

CARTREF YW POPETH HOME IS EVERYTHING



Rent Rescue: A Homelessness Prevention Tool

A call for good practice

April 2023

Is your organisation using rent rescue to prevent homelessness? Are you saving private tenancies at risk through purchase of the property by a social landlord?

We're aware of emerging good practice taking place across Wales and would love to hear about what you are doing to inform our policy and campaigns work.

Introduction

Private renters in Wales currently face a perfect storm: the existing housing supply emergency where social housing is like gold dust and ownership is a long way out of reach; the highest rent increase levels outside of London; and a further squeeze on budgets from rising utility bills and daily essentials such as food.

Volatility in the private rental market, fuelled by the attractiveness of other rental options, such as holiday lets, and growing concern about mortgage interest rates, have resulted in unprecedented rates of possession proceedings across Wales. Many landlords are considering changing markets or looking to sell their property, with some also citing concerns about the Renting Homes (Wales) Act

Shelter Cymru's caseload has seen a 36% increase in "no-fault" eviction notices since last year. We are constantly hearing the message of how difficult it is to find alternative homes, both for individual households and for local authorities seeking to assist them. There has to be a renewed focus on tools to prevent homelessness and facilitate greater access to affordable housing options during this cost of living crisis.

We have been in discussions with representatives across the sector to explore the potential for tenants to have their tenancy saved through purchase by a social landlord.

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We also hosted a [homelessness prevention webinar](#) in November 2022, supported by the Oak Foundation, which over 100 housing professionals attended. From our interactive poll during the webinar, we learnt that a number of local authorities and housing association partners are using “rent rescue” as a prevention tool now. We also learned, however, that a further 66% of attendees had never heard of this approach.

We feel that there is a need for further promotion and sharing of good practice. Rent rescue has great potential to be scaled up in Wales to keep people in their homes and increase the social housing stock.

What do we mean by rent rescue?

Rent rescue describes a situation where a private sector tenancy at risk of being ended due to the property being sold by the landlord is rescued through purchase by a social landlord. Ideally the household continues to live in the property throughout and experiences the minimum of disruption.

A note about mortgage rescue

The concept of rent rescue builds upon the mortgage rescue tool which has been used in the past in cases of mortgage repossession. Funding through the Social Housing Grant Programme provides part of the capital funding needed for purchase by a social landlord, with the property then provided to the previous owners at a social rent or on a shared ownership basis. For further information on mortgage rescue please see our [recent briefing](#) and call to the Welsh Government to reintroduce a dedicated funding programme.

What do we already know?

We’ve heard that rent rescue is already being used on a small scale by some local authorities or housing association partners to prevent homelessness in individual cases. This is often a response to the specific needs of the household and the difficulty there would be in finding them suitable alternative housing. Cases have included households

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with disabilities where the property has had large-scale adaptations, and larger family units.

We are also aware of a few cases when a landlord with a substantial property portfolio has approached a local authority to purchase anything up to 100 properties which are going to be placed on the market for sale. There are a number of factors to be considered when thinking about a rent rescue model, including:

Property standards – The standards required by the Welsh Government for social housing can result in existing properties being deemed as non-viable for purchase due to the investment required. Older properties may have rooms which are too small, unconventional layouts, stairs and outdoor space. The landlord may also have fallen behind on ongoing maintenance and upgrading fixtures such as their kitchen, bathroom and central heating. The social landlord will have to consider the amount of investment required and whether this is achievable both physically and financially.

It is our understanding that capital funding programme, including the Transitional Accommodation Capital Programme (TACP), has provided some flexibility on the above and has been the main funding source to date for rent rescue.

Sitting tenants – acquisitions of existing properties into the social housing stock would normally be done with vacant possession and any improvement works can be undertaken before the property is tenanted. The purpose of rent rescue is to enable the household to remain in their home, however this means that any works would need to be carried out around them. This may be problematic if major works are required.

We would love to hear from you if ...

.... your organisation has been using rent rescue to successfully prevent homelessness over recent months. What have you learnt? What have been the challenges? What are the key things which are needed for rent rescue to take place in greater numbers?

Please drop an email to Wendy Dearden, our Policy and Public Affairs Manager at wendyd@sheltercymru.org.uk if you would be happy to have a chat to tell us more.