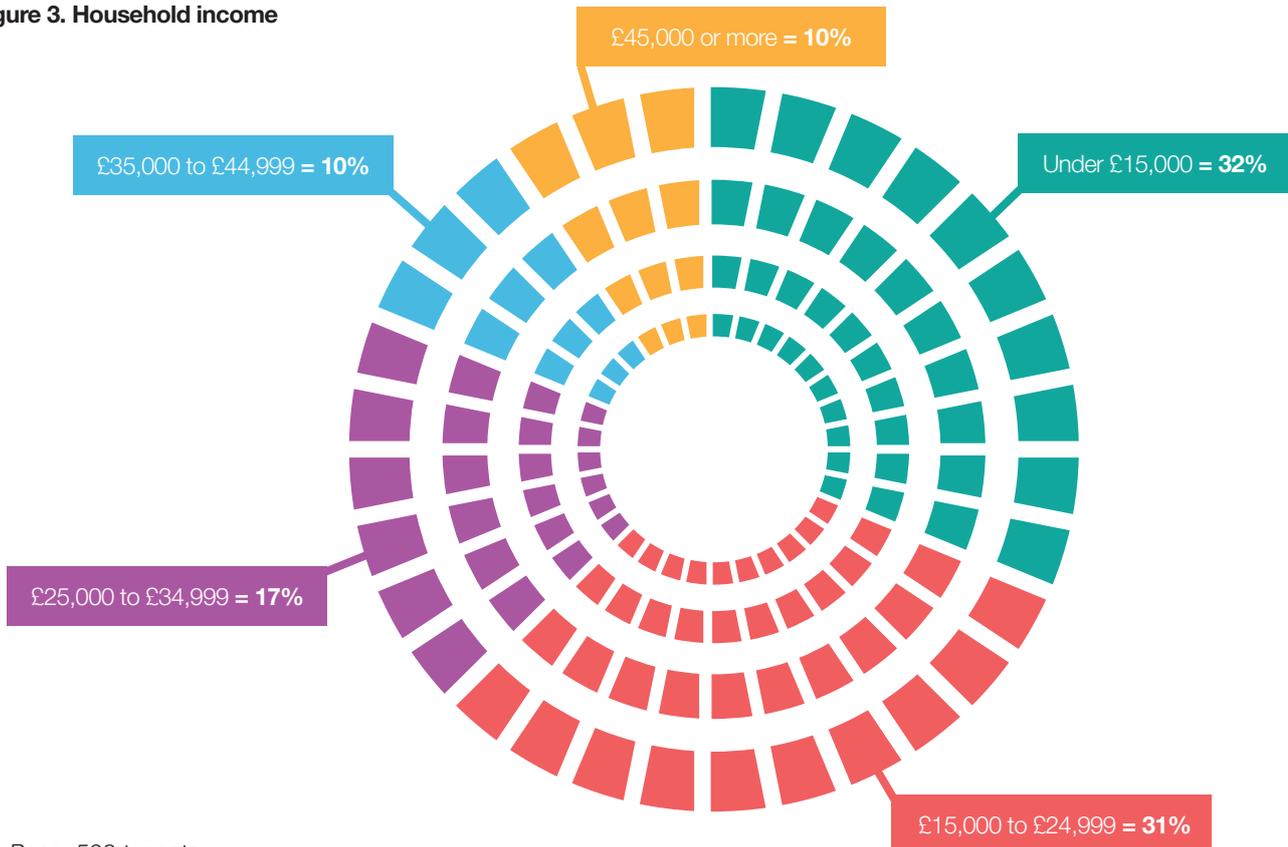
Figure 2. Age of private tenants



Household income

The survey reveals that the PRS is home to many low income earners as well high earners. Nearly one-third of the sample (32 per cent) had a total household income of **less than £15,000**, while one in five households (20 per cent) earned **£35,000 or more**. One in ten (10 per cent) earned £45,000 or more.

Figure 3. Household income

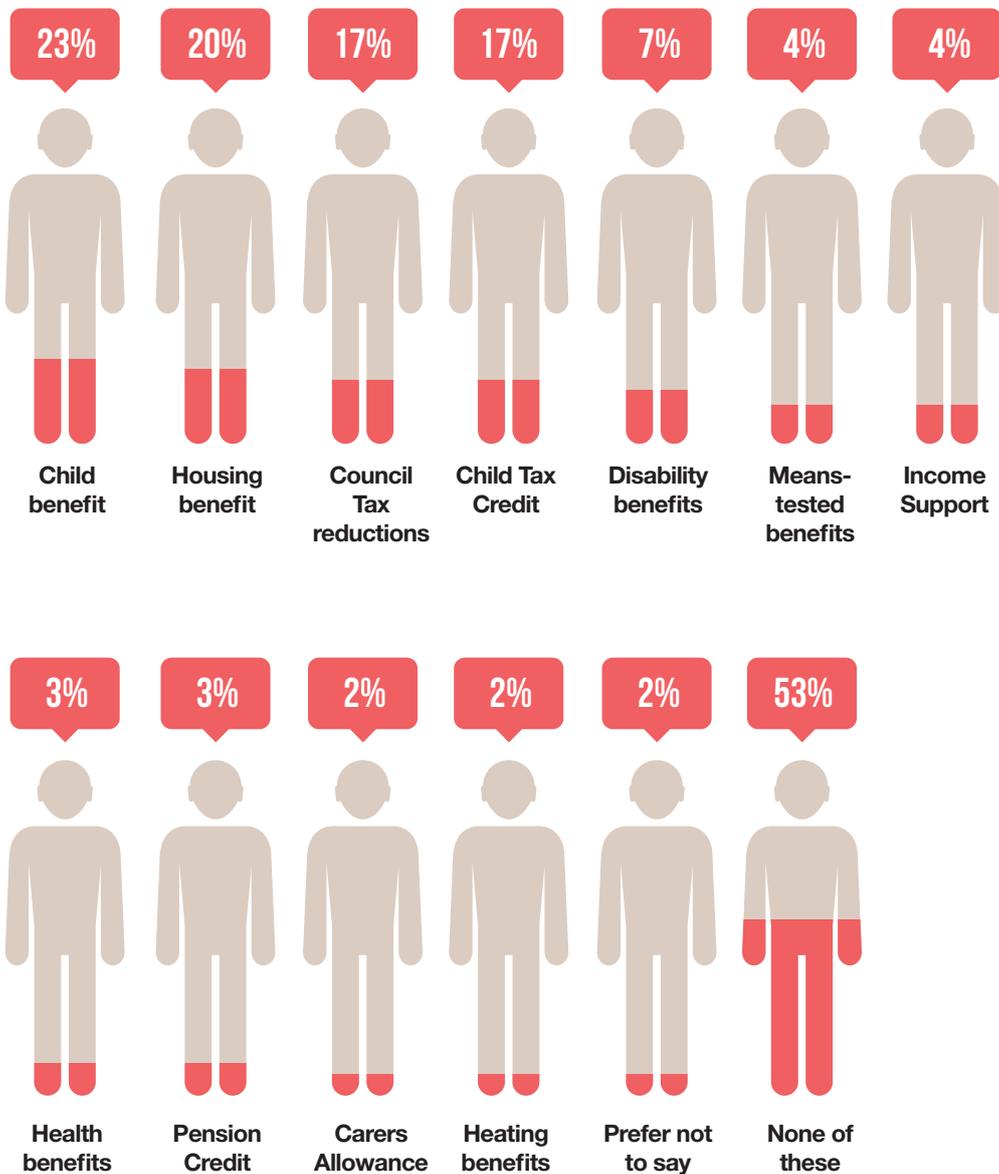


Welfare benefits

In terms of welfare benefits, just over half (53 per cent) said they were **not in receipt of any benefits**. The most widely claimed benefit was Child Benefit (23 per cent) closely followed by Housing Benefit (20 per cent), Council Tax reductions (17 per cent) and Child Tax Credit (17 per cent). The survey also found that seven per cent of respondents were receiving disability benefits.

The likelihood of people being in receipt of a range of welfare benefits increased with age: while only five per cent of 18-24 year olds were in receipt of Housing Benefit, this increased to 36 per cent among those aged 55 and over. Similarly, only three per cent of those aged 18-24 were in receipt of disability benefits compared to 18 per cent of those aged 55 and over.

Figure 4. Welfare benefits



Reasons for privately renting

The survey casts considerable doubt on the idea that most people are in the private rented sector because they value the flexibility it provides.

The numbers of people saying they were in the PRS because they had no other choice outnumbered those who said they wanted to be there by four to one.

The majority of respondents (61 per cent) said they were in the PRS due to a **lack of alternatives**, either because they could not afford to own a home (44 per cent), could not access social housing (three per cent) or because the PRS was the only option available to them (13 per cent).

Only 15 per cent said they were in the PRS because they had chosen to be there, either because they **liked the freedom and flexibility** (six per cent) or because it is their **preferred choice of housing** (nine per cent).

More than half of tenants (56 per cent) agreed that they would like to buy their own home **but didn't think they would ever afford it**. Only 27 per cent expected that they would own their own home within the next five years.

Who manages homes?

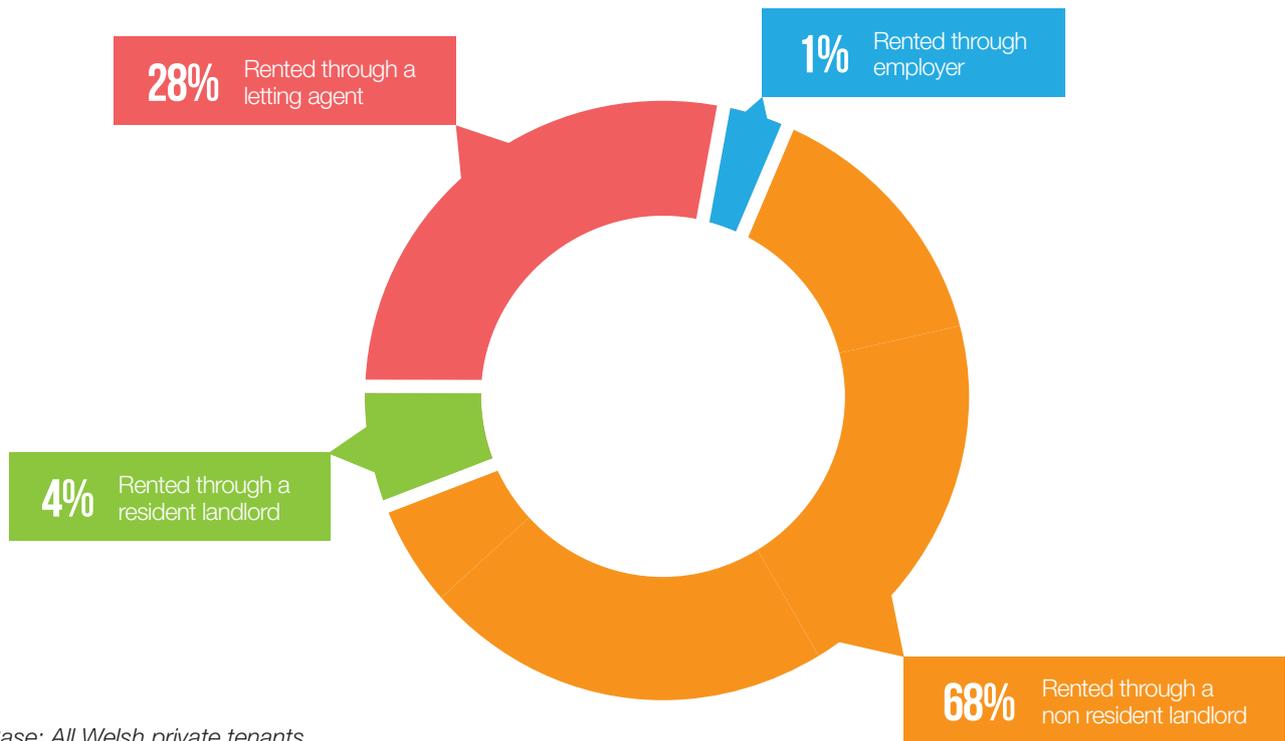
The majority of PRS households are let directly by landlords, and letting agents make up a minority of the market. Additionally, people renting through letting agents are slightly more likely to come from higher income groups.

Private landlords make up the bulk of the market with **68 per cent renting directly from a non-resident private landlord**, compared with 28 per cent renting through a letting agent. Around seven out of 10 tenants (72 per cent) were renting from a landlord rather than an agent or their employer.

Among households earning less than £15,000 a year only 23 per cent rented through an agent, compared with 33 per cent of those earning £45,000 or more.

Letting agents in Wales have a **smaller share of the market than in England**, where more than a third (35%) of tenants rented through an agency.

Figure 5. Who manages houses?



Base: All Welsh private tenants

Levels of trust in landlords and agents

Landlords are much more highly trusted than letting agents. Among tenants whose home was directly managed by landlords 71 per cent said they trusted their landlord to do the right thing, compared with just 47 per cent of tenants whose home was managed by an agent.

Similarly, among tenants whose home was managed directly by a landlord four out of five (80 per cent) said they got on with their current landlord, compared to just over two out of five (45 per cent) whose home was managed by an agent.

Summary

- Households with children now make up a significant proportion of the PRS. A third of tenants lived with dependent children under 18. A further quarter were cohabiting couples with no children. Around three in ten lived alone.
- The stereotypical image of PRS tenants as being mostly young and child-free was not borne out by the survey. Half were aged 35 and over, and nearly three in 10 were aged 45 and over. Just over a third were aged 25 to 34 and among these, around two-fifths had dependent children living with them. Nearly one in six were aged 55 or over, just over half of whom lived alone.
- While one third of the sample had a total household income of less than £15,000, one in five tenant households earned £35,000 or more. One in 10 earned £45,000 or more.
- Just over half said they were not in receipt of any benefits. The most widely claimed was Child Benefit (23 per cent) closely followed by Housing Benefit (20 per cent). Seven per cent were receiving disability benefits.

- Private landlords make up the bulk of the market with 68 per cent renting directly from a private landlord, compared with 28 per cent renting through a letting agent. This proportion is lower than in England where 35 per cent rent through an agent.
- Landlords are more highly trusted than letting agents. Among tenants whose home was managed by landlords 71 per cent said they trusted their landlord to do the right thing, compared with just 47 per cent of tenants whose home was managed by an agent.
- Tenants saying they were in the PRS because they had no other choice outnumbered those who said they wanted to be there by four to one. Three out of five tenants said they were in the PRS due to a lack of alternatives. Only 15 per cent said they actually wanted to be there.
- More than half said they would like to buy their own home but didn't think they would ever afford it. Only one quarter (27 per cent) expected that they would own their own home within the next five years.

Chapter two: Poor conditions in the PRS

Our survey reveals that the experience of poor conditions is only too common in the PRS. Most tenants have had some kind of problem in the last year and for some tenants these have been serious enough to cause health problems for themselves and their children.

Nearly two thirds (64 per cent) said they have had at least one of the following problems in the last 12 months: damp, leaking roof or windows, electrical hazards, mould, animal infestations or gas leaks.

Some of the most startling findings include:

- **Nearly half of tenants** (46 per cent) have had **damp** in the last 12 months
- **Nearly half** (46 per cent) have had **condensation**
- **More than two in five** (44 per cent) have had **mould**
- **More than two in five** (42 per cent) have had **poor insulation / excess cold**
- **Nearly a third** (30 per cent) have had **leaking roofs or windows**
- **Nearly one in five** (18 per cent) have had **animal infestations**
- **One in six** (17 per cent) have had **electrical hazards**
- **One in six** (17 per cent) have had **poorly secured or unsafe locks and doors**
- **Over one in seven** (15 per cent) have had a **problem which may cause falls**.

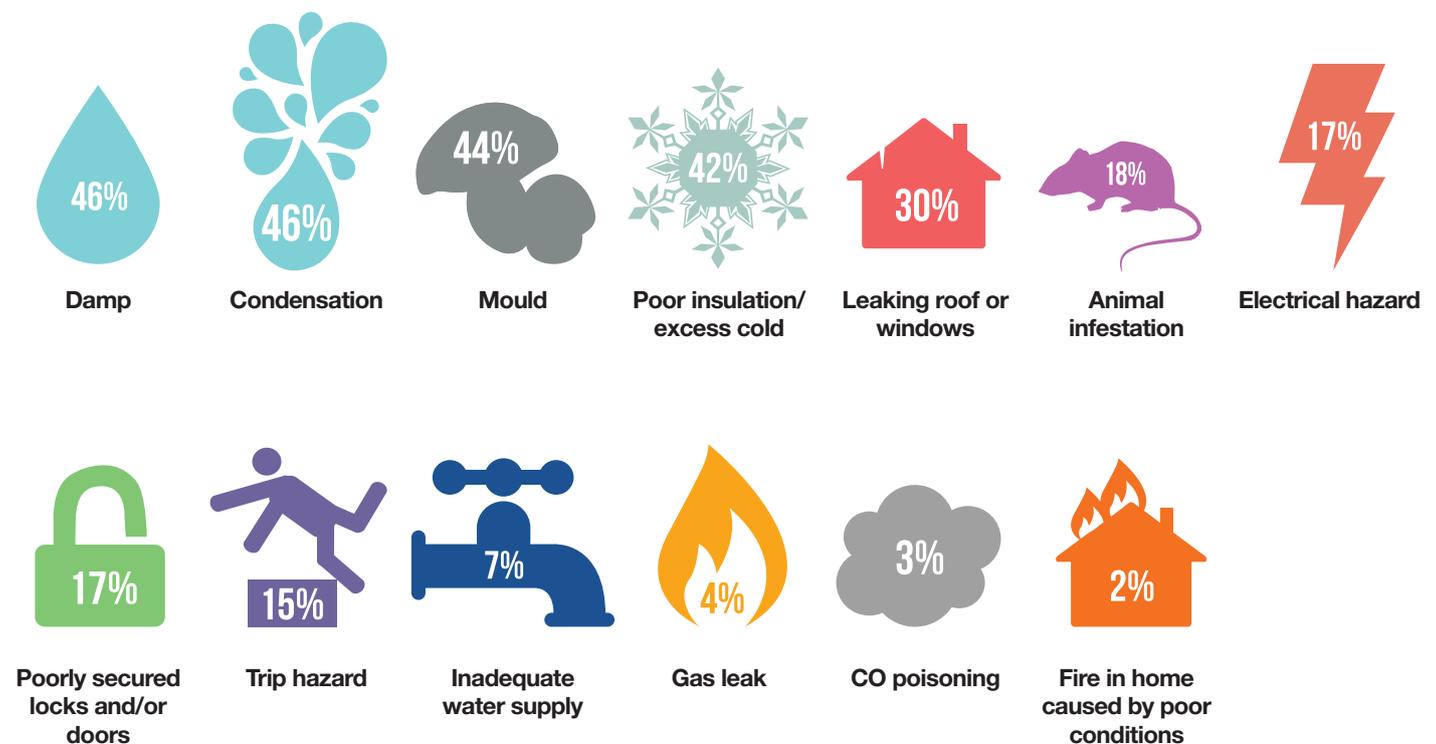
We also found that for some tenants poor conditions have had serious consequences:

- **One in 10 tenants** (10 per cent) told us **their health** has been affected in the last year due to their landlord not dealing with repairs and poor conditions – equivalent to **nearly 45,000 tenants**³
- **Over one in 10 tenants with dependent children** (11 per cent) said their **children's health** has been affected in the last year for the same reason.

Smaller numbers also told us that they had experienced serious problems such as gas leaks, CO poisoning and fires in the home caused by poor conditions:

- **Four per cent of tenants** have had a **gas leak** in the last 12 months
- **Three per cent** have had **CO poisoning**
- **Two per cent** have had a **fire in the home** caused by poor conditions.

Figure 6. Poor conditions experienced in the last 12 months



Base: All Welsh private tenants

3. Shelter Cymru estimate based on Census 2011 figures for household numbers in the PRS in Wales (184,254) multiplied by average PRS household size in English Housing Survey 2011/12 (2.42469038380782) – no data on PRS household size exist for Wales

In general conditions were poor for all groups living in the PRS. There were no major differences between properties managed by landlords and those managed by agents.

Households at both ends of the income scale were equally likely to experience a range of problems, although some (damp, poor insulation/excess cold, leaking roofs / windows, and animal infestations) were more likely to be experienced by lower-income households.

In particular, the most acute problems – gas leaks, CO poisoning, and fires in the home caused by poor conditions – were considerably more likely to be experienced by lower-income households.

Figure 7. Poor conditions experienced in the last 12 months, by income group

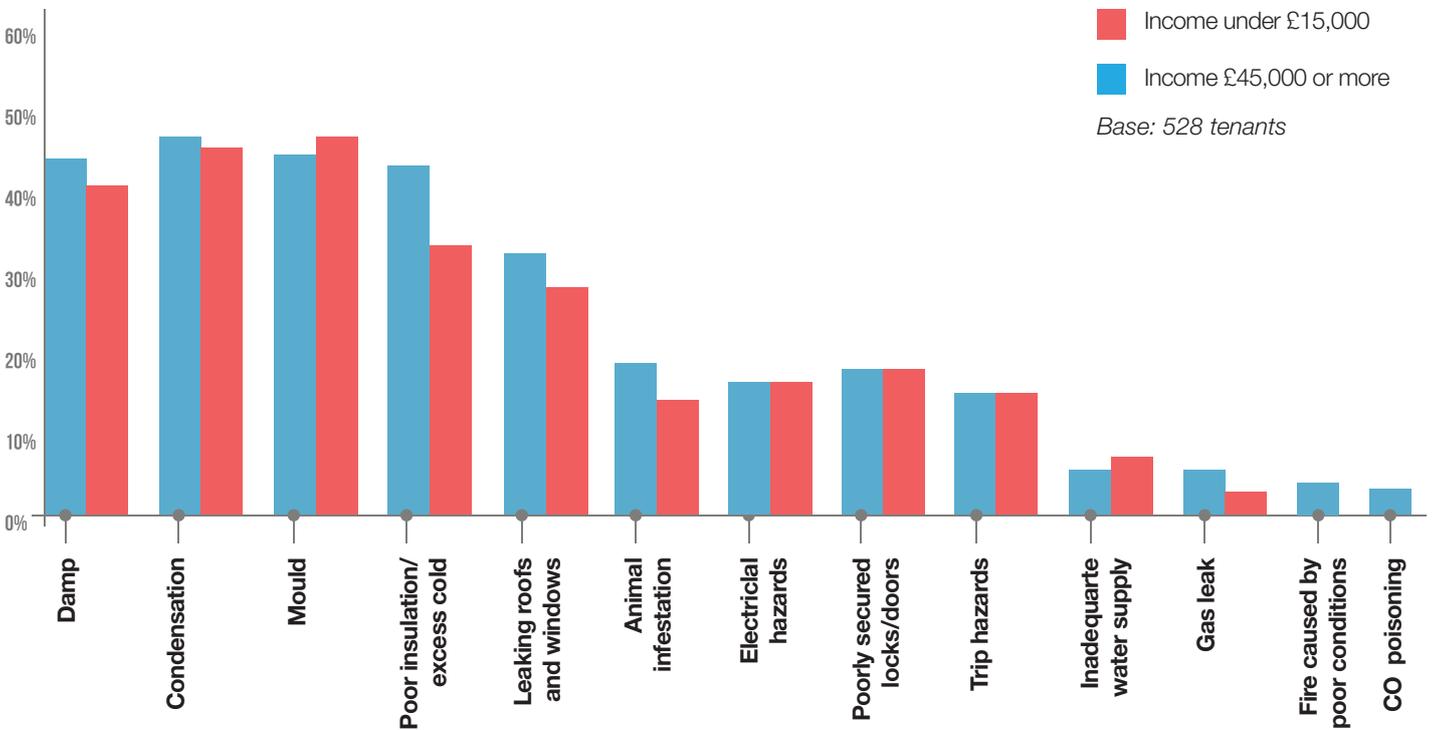
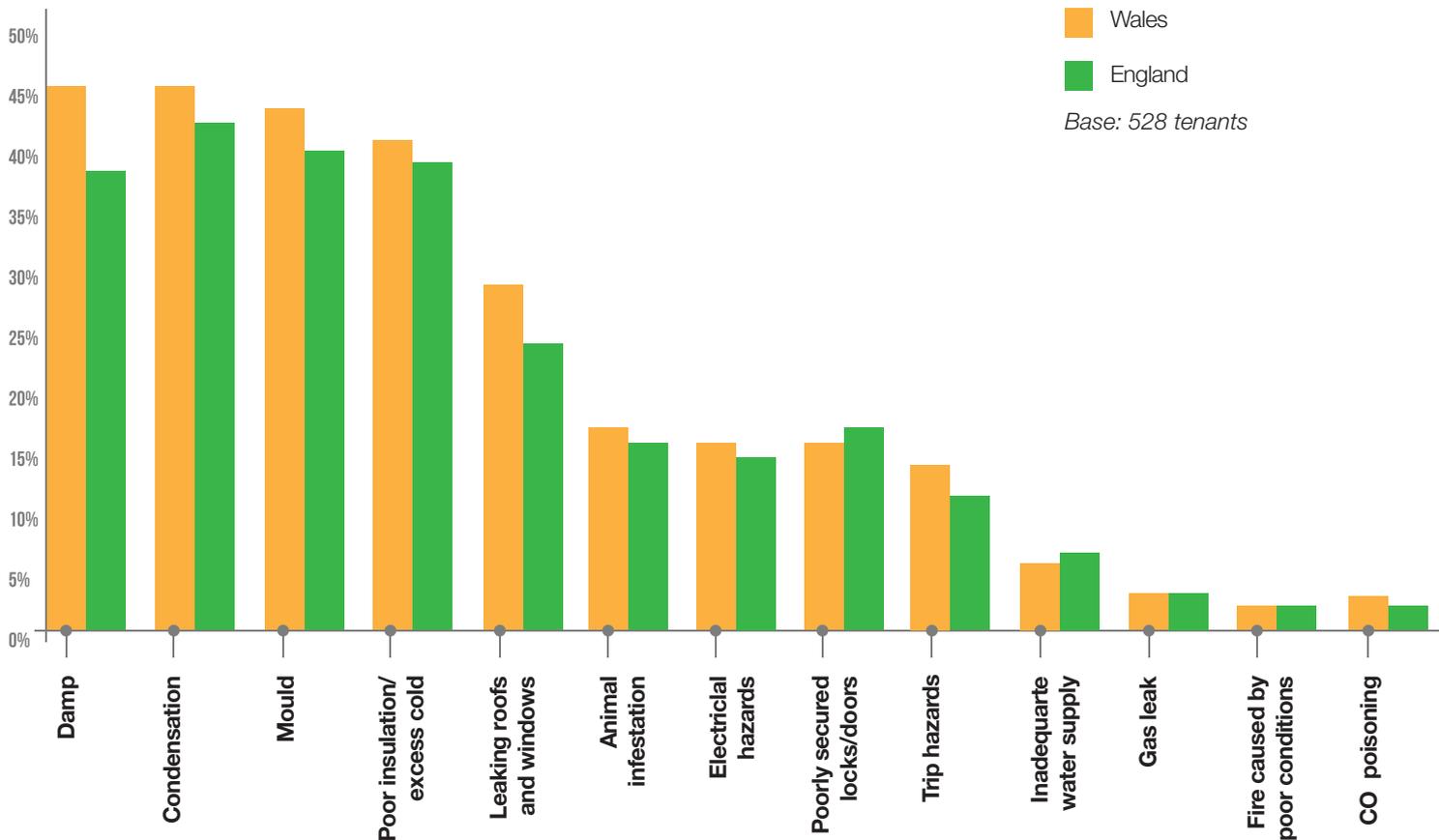


Figure 8. Poor conditions experienced in the last 12 months, England and Wales



It's also important to note that overall, many problems were more widely experienced among tenants in Wales than in England. In particular, tenants in Wales were:

- **19 per cent more likely** than tenants in England to have experienced **damp** in the last 12 months (46 per cent vs 38 per cent)
- **23 per cent more likely** to have experienced **leaking roofs or windows** (30 per cent vs 25 per cent)
- **27 per cent more likely** to have experienced a **problem which may cause falls** (15 per cent vs 12 per cent).

Safety measures

Our survey raises some questions about how well landlords are carrying out safety measures, even those that are a statutory requirement.

Three in five (60 per cent) of tenants told us they have had a smoke alarm in their home in the last 12 months. The proportion was slightly higher among tenants whose property was managed by agents (63 per cent, compared with 58 per cent of tenants of landlord-managed properties).

Summary

- Nearly two thirds of tenants told us they have had at least one of the following problems in the last 12 months: damp, leaking roof or windows, electrical hazards, mould, animal infestations and gas leaks.
- Nearly half have had damp; nearly half have had condensation; more than two in five have had mould; more than two in five have had poor insulation / excess cold; nearly a third have had leaking roofs or windows; one in six have had poorly secured or unsafe locks and doors; and one in six have had electrical hazards.
- One in 10 tenants told us their health has been affected in the last year due to their landlord not dealing with repairs and poor conditions – equivalent to nearly 45,000 tenants across Wales. Over one in 10 tenants with dependent children said their children's health has been affected in the last year for the same reason.
- Many problems were more widely experienced in Wales than in England. In particular, tenants in Wales were 19 per cent more likely to have experienced damp; 23 per cent more likely to have experienced leaking roofs and windows; and 27 per cent more likely to have experienced trip hazards.
- Among those tenants who had experienced some of the most acute problems – gas leaks, CO poisoning, and fires in the home caused by poor conditions – the majority had a household income of less than £15,000.
- Three in five tenants told us they had a smoke alarm in their current property. Less than a third said they had a fire extinguisher or fire blanket. Just over half were aware that they had a gas safety check and certificate in the last 12 months.

Chapter three: Poor practices by landlords and agents

While not as common as poor conditions, unprofessional practices – such as threatening or harassing tenants, carrying out illegal evictions, unfairly keeping deposits, entering without permission, and charging excessive fees – are nevertheless a feature of life in the PRS for a significant minority of tenants.

In several important areas it appears that unprofessional practices are actually more widespread among those who manage properties as their full-time occupation – agents – than among landlords.

Our survey found the following worrying figures from the last 12 months:

- Five per cent of tenants managed by landlords, and 12 per cent of tenants managed by agents, said their landlord had **unfairly kept their deposit** – equivalent to **more than 31,000 tenants**.⁴
- Nine per cent of tenants managed by landlords, and 15 per cent of tenants managed by agents, said their landlord had **entered their home without permission or the agreed notice** – equivalent to **more than 49,000 tenants**.

4. Shelter Cymru estimate based on Census 2011 figures for household numbers in the PRS in Wales (184,254) multiplied by average PRS household size in English Housing Survey 2011/12 (2.42469038380782) – no data on PRS household size exist for Wales

- Five per cent of tenants managed by landlords, and 13 per cent of tenants managed by agents, said their landlord had **charged excessive fees for services** such as tenancy renewal fees or repair call-out charges – equivalent to **more than 31,000 tenants**.
- Five per cent told us that they or another tenant had been **threatened** by their landlord – equivalent to **more than 22,000 tenants**.
- Two per cent said their landlord had **cut off their gas, electricity or water** – equivalent to **nearly 9,000 tenants**.

It's worth noting that these poor practices were equally as prevalent in England as in Wales.

Rogue landlords

At the extreme worst end of the sector are so-called 'rogue landlords' who treat their tenants unfairly in order to profit at their expense.

This is the definition that survey respondents were given:

By 'rogue landlords' we mean landlords who treat their tenants unfairly (ie landlords who rent out homes that aren't in a fit state, neglect basic safety standards, carry out financial scams or deliberately exploit or harass tenants').

When we gave this definition to tenants, four per cent told us that this described their current landlord. Using this figure we estimate that **more than 17,800 tenants in Wales** are currently renting from someone whose practices are poor enough to class them as a rogue landlord.

A further four per cent told us that they had had a rogue landlord in the last 12 months but were no longer with them – equivalent to more than **a further 17,800 tenants**.

Lower income households were **more likely** to say they had a rogue landlord – six per cent of those with household incomes of less than £15,000 said they were currently renting from a rogue landlord, compared with just two per cent of those earning £45,000 or more.

Similarly, households with dependent children were **over-represented** with six per cent saying they currently rented from a rogue landlord.

There was very strong support for more action against rogue landlords, with more than four out of five tenants (84 per cent) agreeing that there needs to be **tougher fines and more prosecutions**.

Summary

- Tenants reported a range of poor practices in the last year from both landlords and agents. Seven per cent of tenants – equivalent to more than 31,000 tenants – said their landlord had unfairly kept their deposit. Eleven per cent – equivalent to more than 49,000 tenants – said their landlord had entered their home without permission or the agreed notice. Five per cent – equivalent to more than 22,000 tenants – said they or another tenant had been threatened by their landlord.
- Four per cent said they were currently renting from a rogue landlord – equivalent to more than 17,800 tenants. The same number again told us they had escaped a rogue landlord in the last 12 months. Households on low incomes and households with dependent children were more likely to say they had a rogue landlord.
- There was very strong support for more action against rogue landlords, with more than four out of five tenants agreeing that there needs to be tougher fines and more prosecutions.

Chapter four: Dealing with problems

We asked tenants about what happens when they try to get a problem dealt with by their landlord or agent. The results show that most tenants feel their landlord is responsive. However there is also a significant minority who find it very difficult to get their landlord to address urgent issues.

- Almost three out of four tenants (74 per cent) who have required an urgent repair said that when something goes wrong with their tenancy that needs repairing or dealing with straight away, their landlord **normally deals with it within a week**.
- One in 10 (10 per cent) said it takes **longer than a month or never**; this rose to 15 per cent among tenants who rented from a letting agent.
- Nearly a quarter (23 per cent) said their landlord had **not carried out repairs or dealt with poor conditions** in the last 12 months. This rose to **nearly a third** (31 per cent) among tenants who rented from a **letting agent**.

Complaining to Environmental Health

We asked tenants if they had ever had cause to complain to their local authority's Environmental Health department and, if so, what the outcome was.

Just under one in 10 (nine per cent) said they had complained to their local council in the last five years about a private landlord's or letting agent's behaviour.

Of those who complained, around one-third said their complaint solved the problem and two-thirds said their complaint didn't solve the problem.

Retaliatory eviction

Retaliatory eviction⁵ – where a landlord issues possession proceedings against tenants who ask them to address disrepair or other issues – is a key issue in the sector. The fact that landlords can legally evict tenants in this way is a major flaw in the PRS market model. It places renters in an impossible position, preventing many from exercising their rights as consumers.

Until now there has been no authoritative data on the effects of retaliatory eviction in Wales. We asked tenants whether they had experienced retaliatory acts, and also whether the fear of retaliatory acts had ever put them off asking for conditions to be improved.

- More than **one in 10 tenants** (11 per cent) said that in the last year they had not complained about conditions or challenged a rent increase because of fear of eviction – equivalent to more than 49,000 tenants. This was higher among **households with dependent children** (14 per cent), households receiving **housing benefits** (15 per cent), and households that were in **financial difficulties** and constantly struggling to pay the rent (22 per cent). It was less of a problem for tenants from higher income households earning £45,000 or more (three per cent) and those who were keeping up with rent without any difficulty (three per cent).
- Two per cent said they had **actually been evicted or served notice in the last year** because they complained to the council or asked for a problem to be dealt with that was not their responsibility. Using this figure we estimate that **nearly 9,000 tenants faced eviction due to retaliatory eviction in the last year.**⁶
- In total, four per cent said they had either been threatened with eviction, or actually evicted in retaliation for raising problems in the last year. We estimate that **more than 17,800 tenants were victims of retaliatory acts that were either threatened or actually carried out in the last year.**

Summary

- While most tenants feel their landlord is responsive, there is also a minority of tenants who find it very difficult to get their landlord to address urgent issues.
- Almost three out of four who have required an urgent repair said that when something goes wrong with their tenancy their landlord normally deals with it within a week. One in 10 said it takes longer than a month or never.
- Nearly a quarter said their landlord had not carried out repairs or dealt with poor conditions in the last 12 months. This rose to nearly a third among tenants who rented from a letting agent.
- Just under one in 10 said they had complained to their local council in the last five years about a private landlord's or letting agent's behaviour. Of those who complained, around one-third said their complaint solved the problem and two-thirds said it didn't solve it.

5. For example see Making Rights Real: Preventing retaliatory evictions in Wales (2013) Shelter Cymru and Citizens Advice Cymru. Available online at http://www.sheltercymru.org.uk/wp-content/uploads/2013/07/Making_Rights_Real_1.pdf

6. Shelter Cymru estimate based on Census 2011 figures for household numbers in the PRS in Wales (184,254) multiplied by average PRS household size in English Housing Survey 2011/12 (2.42469038380782) – no data on PRS household size exist for Wales

- More than one in 10 tenants said that in the last year they had not complained about conditions or challenged a rent increase because of fear of eviction. This was higher among households with dependent children, households receiving housing benefits, and households who were in financial difficulties and constantly struggling to pay the rent.
- Two per cent – equivalent to nearly 9,000 tenants – said they had actually been evicted or served notice in the last year because they complained to the council or asked for a problem to be dealt with that was not their responsibility.
- In total, four per cent said they had either been threatened with eviction, or actually evicted in retaliation for raising problems. We estimate that more than 17,800 tenants were victims of retaliatory acts that were either threatened or actually carried out in the last year.

Conclusions and recommendations

Thanks to this report, for the first time in Wales we have an understanding of exactly how prevalent problems are in the PRS. The picture is a shocking one, with nearly two-thirds of tenants experiencing some kind of poor conditions in the last year.

For one in 10 tenants these problems were severe enough to damage their health and that of their children in the last year. Worrying numbers also reported serious incidents such as gas leaks, CO poisoning and fires caused by poor conditions. Overall, many problems were more widespread in Wales than in England.

It's important to understand that these poor conditions carry a cost to the public purse. A study published by Shelter Cymru and BRE Trust⁷ found that poor quality housing leads to ill health and accidents in the home that cost the NHS in Wales around £67 million a year in treatment costs alone. The PRS was one of the main contributors to that £67 million, with just under 40 per cent of PRS homes having at least one Category 1 health and safety hazard.

Our survey found that while most landlords are responsive to requests to address problems, there is a minority who are slow to respond or worse. Our figures suggest that more than 17,800 tenants in Wales currently have a rogue landlord, with the same number again having escaped a rogue landlord in the last year.

We also learned that there are landlords who are evicting tenants in retaliation for making requests to deal with problems: our figures indicate that nearly 9,000 tenants faced losing their home due to retaliatory eviction in the last year.

The fear of retaliatory eviction prevented many tenants from making requests to their landlord. More than one in 10 told us that in the last year they had not complained about conditions or challenged a rent increase because of fear of eviction. This is equivalent to more than 49,000 tenants who in the last year have put up with poor conditions or practices rather than challenge their landlord because they were afraid of retaliatory acts.

7. Davidson, M., Nicol, S., Roys, M., and Beaumont, A. (2011) The Cost of Poor Housing in Wales. Shelter Cymru and BRE Trust

Those most likely to fear retaliatory eviction included households with dependent children, those on housing benefits and those in financial difficulties. More tenants were fearful in Wales than in England.

We also noticed some differences in practices between landlords and letting agents, with agents performing worse than landlords in numerous areas. Agents were more likely to be carrying out several bad practices such as entering without permission, charging excessive fees and unfairly keeping deposits. Levels of trust in agents were much lower than trust in landlords, and tenants of agent-managed properties were more likely to have to wait a long time to get problems dealt with.

However, while poor conditions were equally prevalent among landlord- and agent-managed properties, those managed by agents were marginally more likely to have certain safety measures such as gas safety checks and smoke alarms.

Some of the starkest findings related to people's reasons for being in the PRS, and these clearly refute the idea that most people are in the PRS because they like the flexibility and freedom it provides. The numbers of people saying they were in the PRS because they had no other choice outnumbered those who said they wanted to be there by more than four to one.

Three out of five said they were in the PRS due to a lack of alternatives, either because they couldn't afford a mortgage, couldn't access social housing, or because the PRS was the only option available to them. Only 15 per cent said they wanted to be there, either because they valued the freedom and flexibility or because it was their preferred choice of housing.

More than half said they would like to buy their own home, but didn't think they would ever afford it.

These figures present a baseline of data about standards, practices, and attitudes towards the PRS. As Wales' people and homes charity Shelter Cymru has identified a number of recommendations below. We hope that the statistics and recommendations in this report help the Welsh Government identify ways of improving the sector for all tenants.

Shelter Cymru's recommendations

PRS licensing

- This report provides compelling evidence of the need to raise standards across the PRS. Compulsory licensing of landlords and letting agents can help to target resources where they are most needed, in problem parts of the sector. We support the Welsh Government's proposed licensing scheme and we hope that Assembly Members will move to pass Part 1 of the Housing Bill.
- We note that the Government is considering whether to introduce licensing for letting agents before tackling the more difficult task of licensing landlords. This survey does suggest that some problems may be more widespread among agents than landlords.

Nevertheless, our fear is that tackling agents first may have a limited impact on standards across the sector. Fewer than three in 10 tenants are involved with an agent. Moreover we found that agents were more likely to rent to higher-income households.

Home safety

- Our survey found clear issues with home safety in the PRS, with some tenants experiencing serious problems that could be prevented if safety measures were in place. We believe that current legislation should be extended to give renters greater protection from electrical and CO hazards.
- Landlords should be required to not only have an Energy Performance Certificate, a gas safety certificate and electrical safety checks – but certified copies should be provided to the tenant at the beginning of the tenancy and every 12 months during the life of the tenancy.
- A five-yearly electrical safety check would provide significant additional protection for tenants.
- Landlords should be required to install audible CO alarms in all private rented properties that have gas appliances.
- Too many tenants told us they were living in cold homes with inadequate insulation. We believe that more needs to be done to encourage landlords to commission improvements and take advantage of funding that is currently available through the Energy Company Obligation.

Enforcement

- It is clear that existing legislation on housing health and safety standards is not being enforced effectively. Two-thirds of tenants who had made an approach to Environmental Health said it didn't solve the problem.

Local authority budgets are under huge pressure and we are concerned that public protection functions may not have enough resources to function effectively. Local authorities must ensure that public protection continues to be a strategic priority. We also suggest that the Welsh Government or the Assembly consider whether a review of local authority public protection services in relation to housing may help to identify ways of delivering the service more effectively.

- At the same time it is important to give tenants the tools they need to challenge landlords directly to deal with Category 1 hazards. The Renting Homes Bill, due to be laid before the Assembly in early 2015, proposes to give tenants an additional route to redress through the County Court, treating hazards as a breach of contract, rather than having to rely solely on Environmental Health. This is a very welcome development.

However, we urge the Welsh Government to consider access to justice for tenants on low incomes: although Legal Aid is available for County Court action where there is a serious risk of harm, it is no longer available for damages, which may in practice make it difficult for tenants to make a claim.

Tenure

- We understand that the Welsh Government is reflecting on how protection from retaliatory eviction might sit within the Renting Homes scheme. We welcome that the Government is open to considering how tenants' rights in this area might be strengthened, and we look forward to continuing the dialogue with the aim of assisting those tenants who were identified in this survey as being particularly fearful of retaliatory acts.

- When more than half of people in a housing sector say they would rather not be living there, alarm bells ought to ring. We suggest that the time is right to hold an in-depth conversation with Welsh renters to understand the roots of dissatisfaction with the PRS, and help ensure that Welsh Government policies reflect tenants' aspirations for their housing. We noted that even among tenants who hadn't experienced problems, many still said they would rather be homeowners.

Landlord licensing and tenancy reform are important first steps towards creating a fairer system, but we suspect that the fundamental causes of dissatisfaction run deeper.

In the next year we will publish further reports based on data from our survey. We hope these will help policymakers to define further proposals to help people to access PRS housing that better suits their needs and aspirations.

This research was commissioned by Shelter and British Gas as part of their partnership to improve the conditions of privately rented homes across Britain.

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