

Scrutiny Inquiry Panel - How do we get a better deal for private sector renters in Southampton?

Thursday, 21st December, 2023
at 5.30 pm

PLEASE NOTE TIME OF MEETING

Conference Room 3 – Civic Centre

This meeting is open to the public

Members

Councillor McEwing
Councillor Evely
Councillor Powell-Vaughan
Councillor Windle
Councillor Blackman

Contacts

Democratic Support Officer
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Scrutiny Manager

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PUBLIC INFORMATION

Role of Scrutiny Panel Inquiry –

Purpose:

To identify opportunities to improve outcomes for private sector renters in Southampton.

Use of Social Media:- The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair's opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council's Standing Orders the person can be ordered to stop their activity, or to leave the meeting.

By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public.

Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so.

Details of the Council's Guidance on the recording of meetings is available on the Council's website.

Southampton: Corporate Plan 2022-2030

sets out the four key goals:

- **Strong Foundations for Life.-** For people to access and maximise opportunities to truly thrive, Southampton will focus on ensuring residents of all ages and backgrounds have strong foundations for life.
- **A proud and resilient city -** Southampton's greatest assets are our people. Enriched lives lead to thriving communities, which in turn create places where people want to live, work and study.
- **A prosperous city -** Southampton will focus on growing our local economy and bringing investment into our city.
- **A successful, sustainable organisation -** The successful delivery of the outcomes in this plan will be rooted in the culture of our organisation and becoming an effective and efficient council.

Public Representations

At the discretion of the Chair, members of the public may address the meeting about any report on the agenda for the meeting in which they have a relevant interest.

Smoking policy – the Council operates a no-smoking policy in all civic buildings.

MOBILE TELEPHONES:- Please switch your mobile telephones or other IT to silent whilst in the meeting.

Fire Procedure – in the event of a fire or other emergency a continuous alarm will sound and you will be advised by Council officers what action to take.

Access – access is available for the disabled. Please contact the Democratic Support Officer who will help to make any necessary arrangements.

Dates of Meetings: 2023/2024

16 November 2023
21 December 2023
18 January 2024
15 February 2024
29 February 2024
18 April 2024

CONDUCT OF MEETING

Terms of Reference

The terms of reference of the Committee are contained in the Council's Constitution.

Business to be discussed

Only those items listed on the attached agenda may be considered at this meeting.

Rules of Procedure

The meeting is governed by the Council Procedure Rules as set out in Part 4 of the Constitution.

Quorum

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

Disclosure of Interests

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "personal" or "prejudicial" interests they may have in relation to matters for consideration on this Agenda.

Personal Interests

A Member must regard himself or herself as having a personal interest in any matter

- (i) if the matter relates to an interest in the Member's register of interests; or
- (ii) if a decision upon a matter might reasonably be regarded as affecting to a greater extent than other Council Tax payers, ratepayers and inhabitants of the District, the wellbeing or financial position of himself or herself, a relative or a friend or:-
 - (a) any employment or business carried on by such person;
 - (b) any person who employs or has appointed such a person, any firm in which such a person is a partner, or any company of which such a person is a director;
 - (c) any corporate body in which such a person has a beneficial interest in a class of securities exceeding the nominal value of £5,000; or
 - (d) any body listed in Article 14(a) to (e) in which such a person holds a position of general control or management.

A Member must disclose a personal interest.

Continued/.....

Prejudicial Interests

Having identified a personal interest, a Member must consider whether a member of the public with knowledge of the relevant facts would reasonably think that the interest was so significant and particular that it could prejudice that Member's judgement of the public interest. If that is the case, the interest must be regarded as "prejudicial" and the Member must disclose the interest and withdraw from the meeting room during discussion on the item.

It should be noted that a prejudicial interest may apply to part or the whole of an item.

Where there are a series of inter-related financial or resource matters, with a limited resource available, under consideration a prejudicial interest in one matter relating to that resource may lead to a member being excluded from considering the other matters relating to that same limited resource.

There are some limited exceptions.

Note: Members are encouraged to seek advice from the Monitoring Officer or his staff in Democratic Services if they have any problems or concerns in relation to the above.

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

AGENDA

Agendas and papers are now available online at
www.southampton.gov.uk/council/meeting-papers

1 APOLOGIES AND CHANGES IN MEMBERSHIP (IF ANY)

To note any changes in membership of the Panel made in accordance with Council Procedure Rule 4.3.

2 DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

3 DECLARATIONS OF SCRUTINY INTEREST

Members are invited to declare any prior participation in any decision taken by a Committee, Sub-Committee, or Panel of the Council on the agenda and being scrutinised at this meeting.

4 DECLARATION OF PARTY POLITICAL WHIP

Members are invited to declare the application of any party political whip on any matter on the agenda and being scrutinised at this meeting.

5 STATEMENT FROM THE CHAIR

6 MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING) (Pages 1 - 6)

To approve and sign as a correct record the minutes of the meeting held on 16 November 2023 and to deal with any matters arising, attached.

7 THE AFFORDABILITY OF PRIVATE RENTED HOUSING (Pages 7 - 88)

Report of the Scrutiny Manager recommending that the Panel consider the comments made by the invited guests and use the information provided as evidence in the review.

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SCRUTINY INQUIRY PANEL - HOW DO WE GET A BETTER DEAL FOR PRIVATE SECTOR RENTERS IN SOUTHAMPTON?

MINUTES OF THE MEETING HELD ON 16 NOVEMBER 2023

Present: Councillors Windle (Chair), Every (Vice-Chair), McEwing and Blackman

Apologies: Councillor Powell-Vaughan

1. **APOLOGIES AND CHANGES IN MEMBERSHIP (IF ANY)**

Apologies were received from Councillor Powell-Vaughan.

The Panel noted that a change of membership had been approved by Council and that Councillor Blackman replaced Councillor Wood on the Panel.

2. **ELECTION OF CHAIR AND VICE-CHAIR**

RESOLVED that:

- (i) Councillor Windle be elected as Chair for the Municipal Year 2023/2024; and
- (ii) Councillor Every be elected as Vice-Chair for the Municipal Year 2023/2024.

3. **INQUIRY TERMS OF REFERENCE**

Representations were received from Mark Pirnie, Scrutiny Manager, who was in attendance and with the consent of the Chair addressed the Panel.

RESOLVED: that the Inquiry Panel noted the Terms of Reference and approved the outline inquiry project plan as presented in the report of the Executive Director – Corporate Services.

4. **INTRODUCTION, CONTEXT AND BACKGROUND**

The Panel considered the report of the Scrutiny Manager detailing an introduction to the shape of the private rented sector in the City, the needs and concerns of renters, national legislation and policy, and how the Council and its partners are seeking to manage and oversee the sector in the City.

The Panel received the following representations:

Conor O'Shea, Policy and Public Affairs Manager, Generation Rent outlined the challenges experienced by private sector renters in the UK, the reasons why these challenges exist and the opportunities to improve outcomes and summarised the key issues as:

- 20% of the UK population (13 million people) rent from a private landlord; 23% of families live in private rented homes; 41% of an average couple's income is spent on private rental; 619,000 rental properties are estimated to fail safety standards.
- Key challenge 1 – Availability of properties. There is increasing demand for rental properties as people return to cities after Covid. In many areas demand

outstrips supply. Gazumping and bidding wars for rental properties have been witnessed.

- Key challenge 2 – Affordability of rental properties. Rents at a peak have caused unaffordability and the highest percentage of incomes spent on rent since records began. This is partly linked to lack of supply and the increasing number of long term rental properties becoming holiday lets.
- Key challenge 3 – Standard of private rented sector accommodation. The energy efficiency of rented homes can be poor. One in four private renters are living in fuel poverty (1.19 million people), which is a higher rate than in social housing and owner-occupation. Poorly insulated homes are costing tenants an average of £570 more for energy every year. ECO Grants are not used by tenants for fear of eviction. The MEES (Minimum Energy Efficiency Standards) uplift to Energy Efficiency Level C was recently cancelled. HMO licensing exists in Southampton, and licensing could be extended.
- Renters (Reform) Bill 2023 – Key legislation going through Parliament. More local authority enforcement powers are proposed under amendments in the Bill. There are proposals to introduce open-ended tenancies and abolish Section 21 (no fault) evictions, although implementation of that proposal has been delayed until court processes are reformed. All landlords must register on the property portal. Homes in the private rented sector must meet the Decent Homes Standard. Rent increases will be limited to once a year.
- Solutions beyond the Bill:
 - Increase the supply of housing.
 - Consider advocating rent controls.
 - Deposit passporting (deposit moves home with you).
 - Licensing scheme for holiday lets.
 - Energy efficiency measures.
 - Effective local authority enforcement. Good local authority practice is predominantly associated with employing sufficient enforcement officers to proactively enforce legislation.

Phil Tyler and David Carr, Directors of Southampton Tenants Union advised the Panel that:

- Southampton Tenants Union has been operating for a year and was formed to fight for better housing and to reduce the exploitation of tenants.
- The key issues identified in the private renters' survey as impacting on private renters in Southampton were poor standards, insecurity, and the high cost of renting.
- They did not believe that the present state of affairs should be accepted.
- The work of the Tenants Union included giving confidence to tenants to speak to their landlords, and they are training members to become organisers.
- They welcomed the Renters (Reform) Bill but are concerned about the Council's ability to enforce the legislation and about how awareness would be raised amongst tenants about the new rights.

Peter Littlewood, Chief Executive, iHOWZ Landlord Association outlined the experiences of landlords and summarised the key issues as:

- Most landlords let property to earn a living. Most landlords are decent hard-working people who look on their tenants as their customers.

- Most tenants are decent hard-working people who look after their properties.
- No government since 1970 has met the required 300,000 new properties per year. Social and council housing availability has diminished since 1980. The private rented sector has expanded to meet the shortfall at the landlords' risk.
- The cost of building materials has nearly doubled since 2018 and mortgage rates are at a 15 year high, affecting owner-occupiers and landlords alike. Rents have followed increased costs.
- In April 2020 relief for mortgage interest payments and other finance costs on residential property was restricted to the basic rate of Income Tax (20%). This restriction does not apply to holiday lets.
- In 2021, 14% of private rented sector homes were estimated to be unsafe according to the Housing Health and Safety Rating System (HHSRS).
- There are over one hundred and seventy pieces of legislation landlords must follow, covering property conditions, evictions, unnecessary charges and much more. Many tenants and some landlords are not aware of their rights.
- Private renters had been in their current home for an average of 4.4 years. A small minority (4%) were evicted or asked to leave.
- Tenant and landlord associations should work together to improve the sector

Samantha Watkins, Senior Policy Officer, the National Residential Landlords Association (NRLA) outlined the experiences of landlords and summarised the key issues as:

- There is a huge demand for student accommodation in the City, to accommodate the two universities.
- Southampton, Durham and Glasgow are amongst the ten cities with the lowest amount of privately-owned purpose-built student accommodation available for the 2023/2024 academic year.
- In Southampton, street housing is comparatively cheaper than purpose built student accommodation.
- The NRLA and iHOWZ want criminal landlords removed from the sector and for everybody to live in a safe and decent home.
- The NRLA wants a simplification of enforcement legislation and more resource for local authority enforcement, coupled with greater standardisation across the country.
- As an example, Leeds City Council operates the Leeds Rental Standard. It works well, incentivises good practice and is supported by landlord liaison officers.

Professor Helen Carr and Dr Mark Jordan, University of Southampton outlined the current regulatory context, the Renter (Reform) Bill and local authorities' role in regulating the private rental sector and summarised the key points as:

- The law is voluminous, complex, and often shaped by historical roots. It is not comprehensive, coherent or easy to locate. It has been ideologically driven with very limited consensus as to the proper balance between landlords and tenants. Reforms tend to be layered piecemeal onto existing legislation. As a result there is limited access to justice.
- The Housing Act 1988 deregulated private renting and since 1997 there has been a return to increased regulation.

- Since 2004 there has been acceptance by the Government that the housing market is 'broken'.
- The Renters (Reform) Bill was introduced in May 2023 with the second reading in November 2023. Key components include abolishing s.21 of the Housing Act 1988, requiring all assured tenancies to be periodic (with the exception of purpose built student accommodation), more comprehensive possession grounds, creating a private rented sector ombudsman, creating the privately rented property portal, granting the right to tenants to have a pet, and measures to improve standards.
- New financial procedures for rents were included in the Bill including banning rent review clauses, allowing one rent increase each year, amending s.13 of Housing Act 1988 requiring two month's notice of rent rises, allowing challenge of market rents at tribunal, providing that rent paid in advance must be returned if the tenancy ends earlier than tenant has paid for; limiting the amount of rent payable in advance; and banning excluding tenants on benefits.
- Local authorities have an important regulatory role that is underpinned by legislation to keep housing conditions and overcrowding under review, take enforcement action where a category 1 hazard is identified, and promote equality and respect human rights.
- The Renters (Reform) Bill includes a duty that a local housing authority shall 'enforce the landlord legislation in its area'.
- To fulfil its duties, a local authority will have wide enforcement powers including formal deterrence-focused regulation such as statutory notices, civil penalty notices (up to £30,000 fines), banning orders, criminal penalties, and rent repayment orders. It can also utilise surveys, licencing, and other informal actions.
- Many local authorities are not proactive but rather operate a reactive enforcement service that responds to individual complaints. This increases pressure on tenants and many will not complain due to anxiety about being evicted.
- Good enforcement includes a pyramid of responsive regulation with licensing at the top.
- The capacity, experience and expertise of local enforcement teams and the political will, strategic commitment, and support of legal teams are drivers of good enforcement.
- Barriers to good enforcement include the lack of meaningful data about the private rented sector. Additional and Selective Licensing Schemes can close the data gap.

Steven Hayes-Arter, Service Manager for Private Sector Housing and Port Health, Southampton City Council summarised how the Council and its partners seek to manage and oversee the private rented sector in Southampton:

- The private rented sector accounts for approximately 28,000 properties spread across the City, including different tenures and property types from bedsits to large Houses in Multiple Occupation (HMOs).
- The private rented sector provides an integral part of the housing market ensuring there is accommodation for the needs of the population.
- Accommodation standards vary.

- The service predominantly deals with the standard and safety of the private rented accommodation in the City. Statutory powers under the Housing Act 2004 (and other regulations) require the Council to act as the enforcing authority.
- The service tries to ensure that all properties meet the minimum standards and are safe and free from significant hazards. This includes having sufficient fire detection and means of escape, the right amount of amenities, are not overcrowded, and meet minimum energy efficiency standards.
- Under the Housing Act its officers assess properties using the Housing, Health & Safety Rating System to determine what hazards are present and how significant they are. There are thirty hazards, ranging from excess cold to structural collapse. Hazards are assessed as Category 1 or Category 2.
- Where Category 1 hazards are identified the local authority is required under the Housing Act 1988 to take enforcement action. This will generally result in issuing an Improvement Notice but could lead to prohibition of use of part or whole of a property. Prosecution and or issuing of civil penalty notices can then follow on the landlord and or owner.
- Category 2 hazards lead to 'advisory' action but can, if left, become more serious and ultimately lead to enforcement.
- The service receives around five hundred service requests per year relating to disrepair. The service currently has 3.5 full time equivalent (FTE) officers responding to these complaints and dealing with other private sector housing work. Demand is very high and always increases during the colder months.
- There are approximately six or seven thousand HMOs in the City. The majority of these HMOs are situated within the central wards.
- There is a statutory duty to licence all HMOs with five or more persons in residence. In the City there are approximately two thousand five hundred of these HMOs, which require licensing every five years.
- All licensed HMOs must meet certain conditions concerning safety and amenities and be properly managed to ensure that they do not impact negatively on the local neighbourhood.
- Currently the Council has an HMO licensing team of 6.5 FTE responsible for inspecting and enforcing conditions and standards within the licensed HMOs in the City. Failure to licence or to comply with conditions are offences which can result in enforcement.
- The Council has also operated additional HMO licensing in certain wards. Additional licensing schemes allow it to licence smaller HMOs, and cluster flats within purpose-built student blocks not captured by the mandatory scheme.
- The most recent scheme covering the central wards ended on 30th September 2023 with planning for a new scheme to commence in Spring 2024.
- Partnership working is in place.
 - The Council operates the Southampton accreditation scheme for student housing, having developed develop standards with both universities. The scheme ensures properties let through the Universities to students meet certain standards.
 - The Council HMO team has developed strong links and good working relationships with iHowz and National Residential Landlords Association to improve standards in the sector.
 - Close working with the Environment Centre to facilitate energy efficiency improvements and measures in private homes.

- With additional resource the Council would deliver a more proactive service. The HMO licensing scheme has demonstrated what can be achieved if proactively addressing issues. Additional licensing schemes are an option. New burdens requiring funding for local authorities may be attached to the Renters (Reform) Bill. It is necessary to recruit qualified and experienced Environmental Health Officers.

DECISION-MAKER:	SCRUTINY INQUIRY PANEL
SUBJECT:	THE AFFORDABILITY OF PRIVATE RENTED HOUSING
DATE OF DECISION:	21 DECEMBER 2023
REPORT OF:	SCRUTINY MANAGER

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director – Corporate Services	
	Name	Mel Creighton	Tel: 023 8083 3528
	E-mail	Mel.creighton@southampton.gov.uk	
Author:	Title	Scrutiny Manager	
	Name	Mark Pirnie	Tel: 023 8083 3886
	E-mail	Mark.pirnie@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
None

BRIEF SUMMARY
In accordance with the Inquiry Plan, at the second meeting of the inquiry the Panel will be considering the affordability of private sector rented housing in Southampton.

RECOMMENDATIONS:
(i) The Panel is recommended to consider the comments made by the invited guests and use the information provided as evidence in the review.

REASONS FOR REPORT RECOMMENDATIONS
1. To enable the Panel to compile a file of evidence in order to formulate findings and recommendations at the end of the review process.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED
2. None.

DETAIL (Including consultation carried out)																								
<u>The cost of renting</u>																								
3. Average private rents in Great Britain have soared by more than a quarter since the start of the Covid pandemic. ¹																								
4. The ONS Private rental market statistics in England from April 2022 to March 2023 identified that the median monthly rent in Southampton was £875 ² . This is £50 higher than the national median but £123 lower than the South-East median.																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">2022/2023</th> <th>Room</th> <th>Studio</th> <th>One Bedroom</th> <th>Two Bedrooms</th> <th>Three Bedrooms</th> <th>Four or more</th> <th>All categories</th> </tr> </thead> <tbody> <tr> <td>England Median Rent</td> <td>£460</td> <td>£625</td> <td>£725</td> <td>£800</td> <td>£900</td> <td>£1500</td> <td>£825</td> </tr> <tr> <td>Southampton Median Rent</td> <td>£420</td> <td>£600</td> <td>£700</td> <td>£900</td> <td>£1100</td> <td>£1450</td> <td>£875</td> </tr> </tbody> </table>	2022/2023	Room	Studio	One Bedroom	Two Bedrooms	Three Bedrooms	Four or more	All categories	England Median Rent	£460	£625	£725	£800	£900	£1500	£825	Southampton Median Rent	£420	£600	£700	£900	£1100	£1450	£875
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¹ [Savills UK | Residential research update: November 2023](#)

² [Private rental market summary statistics in England - Office for National Statistics \(ons.gov.uk\)](#)

5. Utilising a different dataset, data published by Zoopla in September 2023 further illustrates the rise in the cost of renting across Great Britain from July 2022 to July 2023.³

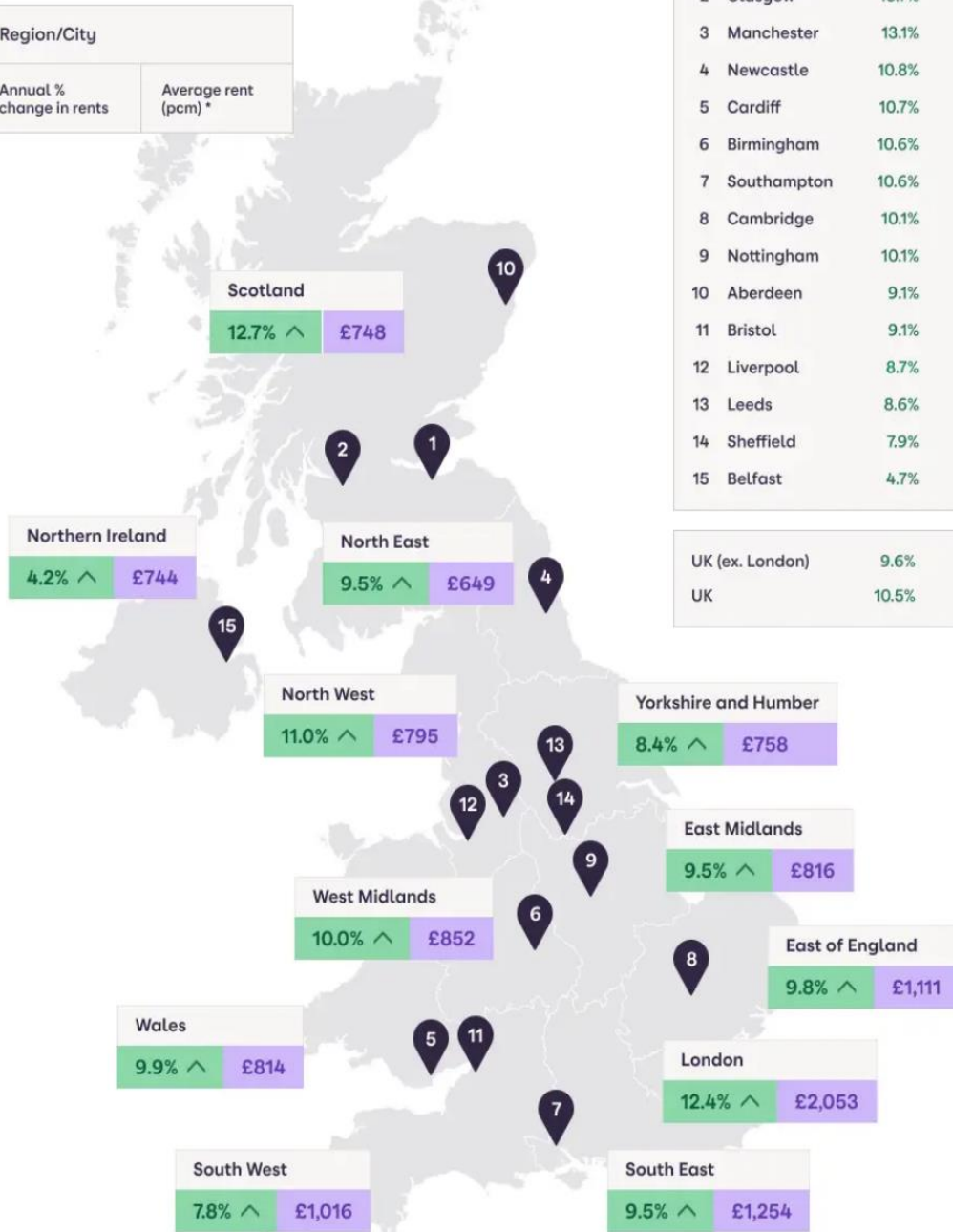
ZOOPLA

July 2023
(Published September 2023)

Source: Zoopla Rental Market Report

Region/City	
Annual % change in rents	Average rent (pcm)*

City	Annual % change in rents	Average rent (pcm)*
1 Edinburgh	15.6%	£1,199
2 Glasgow	13.7%	£898
3 Manchester	13.1%	£994
4 Newcastle	10.8%	£763
5 Cardiff	10.7%	£1,011
6 Birmingham	10.6%	£880
7 Southampton	10.6%	£1,057
8 Cambridge	10.1%	£1,478
9 Nottingham	10.1%	£896
10 Aberdeen	9.1%	£656
11 Bristol	9.1%	£1,315
12 Liverpool	8.7%	£764
13 Leeds	8.6%	£908
14 Sheffield	7.9%	£772
15 Belfast	4.7%	£759
UK (ex. London)	9.6%	£958
UK	10.5%	£1,163



*Average 1-4 bed properties

³ [The cheapest places to rent a home in 2023 - Zoopla](#)

6.	<p>Zoopla's data, for the average monthly rents for new lets for January each year, outlines the post pandemic increase in the cost of renting in Southampton.⁴ The data comes from Zoopla's property listings, adjusted to reflect differences between asking and actual rents. The average rent figures shown are based on the median of one, two, three and four-bedroom homes every January, adjusted to reflect the mix of private rented homes in each area.</p> <table border="1" data-bbox="325 443 1439 640"> <thead> <tr> <th data-bbox="325 479 405 517">Area</th> <th data-bbox="608 443 751 517">Growth in past year</th> <th data-bbox="772 479 852 517">2020</th> <th data-bbox="938 479 1018 517">2021</th> <th data-bbox="1104 479 1184 517">2022</th> <th data-bbox="1270 479 1350 517">2023</th> </tr> </thead> <tbody> <tr> <td data-bbox="325 584 536 622">Southampton</td> <td data-bbox="715 584 767 622">9%</td> <td data-bbox="778 568 938 640">£867</td> <td data-bbox="944 568 1104 640">£887</td> <td data-bbox="1110 568 1270 640">£949</td> <td data-bbox="1276 568 1436 640">£1,034</td> </tr> </tbody> </table>	Area	Growth in past year	2020	2021	2022	2023	Southampton	9%	£867	£887	£949	£1,034
Area	Growth in past year	2020	2021	2022	2023								
Southampton	9%	£867	£887	£949	£1,034								
7.	<p>Whilst the figures vary, reflecting the different data sources and time periods in which the data applies, rent levels nationally, and in Southampton, have been rising. This is supported by the findings from the Tenants Survey, undertaken for the inquiry and attached as Appendix 1, which identified that, for 59% of respondents their rent had increased over the past 12 months, compared to 37% whose rent had remained the same, and 4% whose rent had decreased.</p>												
<p><u>Why have rent levels been rising?</u></p>													
8.	<p>This is complicated. The dramatic increase over the past three years or so has been largely attributed to demand for rental properties greatly outstripping supply, this has been exacerbated by the increase in the cost-of-borrowing. There are also underlying reasons that have resulted in rent increases.</p>												
<p>Supply of new homes</p>													
9.	<p>Demand for properties, including rental properties, is partly linked to the supply of new homes. According to one estimate commissioned by the National Housing Federation (NHF) and Crisis from Heriot-Watt University, around 340,000 new homes need to be supplied in England each year, of which 145,000 should be affordable.⁵</p>												
10.	<p>New housing supply is currently lower than the Government's ambition of 300,000 new homes per year. Around 234,000 additional homes were supplied in 2022/23. New housing supply increased year-on-year from a low point of 125,000 in 2012/13, reaching a high point of 243,000 new homes in 2019/20.⁶</p>												
11.	<p>There were 63,605 affordable homes delivered in England in 2022-23, an increase of 7% compared with the previous year. This is the highest number of completions since 2014-15.⁷</p>												
<p>Decline in social housing</p>													
12.	<p>Affordable housing to rent is provided by housing associations and local authorities - but it has several forms:⁸</p>												

⁴ [Rent prices: How much have they gone up in your area? - BBC News](#)

⁵ [Housing supply requirements across Great Britain for low-income households and homeless people: Research for Crisis and the National Housing Federation: Main Technical Report — Heriot-Watt Research Portal \(hw.ac.uk\)](#)

⁶ [Housing supply: net additional dwellings, England: 2022 to 2023 - GOV.UK \(www.gov.uk\)](#)

⁷ [Affordable housing supply in England: 2022 to 2023 - GOV.UK \(www.gov.uk\)](#)

⁸ [Affordable housing schemes: 'Invisible' renters earning £30k not eligible - BBC News](#)

	<ul style="list-style-type: none"> • Social rent - known as council or housing association homes - renters are prioritised on their needs. In 2011, this accounted for nearly all new affordable housing rental properties, now it's 20%. Rents, based on local incomes and property values, are about half that in the private rented sector. • Affordable rent - introduced in 2011. Part of austerity measures by the UK coalition government which cut social rent funding by more than 60%. To help offset some financial losses, councils and housing associations were able to charge higher rents, up to 80% of local market levels. • Intermediate rent - for renters wanting to save towards buying a home. Rents are capped at 80% of local market levels. London Living Rent is an example.
13.	<p>As identified in the chart below, social rent has largely been replaced by affordable rent over the previous decade.</p> <p>New affordable housing for rent in England, 1991-2022, year to 31 March</p> <p>Legend:</p> <ul style="list-style-type: none"> Social Rent (Blue) Intermediate Rent (Red) London Affordable Rent (Orange) Affordable Rent (Purple) <p>Source: Department for Levelling Up, Housing and Communities BBC</p>
14.	<p>The stock of social rented housing in England has been falling for some time. Over the period 2012-19 the net loss totalled 181,000 social rented homes.⁹ Only 8,386 new social homes were built in England in 2022-23.</p>
15.	<p>The link between the loss of social housing and the increase in private sector rent has been recognised by Kate Henderson, Chief executive of the National Housing Federation, who said:</p> <p><i>“The chronic shortage of social housing is having wide-ranging impacts, not only for those becoming homeless and living in poverty and overcrowding, but also in the private rented sector, where increased demand from people who cannot access social housing has pushed up rents and, in turn, house prices.”¹⁰</i></p>

⁹ [ukhr-briefing-2020.pdf](#) (CIH)

¹⁰ [Six times more newly homeless families than new social houses. England data shows | Social housing | The Guardian](#)

	House prices																																													
16.	The average house price in the UK is currently over 8 times national average earnings. ¹¹ Households therefore face a high financial barrier when attempting to get on the property ladder. This results in more people staying in private rented accommodation and for a longer period.																																													
17.	In Southampton the average house price is currently 6.8 times the average earnings of somebody who works in the city. ¹² In 2022 it was 7.4. ¹³ The average house price in Southampton in August 2023 was £247,757 compared to the UK average of £292,882.																																													
18.	<p>In addition to the cost of raising the required deposit, the rise in mortgage rates means it is cheaper, as of June 2023, to rent a home than to buy one for the first time since 2010, according to Zoopla.¹⁴ The property website said the average UK rent is £1,163 per month, while average mortgage repayments are £1,285 for first-time buyers on a 15% deposit. London and the South East are the worst affected locations for higher mortgage costs versus rent forcing many would-be homebuyers to stay in the rental sector for longer, fuelling demand.</p> <p>Average monthly rent and mortgage repayment in June 2023</p> <table border="1"> <caption>Average monthly rent and mortgage repayment in June 2023</caption> <thead> <tr> <th>Region</th> <th>Rent (£)</th> <th>Mortgage Repayment (£)</th> </tr> </thead> <tbody> <tr> <td>London</td> <td>£2,053</td> <td>£2,546</td> </tr> <tr> <td>South East</td> <td>£1,254</td> <td>£1,469</td> </tr> <tr> <td>East of England</td> <td>£1,111</td> <td>£1,301</td> </tr> <tr> <td>South West</td> <td>£1,016</td> <td>£1,184</td> </tr> <tr> <td>United Kingdom</td> <td>£1,163</td> <td>£1,285</td> </tr> <tr> <td>East Midlands</td> <td>£816</td> <td>£868</td> </tr> <tr> <td>West Midlands</td> <td>£852</td> <td>£890</td> </tr> <tr> <td colspan="3">Buying is cheaper</td> </tr> <tr> <td>Wales</td> <td>£799</td> <td>£814</td> </tr> <tr> <td>Yorks & Humber</td> <td>£731</td> <td>£758</td> </tr> <tr> <td>Northern Ireland</td> <td>£700</td> <td>£744</td> </tr> <tr> <td>North West</td> <td>£736</td> <td>£795</td> </tr> <tr> <td>North East</td> <td>£531</td> <td>£649</td> </tr> <tr> <td>Scotland</td> <td>£620</td> <td>£748</td> </tr> </tbody> </table> <p>Note: Mortgage repayment assuming 30-year term, 15% deposit, 6.2% rate.</p> <p>Source: Zoopla</p>	Region	Rent (£)	Mortgage Repayment (£)	London	£2,053	£2,546	South East	£1,254	£1,469	East of England	£1,111	£1,301	South West	£1,016	£1,184	United Kingdom	£1,163	£1,285	East Midlands	£816	£868	West Midlands	£852	£890	Buying is cheaper			Wales	£799	£814	Yorks & Humber	£731	£758	Northern Ireland	£700	£744	North West	£736	£795	North East	£531	£649	Scotland	£620	£748
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¹¹ [UK House Price Index \(data.gov.uk\)](https://data.gov.uk) & [Employee earnings in the UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

¹² [UK House Price Index \(data.gov.uk\)](https://data.gov.uk) & [Employee earnings in the UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

¹³ [Housing affordability in England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

¹⁴ [Renting now cheaper than first-time mortgages, says Zoopla - BBC News](https://www.bbc.com/news)

	Landlord’s are selling properties or raising rents reflecting increased costs
19.	The Royal Institution of Chartered Surveyors (RICS) reported in their October 2023 UK Residential Market Survey that tenant demand increased in the three months to October, while landlord instructions continued to fall, with most UK areas seeing a further reduction in such listings. ¹⁵ The number of homes currently available for rent is nearly a third below the five year average. ¹⁶
20.	The trade body for estate agents, Propertymark, outlined that rents were increasing due to fewer houses being on the market. This was because many landlords have decided to sell properties because of rising taxes, charges and maintenance costs. ¹⁷
21.	Many landlords with buy-to-let mortgages have experienced costs rising dramatically after 14 consecutive interest rate rises, prompting some to increase rents by a significant amount, and others to sell up.
	<u>The impact of rent levels rising and growing demand - National</u>
22.	The substantial increase in the cost of renting in the private sector, the increasing demand for rental properties and interest rate rises has resulted in a number of developments and changes within society.
	Rent levels are becoming unaffordable to more households
23.	Affordability is a measure of how easily households, given their income and financial capacity, can afford to rent. Limited availability of affordable housing restricts employment mobility and can create a shortage of essential workers.
24.	The Affordable Housing Commission concluded that when rents or purchase costs exceed a third (33%) of household income for those in work, it can lead to financial difficulties, arrears, debts and personal problems. These difficulties become critical where housing costs are 40% or more of household income. ¹⁸
25.	Conor O’Shea, Policy and Public Affairs Manager at Generation Rent, identified in his presentation to the inaugural meeting of the inquiry, that rents are at peak unaffordability with the highest percentage of incomes since records began being spent on rent.
26.	Figures regarding the percentage of gross earnings that are currently being spent on rent differ depending upon the sources quoted. Research by Shelter has found that almost a third (32%) of private renters are spending half their monthly household income or more on their monthly rent. ¹⁹
27.	Savills estimated the average tenant household was now spending 35.3% of their income on rent – up from 33% in 2021-22. ²⁰
28.	Zoopla research and earnings data put the figure at 28.4% in July 2023. As identified in the following chart this represents an increase on their 10 year average of 27.2%.

¹⁵ [10. WEB October 2023 RICS UK Residential Market Survey tp.pdf](#)

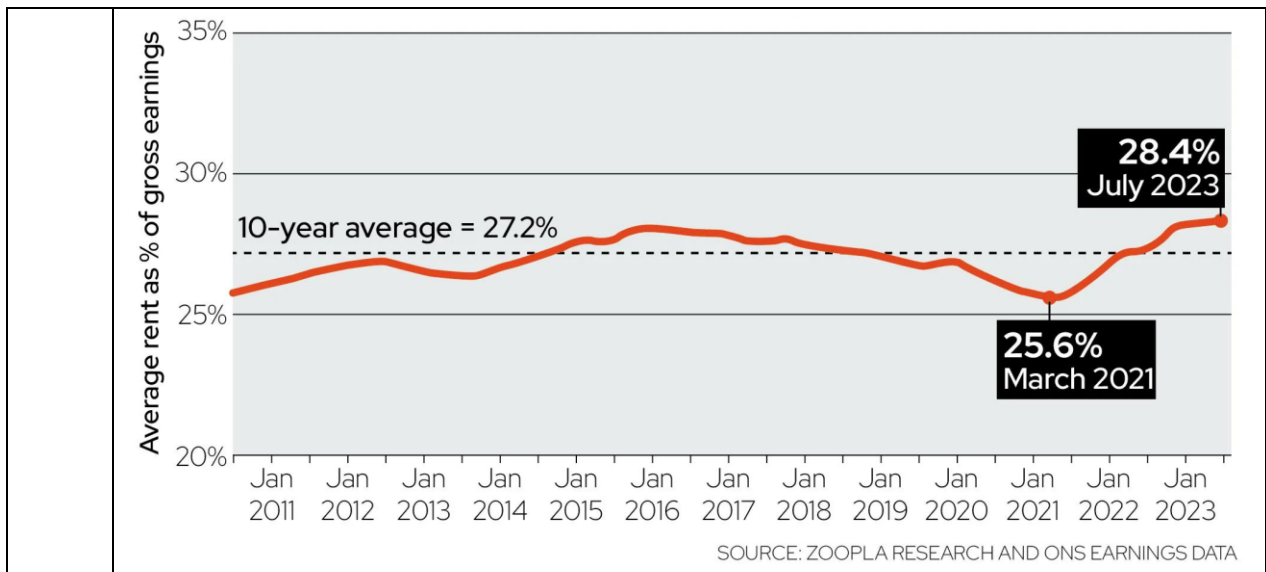
¹⁶ [Why is the cost of renting so expensive right now? - Zoopla](#)

¹⁷ [Growing share of under-30s pay unaffordable rent - BBC News](#)

¹⁸ [Defining and measuring housing affordability \(nationwidefoundation.org.uk\)](#)

¹⁹ [Cover the cost \(ctfassets.net\)](#)

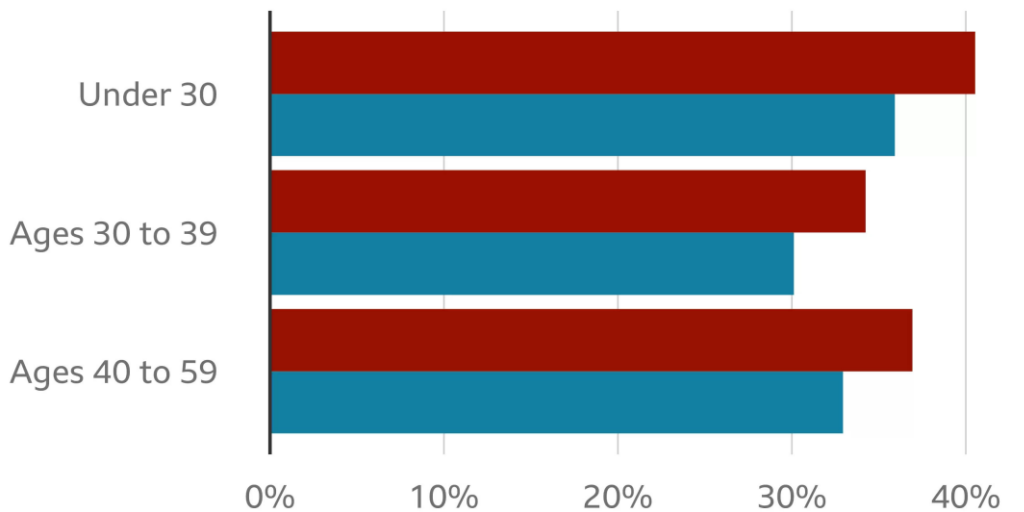
²⁰ [Average rent in Great Britain up by more than a quarter since start of Covid | Renting property | The Guardian](#)



29. A survey by Dataloft, published by the BBC, suggests that those under 30 are most likely to be spending over 30% of their earnings on rent but that the figures have increased for all age categories.²¹

Proportion of renters spending over 30% of earnings on rent, by age group, year to end of June

■ 2022 ■ 2019



Source: Dataloft

BBC

30. Further analysis by Dataloft²² identified that, based on rents achieved in 2022, only 1% of one-bed flats in London were available to a lower-quartile earner. Outside of London the situation for one person households is not much better. Just 7% of one-bed flats in the rest of the South East were affordable to a lower-quartile earner and 30% in the rest of the UK,

31. For households with two lower-quartile earners, there is more scope. They are able to meet the affordability test for the vast majority of one-bed flats in the South East and three quarters of the two-beds.

²¹ [Growing share of under-30s pay unaffordable rent - BBC News](#)

²² [Dataloft Briefing notes 12: Rental affordability – a spotlight on lower income households — Dataloft](#)

32. Three bed flats are largely out of reach for households even with two lower-quartile earners in London where only 7% of three bed flats would be affordable. That rises to 49% in the wider South East and 63% in the rest of the UK.

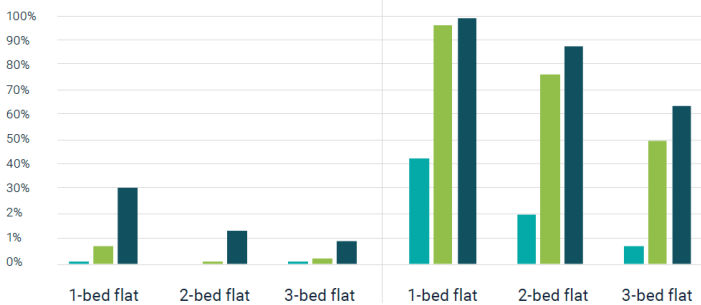
Rental homes affordable to low-income households

% of homes **one earner can afford**

	1-bed flat	2-bed flat	3-bed flat
London	1%	0%	1%
South East	7%	1%	2%
Rest of UK	30%	13%	9%

% of homes **two earners can afford**

	1-bed flat	2-bed flat	3-bed flat
London	42%	20%	7%
South East	95%	75%	49%
Rest of UK	97%	87%	63%



Dataloft Rental Market Analytics, ONS Annual Survey of Hours and Earnings

Comparing average size of rental homes

Families with one earner

London	South East	Rest of UK
949 sq ft	951 sq ft	962 sq ft
Higher earners ▲		
782 sq ft	797 sq ft	814 sq ft
Low earners ▼		

Comparing quality of rental homes

Proportion with EPC rating A to C*

London	South East	Rest of UK
62%	55%	54%
Higher earners ▲		
53%	50%	49%
Low earners ▼		

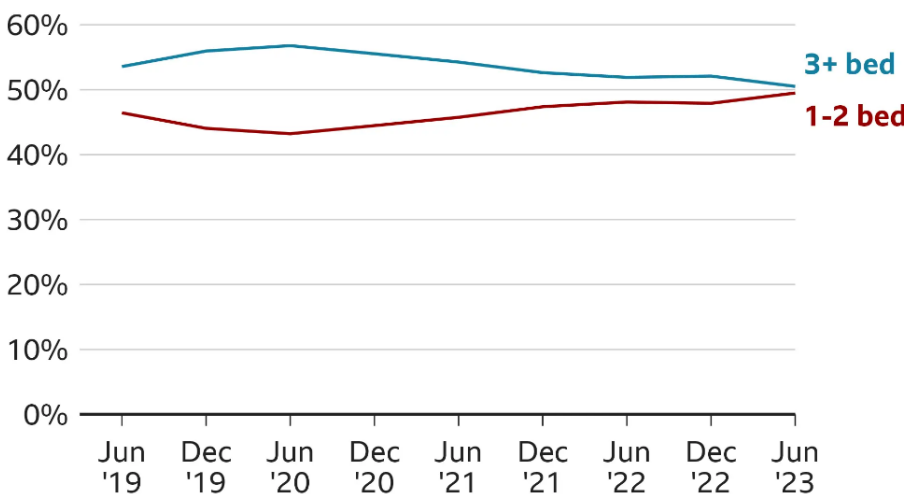
Higher earners have incomes above median
*As a proxy for quality.

Affordability is impacting on decisions regarding the size, quality and location of rental homes chosen

33. The above chart indicates that lower-income households compromise on size and quality of rental homes. Based on families with a single earner, the average home of those with below median income is around 19% smaller than those with above median income.

34. The affordability of rental properties has also resulted in more families renting smaller homes.²³

Percentage of tenancies started by households with children and income between £30,000 and £70,000 by size



Note: Dates represent six-month periods ending June and December

Source: Dataloft



²³ [Renting: Rising cost and lack of choice forcing families to smaller homes - BBC News](#)

35.	Evidence has recently identified that, with the reduction in social housing and more low-income households being accommodated within the private rented sector, there has been a steady exclusion of poorer households from more central locations in the UK's towns and cities, a phenomenon known as the suburbanisation of poverty. For the ten largest cities, it is estimated that one-in-nine low-income private rented sector households were displaced in just eight years as a result – 15,000 households in total. Changes were particularly stark in the largest conurbations but were by no means confined to those cities. ²⁴
	A rise in homelessness and housing benefit claimants
36.	A survey published by the ONS showed that private renters were most likely to be stretched by housing costs. Some 43% of tenants said they were finding it difficult to afford the rent between February and May 2023. That compares with 28% of mortgage holders struggling with repayments. ²⁵
37.	Since the start of the pandemic the number of households claiming housing benefits (legacy housing benefit or universal credit housing allowance) has risen by 16%. Most of this increase, an additional 422,000 households, is made up of private renters. 1 in 3 private renters now receive housing benefit to help pay the rent. ²⁶
38.	Despite the rise in housing benefit claimants, analysis by Shelter ²⁷ indicates that increasing rents and rising bills are pushing more households towards the brink of homelessness. Low-income renters are finding that they're falling short on their rent to the tune of £1,812 a year, because the amount they can claim in housing benefits has been frozen since March 2020, while rents have increased. The local housing allowance (LHA) freeze is leaving people with substantial shortfalls each month.
39.	In their report ' Cover the Cost ', Shelter conclude that low-income private renters are being squeezed out of the private rental market and the severe shortage of social rented homes means that, if private rents are unaffordable to homeless households, they are likely to end up in temporary accommodation. The most recent statistics showed a record number of households were found to be threatened with homelessness due to the end of a private tenancy in the first three months of this year, and the number of families becoming homeless and ending up in temporary accommodation is rising.
40.	According to the Local Government Association councils are spending £1.7bn a year renting temporary and often overcrowded accommodation for more than 100,000 households, more than at any time in the past 25 years. ²⁸
	Increase in student poverty
41.	According to research from Unipol and the Higher Education Policy Institute, in the last two years, average student rent has gone up by 14.6%, while student maintenance loans have risen by 5.2%. ²⁹

²⁴ [Private renting and the suburbanisation of poverty | Urban Big Data Centre \(ubdc.ac.uk\)](#)

²⁵ [Impact of increased cost of living on adults across Great Britain - Office for National Statistics \(ons.gov.uk\)](#)

²⁶ [Cover the cost \(ctfassets.net\)](#)

²⁷ [Cover the cost \(ctfassets.net\)](#)

²⁸ [£1.74 billion spent supporting 104,000 households in temporary accommodation | Local Government Association](#)

²⁹ [Rent now swallows up virtually all of the average maintenance loan as the student accommodation market reaches 'crisis point' - HEPI](#)

42.	The average annual rent for students in England is £7,566, while the average maintenance loan received for the current academic year is £7,590, leaving £24 a year to cover other essentials.																																																				
43.	Chloe Field of NUS UK, commenting on the research, stated that: " <i>Poorer students are forced, in effect, to attend university part-time,</i> " ... " <i>They must juggle their studies with paid work in order to simply eat and put a roof over their heads. We are now at the point where accommodation costs are pricing students out of certain universities, which will have disastrous consequences for students from poorer backgrounds being able to access education.</i> " ³⁰																																																				
	Increase in landlords with mortgage arrears																																																				
44.	According to research from UK Finance, rising interest rates have put pressure on homeowners, with 87,930 in arrears, up 18% compared with July to September 2022. ³¹																																																				
45.	Among landlords, the number in arrears doubled in a year. UK Finance said the number of buy-to-let mortgages in arrears was 11,540 in the third quarter of 2023, up 29% on the previous three months and double the level of a year ago.																																																				
46.	The trade body's report said: " <i>The increases in arrears are driven by the combined impact of both cost-of-living pressures and higher interest rates. In particular, interest rate pressures are felt more acutely in the buy-to-let sector, where landlords may not be able to raise rents to cover the increases in their payments.</i> "																																																				
	Rising competition for rental properties																																																				
47.	<p>The shortage of properties to rent has resulted in increased competition for rental homes. According to figures commissioned by the BBC from property portal Rightmove, there were 20 requests to view each available property in May 2023, up from six in pre-pandemic 2019.</p> <p>Rental enquiries have more than trebled Enquiries per rental property in May 2019, 2022 and 2023</p> <table border="1"> <thead> <tr> <th>Region</th> <th>2019</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>North West</td> <td>7</td> <td>28</td> <td>30</td> </tr> <tr> <td>Scotland</td> <td>8</td> <td>23</td> <td>27</td> </tr> <tr> <td>South West</td> <td>7</td> <td>26</td> <td>27</td> </tr> <tr> <td>West Midlands</td> <td>6</td> <td>20</td> <td>25</td> </tr> <tr> <td>East of England</td> <td>7</td> <td>21</td> <td>24</td> </tr> <tr> <td>Wales</td> <td>5</td> <td>19</td> <td>20</td> </tr> <tr> <td>South East</td> <td>5</td> <td>18</td> <td>20</td> </tr> <tr> <td>Yorks & Humber</td> <td>5</td> <td>17</td> <td>19</td> </tr> <tr> <td>East Midlands</td> <td>6</td> <td>18</td> <td>18</td> </tr> <tr> <td>North East</td> <td>3</td> <td>15</td> <td>17</td> </tr> <tr> <td>London</td> <td>5</td> <td>15</td> <td>15</td> </tr> <tr> <td>Britain</td> <td>6</td> <td>19</td> <td>20</td> </tr> </tbody> </table> <p>Source: Rightmove BBC</p>	Region	2019	2022	2023	North West	7	28	30	Scotland	8	23	27	South West	7	26	27	West Midlands	6	20	25	East of England	7	21	24	Wales	5	19	20	South East	5	18	20	Yorks & Humber	5	17	19	East Midlands	6	18	18	North East	3	15	17	London	5	15	15	Britain	6	19	20
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³⁰ [Student maintenance loans almost entirely used up by rent, report warns - BBC News](#)

³¹ [Arrears and possessions | UK Finance](#)

48.	In his presentation to the Inquiry Panel, Generation Rent’s Conor O’Shea noted that in many areas demand for homes in the private sector outstrips supply and that gazumping and bidding wars for rental properties have been witnessed.
	<u>The impact of rent levels rising and growing demand - Southampton</u>
	Affordability
49.	As already stated, the Affordable Housing Commission concluded that when rents or purchase costs exceed a third (33%) of household income for those in work, it can lead to financial difficulties, arrears, debts and personal problems. These difficulties become critical where housing costs are 40% or more of household income. ³² Analysis of Southampton’s Tenants Survey, conducted in October 2023, identified that 60% of respondents were spending over 40% of their monthly income on rent. Indeed, 24% of respondents said that they were spending 60% or more of their income on rent.
50.	48% of women said that they spend more than 50% of their monthly income on rent, more than 16% points more than men on 32%.
51.	There was a similar disparity when comparing responses from disabled people to those without a disability. Respondents with a disability said that they spend more than 50% of their monthly income on rent, compared to 38% of the respondents without a disability.
52.	41% of respondents described their household finances as either difficult (29%) or very difficult (12%), compared to 59% who said that they were comfortable (13%) or coping (46%), Again, a greater percentage of female and disabled respondents identified their financial position as either difficult or very difficult compared to men and people without a disability.
	Housing benefits
53.	Only 11% of respondents to the Tenants Survey indicated that they were in receipt of the Local Housing Allowance. However, Department for Work and Pensions data estimates that, mirroring the national average, 33% of private renters in Southampton were claiming housing benefit in June 2022. ³³
54.	As at December 2023 the weekly Local Housing Allowance (LHA) Rates for Southampton were as follows: Southampton BRMA (Broad Rental Market Area) <ul style="list-style-type: none"> • Shared Accommodation Rate - £77.44 per week • One Bedroom Rate - £136.93 per week • Two Bedrooms Rate - £178.36 per week • Three Bedrooms Rate - £212.88 per week • Four Bedrooms Rate - £276.16 per week
55.	Using a one bedroom property as an example, as outlined in Paragraph 4, the average cost of rent per month in Southampton between April 2022 and March 2023 was £700. The LHA was £595 per month leaving, on average, a monthly deficit of £105 between LHA, and monthly private rent.

³² [Defining and measuring housing affordability \(nationwidefoundation.org.uk\)](https://nationwidefoundation.org.uk)

³³ [Private renters claiming housing benefit by local authority, June 2022 \(dwcdn.net\)](https://dwcdn.net)

	Homelessness
56.	Southampton City Council's Homelessness Strategic Assessment ³⁴ published in September 2023 states that in Southampton there has been a decline in the number of available social houses for rent due to many being purchased under the Right to Buy scheme. In 2021 21.9% of households lived in social rented housing compared 23.3% in 2011. ³⁵ Partly as a result of this, the demand for social housing in the city far exceeds the supply with 7,379 households on the social housing waiting list in Southampton at the end of March 2022.
57.	The Strategic Assessment also states that the pool of private rented accommodation is also reducing as some landlords are selling up and exiting the sector due to various reasons. People in Southampton face a lack of viable options if they do become homeless or are threatened with homelessness. SCC is having to use temporary accommodation in higher numbers and for longer periods to house people who are homeless.
58.	In the four quarters from October 2021 to September 2022, Southampton experienced a sustained increase in the rate of households threatened by homelessness, with the Southampton rate significantly higher than the national average for the most recent three quarters (Q1 to Q3 2022). ³⁶
59.	The most frequent reason for households being threatened by homelessness in Southampton during 2021/22 was family and friends no longer willing or able to accommodate (205, 37.8%), which is significantly higher compared to England (25.5%). The second most frequent reason was the end of assured shorthold privately rented tenancy (150, 27.7%). Similar patterns are also observed for households assessed as homeless with family and friends no longer willing or able to accommodate (381, 35.9%) and the end of assured shorthold privately rented tenancy (143, 13.5%) top for Southampton in 2021/22.
	Student poverty
60.	Attached as Appendix 3 is a brief overview from Pollyanne Gouldthorpe, Housing Advisor at Southampton Solent University, articulating some of the cost pressures students are experiencing in Southampton. Rents for purpose built student accommodation student accommodation have increased by an average of 17.5% in Southampton over the past two academic years. The briefing paper also provides examples of financial challenges students are experiencing due to rent issues and trends.
	<u>What action has been proposed to improve the affordability of renting? - National</u>
	Local Housing Allowance increase
61.	In the Autumn Statement the Chancellor announced that the Local Housing Allowance (LHA) will be unfrozen and increased to the lower 30% of rents nationwide from April 2024 onwards.
62.	Government analysis states that the initiative will mean that the 1.6m low-income households in receipt of LHA will be around £800 a year better off on average next year. This follows long campaigns by almost every group within

³⁴ [Strategic Assessment - Homelessness Prevention Review](#)

³⁵ ONS - 2011 census and 2021 census

³⁶ [Strategic Assessment - Homelessness Prevention Review](#)

	the private rented sector, who have all been arguing that the gap between housing benefit and real-world rents has become so great that it has been driving homelessness. ³⁷
	Call for rent freezes / Rent control
63.	In February 2023 the Mayors of Manchester, Liverpool and London called for an immediate rent freeze and a ban on evictions to be introduced in England to help renters deal with the cost of living crisis. ³⁸
64.	It would bring the country into line with Scotland, where the government announced a total rent freeze and ban on evictions in September 2022. The scheme was extended to September this year, but from April 2024 it will begin to allow rent increases of up to 3% and evictions in extreme circumstances.
65.	Local leaders in England, including those in London and Bristol, have been calling for Westminster to grant them powers to set rent controls in their own areas. In response to the request in February 2023, Housing Minister - Felicity Buchan, replied: <i>“The government do not support the introduction of rent controls in the private rental sector.” She said controls would “discourage investment, lead to declining property standards and may encourage illegal subletting.”</i> ³⁹
	Buy existing private homes and convert to social rented housing
66.	In November 2023, Sadiq Khan, Mayor of London, announced a programme to help councils buy 10,000 existing private homes over the next decade to boost social housing stock. ⁴⁰
	<u>What action has been proposed to improve the affordability of renting? - Southampton</u>
	Southampton’s Housing Vision
67.	Attached as Appendix 2 is a briefing on the emerging Southampton City Vision Local Plan. The City Vision includes a vision for housing in Southampton that includes plans to increase the housing supply by 18,002 new dwellings over the plan period.
68.	It is proposed that a broad variety of new homes will be delivered to meet the housing needs of different city residents. This housing will include types such as: <ul style="list-style-type: none"> • Private housing – both for ownership and Build to Rent; • Affordable housing of various tenures including First Homes, affordable rent and shared ownership; • Self and custom build housing; • Shared rental living such as Houses in Multiple Occupation (HMOs) and co-living schemes; • Specialist accommodation for older persons, Disabled People and others with specialist housing needs; and • Purpose Built Student Accommodation (PBSA).

³⁷ [Calls grow louder to raise Local Housing Allowance for benefits tenants \(landlordzone.co.uk\)](https://landlordzone.co.uk)

³⁸ [#RentFreezeNow open letter | London Renters Union](#)

³⁹ [City mayors call for rent freeze and eviction ban for England’s tenants | Housing | The Guardian](#)

⁴⁰ [Mayor launches major new programme to convert private housing into council homes – with an aim for 10,000 additional council homes in the next decade | London City Hall](#)

69.	Reflecting the growth plans of both the University of Southampton and Southampton Solent University the emerging City Vision predicts there will be a continued demand for Purpose Built Student Accommodation (PBSA) and consequently, the loss of PBSA is not permitted by the City Vision.
SCC budget proposals out for consultation	
70.	<p>In November 2023 the Council published a number of proposals for consultation with a view to introducing them in April 2024. The key proposals relating to private sector housing are:</p> <ul style="list-style-type: none"> • To introduce a council tax premium of 100% on second homes (subject to legislation being approved) • To introduce a council tax premium of 100% where a property has been empty for more than 12 months (subject to legislation being approved).
71.	As of 27 September 2023, there are 906 properties in Southampton currently registered as being unoccupied and furnished, and therefore potentially second homes. As of 27 September 2023, there are currently 278 properties in Southampton that have been empty for between 12 months and 24 months.
72.	The published impact assessments for the proposals state that – ‘The proposals to introduce the council tax premiums for second homes and properties that have been empty for 12 months or more, could incentivise homeowners to release their properties onto the market, for either sale or rent. If offered for rent, this could help ease local housing pressures. The majority of the properties are in the lower council tax bands (A to C) so could help ease pressures in the private rented sector.’ ⁴¹ The proposals could also deter rental properties, or private homes from becoming holiday lets in Southampton.
Invited Guests	
73.	<p>To provide context to the information above, a number of guests have been invited to present at the second meeting of the inquiry:</p> <ul style="list-style-type: none"> • Cllr Tom Renhard - Cabinet Member for Housing Delivery and Homelessness, Bristol City Council • Alfie Thomas - Policy, Strategy and Public Affairs Officer, Bristol City Council <p>Reflecting concerns about rising rent levels, Bristol City Council have recently undertaken a Living Rent Commission to explore how Bristol could become a living rent city. The Executive Summary of the final report is attached as Appendix 4.</p> <p>Cllr Renhard and Alfie Thomas have been invited to present the findings from the Living Rent Commission, including support for Rent Controls.</p> <ul style="list-style-type: none"> • Chris Dixon – Chief Officer, Citizens Advice Southampton <p>To provide context to the statistics outlined in this report, Citizens Advice Southampton have been asked to provide an insight into the impact that rising rent levels are having on Southampton residents.</p>

⁴¹ [Draft Equality and Safety Impact Assessment - Council Tax proposals \(southampton.gov.uk\)](#)

	<ul style="list-style-type: none"> • Southampton Tenants Union <p>At the 21 December meeting the Tenants Union have been asked to provide a tenants perspective on the availability of rental property in Southampton and the affordability of rent levels.</p> <ul style="list-style-type: none"> • Representatives from Landlord Organisations <p>Liz Mackenzie, Regional Representative from the NRLA, Sam Watkins, Senior Policy Officer at the NRLA and Peter Littlewood, Chief Executive Officer at iHOWZ have been asked to provide the Panel with a landlords perspective on the availability of private rented accommodation in Southampton and rising rent levels.</p> <ul style="list-style-type: none"> • Professor Helen Carr and Dr Mark Jordan from the People, Property and Community Research Centre, Southampton Law School, University of Southampton <p>Expert Advisers to the Panel, Professor Carr and Dr Jordan, will provide an overview of legislation relating to the cost of renting and examples of approaches being applied, or considered, elsewhere to increase the affordability of renting in the private sector.</p>
74.	<p>The invited guests will take questions from the Panel relating to the evidence provided. Copies of any presentations will be made available to the Panel and will be published on the Inquiry Panel's pages on the Council website:</p> <p>Browse meetings - Scrutiny Inquiry Panel - How do we get a better deal for private sector renters in Southampton? Southampton City Council.</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue/Property/Other</u>	
75.	Resources to support the scrutiny review will come from existing budgets.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
76.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.
<u>Other Legal Implications:</u>	
77.	None
RISK MANAGEMENT IMPLICATIONS	
78.	None
POLICY FRAMEWORK IMPLICATIONS	
79.	None
KEY DECISION?	No

WARDS/COMMUNITIES AFFECTED:	None
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SUPPORTING DOCUMENTATION

Appendices

1.	Southampton Private Rented Sector Survey - Report
2.	Housing and Planning Briefing note
3.	Student housing overview – Southampton Solent University Housing Advisor
4.	Bristol Living Rent Commission – Executive Summary
5.	The issues pertinent on this inquiry from Disabled People’s Viewpoint – Spectrum CIL

Documents In Members’ Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out?	No
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?	No
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Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential
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1.	Bristol Living Rent Commission The Bristol Living Rent Commission - Bristol One City
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Southampton's private rented sector Scrutiny Inquiry Panel survey report

[Introduction](#)

[Who are the respondents?](#)

[Rent, tenancies & living arrangements](#)

- [Who are Southampton's landlords?](#)
- [How long have Southampton's residents been renting for?](#)
- [The cost of renting in Southampton](#)

[Communication with landlords](#)

- [Experiences of interactions with landlords](#)
- [Reporting issues to landlords](#)

[Free-text comments](#)

- [Things that have gotten *better*](#)
- [Things that have gotten *worse*](#)





Southampton City Council undertook public research into resident experiences of renting in the private sector, to inform the work of the Scrutiny Inquiry Panel into the same issue, due to take place from November 2023.

This online survey took place between **10/10/2023** – **23/10/2023** and received **599** responses. It was distributed to Southampton City Council's People's Panel; a public link was also made available on the Southampton City Council website.

As this research only concerns experiences of renting in the private sector in Southampton, respondents that said they were either not Southampton residents or did not rent privately were not asked to complete the survey; these respondents also do not count towards response totals in the following report.

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This report provides a summary of the survey responses both for the consideration of decision makers and any interested individuals and stakeholders.



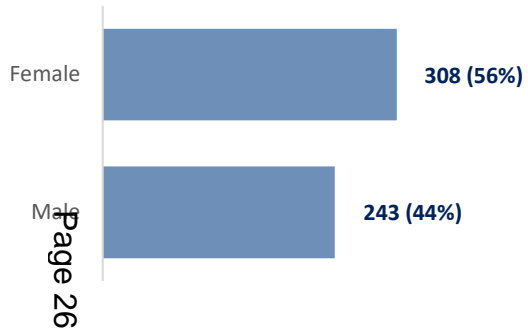
SOUTHAMPTON
CITY COUNCIL



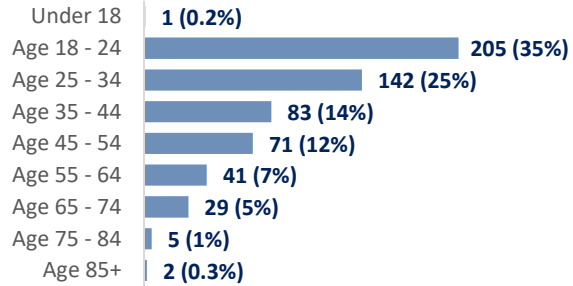
Total responses **599**

Graphs on this page are labelled as count (%).

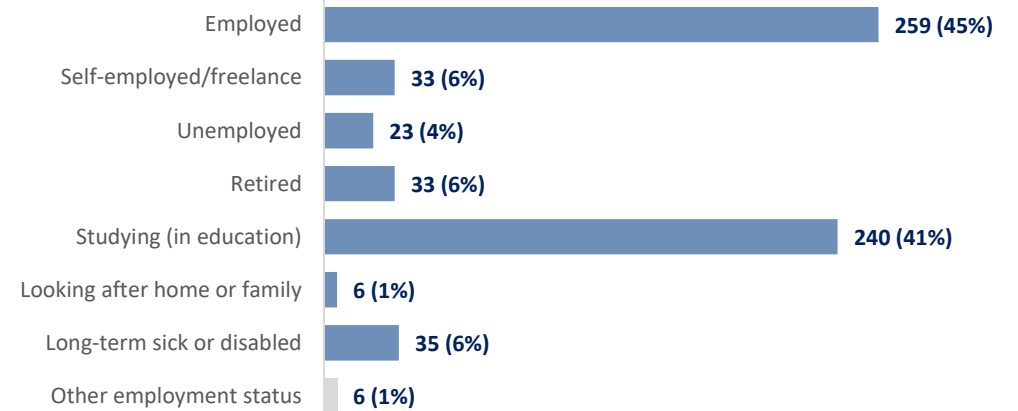
Sex



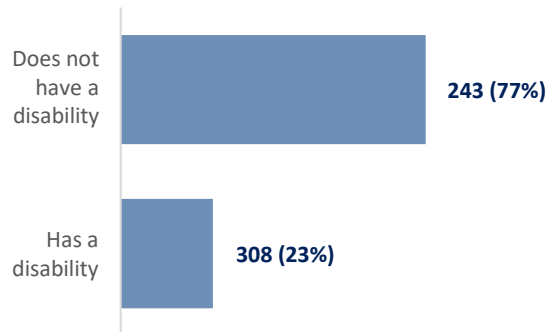
Age



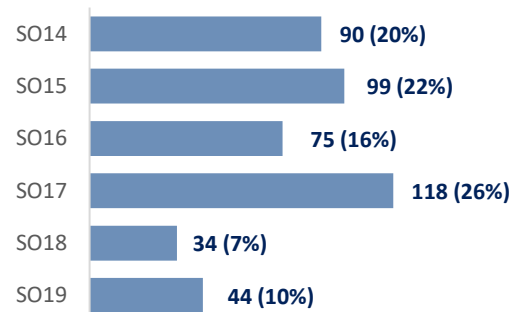
Employment status



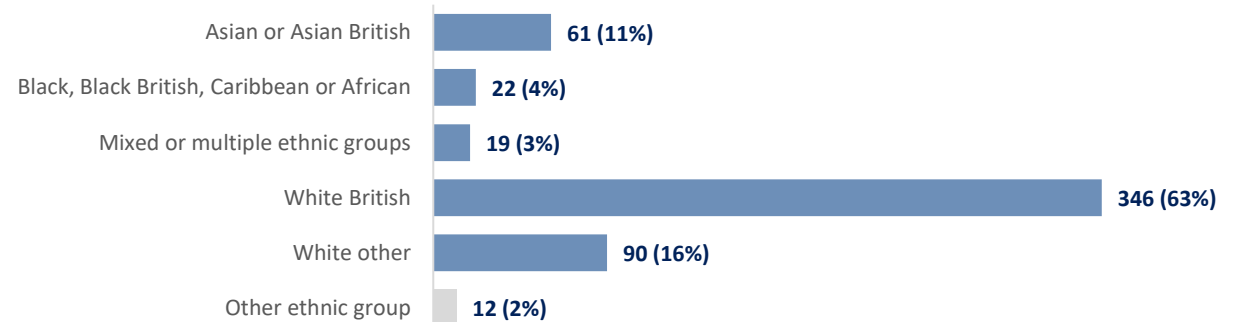
Disability



Postcode



Ethnicity





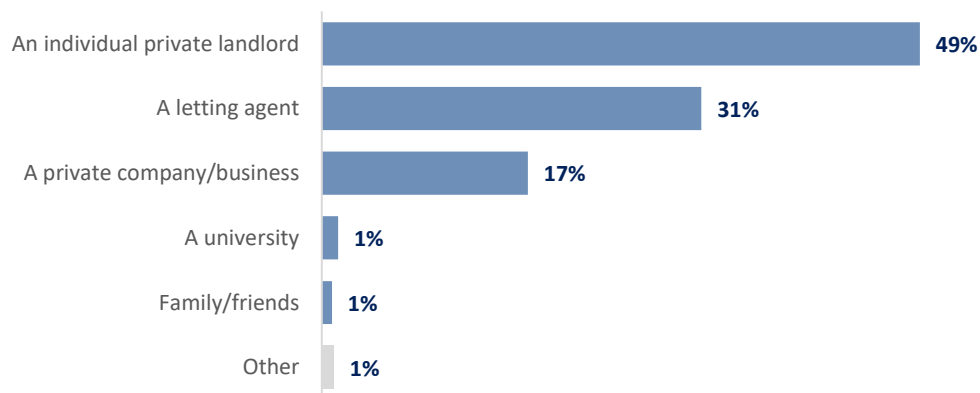
Rent, tenancies & living arrangements





Question 3 | Who are you currently renting from?

Respondents | 599

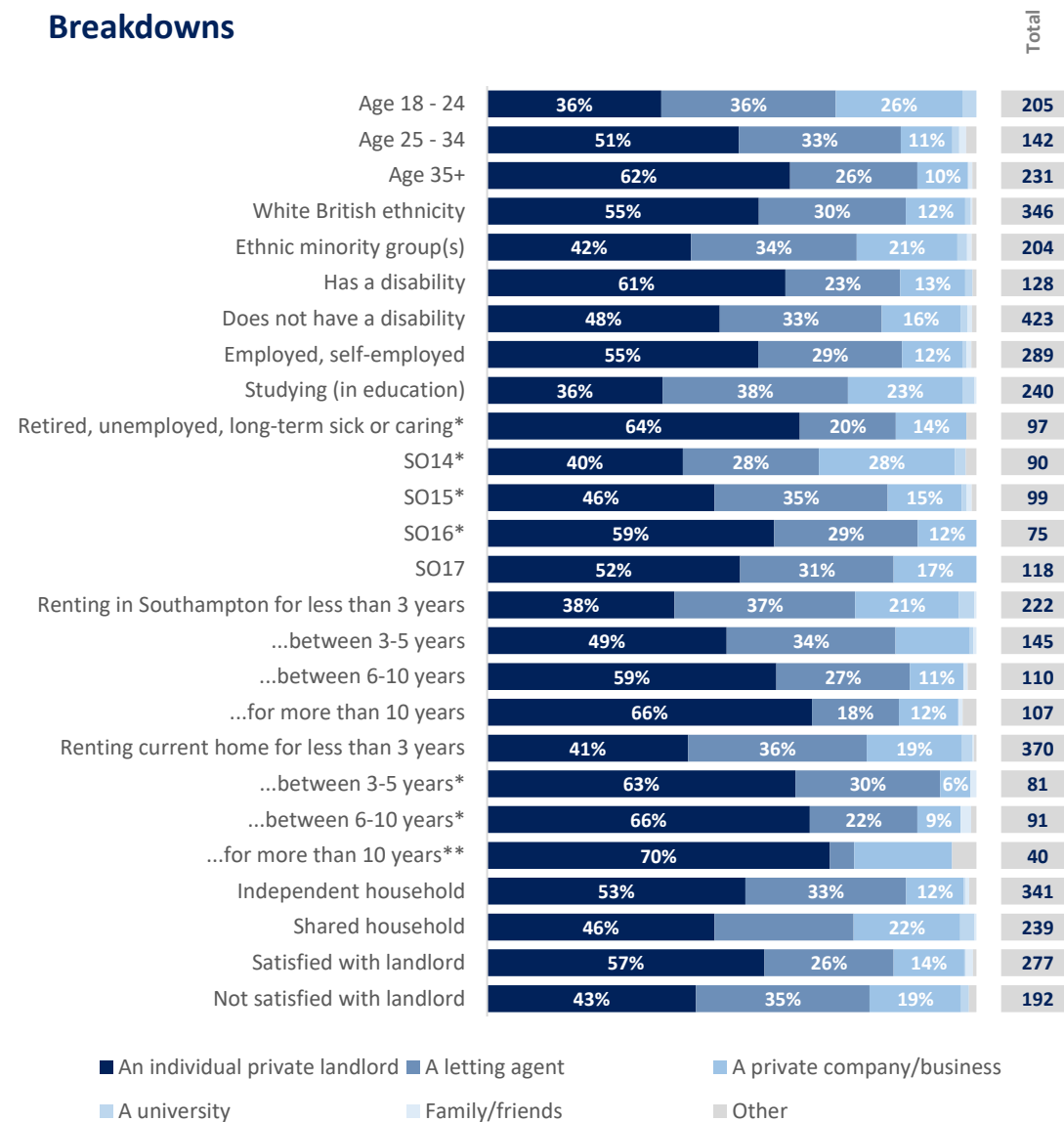


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Key findings

- 62% of those aged over 35 rent via an individual landlord, as opposed to 36% of those aged 18 -24, who rent by individual landlords and letting agents at 36% each and private businesses at 26%
- 55% of respondents of a White British ethnicity rent by individual landlords, 13% points more than respondents from ethnic minority groups (42%)
- 61% of respondents with a disability rent from individual landlords, 13% points more than those that do not have a disability (48%), with the latter renting from letting agents 10% points more than the former (33% to 23%)
- Renting from individual landlords is most common among respondents in SO16 (59%), and is the least common in SO14 (40%), however in each postcode, renting from individual landlords is the most popular response
- Renting from individual landlords is more common among respondents that have been renting for longer: 66% of those that have been renting in Southampton for more than 10 years, and 70% of those that have been renting their current home for more than 10 years
- 57% of those that said they were satisfied with their landlord rent from an individual landlord

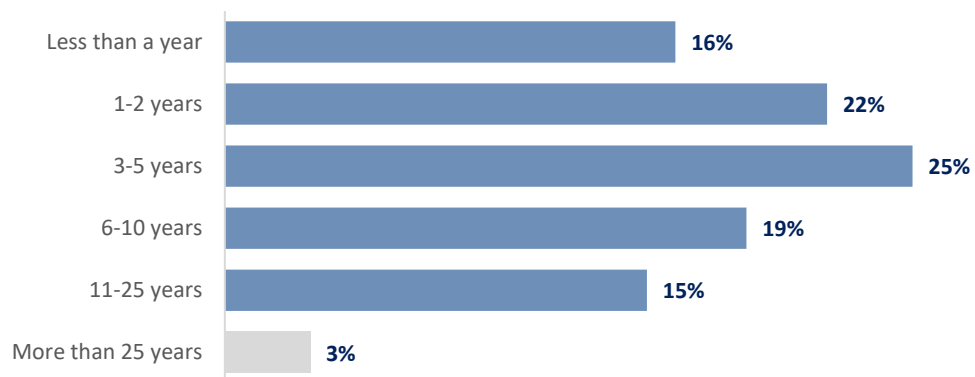
Breakdowns





Question 5 | How long have you been renting from private landlords in Southampton?

Respondents | 584

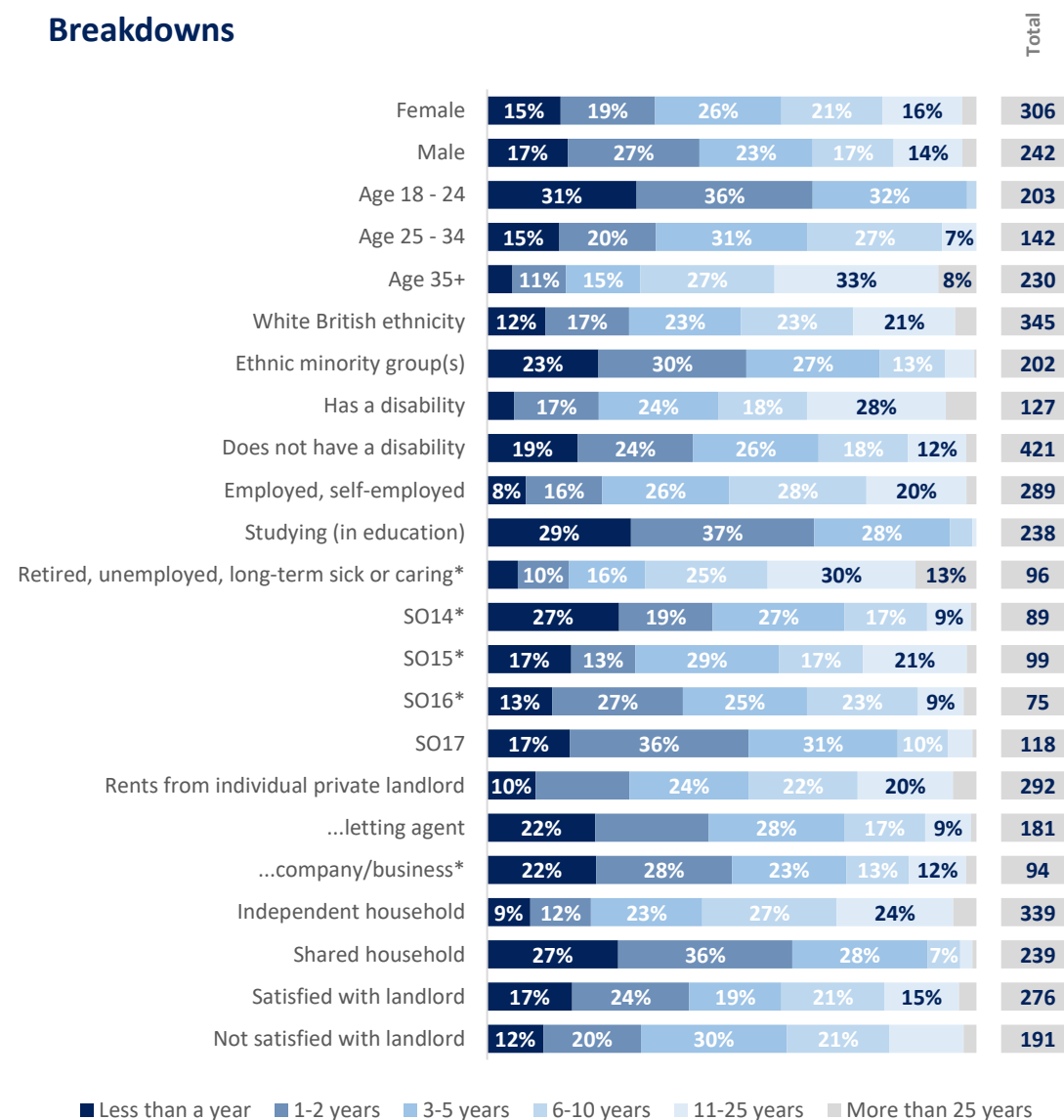


Page 29

Key findings

- Male respondents said that they'd been renting for 1-2 years 8% points more than women, 27% to 19%
- Shorter amounts of time spent renting were more common among ethnic minority respondents than White British respondents; 53% of the former said they'd been renting for 1-2 years or less, compared to the latter, who responded the same at 29%
- It should be noted that some breakdowns show a pattern in response numbers which suggests a large number of undergraduate student respondents: respondents aged 18 – 24, respondents in education, respondents in postcode SO17, and those living in a shared household all show responses split roughly into thirds, between rental periods of less than a year, 1-2 years, and 3-5 years – these marry up with the three academic years of a standard full-time undergraduate degree. SO17 is also the main postcode of the University of Southampton's Highfield campus, with the lower response rate for rental periods of less than a year possibly explained by the number of students in halls of residence in their first year of study
- Residents that have a disability said that they've been renting for longer than those that do not have a disability; 28% of respondents with a disability have been renting between 11-25 years, compared to 12% of those without a disability

Breakdowns



Legend: ■ Less than a year ■ 1-2 years ■ 3-5 years ■ 6-10 years ■ 11-25 years ■ More than 25 years

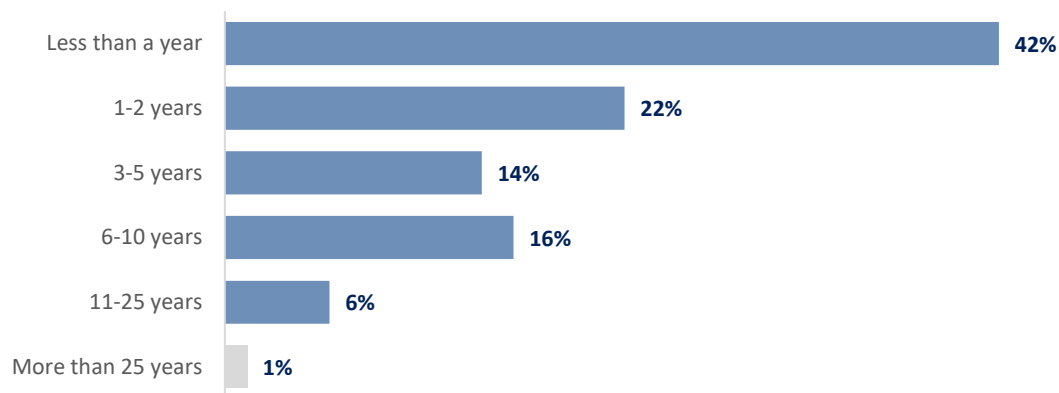
*Less than 100 respondents; **less than 50 respondents.



Question 6 | How long have you been renting your current home?

Respondents | 582

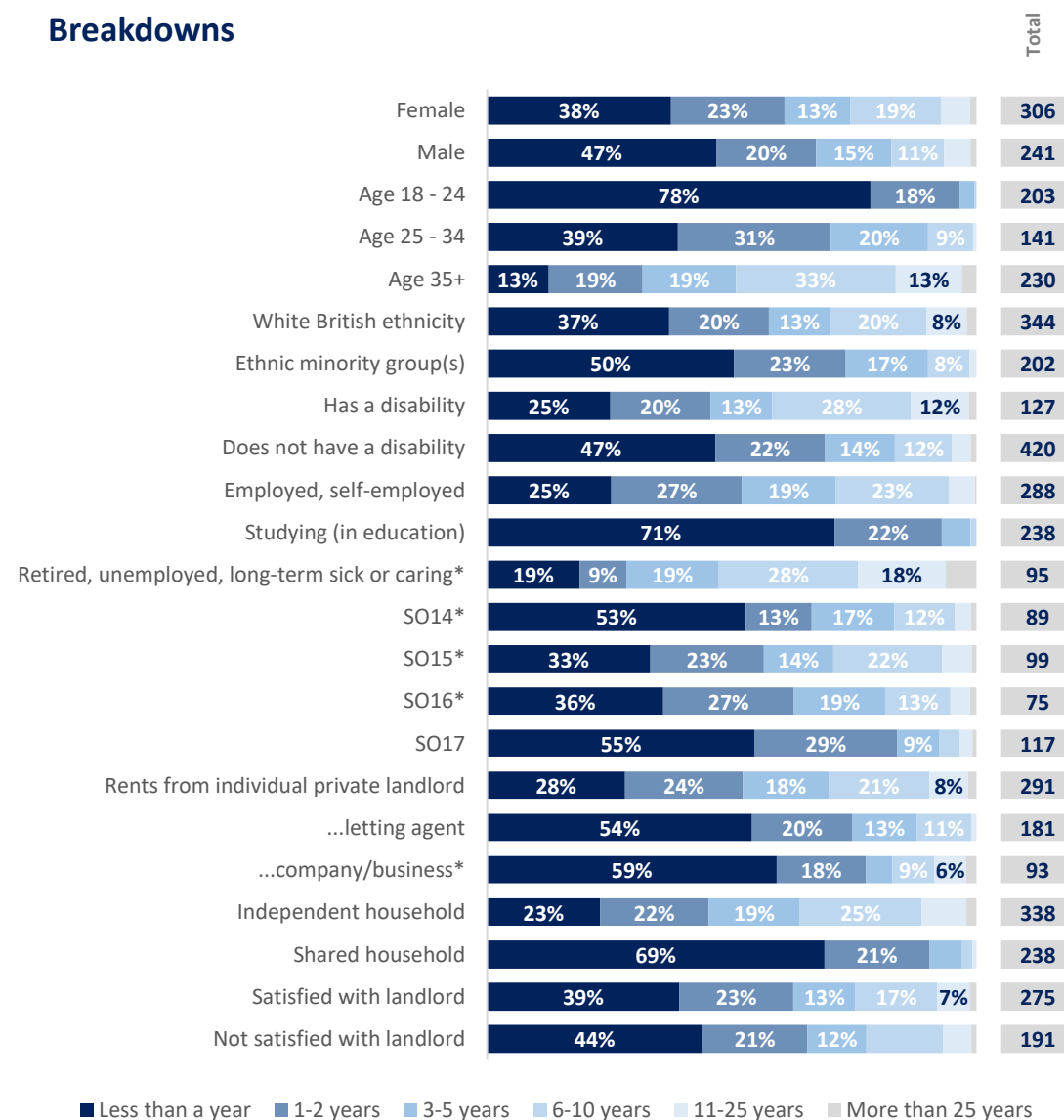
Page 30



Key findings

- The duration of ongoing tenancies are shorter than the length of time respondents said they've been renting overall; while 15% of respondents said that they've been renting in Southampton between 11-25 years, for this question, 6% of respondents said they've been renting their current home for the same amount of time. Similarly, 42% of respondents said that they've been renting their current home for less than a year, compared to 16% that said they've been renting in Southampton generally for the same duration
- Again, tenancies of an ongoing duration of less than a year are most common in student demographics: 78% of 18-24 year-olds; 71% of those in education; 55% of residents of postcode SO17; and 69% of respondents living in shared households
- More men said they've been renting their current home for less than a year than women (47% to 38%), and respondents from an ethnic minority background said they've been living in their current home for less than a year 13% points more than respondents of a White British ethnicity (50% to 37%)
- Over half of respondents in postcode SO14 said they'd been renting their current home for less than a year (53%)
- Longer-term tenancies were more popular as a response with respondents that have a disability than those without; 42% of the former have been renting their current home between 6-10 years or more, while 17% of respondents without a disability said the same

Breakdowns

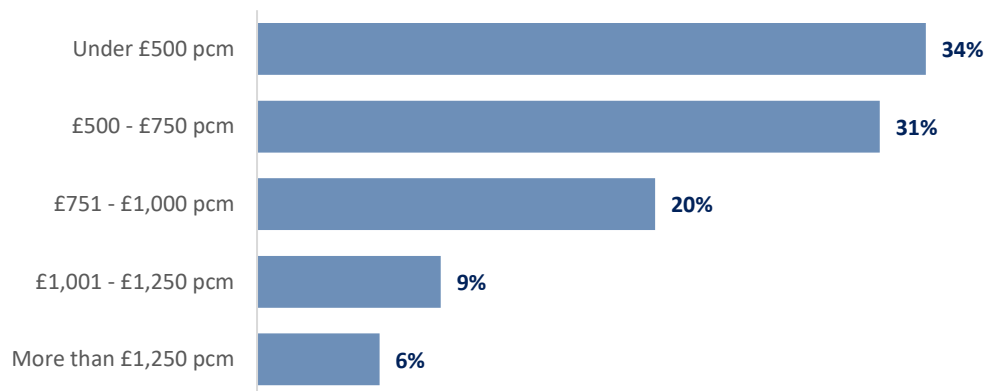


Legend: ■ Less than a year ■ 1-2 years ■ 3-5 years ■ 6-10 years ■ 11-25 years ■ More than 25 years

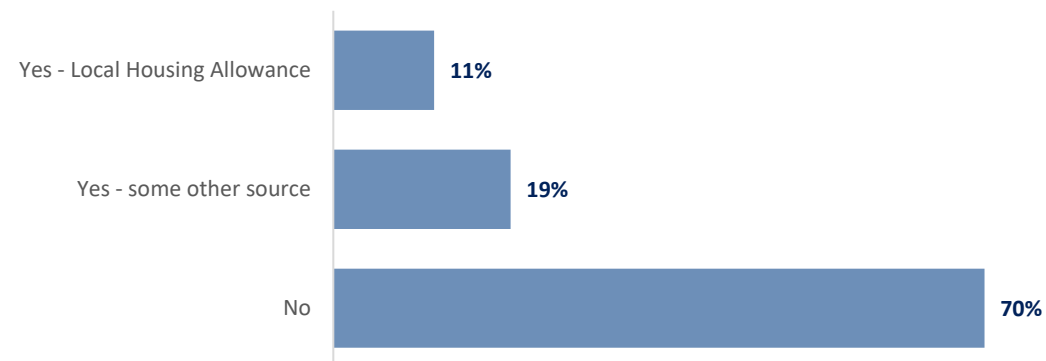
*Less than 100 respondents; **less than 50 respondents.



Question 9 | How much do you currently pay each month for your rent, excluding utility bills and Council Tax? Respondents | 391

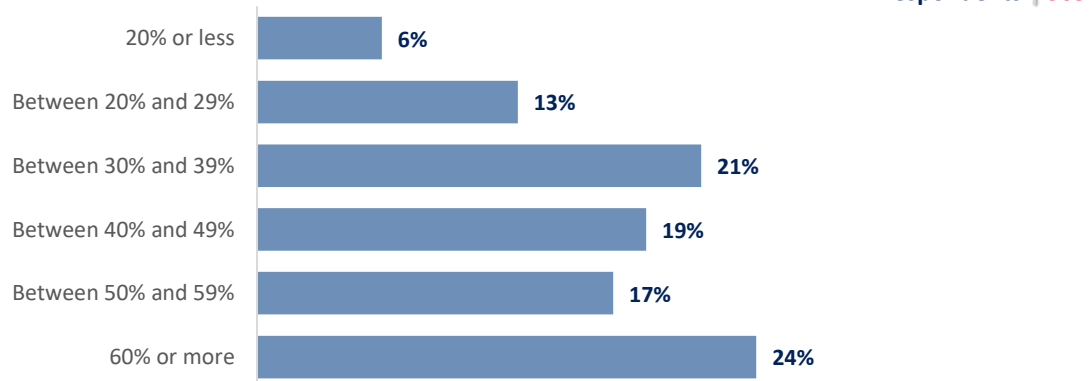


Question 11 | Do you receive any financial help with your rent? Respondents | 571

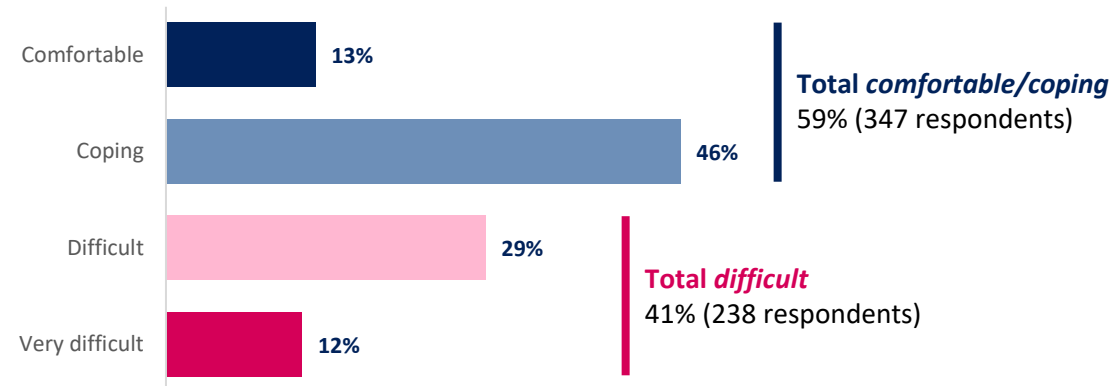


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Question 10 | How much of your monthly income do you currently spend on rent? Respondents | 565



Question 12 | Which of the following best describes your household finances? Respondents | 585





Question 9 | How much do you currently pay each month for your rent, excluding utility bills and Council Tax? *free-text question*

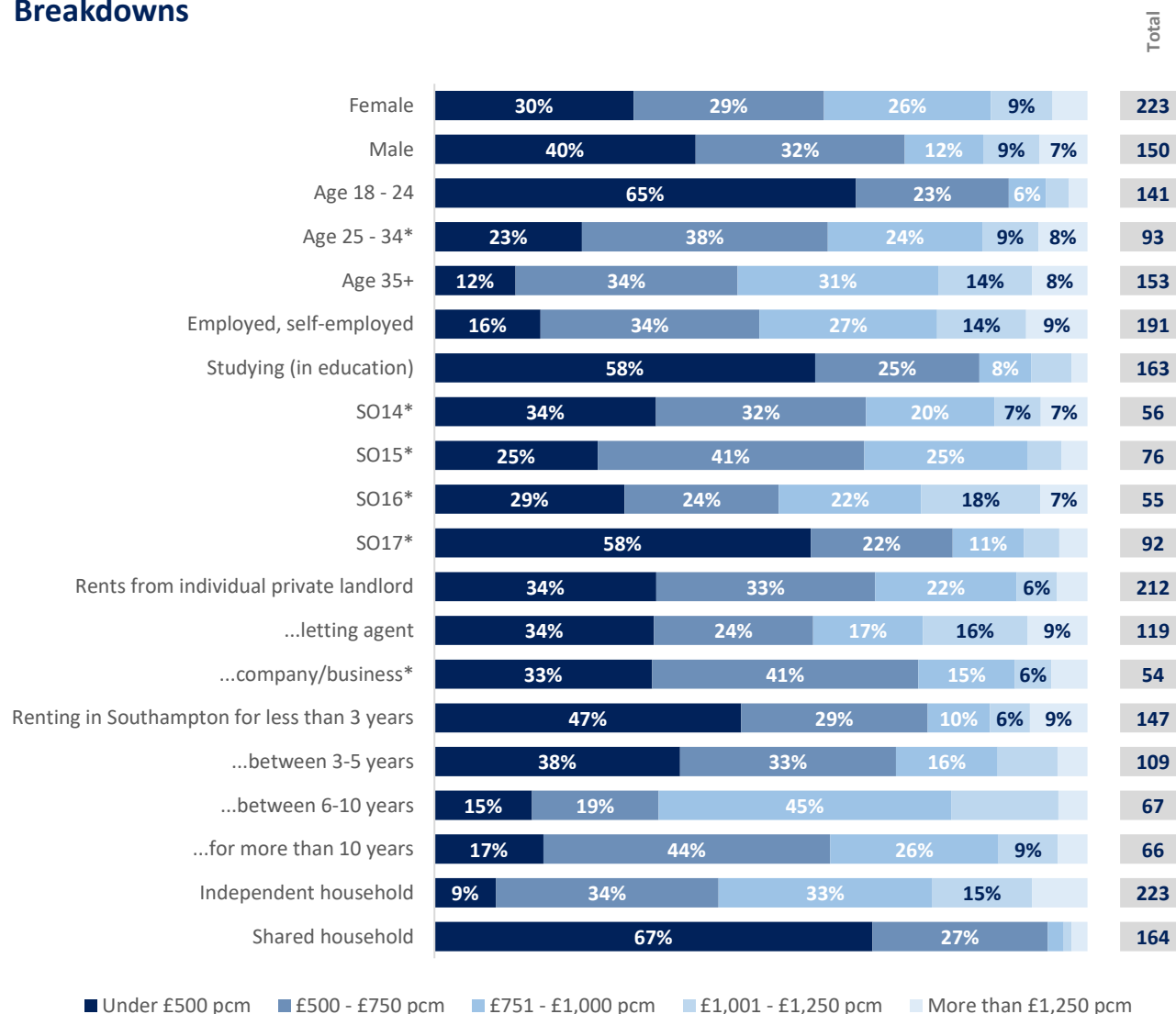
Respondents | 391

Key findings

- Men said that they paid less than £500 pcm in rent 10% points more than women, 40% to 30%
- The proportion of respondents saying that they pay more than £750 pcm in rent increases with age, from 12% of 18 – 24 year-olds to 40% of 25-34 year-olds and 54% of those aged 35 or older
- Respondents said that the different types of landlord in the breakdowns (individual, letting agent, or business) each provided rent under £500 pcm at similar levels (between 33% and 34%). For other rent levels, the landlord types differed, with 33% of respondents with individual private landlords paying between £500 - £750 pcm in rent, compared to 24% of respondents renting from a letting agent. 33% of respondents with individual private landlords pay more than £750 pcm in rent, compared to 42% of those renting from a letting agent
- Responses further indicate that rent appears to increase the longer the respondent has been renting; 47% of respondents that have been renting privately for less than 3 years pay less than £500 pcm in rent, compared to 17% of those that have been renting for more than 10 years. The most popular response on rent levels for those that have been renting between 6 – 10 years is between £751 - £1,000 pcm at 45%, whereas the most popular response with those that have rented for more than 10 years is between £500 - £750 pcm at 44%. Thus the rent level of the most popular response increases from respondents renting for less than 3 years to those having rented for between 6 – 10 years, before falling again among respondents having rented for over a decade

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Breakdowns



Legend: ■ Under £500 pcm ■ £500 - £750 pcm ■ £751 - £1,000 pcm ■ £1,001 - £1,250 pcm ■ More than £1,250 pcm

*Less than 100 respondents; **less than 50 respondents.



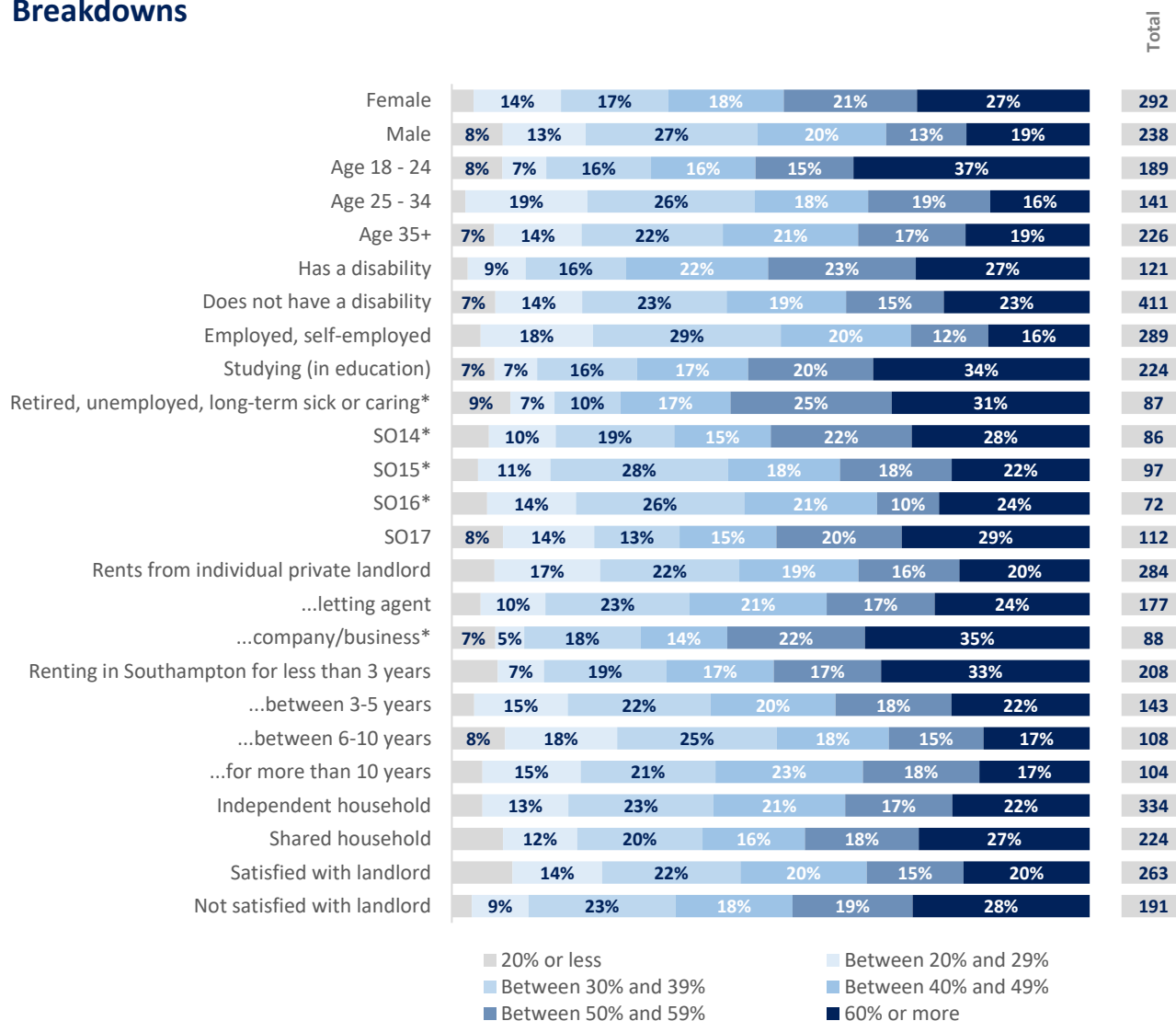
Question 10 | How much of your monthly income do you currently spend on rent? Respondents | 565

Key findings

- More than half of respondents in multiple breakdowns spend over 50% of their monthly income on rent: 18 – 24 year-olds (52%), has a disability (50%), in education (54%), retired, unemployed, long-term sick or with caring responsibilities (56%), postcode SO14 (50%), those that rent from a company or business (57%), and those that have been renting in Southampton for less than 3 years (50%)
- Women said that they spend over 60% of their monthly income on rent 12% points more than men, 27% to 19%; 48% of women said they spend more than 50% of their monthly income on rent, more than 16% points more than men at 32%
- There is a similar situation in the disability breakdown: respondents with a disability said that they spend more than 50% of their monthly income on rent 12% points more than those without a disability, 50% to 38%
- Respondents that rent from a company or business pay more than 50% of their income on rent 16% points more than those that rent from a letting agent and 21% points more than those that rent from an individual private landlord
- The proportion of their incomes respondents say they spend on rent decreases with longer tenancies: 50% of those renting for less than 3 years pay more than 50% of their income on rent, compared to 36% of those that have been renting for over a decade

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Breakdowns



*Less than 100 respondents; **less than 50 respondents.



Question 11 | Do you receive any financial help with your rent?

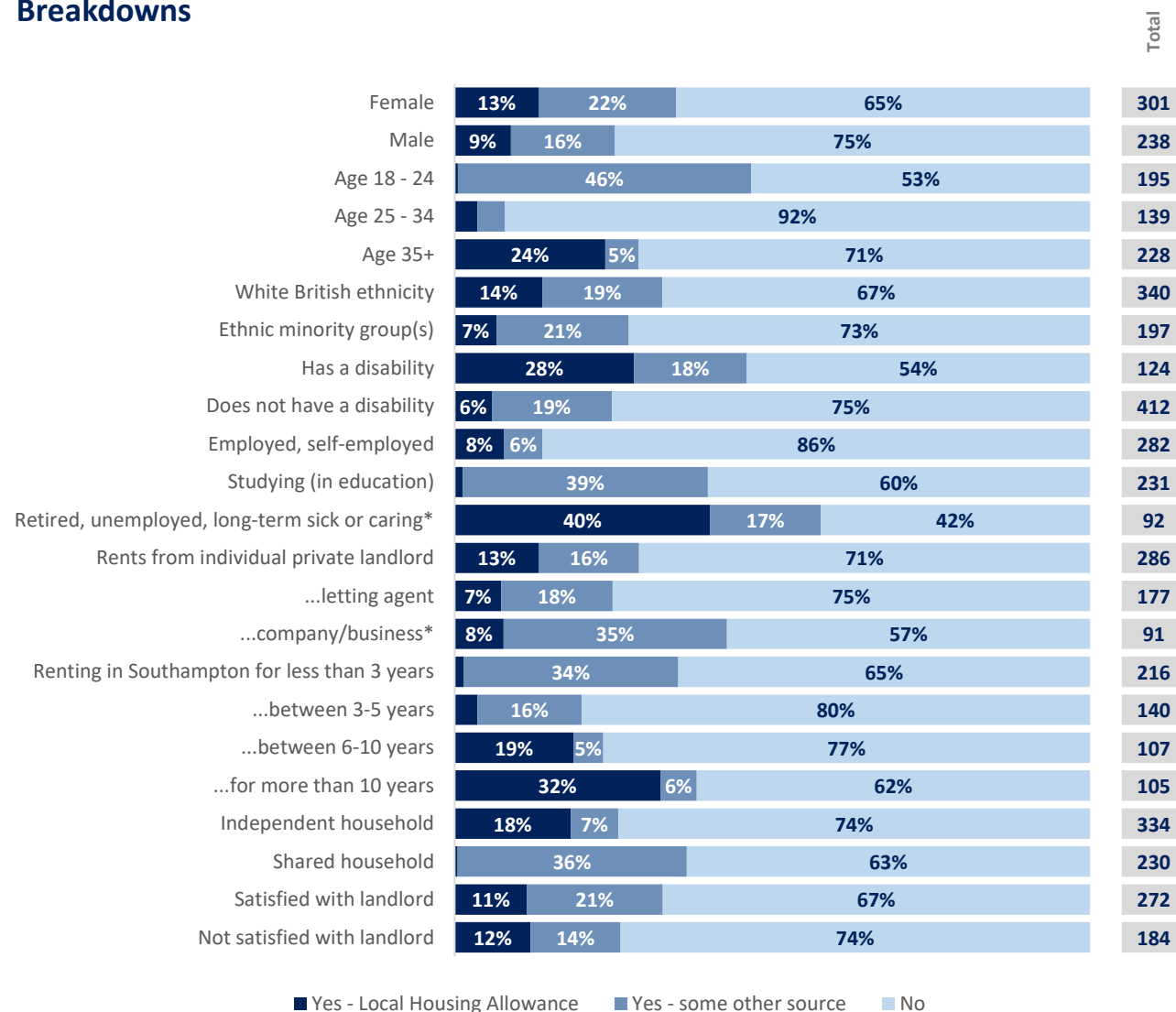
Respondents | 571

Key findings

- 35% of female respondents said that they receive support with their rent, compared to 25% of men
- 8% of 25 – 34 year-old respondents said they receive financial help with their rent, compared to 29% of those aged over 35 that said that they do
- Respondents that have been renting for longer said that they receive Local Housing Allowance (LHA) to a greater extent than others: 32% of those renting for over a decade said they receive LHA, compared to 19% of those renting between 6 – 10 years and 4% of those renting between 3 – 5 years
- Respondents that said they are satisfied with their landlord confirmed they receive financial support with their rent to a greater extent than those dissatisfied with their landlord, 32% to 26%

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Breakdowns



*Less than 100 respondents; **less than 50 respondents.



Question 13 | Which of the following best describes your current household finances?

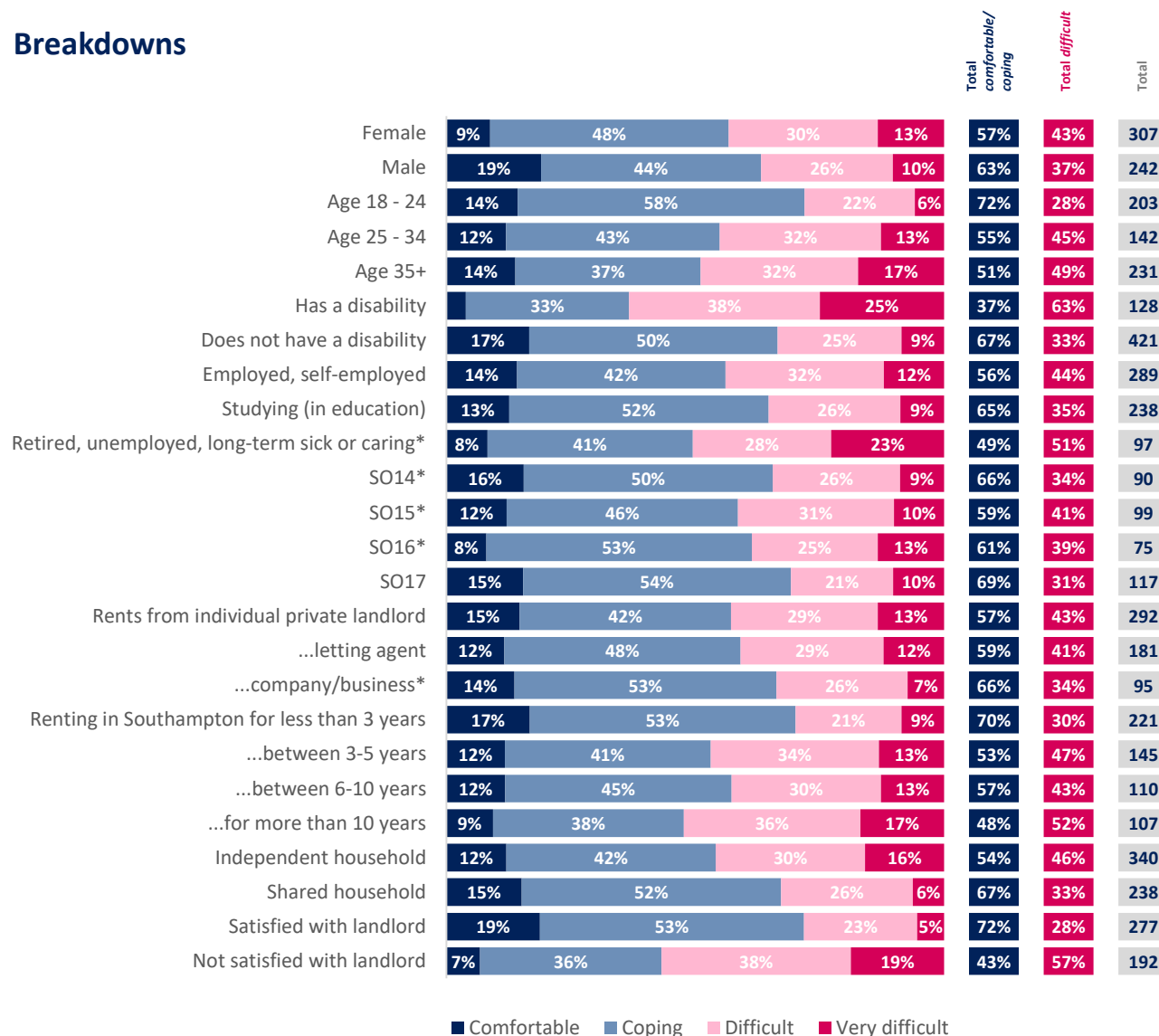
Respondents | 585

Key findings

- Female respondents said that their household finances are *difficult* 6% points more than men, 43% to 37%, although both responded either *comfortable* or *coping* by more than 50%
- 72% of respondents between 18 – 24 years-old said that their household finances were *comfortable* or *coping*, the highest of any breakdown, 21% points more than respondents aged over 35 (51% *comfortable* or *coping*)
- Respondents with a disability said that their household finances were *difficult* at 63%, including 25% that said they were *very difficult*
- 52% of respondents that have been renting in Southampton for more than 10 years said that their household finances were *difficult*, and 57% of those not satisfied with their landlord responded the same

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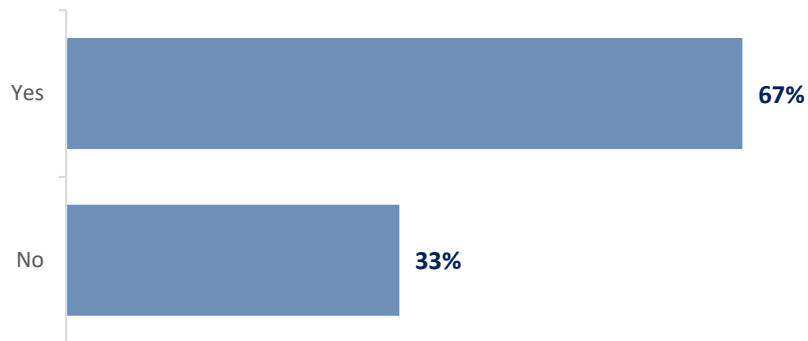
Breakdowns



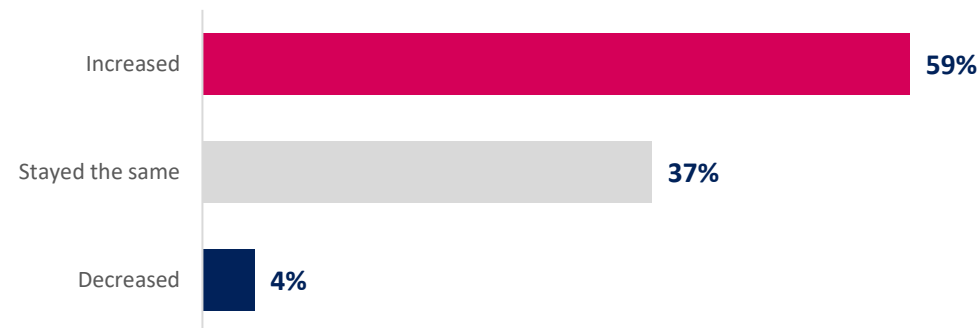
■ Comfortable ■ Coping ■ Difficult ■ Very difficult



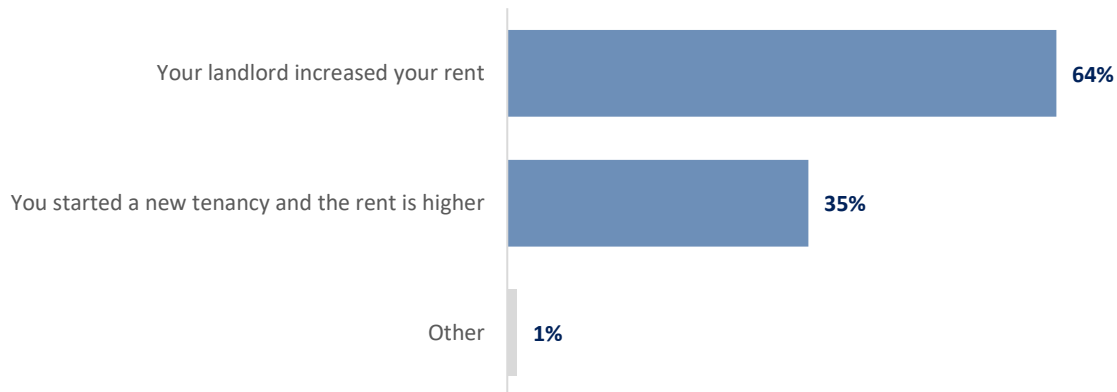
Question 14 | Have you started a new tenancy or renewed an existing tenancy at any point in the last 12 months? Respondents | 585



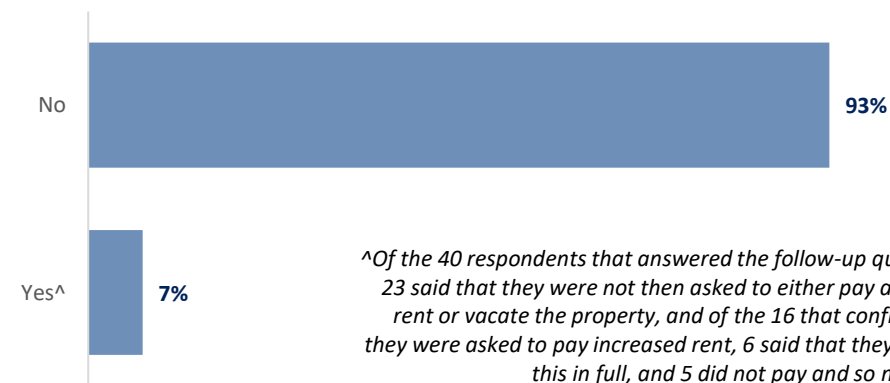
Question 15 | Has your rent increased, decreased, or stayed the same over the last 12 months? Respondents | 581



Question 16 | Which of the following best describes why your rent has increased? Respondents | 340



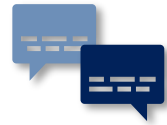
Question 18 | In the last five years, have you ever been served an eviction (Section 21) notice by your landlord? Respondents | 587



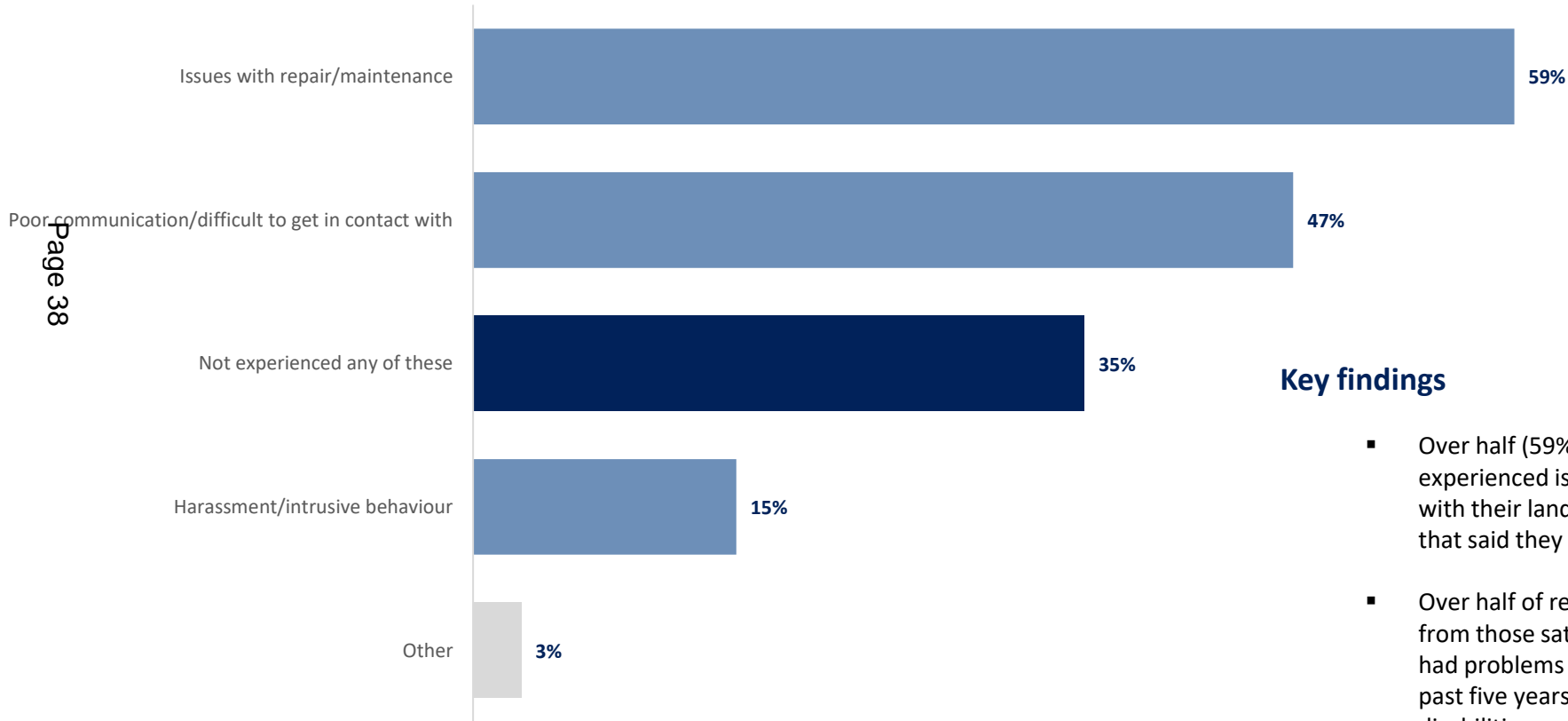
^Of the 40 respondents that answered the follow-up question 19, 23 said that they were not then asked to either pay an increase rent or vacate the property, and of the 16 that confirmed that they were asked to pay increased rent, 6 said that they then paid this in full, and 5 did not pay and so moved out.



Communication with landlords



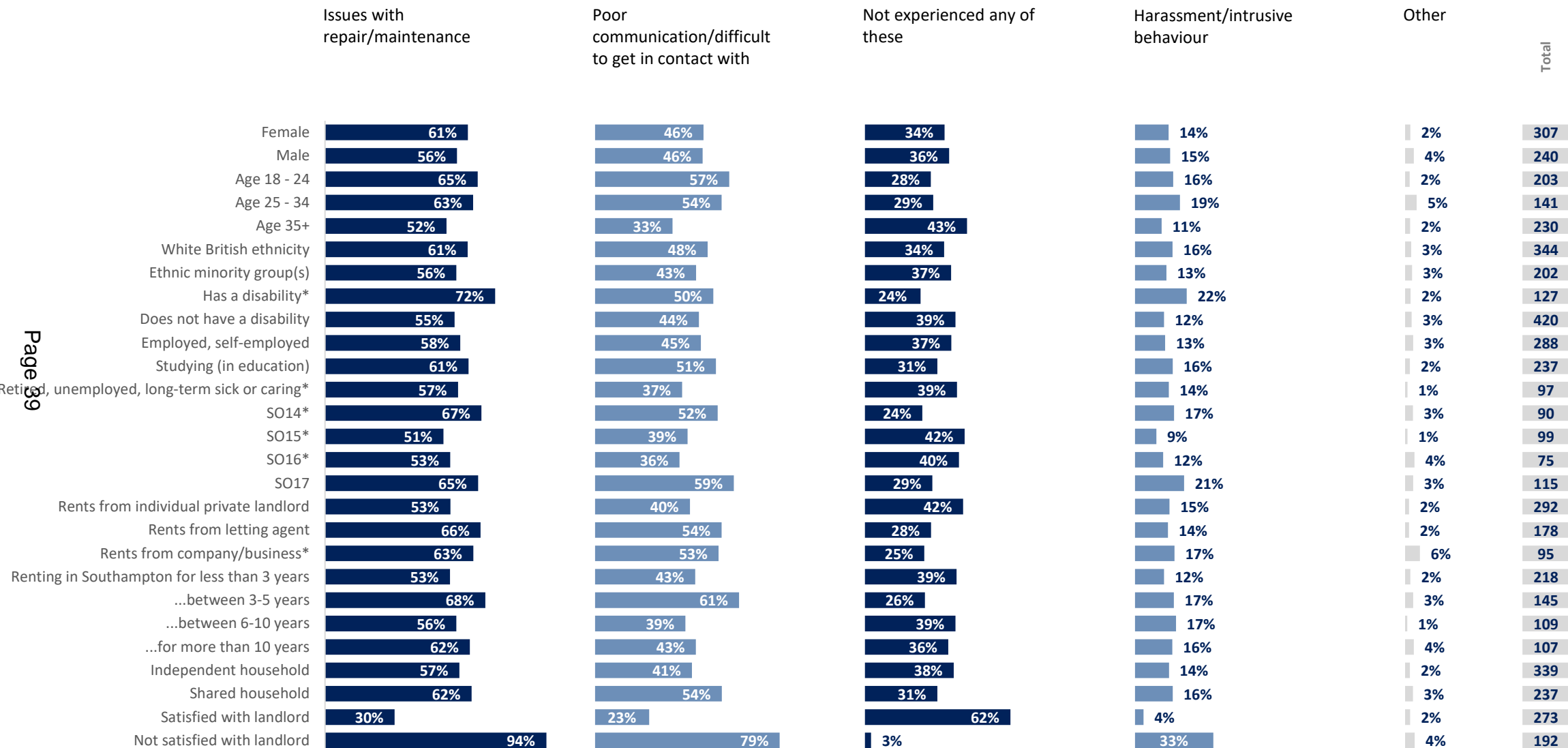
Question 20 | Over the last five years of renting privately in Southampton, have you experienced any of the following problems with your landlord or letting agent? *multiple-choice question* Respondents | 571



Key findings

- Over half (59%) over respondents said that they experienced issues with repairs or maintenance with their landlord, including 94% of respondents that said they were dissatisfied with their landlord
- Over half of respondents in every breakdown (apart from those satisfied with their landlord) said they had problems with repairs and maintenance in the past five years, including 72% of respondents with disabilities and 65% of those aged between 18 - 24

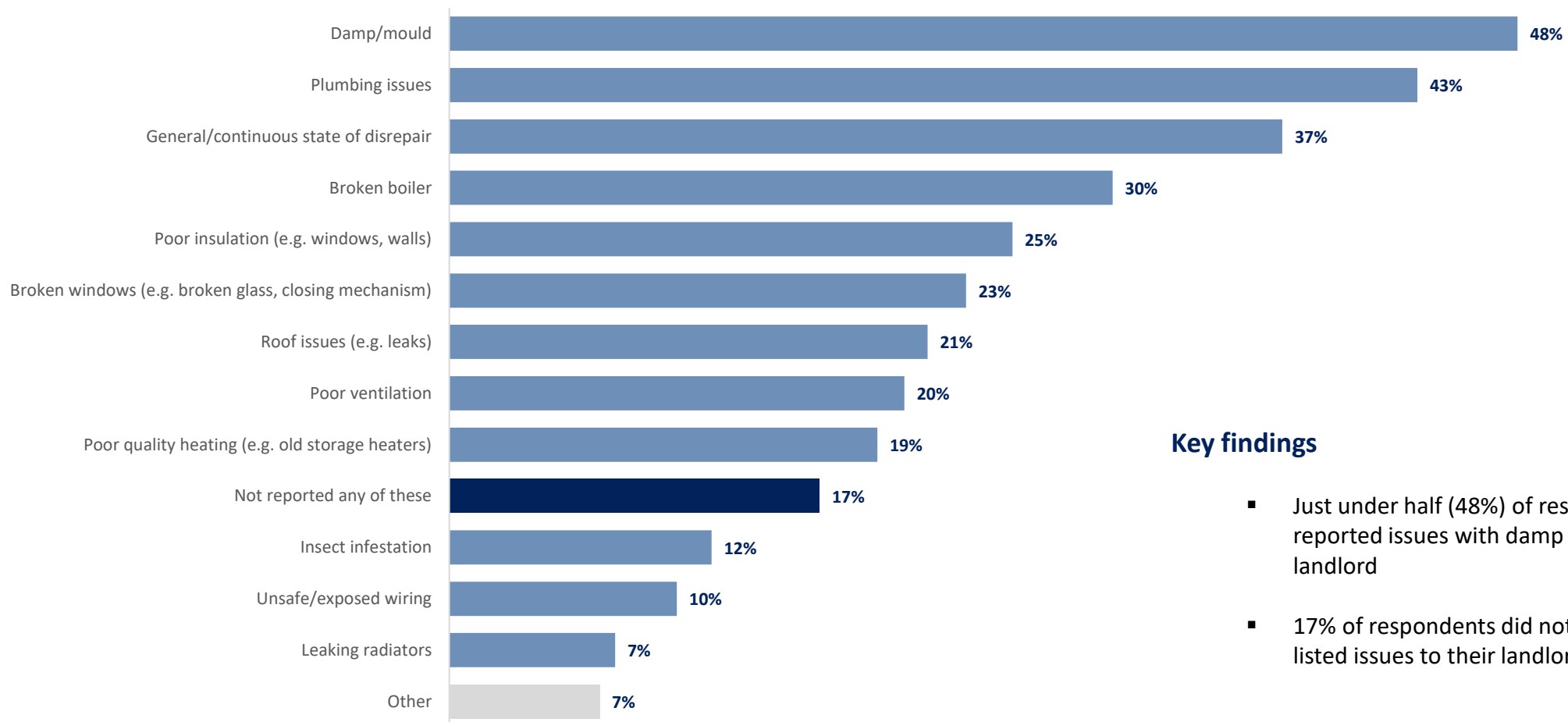
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Question 22 | Have you ever reported any of the following problems about the condition of your home to your landlord? *multiple-choice question*

Respondents | 578



Key findings

- Just under half (48%) of respondents have reported issues with damp or mould to their landlord
- 17% of respondents did not report any of the listed issues to their landlord



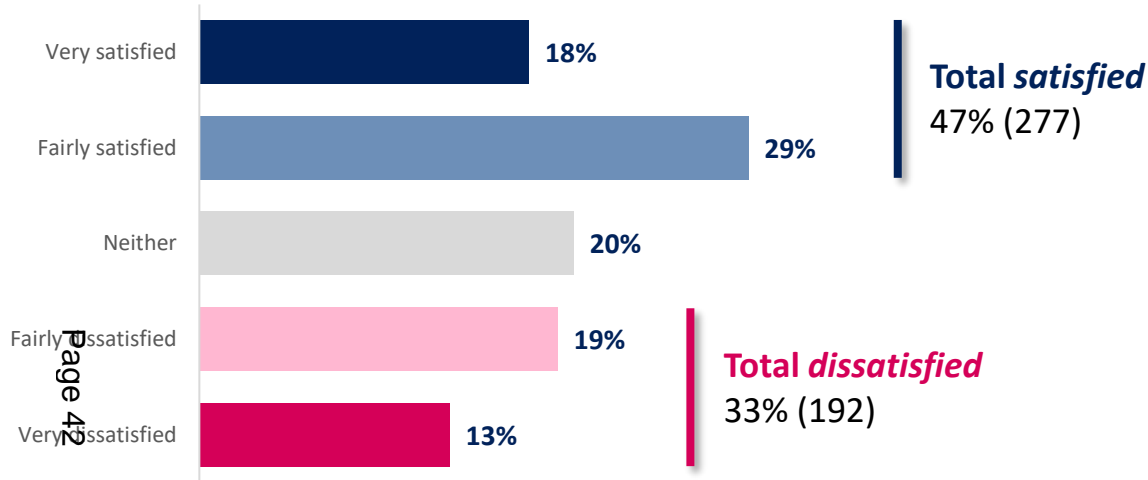
Reporting issues to landlords | Breakdowns[^]

[^]Breakdowns where overall respondents totalled 100 or more.

	Damp/mould	Plumbing issues	General/ continuous state of disrepair	Broken boiler	Poor insulation (e.g. windows, walls)	Broken windows (e.g. broken glass, closing mechanism)	Roof issues (e.g. leaks)	Poor ventilation	Total
Female	53%	42%	38%	31%	25%	25%	25%	18%	307
Male	41%	45%	37%	28%	25%	21%	17%	22%	236
Age 18 - 24	57%	44%	42%	23%	29%	23%	15%	28%	200
Age 25 - 34	54%	43%	44%	31%	24%	28%	26%	24%	140
Age 35+	37%	44%	30%	35%	23%	21%	25%	12%	230
White British ethnicity	51%	47%	37%	34%	27%	23%	24%	21%	342
Ethnic minority group(s)	43%	38%	38%	25%	21%	23%	18%	19%	200
Has a disability	59%	48%	41%	36%	36%	27%	31%	21%	128
Does not have a disability	43%	42%	36%	27%	22%	21%	18%	20%	415
Employed, self-employed	44%	44%	35%	36%	23%	25%	27%	18%	285
Studying (in education)	55%	43%	39%	23%	29%	23%	14%	27%	235
Retired, unemployed, long-term sick or caring*	50%	42%	40%	29%	28%	22%	25%	14%	96
SO14*	46%	44%	38%	21%	22%	23%	20%	22%	87
SO15*	46%	44%	35%	32%	20%	26%	26%	15%	98
SO16*	39%	46%	35%	31%	27%	32%	27%	19%	74
SO17	61%	53%	46%	27%	34%	24%	20%	32%	117
Rents from individual private landlord	48%	44%	37%	31%	26%	26%	23%	20%	288
Rents from letting agent	51%	38%	39%	28%	25%	22%	23%	19%	180
Rents from company/business*	43%	49%	35%	27%	22%	15%	14%	17%	93
Renting in Southampton for less than 3 years	45%	39%	36%	18%	21%	18%	11%	22%	217
...between 3-5 years	62%	49%	45%	31%	34%	30%	23%	29%	143
...between 6-10 years	40%	39%	32%	38%	17%	21%	32%	13%	108
...for more than 10 years	45%	51%	36%	43%	33%	26%	30%	15%	107
Independent household	43%	42%	34%	32%	23%	23%	24%	15%	338
Shared household	56%	46%	43%	26%	28%	24%	18%	28%	234
Satisfied with landlord	32%	31%	16%	22%	12%	13%	16%	6%	269
Not satisfied with landlord	68%	59%	69%	42%	42%	36%	32%	39%	192

Page 4/11

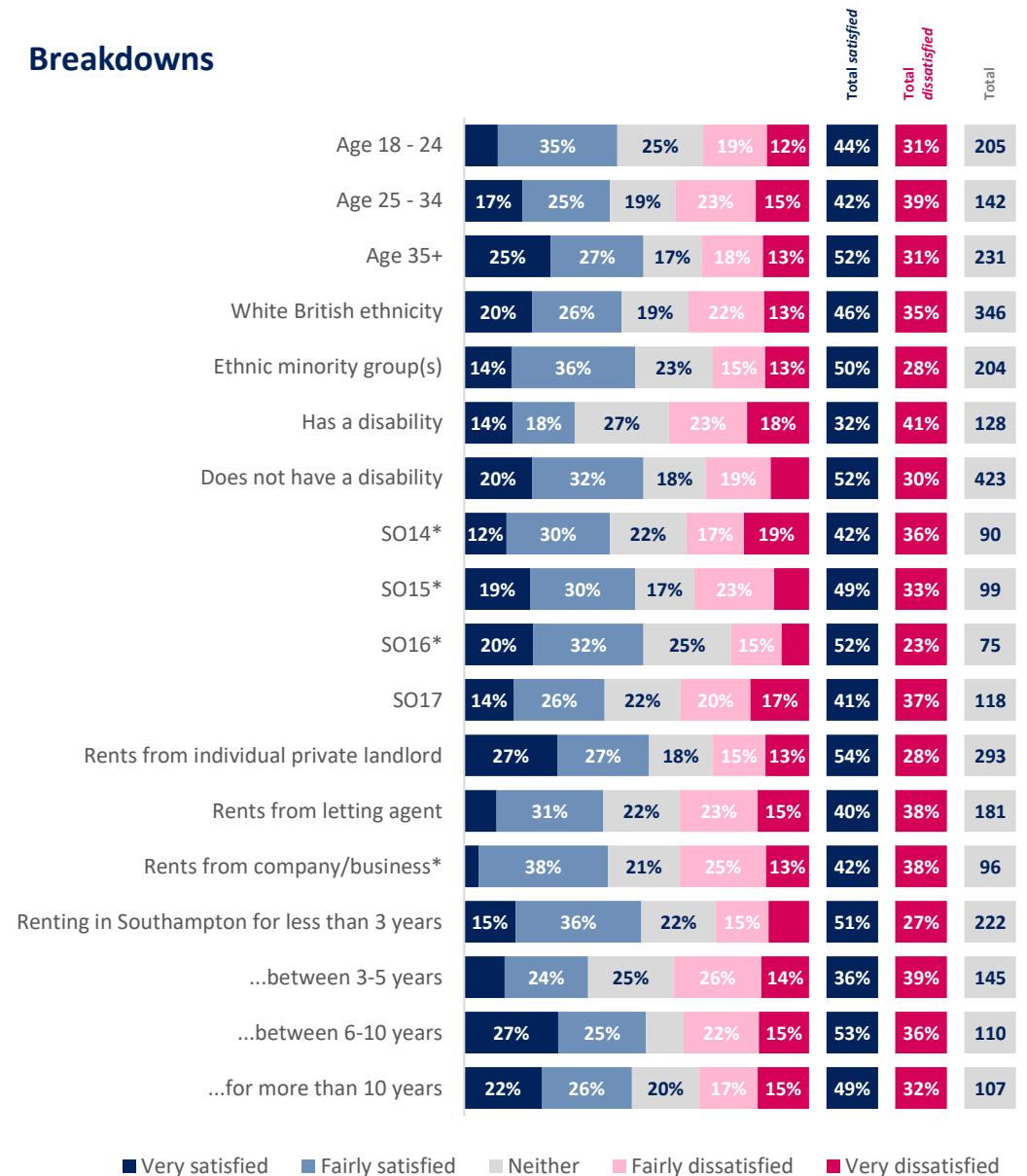
Question 24 | To what extent are you satisfied or dissatisfied with the service your landlord provides overall? Respondents | 587



Key findings

- 47% of respondents said they were satisfied with their landlords, compared to 33% that are dissatisfied
- Those that rent from an individual landlord responded overall *satisfied* to a greater extent than either those that rent from a letting agent or those that rent from a business (54% compared to 40% and 42% respectively)
- Respondents with a disability responded *satisfied* 20% points less than those without a disability (32% to 52%)
- Those that have been renting for between 3 – 5 years responded *satisfied* at 36%, compared to the range of 49% to 53% of the other tenure breakdowns

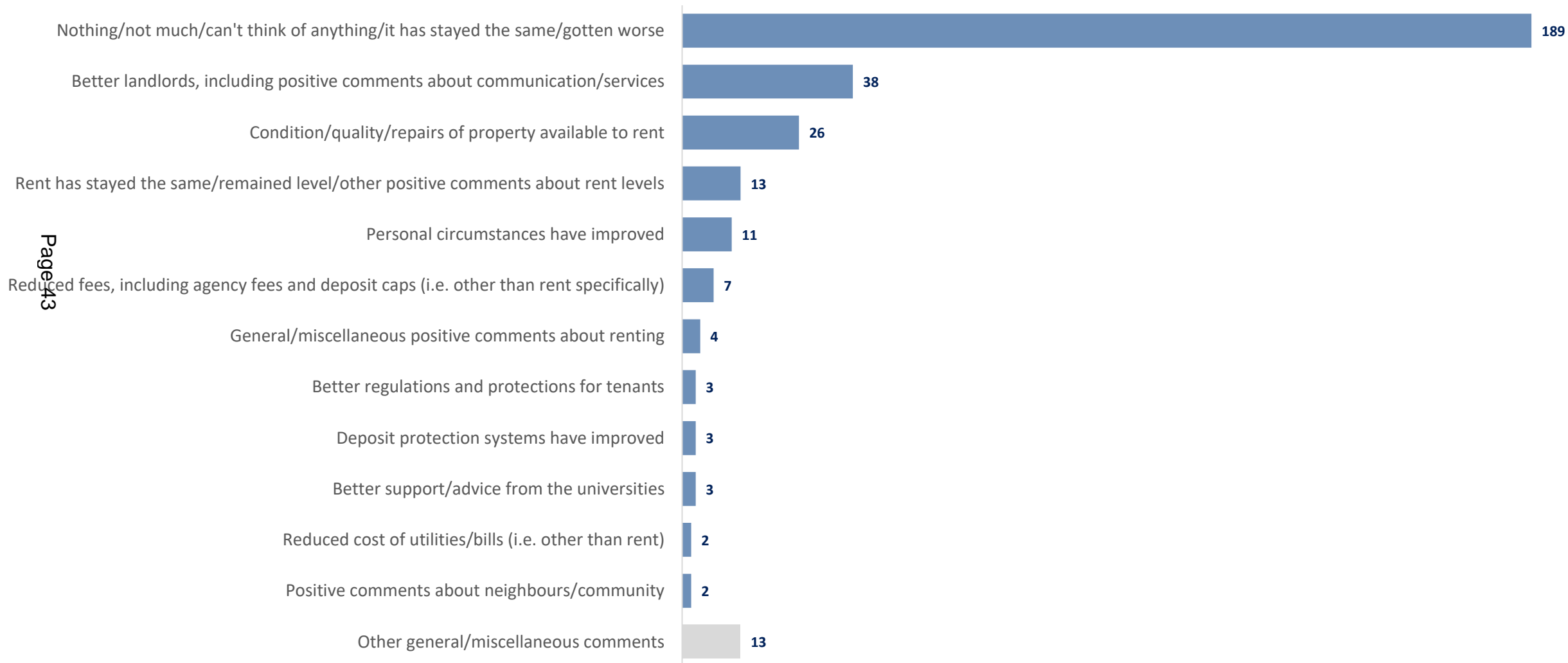
Breakdowns



*Less than 100 respondents; **less than 50 respondents.



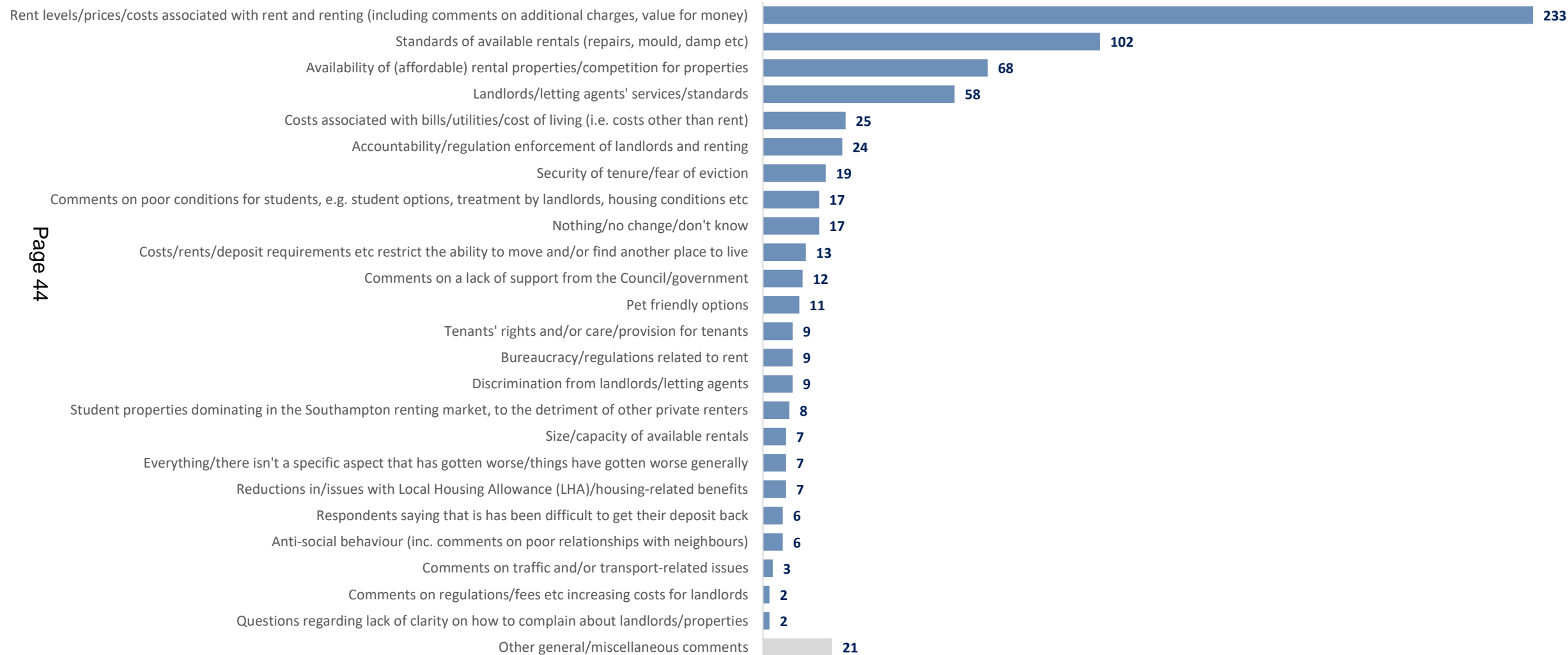
Question 25 | What is one thing about renting privately in Southampton that has got **better** over the last five years?



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Question 26 | What is one thing about renting privately in Southampton that has got **worse** over the last five years?



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Housing and Planning Briefing Note for Scrutiny Inquiry on Private Rented Sector

Introduction

The Strategic Planning Team sit within the Transport & Planning Service of the Place Directorate. The Team has responsibility for the preparation and monitoring of planning policy that is used to determine planning applications.

The key planning policy document for Southampton is its Local Plan which in turn forms part of the wider Development Plan. A Local Plan can comprise one or more documents and it is a legal requirement for the Council to prepare and maintain one. The current Local Plan for Southampton comprises:

- Core Strategy including changes from the Core Strategy Partial Review (adopted 2015) (can be viewed at: <https://www.southampton.gov.uk/planning/planning-policy/adopted-plans/adopted-core-strategy-2015/>);
- ‘Saved’ policies of the Local Plan Review (amended 2015) (can be viewed at: <https://www.southampton.gov.uk/planning/planning-policy/adopted-plans/amended-local-plan-review/>); and
- City Centre Area Action Plan (adopted 2015) (can be viewed at: <https://www.southampton.gov.uk/planning/planning-policy/adopted-plans/city-centre-action-plan/>).

The Strategic Planning Team is currently working on a new Local Plan, known as the Southampton City Vision, to update and replace the existing suite of Local Plan documents. A draft version of the City Vision with options was subject to public consultation at the end of 2022. The consultation documents, including a full version of the City Vision Draft Plan with Options, can be viewed at: <https://www.southampton.gov.uk/planning/planning-policy/emerging-plans/cityvision/documentslibrary/>

The role of any Local Plan is to set out a vision and framework for future development in a given area and address needs in relation to housing along with other topics such as the economy, infrastructure and community facilities. A Local Plan also needs to address matters such as conserving and enhancing the natural and historic environments, mitigating and adapting to climate change, and achieving well designed places.

The Vision for Housing

The Southampton City Vision seeks to address a number of issues that affect the city including ensuring that people have access to the homes they need and that they live in high quality environments. To achieve this the City Vision has a number of objectives set out in paragraph 2.1, two of which are related to housing. They are:

- To deliver new high-quality homes; and
- To deliver the right mix of new homes, including affordable homes.

Policy within the City Vision does not just focus on the number of new dwellings required but also provides guidance on the specific types of homes that are needed in the city as well as setting out criteria for development. Some of these criteria are set out in other policies outside of the section on housing and are there to help ensure that new housing is sustainable and well designed.

The Types of Housing Proposed

To meet Southampton's housing needs, there will need to be a combination of retaining existing housing numbers, upgrading existing stock and ensuring new development is built at an appropriate density. The draft plan also includes policies to support the conversion of non-residential uses to residential dwellings in appropriate circumstances (Policy HO4: Conversion to Residential Use) and to only permit a net loss of housing in highly limited and specific circumstances (Policy HO5: Housing Retention).

It is proposed that a broad variety of new homes will be delivered to meet the housing needs of different city residents (Policy HO2: Housing Mix). This housing will include types such as:

- Private housing – both for ownership and Build to Rent;
- Affordable housing of various tenures including First Homes, affordable rent and shared ownership;
- Self and custom build housing;
- Shared rental living such as Houses in Multiple Occupation (HMOs) and co-living schemes;
- Specialist accommodation for older persons, Disabled People and others with specialist housing needs; and
- Purpose Built Student Accommodation (PBSA) where there is evidenced demand.

The Southampton City Vision will not specify which exact type of housing should be delivered on a specific site beyond establishing a target for onsite affordable housing delivery. Instead, it directs developers to deliver certain types of housing in certain areas where they would be considered more appropriate. For example, PBSA and co-living schemes are encouraged more in the city centre where there is greater access to key facilities and sustainable transport options, and there is less risk of creating imbalances in communities. Accommodation for older persons such as retirement flats are encouraged to be delivered on sites near designated centres to provide easy access to shops and amenities.

It will ultimately be up to developers to come forward with proposals for housing which they consider would be most appropriate for a site, that can be successfully delivered to the market and adhere to the Council's objective of delivering mixed and balanced communities. For example, for a new flatted development in the city centre it would be the developer's decision, partly determined by their operating model, whether to build it out for sale to private occupiers or whether to retain the building and let out individual flats to renters, as occurred at the Bow Square development on the former Fruit & Vegetable Market on Bernard Street and Queensway.

Houses in Multiple Occupation (HMOs)

HMOs are a type of housing occupied by three or more people, including children, who form two or more households. A household can comprise a single person, a cohabiting couple or several members of the same family who are all related by blood or marriage. HMOs that are occupied by 3 to 6 people are classified as 'C4' use class for planning purposes, as per the Use Classes Order. HMOs occupied by more than 6 people are considered to fall under the 'Sui Generis' use class. These are distinct use classes from standard residential dwellings which are classified as 'C3' dwellings. Following the enforcement of a city-wide Article 4 Direction, since 2012, any proposal to convert a C3 residential dwelling to a C4 or Sui Generis HMO requires planning permission.

The City Vision recognises the role that HMOs play in meeting the housing rental needs of certain groups of people including students, graduates, those on short or temporary work placements, those looking for cheaper forms of accommodation and those who may not want to live alone. However, the proliferation of HMOs in some parts of the city, particularly in the city centre and around the University of Southampton campuses, has led to imbalances in communities often to the detriment of existing residents. To address this issue the Council adopted a Supplementary Planning Document (SPD) on HMOs in 2016 giving guidance on planning application decisions on new HMOs. Most notably, the SPD introduced guidance blocking new HMOs where the proportion of HMOs within a 40 metre radius of the proposed HMO is greater than 10%. To address changes around the use of SPDs introduced by the Levelling Up and Regeneration Act 2023, the policy approach to HMOs contained in the SPD will now be absorbed into policy within the City Vision (Policy HO6: Houses in Multiple Occupation). This also has the benefit of strengthening the weight that can be applied to this approach in decision-making on planning applications.

Landlords who operate HMOs are also required by law to comply with various pieces of legislation as set out on the Council's website (available at: <https://www.southampton.gov.uk/housing/landlords/houses-multiple-occupation/regulations/>). This includes the need to obtain a licence for certain types of HMOs as again set out on the Council's website (available at: <https://www.southampton.gov.uk/housing/landlords/houses-multiple-occupation/licences/>). It should be noted that this legislation related to HMOs is a separate regulatory regime to Town and Country Planning legislation.

Purpose Built Student Accommodation (PBSA)

PBSA is a distinct asset class that is designed and built specifically for students. They may comprise individual study flats or cluster bedrooms with resident students sharing a kitchen and/or bathroom. PBSA schemes often include additional facilities for use by resident students such as study spaces, social spaces, a gym or a café.

The growth in student numbers at both of the city's universities has incentivised the delivery of more PBSA in recent years. This has led to an increase in the number of purpose built bed spaces in the city from 10,800 in 2016 to approximately 15,600 in 2020. PBSA accounts for an ever growing proportion of student accommodation in Southampton and helps to alleviate pressure in other sectors such as HMOs, although PBSA does tend to be more

expensive to rent. A number of PBSA schemes have been delivered over the past decade mainly focused in the city centre and Portswood. Proposed policy (Policy HO7: Purpose Built Student Accommodation) supports the delivery of further PBSA provided there is an evidenced need for it. New PBSA development will be directed towards areas such as the city centre where it is less likely to create or exacerbate a community imbalance or place an unacceptable strain on local facilities. The cumulative impact of new and existing PBSA schemes will also be monitored to further try to avoid these issues.

PBSA schemes will be required to deliver a high-quality, healthy living environment and include internal communal space that provide a genuinely alternative usable space beyond the bedroom accommodation. Following legal advice, PBSA schemes in the city are classified as part of the Sui Generis use class and are therefore not proposed to have a requirement to deliver accommodation units that would meet the definition of affordable housing.

Given the current growth plan of both universities it is predicted there will be a continued demand for PBSA for some time. Consequently, the loss of PBSA is not permitted by the City Vision. The only exceptions to this would be where an unexpected weakening of demand provides clear, demonstrable evidence the accommodation is no longer needed, or where an equivalent or more suitable form of provision is to be provided in an alternative sustainable location. New PBSA schemes will be encouraged to be built with sufficient flexibility that they could be converted to standard residential dwellings in the future should the aforementioned exceptions occur to permit the loss of the PBSA scheme.

Build to Rent

Build to Rent is a distinct asset class within the private rented sector. It refers to purpose built housing that has been designed for rent rather than sale. Build to Rent schemes tend to be brought forward and owned by institutional investors who then appoint specialist companies to operate the building on their behalf.

The City Vision does not propose a specific policy on Build to Rent as it is considered that requirements for such developments are adequately addressed through various relevant policies related to housing and development principles. The affordable housing policy of the City Vision proposes that Build to Rent schemes must deliver 35% of their proposed dwellings as affordable housing for affordable private rent. This is defined by Government as being at least 20% cheaper than local private market rents, including service charges.

It must be cautioned that this 35% target for the number of affordable units to be provided is significantly higher than the 20% benchmark recommended by Government. It has been challenged by developers in the sector in responses they made to consultation on the City Vision. The Strategic Planning Team and its consultants will therefore be preparing robust viability evidence to justify the 35% target based on the high level of affordable housing need in the city in line with Government guidance (see section below on viability for further information).

Buy to Let

Buy to Let is where an individual looks to purchase a single dwelling in order to rent it out rather than live in it themselves. Many private landlords will have acquired their properties through Buy to Let. Acquiring a property for Buy to Let will involve purchasing either an existing dwelling or a new one that forms part of a larger new housing scheme from a developer. Since the sale of a Buy to Let property from a private individual or developer to a prospective landlord is a private transaction that would occur once planning permission has been granted and the scheme is being or has already been built out, the control of the Buy to Let market is not an area that can be addressed through planning policy. Therefore, the City Vision does not include any specific policies on Buy to Let. There are however policies in the City Vision governing HMOs (see section above on HMOs and City Vision Policy HO6: Houses in Multiple Occupation) which some Buy to Let purchases can be for. Landlords who purchase buy to let properties with the intention of letting them out as HMOs need to comply with various elements of Government legislation including any relevant licensing requirements.

Family Homes

With many large developments, particularly those in the city centre, having focused on the delivery of smaller 1 and 2 bed apartments in recent years, policy is being used to establish a 30% target for the delivery of family housing, defined as any dwelling with at least 3 bedrooms (Policy HO2: Housing Mix).

This target will help deliver on the City Vision's objective to achieve the right mix of homes to ensure the housing needs of all residents are met, particularly families in this case. By ensuring that a proportion of new homes in developments are family dwellings this will help achieve more mixed and balanced communities and increase social cohesion.

Policy in the Core Strategy (Policy CS16: Housing Mix and Type) currently looks to resist a net loss of family dwellings unless there are overriding policy considerations that justify this loss. This approach will be carried over into the City Vision (Policy HO2: Housing Mix) to ensure the city continues to retain its existing family dwellings.

Another potential source of new family dwellings are conversions from other types of dwellings. The City Vision will permit a net loss of housing where smaller dwellings are combined to create a single larger family dwelling (Policy HO5: Housing Retention). The conversion of HMOs to family dwellings is strongly supported, particularly as many HMOs were originally converted from family dwellings. Existing Permitted Development Rights allow HMOs within the C4 use class to be converted to C3 residential dwellings without the need for planning permission.

Delivering Higher Densities

To increase supply, new housing is proposed to be built at a density appropriate to its location, taking account of accessibility, prior delivery densities and site-specific constraints. The following are the densities currently proposed in the City Vision (Policy HO1: Density) although these may be altered in the next iteration following additional analysis of the density of previously approved developments in the city. The highest density housing is

proposed for the city centre at a minimum of 250 dwellings per hectare. Mixed-use development is particularly encouraged in the city centre with commercial uses at ground and lower levels with residential dwellings above. Shirley Town Centre and the city's four district centres (Bitterne, Lordshill, Portswood, Woolston) are also proposed for denser development of at least 150 dwellings per hectare. A higher density of development of at least 100 dwellings per hectare is proposed along a 400 metre buffer around the city's main transport corridors and its train stations. These transport corridors are the city's main arterial routes and served by regular bus services. They include routes such as Bassett Avenue, Millbrook Road West, Thomas Lewis Way, Winchester Road, Bursledon Road and Portsmouth Road. In the remainder of the city densities of between 35 and 75 dwellings per hectare will be supported depending on local context.

Improving Housing Quality

There is a recognised issue around the quality of some housing that has been delivered historically at both the national and local level. Whilst planning powers do not extend to allow the Council to enforce housing quality improvements retrospectively, the Strategic Planning Team has been considering what measures can be introduced in the Southampton City Vision Local Plan to improve the quality of new housing coming forward.

Policies in the City Vision include requirements for new homes, and the developments they are part of, to be high-quality design and create appropriate internal and external living environments (Policy DE1: Placemaking and Quality of Development). New housing will be required to meet the Nationally Described Space Standards or any subsequent updated standards published by Government (Policy DE6: Housing Standards). A proportion of new homes in developments of 10 dwellings or more will be required to meet the M4(2) 'accessible and adaptable' standards set out in Building Regulations. Furthermore, a proportion of new homes in developments of 50 dwellings or more will be required to meet the M4(3) 'wheelchair accessible' standards. The exact proportions of dwellings to be built out to these standards will be determined once viability testing has been undertaken on the City Vision.

New buildings, including those for residential use, as well as public spaces must be designed so they can be accessed safely, conveniently and with dignity by all people regardless of disability, age or reduced mobility. Designs and layouts must present no disabling barriers and be flexible and offer multiple accessibility options recognising that one solution may not work for all users (Policy DE5: Accessible and Inclusive Design).

New buildings, including those that incorporate residential development, will be required to meet strict standards to address issues around climate change, air quality and energy resilience (Policy DE7: Energy and Net Zero Carbon Buildings). This includes achieving a space heating demand of 15-20 kWh per square metre per annum and aiming for an air tightness value of 1 m³/h.m² @ 50pa. Heating systems will be required to enable decarbonisation and the amount of renewable energy that can be generated onsite should be maximised. New housing will be required to take a design-led approach to climate change adaptation, including addressing the risk of overheating.

Viability

In order to be brought to market by a developer, any housing scheme of any tenure or mix will need to be viable. In planning terms, this normally refers to financial viability by looking at whether the value of development is more than the cost of developing it (see the Government's Planning Practice Guidance on viability for more information at:

<https://www.gov.uk/guidance/viability>). This includes looking at a variety of information including:

- the total value of the development once it is completed (known as the Gross Development Value);
- costs (such as build costs and abnormal costs such as the cost to decontaminate a site);
- the current value of the land where the development will occur (known as the Existing Use Value although sometimes an Alternative Use Value can be used where it would be more appropriate to assess the site for something other than its existing use);
- the landowner premium (this represents the minimum return at which it is considered a reasonable landowner would be willing to sell their land); and
- developer return (this is the profit a developer receives for undertaking and completing a development and is intended to reward the risk developers take on during this process. Government considers a suitable return to developers is 15-20% of Gross Development Value).

Viability in Southampton has been historically challenging due to a variety of factors including high existing land values relative to the value of a finished new development, the higher costs associated with developing brownfield land and a growing number of costs needed to make planning applications compliant with legislation and national and local policy, including making Community Infrastructure Levy (CIL) payments. As an example of these costs, developers must mandatorily meet the costs of a number of environmental obligations including making payments to the Solent Disturbance Mitigation Project (see more at: <https://www.southampton.gov.uk/planning/planning-permission/solent-disturbance-mitigation-project/>), making developments nutrient neutral (see more at: <https://www.southampton.gov.uk/planning/planning-permission/sustainability-checklist/nitrogen-mitigation/>) and in 2024 onwards, developments will need achieve at least a 10% Biodiversity Net Gain.

To ensure a development is viable, developers will have to look at ways of reducing costs and one way of achieving this is negotiating with the Council on their planning obligations. With items such as CIL and environmental obligations being legal requirements, other areas with more flexibility are often negotiated on. This usually includes affordable housing as it is a significant cost to the developer.

The current approach to affordable housing set out in the Core Strategy (Policy CS15: Affordable Housing) is intended to be taken forward in the City Vision (Policy HO3: Affordable Housing), albeit with some modifications to reflect required changes by Government on tenure, such as the introduction of First Homes. The current target is that 35% of all new dwellings on a development site of 10 or more dwellings, or where the site

area is 0.5 hectares in size or greater (regardless of the number of dwellings proposed), should be provided as affordable housing. The intention is to continue with this 35% target although this may change depending on the results of viability testing. The City Vision will continue with the approach that before agreeing to a reduction in the overall number of affordable dwellings, the Council would first look to negotiate on the housing mix to see if that can be altered in a manner that would improve viability.

As part of the evidence base for the City Vision, a whole plan viability assessment will be undertaken by an appointed consultant. The assessment will look at aspects such as site allocations, development costs and required developer contributions in policies to confirm the level of affordable housing that can be viably delivered in Southampton. This will then be confirmed in the final iteration of the City Vision's affordable housing policy. Changes to national planning policy mean that greater emphasis is now given to viability testing at the plan making stage. Consequently, when the City Vision is adopted there is a general expectation that a policy compliant development should be viable thereby reducing the need for viability assessment at the application stage and a potential downward negotiation on affordable housing levels.

Engaging Partners

The Strategic Planning Team has regularly engaged with a range of stakeholders in drafting the policies of the Southampton City Vision. This includes other teams within the Council as well as external organisations and government bodies. The Team has engaged with Homes England to discuss stalled housing sites in the city and what support options are available to unlock these. Discussions have also been had with key consultees including the Environment Agency, Historic England and Natural England to consider approaches to conserving and enhancing the natural and historic environments whilst delivering new homes, and addressing issues that could restrict future housing growth such as flood risk and pollution.

The Team has held meetings with representatives of both the University of Southampton and Solent University to understand their growth plans and how their estate strategies, including the provision of student accommodation, are being shaped to meet these plans. The Team has also met with property advisors to the NHS Integrated Care Board to discuss housing growth in the city and the provision of healthcare infrastructure and services to support this growth.

The Team has also had strong engagement with the public and developers. In early 2020, an initial consultation was held to understand what local residents and workers valued about the city and what they needed to better live, work and thrive. Ideas were also sought on what kinds of places should be delivered across the city. The results of this consultation were published in October 2020 and can be viewed at: https://www.southampton.gov.uk/media/jejk04en/southampton-city-vision-consultation-results-final-03-11-2020_tcm63-433062.pdf. At the same time a 'Call for Sites' was held asking developers and landowners to put forward land they would be willing to develop over the plan period.

Having assessed the sites put forward in that initial Call for Sites, along with other development options such as densification, it became apparent that there were insufficient sites available to meet the city's housing needs in full. Therefore, a further Call for Sites was held in 2021 which yielded some additional sites for assessment.

The results of these consultations along with discussions with stakeholders, including those mentioned above as well many other, informed the policies presented in the Draft Plan with Options consultation held between October 2022 and January 2023, which was open to residents, businesses and stakeholders. This included issuing an invite to comment on the Draft Plan to the National Registered Landlords Association (NRLA) however they did not provide a response to the consultation. Copies of the documents available during this consultation, including a full version of the City Vision Draft Plan with Options, can be viewed at: <https://www.southampton.gov.uk/planning/planning-policy/emerging-plans/cityvision/documentslibrary/>. The consultation portal for the consultation, which now has headline results available, can be viewed at: <https://yourcityyoursay.southampton.gov.uk/hub-page/city-vision>

Since the closure of the consultation the Team has held regular meetings with stakeholders and has been working to analyse the responses from the consultation. The feedback received will help the Team to select options for the next iteration of the City Vision. This iteration will then be subject to a further round of consultation with the public, businesses and stakeholders before it is submitted to the Secretary of State for an examination to be undertaken by the Planning Inspectorate.

Southampton's Housing Target

The Southampton City Vision is required by Government to set a target for the number of new homes that will be delivered over the plan period, which is currently 2022 to 2040. The starting point for calculating the city's housing target is a formula devised by Government known as the Standard Method. This takes into account factors such as household growth projections and affordability ratios. The formula also applies a 35% uplift to Southampton's housing target as it is one of the 20 most populous urban authorities in England.

When preparing the Draft Plan with Options version of the City Vision for consultation, the Standard Method established a target for Southampton of 26,500 dwellings over the plan period, equivalent to about 1,472 dwellings per annum. However, following updates by the Office for National Statistics (ONS) to the data used to calculate the Standard Method, the target for Southampton has increased slightly to 26,550 dwellings over the plan period, equivalent to 1,475 dwellings per annum. This increased target will be included in the next iteration of the City Vision.

Various means have been explored to identify how the city can meet this target including assessing the impacts of increasing density and building heights in new developments. A 'Call for Sites' exercise was held in Spring 2020, and again in October 2021, where landowners and developers could put forward sites to be considered for development for housing and/or other uses. The submitted sites were assessed as part of the Council's

Strategic Land Availability Assessment (SLAA) and the results of this assessment will determine which sites can be taken forward as allocations for development.

It is estimated that the city will have a total housing supply of 18,002 new dwellings over the plan period. This is a notable increase over the supply of 16,800 dwellings that was identified in the Draft Plan with Options version of the City Vision. This reflects the results of work to identify further sites and gently increase densities on potential development sites where appropriate. The supply of new housing will come from the following sources:

- Sites with an existing planning permission but are not yet completed and occupied;
- Sites that are allocated in the current Local Plan but have not yet come forward for development and will be carried over into the City Vision;
- New sites that have been identified as being appropriate for development in the SLAA; and
- Allowances for new 'windfall' developments that may come forward unexpectedly over the plan period.

This supply does of course represent a deficit against the city's housing target of around 8,500 dwellings but as a tightly constrained urban authority there is highly limited land available to support new housing delivery. This is not an issue unique to Southampton with many urban authorities facing a similar challenge.

The need to address this deficit is recognised in ongoing strategic planning work with Partnership for South Hampshire (PfSH). The latest draft version of PfSH's Spatial Position Statement recognises the need for neighbouring authorities to take on the unmet need from Southampton that is calculated under the Standard Method prior to the application of the 35% uplift. Since the 35% uplift is a tool by Government to increase housing delivery in major cities and increase redevelopment of brownfield land, the PfSH position is that it would not be appropriate to require Southampton's more rural neighbouring authorities to meet this requirement. This is particularly the case given that meeting the housing number required by the 35% uplift would likely require the development of greenfield land contrary to the Government's intention (more information about the PfSH Spatial Position Statement which was taken to PfSH Joint Committee on 6th December 2023 for approval can be viewed at: <https://www.push.gov.uk/wp-content/uploads/2023/11/Item-9-Spatial-Position-Statement-1.pdf>).

Regional Student Accommodation Landscape, Purpose Built Student Accommodation

Polyanne Gouldthorpe – Housing Advisor, Southampton Solent University

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Annual Rent Increase, Purpose Build Student Accommodation by Geographical Area

City	Average Annual Rent 2023/24	Average Percent Increase Since 2021/22
Bournemouth	7,396	11.2%
Bristol	9,200	9.0%
Cardiff	6,632	11.1%
Exeter	8,559	16.1%
Glasgow	7,548	20.4%
Leeds	7,627	14.7%
Liverpool	6,467	6.7%
Nottingham	8,427	15.5%
Portsmouth	7,183	9.4%
Sheffield	6,451	10.2%
10 Cities	7,475	14.6%

Local/Regional Landscape Comparison

National Average Increase %	PBSA (Southampton) %
14.6%	17.5%

Prohibited Payments and Deposits

Several students have contacted me regarding a particular agency that routinely withholds deposits; if challenged, the agency threatens to take students to court for vast sums of money. The agency refuses to use deposit scheme dispute resolutions service.

There are still agencies in operation in the city that charge students fees (prohibited payments).

Housing/ Homelessness Case Studies

Case Study 1: Unlicensed HMO*

Two international students contacted the service for housing advice. They were living in an unlicensed HMO and sharing a room; multiple other tenants shared a room within the same building. The landlord raised the rent and informed me they would remain liable for rent unless they found someone to replace them in the contract.

Case Study 2: Illegal Eviction, Rent Raised Overnight*

An international student and his wife were illegally evicted from a property after the landlord raised the rent overnight.

Case Study 3: Withheld Deposit*

A student has been living on a boat; when the student raised several repairs, they were evicted. The landlord subsequently withheld their deposit.

Case Study 4: Illegal Eviction*

A student living with a resident landlord was evicted when she rejected his advances.

Case Study 5: Living in a Van*

A student had been living in a van but was finding it increasingly difficult to study due to the lack of daylight. The student needed to be able to afford to live in any accommodation.

Case Study 6: Gas Supply

A student contacted me as the gas had been disconnected due to significant debt.

**NB The appropriate authorities were informed where applicable with limited results.*

Summary - General Trends
<ul style="list-style-type: none">○ An increase in sofa surfing○ An increase in students without guarantors○ Students with children are unable to afford suitable accommodation○ International students, including European students, are unable to find affordable accommodation○ A steady increase in students requiring emergency accommodation due to unsuitable living conditions.○ Students living outside of Southampton as unable to access suitable, affordable accommodation within the city.

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Bristol's big housing conversation



Bristol Living Rent Commission

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The commission



All Wessex Landlord Association,
Dorian Hardacre



Generation Rent,
Dan Wilson Crow



Ashley Community & Housing,
Saed Mohammed



Savills,
Simon Smith



Association of Residential Letting Agents/Propertymark,
Angharad Trueman Henry Griffith



Shelter,
Alison Rush



Black South West Network,
Sado Jirde,
Angelique Retief



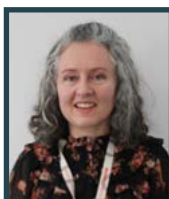
The Students' Union at UWE
Rania Regaieg



Brighter Places,
Claudia Cobban



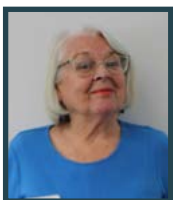
Trowers and Hamlins,
Scott Dorling



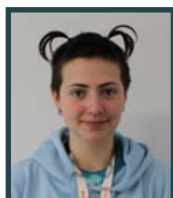
Bristol Fair Renting Campaign,
Ruth Day,
Kate Bower



We Can Make,
Melissa Mean



Bristol Older People's Forum,
Judith Brown



Bristol SU,
Izzy Russell and
Victoria Hanley



Alfie Thomas,
Nikki Knowles,
Allan Macleod

Supported by Bristol City Council Officers

Commission members



Commissioners, Council Officers, and the Mayor of Bristol outside City Hall following the final meeting of the Living Rent Commission.

Left to right: Cllr Tom Renhard, Nikki Knowles, Professor Alex Marsh, Mayor Marvin Rees, Judith Brown, Kate Bower, Ruth Day, Alfie Thomas, Izzy Russell, Allan Macleod, Alison Rush, Angelique Retief

Foreword

Bristol faces a housing crisis.

The cost of renting privately in the city is increasing significantly, with the average private rent growing by 12.9% annually. These spiralling costs mean housing is becoming increasingly unaffordable, pushing many people further away from their place of work, family, support networks, and the services they need. This has a major impact on our community, as there are over 134,000 people currently renting privately in Bristol. This represents almost one-third of the population.

Average house prices in Bristol are currently extremely high compared with average earnings. Our 'housing affordability ratio' is 11.9:1, which means that the average house price is almost 12 times the average salary. This is higher than the affordability ratio for Great Britain as a whole (which is 9.9:1). It is much higher than for any other English Core City.

At the same time, there remains huge pressure on the city's social housing. We have more than 19,000 households on the social housing waiting list, along with over 1,200 households living in temporary accommodation.

Lack of access to housing, the cost of renting, tenant security, and poor experiences of living in private rented properties are all key issues that need to be tackled. This is why the "Bristol Living Rent Commission" was launched.

The commission's key aim has been to explore measures to improve affordability in the private rented sector, while understanding the diverse potential impacts of rent regulation - including on housing availability, quality and maintenance.

There are no simple solutions to a crisis of this scale and the commission has provided an opportunity to bring partnership-focused organisations together to explore the issues facing renters, with an evidence base to help us develop an approach that works for Bristol.

This has been done in line with our One City Approach and builds on the renters' summit that took place on 2 March, 2022. The commission has gathered evidence on the challenges we face and on potential solutions. We have sought to ensure that a wide range of people are heard, including listening to the lived experience of citizens. The views of people in Bristol regarding the desirability of rent control policies, as a response to our housing challenges, have come across very clearly.

We would like to thank everyone who has contributed to this research, with special thanks to the commissioners who have provided their insight, experience, and patience. There have been considerable differences in opinion and approaches, but it has been uplifting to work with people who all share the aim of improving life in Bristol and engaging with the complexities of shaping policy in a modern city facing competing challenges.

Before starting this work, we knew that the powers required to deliver a fully accessible rental market in Bristol did not yet reside with the council. The commission's recommendations reflect that the powers to regulate the market must come from central government, so the council will continue to work with Westminster to develop policy. Our recommendations also reflect the need to continue the constructive dialogue with renters and other stakeholders in the private rented sector to achieve our goal of delivering meaningful and lasting positive change for the sector, enabling Bristol to become a Living Rent City.



Councillor Tom Renhard
(Cabinet Member for Housing
Delivery and Homes,
Bristol City Council)



Professor Alex Marsh
(School for Policy Studies
University of Bristol)

Recommendations

The commission believes that the problems in our housing system ripple out and have negative effects on almost every other aspect of people's lives, society, and our economy.

The commission proposes that Bristol City Council (BCC), in collaboration with other interested stakeholders, engage central government in a dialogue about:


- (i) the case for a national system of rent control.
- (ii) the possibility of devolving powers to city level to control rents.

This dialogue would be enhanced, and given greater focus, once recommendations one to three of this report have been implemented.


The commission is making a series of recommendations directed at improving standards and the experience of private renting.


For the council to address the affordability and quality challenges facing private renting in Bristol, there needs to be a supportive national policy context. The commission therefore recommends specific actions at national level.


Rent control

 **1.** BCC should recognise that there is substantial popular support for rent control in the city as a response to affordability problems, although there are also concerns about negative impacts. Further work should be undertaken to take forward the proposals explored in this report and seek a coalition of support for a more specific policy design. This work should be in collaboration with sector stakeholders and ensure that tenants' views are integral to the process. We sought views on four example policy designs (see chapter five). We suggest that our example policy B - which involved initial rents being based on a property's characteristics, increases within tenancies being

fixed at a maximum annual percentage, and changes between tenancies being regulated by their relation to the current market average - could form a potentially fruitful starting point for this discussion. We anticipate that it could also be appropriate to open up a range of further policy designs for detailed consideration.

 **2.** Proposals for a rent control policy should include an assessment of how rent control fits within the broader housing policy portfolio. Decisions about future policy direction should be made based on the portfolio of policies available, rather than on rent control in isolation. Great care is needed when proceeding in the direction of rent control.

 **3.** In parallel with the recommendations above, a communications strategy to address policy risk should be developed. Talk of "rent control" without providing any detail of what that would mean can lead to negative side effects when sector actors, particularly landlords, assume the worst. Yet, it appears that support for our example policy that proposed the hardest, most interventionist form of rent control was not broad-based. Regulation that is primarily aimed at stabilising the market and curbing excesses do not necessarily undermine the business models of responsible landlords. So communicating about proposed policy design can be extremely important.

 **4.** The Council should consider whether it is desirable to advocate for a rent freeze as a short-term crisis measure. Such a freeze is currently in operation in Scotland and city leaders elsewhere in England have called for similar measures. Commissioners from the tenant community, and a proportion of tenants responding to our survey, were strongly supportive of this approach. Such a freeze would have significant implications for the housing market.

Key to colour-coded pie charts:

Next to each recommendation is a pie chart to show how commissioners voted for it.

 Agree


 Abstain


 Disagree


Improving standards and experiences in private renting


The commission makes a range of further recommendations aimed at improving private renting in our city. These focus on improving standards, tenants' experiences, and accessibility of private renting.


Management and standards


 **5.** The commission endorses the council's firm policy stance against poor property and management standards in private renting. This approach should be reinforced and extended. The council should review how it communicates its work in this area including its strategies, associated enforcement action, and licensing work - to make sure that the effectiveness of the approach is fully appreciated by those who are affected by it.


 **6.** Review whether the balance between informal and formal enforcement action on poor property standards is striking the right balance. There are concerns that the use of informal action exposes tenants to the risk of retaliatory eviction. We note the motion to Full Council in January 2023 which highlights the greater use of formal improvement notices to address property condition. This approach could provide tenants with greater protection.


 **7.** Embrace the potential of a regulatory regime that is more collaborative and networked. Explore more fully the role that organisations in the private and not-for-profit sector can play in the effective regulation of private renting, in partnership with the council, particularly through improving the flow of information and timely identification of issues.

 **8.** The commission recognises the council's commitment to tackling discrimination in the private rented sector. To move this agenda forward effectively it is important to ensure that responsibilities within the organisation are clearly allocated and accountability mechanisms are clear. The development of local strategies and action plans for tackling discrimination would benefit from the formal involvement from renters and organisations that work with them as part of a co-production process. While national government has signalled an intention to legislate to address discrimination, this process is moving slowly and it is important to maintain momentum locally.

 **9.** We note that the recent motion to Full Council condemned the practice of bidding wars: that is, landlords or letting agents increasing rental income by requiring prospective tenants to compete against each other to bid above advertised rents. We commend the council's aspiration to identify mechanisms to end this practice. We note that an initial step would be for the council to signal its intent by sending a clear public message condemning the practice via its formal communication channels.

 **10.** Take steps, working with industry bodies and other stakeholders, to raise the performance of poorer quality letting agents to the standard of the best.

 **11.** The expansion of area-based and selective licensing could be part of a firm stance towards improving standards. Demonstrating the effectiveness of existing uses of this policy approach should be integral to any future expansion.

 **12.** BCC should ensure that the fees and administrative processes associated with licensing schemes are no more of a burden on landlords than necessary.

Better information and understanding

13. Review the way that information about the private rented sector is currently shared. This includes information on rights, obligations, and sources of help and support for both tenants and landlords. Map out which organisations are sharing information, with whom and when. Explore the potential for new collaborations to ensure accurate and timely information is reaching more of those who need it.

14. Review the content and form of information being shared. The review should cover the accessibility and comprehensibility of the information. It should consider whether new media or formats present opportunities to communicate the message more effectively. It should explore whether there is learning about what works that can be shared more effectively between information providers.

15. Produce locally tailored versions of national documentation to ensure that Bristol's landlords and tenants are clear on its relevance to them.

16. Set up a single, easily discoverable location online for presenting the range of relevant information for landlords, tenants and letting agents.

17. Review the data on the private rented sector that is routinely collected. Evaluate the benefits and costs of collecting additional information – for example, on rents and tenant incomes – to enhance understanding of how the housing affordability situation is evolving.



Supply and tenure of rental properties

18. BCC should continue to do all it can to increase the supply of new social housing. It should continue to make the case to central government regarding the pressing need for more funding for social housing and the need to ensure that the welfare benefit system takes sufficient account of actual rents to ensure that housing costs are affordable.

19. BCC should review administrative processes associated with planning and development control to ensure that they are as streamlined and efficient as possible.


20. Enhance support for diverse, innovative community-led initiatives to develop new housing. This could include reviewing land made available to community-led organisations through the public land disposal programme; advocating for the involvement of community-led organisations in private sector-led developments; or supporting appropriately-tailored organisational capacity building to bring development sites forward.


21. Ensure that there is clarity over the way that the city's universities' strategies are having an impact upon, and will further impact in future, the housing market. Initiate timely action, such as accelerating approvals for the development of purpose-built accommodation in appropriate locations, to mitigate any side effects.


22. The council should seek to ensure that new purpose-built student accommodation is as affordable as possible and available to students in all years. Consideration of this issue should be integrated into the current local plan review process.


23. Examine in more detail the evidence on the impact of short-term lets like AirBnB, second homes, and holiday lets on urban housing markets and, specifically, the effectiveness of strategies that have sought to regulate these subsectors.


National action


 **24.** Central government should fully implement the Renters Reform Agenda, including the abolition of section 21 no-fault evictions, action to combat discrimination against lower income households, and ensuring that the court system has sufficient capacity. Action to raise the standard of service provided by poorer performing letting agents is also required.

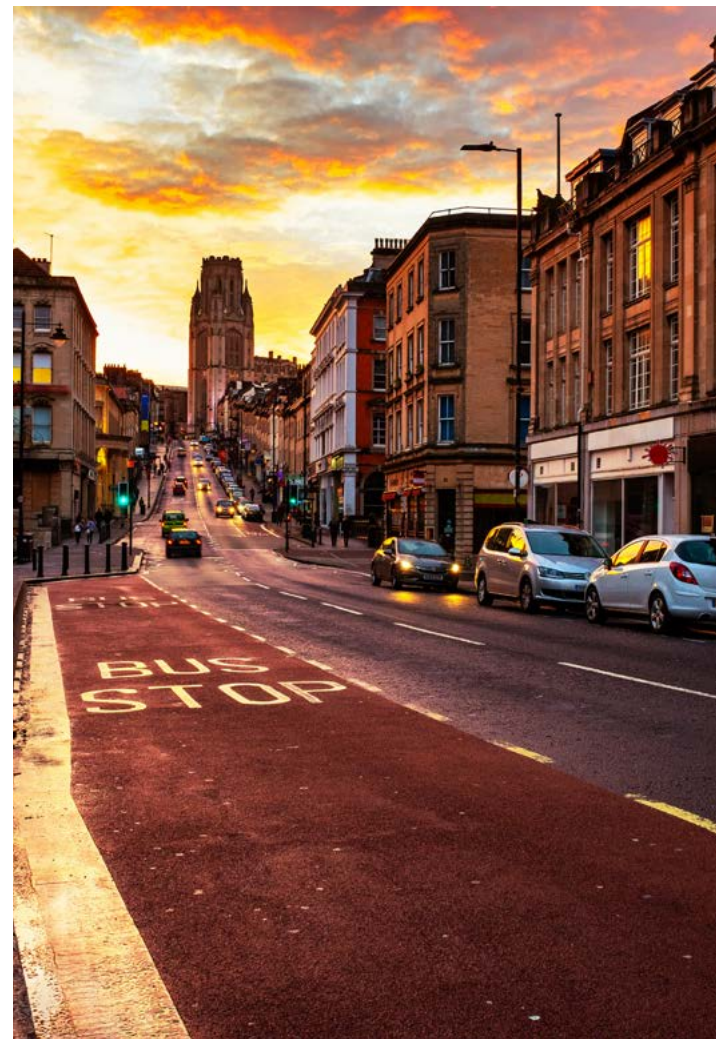
 **25.** Ensure that the benefit system properly recognises actual housing costs. This would imply significant increases to benefits. Restoring Local Housing Allowance rates to the 30th percentile of local market rents would be an important initial move in this direction.

 **26.** Ensure that student incomes are sufficient to afford typical rent levels by increasing the student maintenance loan to recognize rising costs.

 **27.** Ensure that local authorities have the resources to underpin their private rented sector activities. Central government sees local authority enforcement activities as key to improving quality in the sector, so sufficient resources must be available to allow these functions to be carried out effectively.

 **28.** The decision to remove various tax reliefs has made being a small scale private landlord a less attractive proposition. Reversing these decisions could have a significant positive impact on market supply.

 **29.** Central government should recognise that the solution to our current housing challenges will not be achieved through reliance on the private rented sector alone. Investment in increasing the supply of social housing is integral to the solution. There is broad agreement on this point across all the stakeholder groups in the private rented sector. Stakeholders in the housing policy community have proposed a range of additional measures that have the potential to facilitate the delivery of more social housing. These merit serious consideration.



Executive summary

1. Tenants' experiences of private renting in Bristol

To build a picture of the current issues facing tenants, the commission drew on discussions at commission meetings, a tenant experience survey and written evidence received. The experiences faced by tenants are broken down into key areas of focus.

Rent changes

Outside of London, the cost of private renting in Bristol has accelerated at a faster rate than most UK housing markets. In Bristol, 29% of households rent their accommodation from a private landlord. This makes the city the largest private rental market in the South West. According to the tenant experience survey, which received a total of 720 responses, four in ten respondents have seen their rent increase in the last 12 months, with male respondents (62%), those between 25 and 34 years old (60%) and those from a minority ethnic background (69%) most likely to have experienced a rent increase. While most experienced annual rent increases, 19% of respondents said their rent had increased twice in 12 months, while 16% indicated they had experienced three or more increases during that period. The commission was concerned to find that seven in ten respondents were not aware how often their landlord was legally allowed to raise their rent, highlighting a failure to properly advise tenants on their rights and deter landlords from inappropriately frequent rent increases.

The commission's survey invited those renting in Bristol to comment on how private renting had changed in the city over the last five years. A clear majority of these respondents reported that the situation had worsened and highlighted a lack of suitable properties. The most prominent concern voiced was the increase in rent – which meant respondents were often struggling. To avoid this cost, some respondents said they had considered

leaving the city and commuting back in for work. Others felt trapped in accommodation that was unsuitable because they were unable to save to purchase a property, or to move to another property in the rented sector. One tenant told the commission that “5 years ago I paid £400 plus bills and now £625 plus bills. My public sector salary has not kept up”.

Rent burdens

Accelerating rents create additional burdens on tenants whenever household incomes are not increasing at the same rate. The commission's research found that half of our survey respondents faced a rent burden which accounted for at least 40% of their income. More than three out of ten faced a burden of over 50%. Younger renters are particularly affected, with half of respondents in the 18-24 category facing rental burdens of 50% or more, demonstrating significant rental barriers for young people looking to live in the city. One tenant commented that due to rent burdens, “people that have lived in the city their whole life are being forced out”. Other tenants told the commission that they see the existing situation worsening unless something is done to limit increasing costs.

Financial pressures and insecurity

Tenants considered searching for accommodation in Bristol in today's rental market to be anxiety-inducing. Private renting fails to provide security. The testimonies received by the commission convey a sense of urgency, frustration and sometimes despair amongst tenants and would-be tenants. One such response read “rent has skyrocketed and now [it] has become impossible to afford and save anything. [I am] paying way more than mortgage rates and can't save enough to change the situation and personally I earn alright”. Lack of availability and affordability

results in more overcrowding in shared housing and induces frequent “bidding wars” to secure rental properties. Other survey respondents highlighted issues associated with the lack of security: it had “distressing” and “huge” impacts on mental health and meant, for example, that young people are not able to start families. One respondent in the 25-34 age category went as far as to say that the difficulties in the rental market meant they would “warn anyone away from moving here”; another said they would “dissuade friends from moving here” due to pressures originating from extortionate rental costs, lack of availability, and eviction rates.

Evictions, repairs, and landlord-tenant problems

The limited security of tenure available to private renters means that fear of eviction is pervasive. More than one tenant responding to the survey expressed their concerns about insecurity and shared their worry about becoming homeless.

Landlord-tenant issues were also common. Two-thirds of survey respondents told the commission that they had experienced “problems” with their landlord or letting agent in the last five years. Younger respondents were more likely to experience these problems and those with a disability were considerably more likely to have faced issues. The most common area of conflict was around repairs and/or maintenance. Although most repairs were fixed, they were more likely to have been fixed following tenants chasing their landlord - rather than being fixed promptly. In a third of such cases, the landlord had not fixed the problem even though they had, in the tenant’s view, sufficient time to do so.

Mould, damp, and plumbing were the most common property issues faced by tenants renting privately in Bristol. Tenants gave multiple examples of landlord inaction when a problem

needed addressing. One such example was from a tenant who had reported a bedroom leaking water from outside - causing the carpet and flooring to rot, and mould to develop on the curtains. The landlord in question reportedly took no action - which resulted in the tenant “continuously spend[ing] money on temporary insulation and weather-proofing solutions as well as heating to make the room habitable in cold or wet weather”.

This frustration with landlords and repairs was a common theme. We can break it down into: getting the letting agency or landlord to acknowledge the request for repairs; requests being met with a lack of response; some contractors and/or landlords entering the property without prior notice; and worry about raising a repair issue for fear of retaliatory eviction. While relatively few survey respondents had direct experience of retaliatory eviction – that is, landlords evicting them rather than fixing the problem that the tenants had reported - it doesn’t need to happen frequently for it to have a significant effect on tenants’ willingness to report repairs and get landlords to comply with their obligations.

Overall, 84% of respondents told the commission that they had reported problems with the condition of a property to a landlord or agent. In 10% of cases where a property issue was reported, the landlord or letting agent increased the rent after resolving the issue.

Although some respondents were pleased that the Deposit Protection Scheme is a legal requirement, sometimes its implementation did not resolve issues entirely. More than one tenant argued that deposit schemes are an improvement but raised concerns that such schemes favour landlords and agencies. For some tenants, an increase in activism and awareness of the situation in Bristol were seen as positive developments over the past five years.

2. Private renting in Bristol: current issues and causes

Lack of affordability and inadequate financial resources

Two of the most prominent issues facing the Bristol rental market are rent increases and the cost of rent relative to income. Rent is rising disproportionately compared to household income, whether the tenant is working, retired, a student, or in receipt of welfare benefits.

High rents present a particular challenge for those in low-income households, a challenge which is made worse by the inadequacy of the financial support available to those tenants through the welfare system. This issue has two components. One, current Local Housing Allowance rates do not reflect the reality of private sector rents. Two, the overall benefit cap means housing support can be further reduced. Broader economic challenges surrounding inflation and the national cost of living crisis have compounded the problems facing lower income households.

Poor living conditions

Poor living conditions and disrepair are recurring issues in the data collected and the accounts offered by tenants. Poor living conditions

affect quality of life, health, and wellbeing. The poor energy efficiency of many private rented properties represents an additional financial burden. Tenants provided evidence that landlords were not always responsive – failing to maintain properties and deal with problems in a timely manner. Cases of inaction are common in the city. Threats of (and actual) retaliatory eviction using a section 21 notice in response to tenants asking for issues to be fixed have been reported. These issues have been reported in other recent research studies examining private renting nationally.

Inequalities in access and discrimination

Over a quarter of those taking on a new tenancy in the last 12 months stated that to secure a property they had been put in a position where they were required to compete with other people to pay more than the advertised rent. Half of survey respondents (48%) experienced the additional financial burden of paying rent in advance, separate from any deposit, just to secure a property. One tenant told the commission that they felt “pressured to offer more rent per month than what they [landlord/agent] were asking for and to apply before seeing a property”.





Some tenants said that the lack of available and/or affordable properties led to experiencing forms of discrimination – groups included in this were single parents, people receiving welfare benefits or not working full-time, the self-employed, single people over the age of 35 and, generally, unrelated tenants or those who do not want to share with others. A broad range of stakeholders recognised that there are inequalities in access to the private rented sector. Discrimination can be based on age, sex, race, disability, gender, sexual orientation, gender reassignment, pregnancy, type of employment, or type and level of income. Discrimination can be compounded when households fall into more than one of these groups. It can be direct or indirect. Those from black and minority ethnic communities can suffer disproportionately from discrimination. Discrimination towards those on low-incomes takes the form of obstacles such as the requirement to provide detail on projected income, employment checks, deposits, up-front payments, and guarantors. Those on welfare benefits face additional barriers. About a third of private renters in Bristol claim benefits. A significant proportion of households in the sector are facing the risk of discrimination.

Landlords in the city can choose who they deem most suitable to rent their property. Landlords will

typically pick those that earn the most and possess a good credit score because they are perceived as offering greater security. For those that are perceived higher risk, landlords have been known to demand (at least) six months' rent up front to secure a property. This system favours those who can draw on financial assistance from family or friends.

Overall, the rental market in this current form results in unaffordable rents and increased social segregation. This is having a profound impact on the cultural and social fabric of the city.

The council has publicly committed to stamping out discrimination in the private rented sector. This commitment has recently been renewed. Delivering on this commitment is a key task.

Lack of private rental supply

A key problem identified by the commission is an increasing shortfall in the supply of private rental properties relative to demand. The commission highlighted several factors that exacerbate this lack of supply. What is happening to private renting cannot be understood without also understanding the situation in the home ownership and social housing sectors. The lack of affordability in the home ownership sector coupled with the lack of supply in the social housing sector increases the pressure on the private rented sector.

From the perspective of landlords, a number are reported to be reducing their portfolio, exiting the market, or switching to the holiday let market. The factors driving this appear to be market factors, tax treatment, administrative requirement and regulatory restrictions, problems with institutions/ processes that support housing market functioning, and forthcoming policy changes – notably the prospect of section 21 evictions being banned. Some of these factors have been in operation for some time. However, rule changes have altered their effect on the market. For example, national changes in the definition of Houses in Multiple Occupation mean that more properties fall within the licensing scheme. While some of the changes cited by landlords may have improved the tenant experience, from the landlord perspective they have made the sector less attractive. As a result, landlords are voicing concern that they do not feel incentivised to enter or stay in the private rented sector.

Changes in demand

A trend that has been accelerated by the pandemic and the ability for some people to work remotely has been those on higher wages moving to Bristol and commuting once or twice a week to their workplace, which is often London. This can boost the short-term let market, with sites such as Airbnb being used as people search for

stopgap accommodation in the city while they look for properties. The growth strategies of the city’s universities have also resulted in significant increases in demand as the student population has grown. The student market is intensely competitive and some students are unable to find somewhere to live in Bristol. Consequently they end up having to commute from places such as Bath, Chepstow, or Newport. Landlords in this submarket know that they are going to be able to let properties relatively easily, which reduces the pressure to deliver quality.

Due to increased demand, gentrification has become a growing issue, notably in certain parts of the city such as Easton and St Pauls. As people move into these areas, we are seeing members of the established community pushed out.

Reduced generosity of the welfare system

A substantial minority of households require financial assistance from the welfare system to be able to afford private rented accommodation and the system is becoming progressively less effective in this role over time. Local Housing Allowance (LHA) rates are low in comparison to the realities of rent in Bristol. As a result, people are forced to make up the difference to meet their rent. As the gap between rent and LHA rates increases, more people find it a challenge to bridge – increasing the risk of homelessness.



3. Improving affordability for private renters

The commission aimed to explore the idea of rent control and collect a range of local views about rent control as a response to affordability problems. It also invited views on other approaches to dealing with high rents. Currently, BCC does not possess the power to introduce rent control. The work of the commission will help shape the way the council approaches future discussions with national government.

The views shared with the commission led to an understanding that a “fair and affordable” rent is related to renters’ incomes, landlords’ returns, and the state of housing stock. The term “fair and affordable” can be broken down into several components that are required to ensure a certain standard of living: adequate housing to ensure health, wellbeing, and personal development. Renters should be able to afford a property appropriate to their circumstances. For example, a single person affording a one-bedroom flat and families affording a house with sufficient bedrooms. Another component of “fair” is the landlord, who should be able to make a “reasonable” income – but not to the detriment of tenants. A good landlord should ensure decent, safe homes without disrepair. Repairs should be carried out in a reasonable time and all problems addressed without negative consequences for the tenants. The commission believes as a broad indicator of affordability, people should not be paying more than 30% of their income on their rent. Considering this definition, many rents in Bristol currently cannot be classified as affordable. Rents are outstripping wages, student incomes, and welfare benefits. If rents that are affordable to tenants are not considered by landlords to offer a “reasonable” income then that can present a major policy challenge. Prioritising affordability will have implications for private rental housing supply that would need to be managed.

The term rent control can be used to mean any policy that applies legal regulations to influence private rents. However, rent control policies can vary greatly – with different designs and objectives. Some rent control policies aim to stop rents rising too quickly. These policies aim to



stop affordability problems getting worse and accelerating at a fast rate. Other policies might focus on fixing rents at their existing level – but still not reducing rent. A complete freeze, fixing rent to its current value, is typically seen as the hardest form of rent control. A rent control mechanism that seeks to reduce rents would be harder still. A softer form of rent control would be a policy that sets a limit on the maximum amount the rent can increase each year. The softest form of rent control will only control rent during a tenancy and once a tenant moves the landlord is able to relet the property at the market rate. A harder version of this approach would see the policy continue to apply while the property is empty, meaning the rent of the next tenant cannot be increased by more than the maximum rent increase set by the policy.



The commission's discussions highlighted a key distinction between rent reduction and rent stabilisation. Rent stabilisation would not reduce rent levels, even if it slowed the rate at which affordability problems were increasing. Commissioners from the tenant community argued that the cost of renting in Bristol is so high, compared to the rest of the country, and to local wages, that a system that leads to rent reductions is essential.

The commission conducted a second survey which asked people to give their views on rent control and asked them to rate four example policy designs and select their preferred model. The survey responses pointed clearly to the conclusion that a substantial majority were in favour of rent control in some form. Four out of five respondents stated that they considered rent control to be desirable, a further 6% stated that it "depends", and 13% stated that they did not think rent control was a desirable policy. Many of those in favour of rent controls focused on rents being too high or rising too fast. Those against rent control focused on negative side effects such as the impact on housing supply. When we analyse the data by respondents' perspective on private renting then we see that support for rent control among tenants was even higher (94%).

The groups where a majority did not think rent control would be desirable were private landlords and property professionals, a group including estate agents and surveyors.

Regarding the aim of the policy, both stopping large rent increases and reducing overall rent levels had the support of a majority of respondents. Stopping large rent increases had somewhat more support amongst respondents than reducing overall rent levels. The idea of setting rents relative to people's incomes split the survey respondents. A quarter of those who did not see rent control as desirable indicated that, of these possible aims, policy should focus on stopping large rent increases.

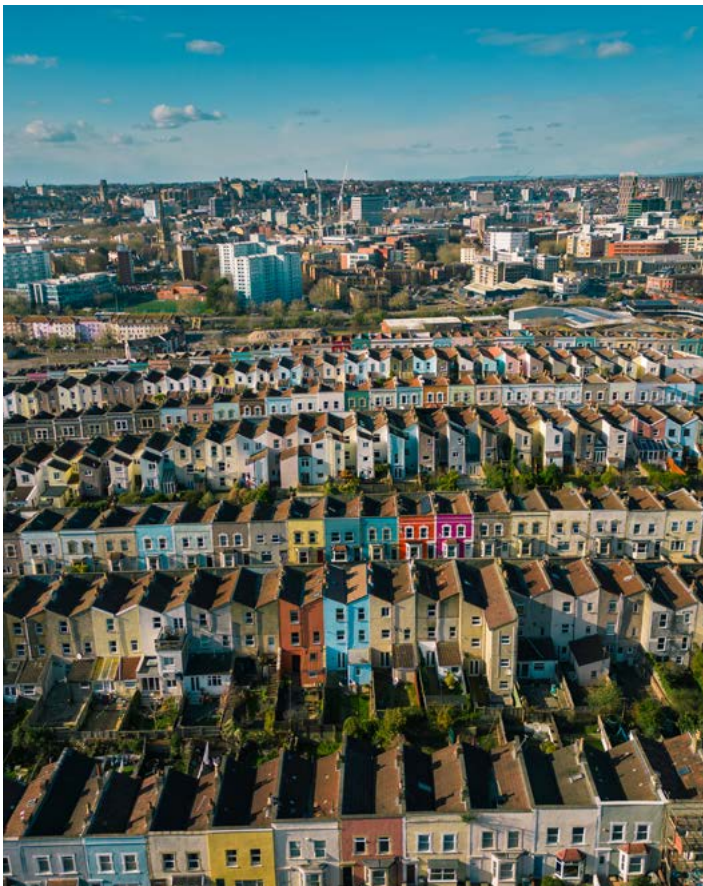
The predominant view among respondents was that rent control in Bristol should aim to be comprehensive in scope – applied to the whole private rented sector. More than nine out of ten private renters favoured this approach. The second most frequently preferred approach was one that adopts the most limited coverage – controlling the rents of only some properties in some areas of Bristol. The preferences of private landlords and property professionals were significantly different from those of other groups. They are the only two groups where less than half of the members supported a comprehensive approach.

Most respondents favoured a rent control system that regulated rents between tenancies as well as within tenancies. More than nine out of ten tenants favoured a system where rents were controlled between tenancies, whereas two thirds of landlords preferred a system where control only operated within tenancies.

The final element of our rent control survey aimed to explore respondents' views on four example rent control policies. The four example policies covered a mix of principles and harder and softer approaches to regulating rents. While the examples covered different principles, they could not cover every principle that those designing a rent control policy might like to consider.

The example policies were as follows:

- **Policy A:** Private rents should be frozen at their current levels, but landlords can apply to increase rents to reflect spending on property improvements.
- **Policy B:** Initial private rents are set on the basis of a property's characteristics and can be increased by no more than 5% per year during a tenancy. Rent increases between tenancies cannot result in a rent more than 10% above the current market average.
- **Policy C:** Private rents are set at 30% of the tenant's income at the start of the tenancy and can be increased each year during the tenancy by the annual rate of wage inflation.
- **Policy D:** Landlords are free to set their rents at market rates at the start of a tenancy, but rents cannot be increased by more than 3% each year during a tenancy.



Respondents were asked to state how much they agreed with each of the four approaches. They were then asked the question: “overall, if you had to choose one of these four policies to implement which one would you choose?”. More than a third of those who see rent control as desirable did not agree with policy A, which is the hardest form of rent control among these examples. This suggests that many of those who support control would not be looking for an extremely stringent system. However, this part of our survey did not address the question of whether survey respondents had different preferences for the short-term and the long-term: for example, an approach that implemented policy A in the short-term as a crisis intervention, while a more sophisticated policy was designed for the longer-term.

When considering the choices made by respondents with different views on the desirability of rent control, the groups hold different preferences. Four in ten of those who see rent control as desirable selected policy C, with a further three in ten supporting policy B. Very few of this group supported policy D. In contrast, two-thirds of those who did not think rent control desirable supported policy D, which was the softest version of rent control offered. The group of respondents who were more cautious in their view of rent control – answering ‘it depends’ – had a completely different profile of response, most frequently favouring policy B.

Policy B was not the most popular option for any group but it was the second most popular policy for every group. This suggests to the commission that if rent control were to be pursued as a policy, then it might be possible to bring together a coalition of support for a policy for Bristol by building on a discussion of policy B.

Members of the commission held the view that any rent control measures need to be complemented by reform to the welfare system and a significant programme of social house building.

4. Improving experience and accessibility

The diverse evidence presented to the commission indicated that there are several areas where action could be taken to improve the experience of living in private rented accommodation in Bristol.

BCC currently engages broadly with the private rented sector. It implements the mandatory licensing scheme for Houses in Multiple Occupation. It has powers to create area-based and selective licensing schemes and it has used this power repeatedly to address poor standards in specific neighbourhoods. The council is the enforcing body in areas such as property standards and protection from eviction. It has a robust policy of using available powers to tackle poor landlord behaviour and poor property quality. It is one of the most active local authorities in the country in terms of placing landlords on the national rogue landlord database. The council is active in supporting tenants to obtain rent repayment orders. It liaises with both landlords and tenants to inform them about rights and obligations and policy changes affecting the sector. However,

while the council is active in this area – there are limits to what it can achieve.

The commission notes that legal protection from retaliatory eviction is associated with the use of formal enforcement approaches but not with informal approaches to seeking landlord compliance with their legal obligations. The recent motion to Full Council highlighted the need to consider more frequent use of formal improvement notices to deal with poor property quality. This is a position that the commission endorses.

The commission believes improving the distribution and circulation of information within the housing sector would be beneficial. This includes information on tenants' rights and obligations; landlords' rights and obligations; sources of support should a tenant or landlord encounter difficulty; local authority powers and, importantly, their limitation; and, what to watch out for to avoid scams operating in the sector. To increase accessibility, greater provision in the most



frequently used additional languages should be considered. Providing information in alternative forms, such as infographics, could help create more engaging communications but also make information accessible to those with lower levels of literacy.

The commission has also identified local partnerships and collaborations that could be set up or expanded. There are limits to the council's capacity to reach those in the city who would most benefit from support. Other organisations may already be in touch with the relevant groups, whether in relation to housing or non-housing issues. Organisations in the voluntary and charitable sectors may find it easier than the council to engage with certain communities. Collaborations open the possibility of getting accurate and authoritative information to more people.

From the commission's discussions it was felt that there were two "quick wins" available through localising information. These were, first, the BCC website having a local version of what is on offer on the government's website – written using language that everyone can understand, and, second, local universities providing a guide on tenants' rights for all new, and existing students.

Licensing schemes attracted discussion within the commission and in written evidence. Some landlords dismissed licensing as no more than a money-making scheme for the council. Others argued that the scheme is not working well and is actually distorting the market. For mandatory schemes like HMO licensing, decisions that are perceived as having negative impacts on the market are often thought to come from the council despite being national rule changes. From the tenant perspective, there was considerable emphasis placed on holding landlords to account. In this context, licensing was seen as a key

mechanism. It means that the burden of dealing with problems does not fall on tenants, who can feel in a vulnerable position.

There was a broad endorsement of the government's Renters' Reform Agenda. Proposals to deal with discrimination against households receiving benefits were welcome. The removal of s.21 evictions was seen as essential for stabilising housing circumstances and improving the security of tenants. Loss of a private tenancy is a major contributor to homelessness. Some argued that although the renters reform agenda is positive, central government could go further and faster.

Despite this, landlord representatives were keen to emphasize that court processes are already slow and problematic. If s.21 evictions are removed and landlords are expected to make a case in court whenever an eviction is sought then, unless court processes are improved, the system may implode.

Overall, many of the routes to improving the relationship tenants' have with the private rented sector require local authorities, possibly in collaboration with others, to engage in more activities. The council and other stakeholders are willing to do more to improve tenants' lives but that can only happen with the support of adequate resources. In terms of national policy, it is vital that there is an appreciation of this point and a willingness to ensure the budgets are available to underpin the necessary activities.



5. Conclusion

In the last ten years, housing in Bristol has become increasingly unaffordable.

The Bristol Living Rent Commission concluded that private renting in the city faces a serious access, affordability and security of tenure crisis, which is impacting the wellbeing and quality of life for people in Bristol and playing a major role in creating homelessness.

With demand substantially outstripping supply and rents continuing to rise, access and affordability continue to be a serious challenge. This is a challenge not only for those on lower incomes. Indeed, a large majority of tenants responding to the commission considered that the situation has deteriorated significantly over the last five years.

Lack of affordability and access to private renting are issues that have negative consequences for Bristol as a whole. The existing situation is destabilising communities, pricing lower income households out of neighbourhoods, disrupting the creative and cultural life of the city, and resulting in talented people leaving in search of more security elsewhere.

The housing challenge in Bristol has been compounded recently by the national cost-of-living crisis. Some households' finances are almost completely used up trying to keep a roof over their head and keeping themselves warm and fed. Many tenants feel they are in a precarious situation and some feared the prospect of becoming homeless.

Rent control

The commission found substantial support for rent control of some kind, with differing views. The majority of private tenants; representatives of community and voluntary sector organisations that work with private tenants, considered rent control to be desirable. In contrast, landlords and market intermediaries, such as surveyors and estate agents, were more likely not to find rent control desirable.

While support for rent control was widespread, there were concerns about it having potentially negative impacts. These concerns were common among landlords, letting agents, investors and a few tenants. Some indicated that their view on rent control was influenced by whether it was a national or a local system. They preferred a national system, which maintained a level playing field, rather than the city going it alone.

The design of a rent control policy is crucial to the effects it has on the housing market. Our survey respondents indicated that the most important side effects to mitigate were: avoiding discrimination; reducing housing quality; and reducing housing availability. On the basis of the evidence collected from stakeholders, it appears that it could be possible to develop a rent control system that has a reasonably broad base of support across the city. Such a system could build on the principles embedded in our policy B, as described in section three.



The impact of rent control depends on how it fits with other policies, including policy relating to the supply of social housing and the welfare benefits system. For rent control to be effective a holistic approach to reform is necessary. Proceeding with rent control without complementary change in these other policy areas would present a different profile of risks to proceeding with rent control when changes in these other policy areas are also possible.



Improving experience and accessibility

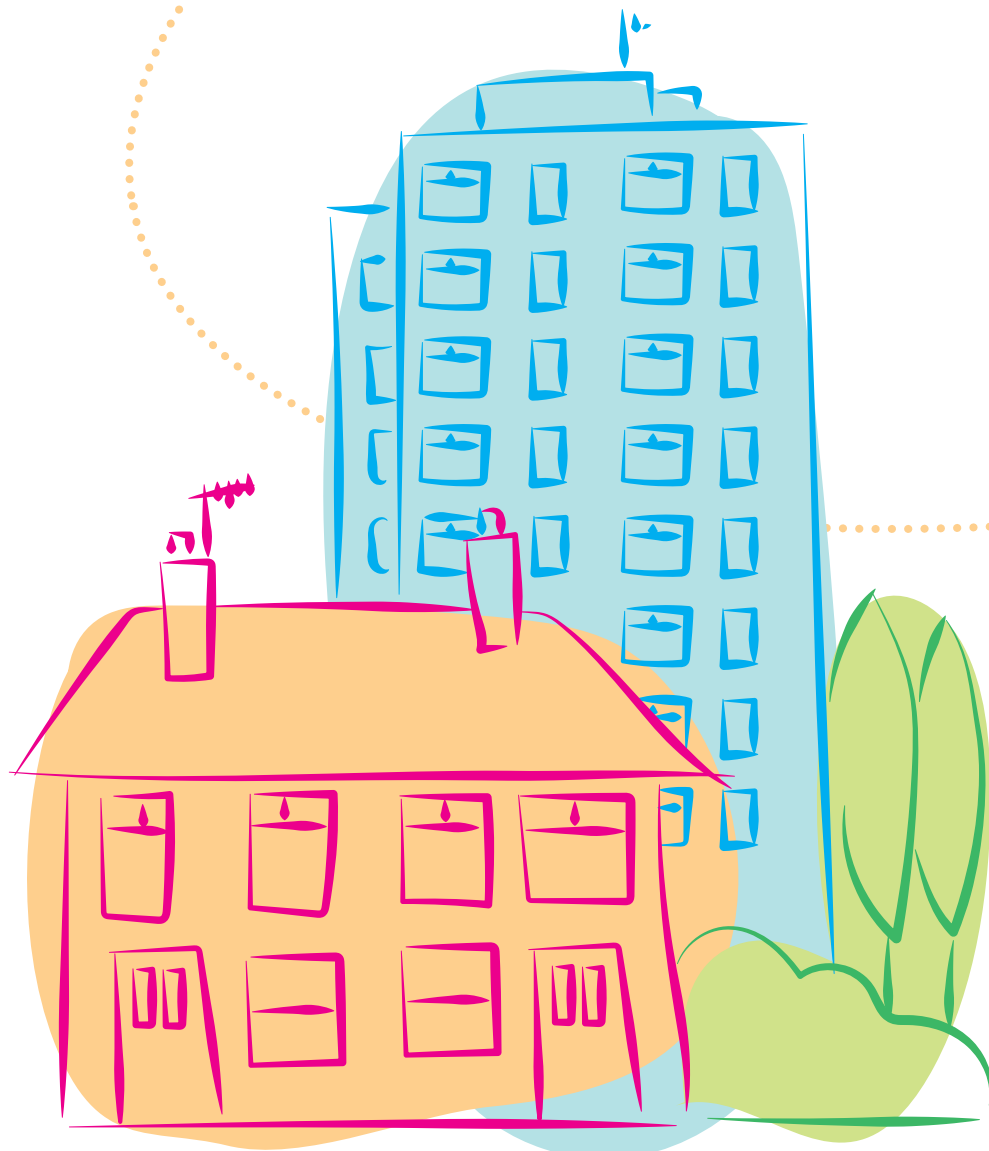
While local authorities play a key role in raising and enforcing standards, they are constrained by resources and the powers given to them. There is scope for enhancing the regulation of the sector by thinking about it as being delivered by a network of organisations working together.

The commission identified the accessibility of information for tenants as a key concern, particularly information on rights, responsibilities, and redress mechanisms. Information needs to be made more accessible.

Licensing as a way of raising standards and improving experience drew both positive and negative comments. If it can be shown to improve standards, then there is support for expanding the scope of licensing schemes. More can be done to promote the positive impacts of existing licensing schemes and the work of the council to enforce standards.

There is much more that can be done to improve the experience of tenants, but, as with rent control, it requires a supportive national policy framework. This includes the effective delivery of the Renters' Reform Agenda and providing local authorities with sufficient resource to tackle the scale of the problem.





Documents available in other formats:

If you would like this report in alternative formats please contact:

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Stay in touch with your council [**www.bristol.gov.uk/signup**](http://www.bristol.gov.uk/signup)

**Bristol's big
housing
conversation**

SPECTRUM Centre for Independent Living




Centre for
Independent
Living CIC

Private Sector Rental Housing Scrutiny Inquiry

The issues pertinent on this inquiry from
Disabled People's Viewpoint


Briefing Paper

Ian Loynes, Chief Executive, SPECTRUM



Housing is usually our biggest issue that Disabled People ask for SPECTRUMS's help on

Obviously, the Private Rental Sector is a subset of housing, the subject of this Inquiry, sadly, we don't drill down this far in the data we collect, so I'll interpret our data on HOUSING as best I can for the Inquiry.



In the Inquiry's Survey, you found that Disabled People reported being significantly less satisfied (by 20%) than the general private rental sector population in general.

- **32% of Disabled People, compared to 52% of the general population of the private rental sector, when asked if they are satisfied or dissatisfied with the service their landlord provides them overall**

In trying to interpret these figures, it is worth noting that Disabled People will be satisfied or dissatisfied with the same issues as are non-disabled people.

But what could account for the 20% of people LESS SATISFIED when compared to non-disabled people...

Reasons why Disabled People are 20% less satisfied:

- They often find it harder to navigate call systems
 - Less able to afford/use the internet
 - Therefore, an internet only/mainly complaint logger is unlikely to be accessible for everyone
 - People with speech impairments often end up not being taken seriously on phone-based solutions due to untrained call staff - paradoxically, such people may prefer online interaction
- The best answer is for Landlords to have a variety of contact methods available, a mixture of phone/internet based & an ability to contact a human being

Reasons why Disabled People are 20% less satisfied:

- Access needs are often very difficult or takes a long time to install
 - Often gets passed from pillar to post with no-one seemingly responsible for installing/cost
 - Often cheap adaptations, such as ramps, that make all the difference take forever to obtain. If it's needed, it's needed then, not in sometime in the future
 - Even people who are willing/able to self-fund the adaptation find it difficult to get permission to install, even if the item does not affect the fabric of the house
 - The lack of willingness to accept/meet access equipment needs is far and away our biggest call volume

Reasons why Disabled People are 20% less satisfied:

- Often, Disabled People find it very difficult to find an accessible home at all
 - It would be useful to have a register of more accessible homes that people can access (more an issue for SCC than private rental providers though)
- More attention should be paid by all housing providers, including private rental stock, to provide homes suitable for those with different needs
- Particular barriers exist for those who gain impairments – moving from an inaccessible to an accessible home (Often deemed to be housed already)
- Often accessible features (eg stairlifts) are ripped out when a tenancy ends, which further reduces an already shortage of accessible housing stock



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Think you know Disabled People ... Think Again

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