

# ELECTION 2019: A Private Rented Sector that Works for Tenants and Good Landlords



Almost 20% of all households are in the private rented sector. According to some estimates, 1.2 million new households will be created over the next five years, of which almost 600,000 are likely to be in the private rented sector<sup>1</sup>.

It is vital that the next Government develops a clear and positive agenda for the private rented sector that supports good landlords to provide the homes to rent the country needs; finds and roots out once and for all criminals who have no place in the market; supports vulnerable tenants; improves access to justice and develops long term tenancy models that have the confidence of both tenants and landlords.

## Boosting Supply to Meet Demand



With warnings of rent rises as a result of the demand for private rented housing exceeding supply<sup>2</sup>, taxation needs to support good landlords to provide the homes to rent the country needs. We call for an end to the Stamp Duty levy on the purchase of homes to rent that add to the net supply of housing. This includes bringing empty homes back into use, converting commercial buildings to residential, developing new properties or converting larger properties into smaller, more affordable rental properties. A tax on new housing is completely illogical. We need new housing to buy and to rent to meet the needs of everyone who needs a home.

## Supporting Vulnerable Tenants

Increasing numbers of tenants in receipt of benefits now rely on the private rented sector for a place to live. RLA research<sup>3</sup> shows that Universal Credit is causing rent arrears. We need to do all we can to support claimants to secure the housing they need. We call for an end to the Local Housing Allowance Cap so it properly reflects the cost of renting and to trust tenants by letting Universal Credit claimants have the option of the housing element being paid directly to their landlord.



## End the Right to Rent



The High Court has said<sup>4</sup> that the Right to Rent scheme has "little or no effect" in controlling immigration and any positives were "significantly outweighed by the discriminatory effect". The policy should be scrapped altogether.

<sup>1</sup> Knight Frank, *Multihousing 2019 - PRS Report*, February 2019, available at: <https://content.knightfrank.com/research/707/documents/en/the-uk-tenant-survey-2019-6118.pdf>.

<sup>2</sup> RICS, *Uncertainty causing buyers and vendors to hesitate*, 10<sup>th</sup> October 2019, available at: <https://www.rics.org/globalassets/rics-website/media/knowledge/research/market-surveys/uk-residential-market-survey-september-2019-rics.pdf>.

<sup>3</sup> RLA and Edge Hill University, *State of the PRS (Q1 2019) - A survey of private landlords and the impact of welfare reforms*, July 2019, available at: <https://research.rla.org.uk/wp-content/uploads/2019-Q1-State-of-the-PRS-Report-FINAL.pdf>.

<sup>4</sup> BBC News Online, *'Right to rent' checks breach human rights - High Court*, 1<sup>st</sup> March 2019, available at: <https://www.bbc.co.uk/news/uk-47415383>.

## Improving Justice for Tenants and Landlords

Tenants and landlords are being badly served by a court system unable to provide justice swiftly or effectively in the minority of cases where things go wrong. RLA research<sup>5</sup> has shown that 79% of landlords who have used the courts to regain possession of a property have no confidence in them. Citizens Advice has found<sup>6</sup> that many tenants are put off seeking redress through the courts because of the time and complexity of the court process. Tinkering with the existing system will do little to address its complexities or deal with the problems caused by the Government's court closure programme. We call for the development of an expert, properly funded and staffed, housing court to provide justice swiftly and effectively.



## Rooting out Criminal Landlords



teams.

There are over 150 Acts of Parliament containing more than 400 regulations affecting the private rented sector. What is needed is not more regulation, but better enforcement of the powers already available. We call on councils to scrap licensing schemes which serve only to penalise good landlords whilst enabling the criminals to operate under the radar. Instead they should use the wide range of data already available to them, including council tax, benefits, tenancy deposit and electoral roll information to identify landlords. This needs to be backed up by central government providing a multi-year funding settlement to properly resource enforcement

## Rejecting All Forms of Rent Controls

Rent Controls have been shown internationally to dry up the supply of homes to rent, reducing choice for tenants and thereby increasing rents overall.<sup>7</sup> As the Acting Director of the Cambridge Centre for Housing and Planning Research has noted<sup>8</sup>, she is “very dubious that rent control could help tenants and not reduce the stock of rental properties.”



## A More Positive Approach to the Private Rented Sector



84% of sector tenants are satisfied or very satisfied with their current accommodation, a higher proportion than the social rented sector<sup>9</sup>. Rather than a problem requiring management, good landlords in the private rented sector should be seen as part of the answer to the housing crisis, alongside other types of accommodation.

**For further information please contact Ed Jacobs by ringing 0113 278 0211 or email [policy@rla.org.uk](mailto:policy@rla.org.uk). The RLA tweets @RLA\_News.**

<sup>5</sup> RLA PEARL, *Possession Reform in the Private Rented Sector: Ensuring Landlord Confidence*, July 2019, available at: <https://research.rla.org.uk/wp-content/uploads/Possession-Reform-in-the-PRS-July-2019-1.pdf>.

<sup>6</sup> Citizens Advice, *It's broke, let's fix it - Improving redress for private renters*, July 2017, available at: <https://www.citizensadvice.org.uk/Global/CitizensAdvice/Its%20broke%20lets%20fix%20it%20-%20Citizens%20Advice.pdf>.

<sup>7</sup> RLA PEARL, *Rent Controls and the Private Rented Sector: An Analysis*, October 2019, available at: [https://research.rla.org.uk/wp-content/uploads/October-2019-Rent-Control-Analysis\\_FINAL\\_compressed.pdf](https://research.rla.org.uk/wp-content/uploads/October-2019-Rent-Control-Analysis_FINAL_compressed.pdf).

<sup>8</sup> BBC News Online, *Rent control: Does it work?*, 3<sup>rd</sup> February 2019, available at: <https://www.bbc.co.uk/news/business-47028342>.

<sup>9</sup> MHCLG, *English Housing Survey - Private rented sector, 2017-18*, July 2019, page 12, available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/817630/EHS\\_2017-18\\_PRS\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/817630/EHS_2017-18_PRS_Report.pdf).