

Good morning and thank you very much for inviting me to talk to you today.

This is an exciting time to be taking up the Housing and Regeneration portfolio.

The Welsh Government recently published 'Prosperity for All', our national strategy which is designed to drive integration and collaboration.

The strategy sets out a vision and actions covering each of the key themes in our Programme for Government – Prosperous and Secure, Healthy and Active, Ambitious and Learning, and United and Connected.

Crucially, our strategy also identifies five priority areas which we believe have the potential to make the greatest contribution to the long-term prosperity and well-being of the people of Wales. These are areas where it has been shown that earlier intervention and more seamless services can make a real difference to people's lives. These are areas where we will work across Government like never before.

I am delighted that one of these five priority areas is housing, and I see the huge contribution that housing can make to a whole range of areas of Government concern, from skills and employment to decarbonisation, to health and wellbeing.

The title for today's event is Future Renting Wales and the future of the private rented sector is a subject that captures my imagination.

One of the first discussions I had with officials when I took up post was about how the Welsh Government can work more closely with the private sector to help meet our housing needs, creating a new relationship with you and moving towards greater parity across sectors.

I am keen to get the balance right between protecting tenants and, at the same time, ensuring that we protect good landlords. I have been giving some thought as to how we might achieve that, but ? before I look to the future I would like to spend a few moments looking back.

Much has already been done to modernise the private rented sector in Wales and a lot of the credit for that must go to Carl Sargeant.

Many of you here today will have met Carl and will know how tirelessly he worked to improve housing in Wales. Much of the change Carl was instrumental in making directly impacted on the private rented sector.

This was not a coincidence. Carl realised that the private rented sector played a key role in housing provision, but that it needed to modernise to become a tenure of choice. I appreciate that not everyone here today agreed with the proposals initially but I genuinely believe that the measures Carl helped introduce are now benefiting tenants, landlords and agents alike.

Rent Smart Wales is a good example of a "Made in Wales" policy that some feared was doomed before it started. There were concerns that only those good landlords and agents who were already aware of their obligations would comply. We were told

we would never reach the silent majority. I am pleased to report the pessimists were wrong.

I apologise to Anne Rowland, who will be talking to you later, if I am stealing her thunder but we have over 86,000 landlords already registered, against the latest estimates from Rent Smart Wales that we have around 90,000 landlords in Wales.

This means we are at an impressive 96% compliance rate. That feels to me like a real achievement and compares favourably to the rates for Vehicle Excise which has a 98% compliance rate, and the Television Licence fee which has compliance rates between 93 and 94%.

There were also concerns Rent Smart Wales would not be properly enforced. The Welsh Government view has always been clear that compliance is better than conviction. Rent Smart Wales' approach was therefore to tread softly, using persuasion rather than threat.

However, one year after enforcement began, non compliant landlords and agents are now being prosecuted and the Courts are taking the matter very seriously with some significant fines being handed down. A housing related conviction will make it very difficult for these individuals to get a licence. I hope the 4,000 or so non compliant landlords are aware of this.

It is not all about Court action. A number of landlords have failed the fit and proper person test which means they have been refused a licence and have to find someone else to manage their properties.

Addressing the rogue element in the private rented sector is something many of you have called for. It helps improve the image of the sector, promotes confidence and makes tenants more comfortable. These are things we all aspire to. I don't want to see that rogue element tarnish the reputation of good landlords, who are the vast majority.

I am pleased that, rather than seeing them as a burden, landlords attending training courses are reporting very high levels of satisfaction with the courses and over 90% of these landlords said that they learned something that will help them become a better landlord.

We now need to maintain this momentum to ensure landlords are kept up to date with new developments, and are able to engage effectively in dialogue with Government to bring about positive changes to the sector. We have already started using the Rent Smart Wales database to share developments with landlords and agents but I would welcome other ideas.

Carl was also instrumental in delivering The Renting Homes (Wales) Act 2016 which I see you had the opportunity to discuss earlier. Once implemented, this Act will help make our housing system as simple and effective as possible.

It will improve the arrangements for renting a home, which is vital as rented accommodation is increasingly important in meeting our housing needs. The new

provisions around fitness for human habitation, retaliatory eviction and standardised succession rights will further improve the experience of tenants and the image of the private rented sector.

We are committed to working closely with our stakeholders to ensure effective implementation of our legislation and policies. The scale of the change involved emphasises the importance of getting it right, even if this takes a little longer. We are also keen to avoid confusion for tenants.

Rent Smart Wales and the Renting Homes Act are just two examples of how we are working to modernise the private rented sector in Wales. Rent Smart Wales is already improving management and Renting Homes will simplify tenancies and provide safer and more secure housing. I am now looking at what else needs to be done.

The BBC reported recently that for first time buyers, deposits are currently rising four times faster than wages. This financial pressure means people are increasingly choosing to rent rather than buy, or to continue as tenants into their 30s and 40s when previously they would have bought a home.

This strengthens the view that the private rented sector will play an increasingly important part in housing provision. This is why we as a Government want to continue to work with landlords, agents and tenants.

We need your help in meeting the considerable challenges ahead. We cannot tackle the housing crisis on our own. We need to work together to overcome the challenges we know are coming our way.

Only with support from you as well as local government, the house builders, the social housing sector and others can we ensure that every citizen in Wales has a good quality, secure home.

I am aware of the good relationships between local authority homelessness teams and private sector landlords. The private sector is an important part of our commitment to tackle homelessness in Wales.

I want to build on this and identify what works well and where we can make further improvements. Help with rent deposit and bond schemes and provision of tenancy support for people with more complex needs are a couple of examples of what works well. How do we extend this good practice and what else can we do to further strengthen the existing partnerships and build new ones?

Securing affordable accommodation in the private rented sector will not be made any easier by the additional difficulties posed by Universal Credit, I can understand that private landlords need to minimise risks but what can we do to help reduce those risks? Is this something the partnership approach can help deliver? I will be asking my officials to explore the options.

I sincerely hope that as many of you as possible will engage with us on this most challenging of issues.

We are lucky in Wales in that we have a good record of engagement. We have strong partnerships. People know who to contact to get things moving. These relationships provide a sound basis for discussion of problems and solutions. This will be increasingly important as we go forward.

There is a positive future for renting in Wales and I want that to be a fair future for everyone concerned. We need to know that our citizens can expect to secure good quality, secure homes and won't face unnecessary and avoidable barriers. I want to work with you to make that a reality.