

## **How do we get a better deal for private sector renters in Southampton?**

### **Conclusions and Recommendations**

#### **Conclusions**

In 2022, to tackle the renting crisis in Bristol, the City Council, University of Bristol, and stakeholders launched a Living Rent Commission. Following a lengthy inquiry, Bristol's 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.'*<sup>1</sup>

Reflecting the findings from the Private Rented Sector Survey<sup>2</sup> and feedback presented to the Inquiry Panel by tenants, it is difficult, when considering the situation in Southampton, to arrive at a different conclusion from that reached by Bristol.

As rents in Southampton continue to rise, without accompanying improvements to housing quality, and the supply of rental properties tightens, access and affordability continues to be a serious challenge for renters in the city.

Whilst recognising that the city contains a diverse range and quality of rented accommodation, and that the following response is not representative of all of the feedback received via the survey, it does reflect a view expressed by a significant number of tenants in Southampton:

*'Rent has increased but standards have not - paying more rent for the same poor housing conditions.'*

The Government White Paper - 'A Fairer Private Rented Sector' identified that nationally the private rented sector offers the most expensive, least secure, and lowest quality housing relative to other tenures.<sup>3</sup> As Expert Advisers, Professor Carr and Dr Jordan, stated in their final presentation to the Inquiry Panel: *'This inquiry tends to confirm that the problems associated with the private rented sector nationally are equally, if not more, prominent in Southampton.'*<sup>4</sup>

There are, however, positive developments that can give renters hope. The Renters (Reform) Bill presents a genuine opportunity to address a number of the challenges experienced by renters in Southampton. The abolition of Section 21, and the transition from assured shorthold tenancies to periodic tenancies should increase security of tenure for renters. The proposals to limit rent increases to once a year, increase the minimum notice landlords must give of a rent increase to 2 months, and end the use of rent review clauses in tenancy agreements should ensure that rent increases become more predictable. Finally, applying the Decent Homes Standard to the private rented sector, the Property Portal, Property Ombudsman and providing local councils with stronger enforcement powers can help work towards meeting the target of reducing the number of non-decent rented homes by 50% by 2030.

A number of the desired improvements are however predicated on actions delivered in Southampton by the City Council and partners. Fundamentally, the cost of renting is dependent on a number of demand and supply factors. By increasing the supply of

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<sup>1</sup> [The Bristol Living Rent Commission - Bristol One City](#)

<sup>2</sup> [Southampton Private Renters Survey](#)

<sup>3</sup> [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#)

<sup>4</sup> [Local authorities and the private rented sector \(southampton.gov.uk\)](#)

houses, particularly social and affordable housing, it can help to help improve housing affordability, particularly for low-income households. By working effectively with landlords and tenants to prevent evictions it can aid stability. By developing a more proactive approach to enforcement it can improve housing conditions and standards for tenants in Southampton.

These actions are not a quick fix and require investment and commitment from the Authority. However, as explained by the Expert Advisers to the Panel, the advantages of the approach described above will result in better outcomes for tenants, the council and the city:

*'Adopting a more proactive regulatory approach involving stock condition surveys, enforcement action at each level of the regulatory pyramid, and supporting tenant relation and homelessness officers preventing evictions and ensuring tenancies continue involves significant initial expense. However, once an integrated proactive approach is up and running, it can reduce costs for the local authority, particularly in terms of expenditure on temporary accommodation. Furthermore, private sector enforcement is self-financing in that fines raised are ring fenced for further enforcement activity. Finally, and most importantly, a proactive approach can help ensure greater stability for private tenants which can in turn lead to better educational and health comes for growing numbers of children living in the sector.'*<sup>5</sup>

## **Recommendations**

In this report recommendations have been identified against each of the key challenges experienced by tenants in the city. In summary, reflecting the key findings and conclusions, the following actions are recommended to get a better deal for the 30,000 households renting in Southampton:

### **Affordability of renting in the private rented sector**

To improve the affordability of private rented housing in Southampton the following actions are recommended:

1. That the final version of Southampton City Vision Local Plan retains the ambitious housing delivery figures for the city, maintains an ambitious policy position for the delivery of affordable housing through major planning applications, and that the Council commits to facilitating the delivery of 8,000 affordable homes by 2040.
2. That partners develop and update a database of market rent levels in Southampton to support the work of the Valuation Office.

### **Security and stability in the private rented sector**

To improve the security and stability of tenants in private rented housing in Southampton the following actions are recommended:

3. That Southampton City Council develops and embeds a range of creative solutions, including the Call B4 You Serve initiative, to work with landlords and tenants in the private rented sector, at the earliest opportunity, to prevent homelessness.

### **Housing conditions in the private rented sector**

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<sup>5</sup> [Briefing paper - Security Stability and Overcrowding.pdf \(southampton.gov.uk\)](#) – p15

To improve the conditions and standards for private sector renters in Southampton through effective enforcement the following actions are recommended:

**To help target enforcement action and facilitate the future use of available enforcement tools**

4. Commission a private sector housing conditions survey. This is vitally important in developing a scientific basis for understanding housing conditions and targeting enforcement action in a proactive and structured fashion.

**To implement the pyramid of responsive regulation approach**

5. Using examples of best practice, improve the information, advice and guidance provided to landlords and tenants, and utilise landlord forums and other opportunities to build relationships with stakeholders.
6. Review, with partners, the current approach to voluntary landlord accreditation in the city with a view to developing a citywide scheme akin to the Leeds Rental Standard or the Good Landlord Charter. Increasing the effectiveness and take up of voluntary accreditation schemes will allow the Council to concentrate regulatory resources on landlords and agents that show no sign of meeting standards voluntarily.
7. Review the new operating and enforcement guidance for local authorities to be published by Government and identify opportunities to utilise the full range of informal and formal enforcement powers available to the Council. The use of Civil Penalty Notices, designating a new HMO additional licensing scheme, and a selective licensing scheme in the city should be considered as part of the review, following the recognised best practice examples provided in this report.
8. Undertake economic activity modelling to identify the additional resources required to deliver a comprehensive proactive and responsive regulatory approach to enforcement of the private rented sector in Southampton.

**To provide transparency to the Council's approach, utilise available expertise, and demonstrate political commitment**

9. Develop a Private Rented Sector Strategy for the city that articulates Southampton City Council's strategic vision, standards and approach to intervening in Southampton's private rented sector.
10. Work with experts from the University of Southampton to help deliver the responsive regulatory approach.