

Agenda – Y Pwyllgor Llywodraeth Leol a Thai

Lleoliad:	I gael rhagor o wybodaeth cysylltwch a:
Ystafell Bwyllgora 3	Catherine Hunt
Dyddiad: Dydd Mercher, 13 Mawrth 2024	Clerc y Pwyllgor 0300 200 6565
Amser: 09.00	SeneddTai@senedd.cymru

(Rhag-gyfarfod 08.45 – 09.00)

1 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau
(09.00)

2 Y sector rhentu preifat – sesiwn dystiolaeth 5

(09.00 – 09.50)

(Tudalennau 1 – 38)

Ben Leonard, Uwch Drefnydd o Bell a Swyddog Polisi ac Ymchwil, Undeb
Rhentwyr Acorn UK

Ben Twomey, Prif Weithredwr Generation Rent

Elizabeth Taylor, Swyddog Ymgysylltu a Pholisi, Gwasanaeth Cyngori ar
Gyfranogiad Tenantiaid (TPAS) Cymru

Orla Tarn, Llywydd UCM Cymru

3 Y sector rhentu preifat – sesiwn dystiolaeth 6

(09.50 – 10.40)

(Tudalennau 39 – 67)

JJ Costello, Pennaeth Gwasanaethau Tai, Shelter Cymru

Debbie Thomas, Pennaeth Polisi a Chyfathrebu, Crisis

Steffan Evans, Pennaeth Polisi (Tlodi), Sefydliad Bevan

Darren Baxter, Prif Gynghorydd Polisi, Sefydliad Joseph Rowntree

(Egwyl 10.40 – 10.55)



4 Y sector rhentu preifat – sesiwn dystiolaeth 7

(10.50 – 11.40)

(Tudalennau 68 – 91)

Steven Bletsoe, Rheolwr Gweithrediadau Cymru, Cymdeithas Genedlaethol y Landlordiaid Preswyl

Timothy Douglas, Pennaeth Polisi ac Ymgyrchoedd, Propertymark

Richard Rowntree, Rheolwr Gyfarwyddwr, Paragon Bank

5 Y sector rhentu preifat – sesiwn dystiolaeth 8

(11.40 – 12.10)

(Tudalennau 92 – 108)

James Hickman, Pennaeth Prosiectau Allgymorth, Dogs Trust

Billie-Jade Thomas, Uwch Reolwr Materion Cyhoeddus, RSPCA

Annabel Berdy, Uwch Swyddog Eiriolaeth a Chysylltiadau â'r Llywodraeth,

Cats Protection

6 Papurau i'w nodi

6.1 Llythyr oddi wrth y Gweinidog Newid Hinsawdd – Cyllideb Ddrafft

Llywodraeth Cymru 2024–25

(Tudalennau 109 – 111)

6.2 Tystiolaeth ychwanegol gan Dr Edith England a Dr Josie Henley – Y sector rhentu preifat

(Tudalennau 112 – 113)

6.3 Llythyr oddi wrth y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad at y Gweinidog Newid Hinsawdd – y Memorandwm Cydsyniad Deddfwriaethol ar y Bil Rhentwyr (Diwygio)

(Tudalen 114)

7 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o weddill y cyfarfod.

8 Y sector rhentu preifat – trafod y dystiolaeth

(12.10 – 12.20)

9 Cyflenwad tai cymdeithasol – Dull gweithredu o ran ymgysylltu

(12:20 – 12:30)

(Tudalennau 115 – 117)

Mae cyfyngiadau ar y ddogfen hon

Submission of evidence: Local Government and Housing Committee Consultation into the Private Rented Sector

Written by Anny Cullum, ACORN Policy Officer and Brandon Evans, ACORN Administrative Assistant – anny.cullum@acorntheunion.org.uk, acorntheunion.org.uk

Introduction

ACORN is a tenant's union with a branch in Cardiff and members across Wales. This evidence has been informed by a recent survey we undertook of private renters from mid-April – beginning of May 2023, along with the experiences of our members as tenants and campaigners aiming to improve the sector for tenants. This submission focuses on points 1, 4 and 5 of the committee's inquiry as this is where we feel we have the greatest expertise to offer.

1. The supply, quality and affordability of accommodation in the private rented sector.

a) Supply

We asked survey respondents to tell us all the barriers to entry they had found when trying to find a new home to rent.

- 80% of respondents said that on going to arrange a booking, the property had already been let.
- 35% of respondents said there were a lack of options within reasonable distance of their place of work or education.

We asked tenants, on being served with an eviction notice tomorrow, how confident they would be of finding a similar rental property available in their current area. 85% expressed doubt they would be able to.

"We were served a section 21 and there was nothing affordable in the county that was suitable for us and a cat"

"I feel I have to accept poor quality housing due to scarcity. My landlady knows she can act with impunity."

b) Quality

We asked survey respondents whether they had lived with any of the 29 'fit for human habitation' tests in the last 5 years, and whether they are living with any of these hazards now.

98.37% had lived with a hazard in the last 5 years and 78.7% are living with a hazard now.

For both questions, damp and mould was the most common problem, followed by low temperatures, domestic hygiene issues with the dwelling, and difficulties with keeping the property secure against unauthorised entry. Ingestion of lead, exposure to radiation, and exposure to uncontrolled fire due to disrepair were the least reported issues. Please see appendix 1 for the breakdown of responses for each hazard.

We asked tenants to consider the physical conditions of their homes and answer whether they felt they were getting value for money. 40% of respondents disagreed, or strongly disagreed with this. 38.3% had no strong feelings either way, while only 21.7% agreed or strongly agreed.

We asked respondents whether they had ever feared reporting an issue due to the threat of eviction, and whether they had ever been served an eviction notice for reporting an issue.

67.2% had feared reporting an issue in case of eviction, with 23% saying they had actually been served with an eviction notice in response to reporting an issue.

"Had no hot water for 3 months in the middle of winter, was only able to get out of the contract by threatening to sue the landlord who refused to fix the condemned boiler."

"I have fallen downstairs twice until my landlord had them brought up to standard. I had to get environmental health out to report my house. My landlord has increased rent for basic amenities like a working toilet, a vent and I have been harassed and insulted by him. Some repairs are outstanding."

c) Affordability

We asked tenants to what extent they agree with the statement 'My private rented home is good value for money'.

Over half (55.7%) disagreed or strongly disagreed with only 13.1% agreeing to some extent.

In addition to this, we asked survey respondents how much of their income is spent on rent. The largest response was the 32.8% of people who said they spend between 31-40% of their income. Next, was 21.3% of people who spend between 21-30% of their income on rent. The third largest response was for the 18% of people who spend between 51-60% of their monthly income on rent. Please see appendix 2 for a further breakdown of the results for this question.

Finally, on the subject of affordability, we asked respondents what barriers to entry they had found when attempting to find a new home to rent.

- 35% said another tenant offered more.
- 40% said they were asked to pay several months rent in advance
- 25% said they could not provide a guarantor.

"Rent has consistently eaten over half my wage for the entire time I've been working in Cardiff. I cannot afford to buy a house because rent is so expensive."

"The rent increase eats into other essentials such as energy bills and food."

4. Barriers to accessing the private rented sector including challenges facing young people and people with pets.

We asked respondents what barriers they had experienced when trying to rent a new home. Highly featured, was a lack of homes that allow pets with 43.3% of people experiencing this issue.

Other key issues seem to be based around guarantors, credit checks and references. With 25% saying they couldn't provide a guarantor, 8.3% being unable to pass a credit check, and

a further 8.3% said it was their first time renting and could not provide references. Please see appendix 3 for a breakdown of the different issues tenants faced.

"It was so difficult arranging even a viewing - we had to hand over so much personal info before we could even take a look at a flat. Every agent wanted to see our tax returns, P60s, credit scores etc in order to consider us for a viewing."

"We were often told that the viewings were full. We were encouraged by the estate agents to bid over the asking price - and then refused and offered the house indicating they were lying about other prospective tenants."

5. How effectively the private rented sector is regulated.

a) Rent Smart Wales

We asked respondents whether they had ever reported a problem with their landlord or letting agent to Rent Smart Wales. Of the 9.8% who had, 50% said that Rent Smart didn't act to solve their issue and 50% said they didn't know whether Rent Smart had done anything to solve their issue.

100% of respondents who had contacted Rent Smart Wales said they found them unhelpful and 60% of those people said they found Rent Smart extremely unhelpful.

"Issues with my landlord threatening illegal eviction and harassment such as threatening to change the locks were reported including written evidence. The reply from RSW was that they would look into it but were unable to let me know the outcome due to GDPR rules. My landlord continued to be licensed and he never mentioned RSW contacting him so I presume they took little if any action."

b) Environmental Health

We also asked respondents whether they had ever reported a problem with their local environmental health team. Of the 26.7% of respondents who had reported a problem to Environmental Health, 43.75% said they had helped to resolve the issue.

31.3% of respondents who had reported an issue to Environmental Health said they found them to be helpful overall. 62.6% said they found them to be unhelpful overall. Lots of the further comments indicated a reluctance to report issues to Environmental Health for fear of eviction.

"I wouldn't report my landlord to RSW or Environmental Health for fear of retaliation."

"I've been living with severe leaks. Water pouring out of the ceiling, through a roof, through a very poorly built roof, and a wall (3 different rooms) This isn't mentioned. It's been going on for years in the property I live in but due to the likelihood of eviction I didn't contact EVH. I've been evicted for that before."

Recommendations

In order to improve the quality of homes and encourage tenants to report their issues to enforcement agencies, laws must be brought in to end no fault evictions and to stop landlords from being able to hike rents. Tenants are still living in fear of these measures and they are standing in the way of necessary repairs and fair treatment.

Letting agents and landlords must be legally deterred from discriminating against different groups looking for a new home. The amount of rent that can be asked for in advance of moving into a new home should be capped at one month and bidding wars should be outlawed, put mystery shop style spot checks in place to crack down on offending agencies.

APPENDIX 1 - Hazards

Type of hazard	% experienced in the last 5 years	% living with hazard now
Exposure to mould, damp, fungal growth or mites	85.2	57.4
Exposure to excessively low temperatures	63.9	24.6
Domestic hygiene problems with the dwelling: Poor design, layout or construction such that the dwelling cannot readily be kept clean; Exposure to pests; An inadequate provision for the hygienic storage and disposal of household waste	50.8	21.3
Exposure to excessive noise	34.4	6.6
Exposure to excessively high temperatures	32.8	9.8
Electrical hazards	32.8	8.2
Difficulties in keeping the dwelling secure against unauthorised entry (for example broken locks, doors or windows)	26.2	9.8
Problems being able to maintain personal hygiene: An inadequate provision of: facilities for maintaining good personal hygiene; sanitation and drainage	23.1	3.3
Problems with the position, location and operability of amenities, fittings and equipment	23	16.4
Overcrowding or a lack of adequate space for living and sleeping	16.4	6.6
A lack of adequate lighting	14.8	8.2
Falls due to disrepair associated with toilets, baths, showers or other washing facilities	11.5	1.6
Poor design leading to collision with, or entrapment of body parts in, doors, windows or other architectural features	9.8	6.6
The collapse of the whole or part of the dwelling including falling elements	9.8	1.6
Exposure to asbestos fibres or manufactured mineral fibres	6.6	1.6
Falls due to disrepair on surfaces	6.6	1.6
Falls due to disrepair on stairs, steps or ramps	6.6	4.9
Exposure to carbon monoxide; nitrogen dioxide; or sulphur dioxide	3.3	0
Exposure to volatile organic compounds	3.3	0
Falling from one surface to another (including falling from height)	3.3	1.6
Exposure to uncombusted fuel gas	1.6	0
An inadequate supply of water free from contamination, for drinking and other domestic purposes	1.6	0
Ingestion of lead	0	0

Exposure to radiation	0	0
Exposure to uncontrolled fire and associated smoke due to disrepair	0	1.6
Contact with: controlled fire or flames; hot objects, liquid or vapours, due to disrepair	0	0
An explosion at the dwelling	0	0
None of the above	0	21.3
Not sure	0	4.9

APPENDIX 2 - Proportion of income spent on rent

Proportion of income spent on rent	% of respondents
0 - 10%	0
11 - 20%	4.9
21 - 30%	21.3
31 - 40%	32.8
41 - 50%	9.8
51 - 60%	18
61 - 70%	6.6
71 - 80%	1.6
81 - 90%	1.6
Over 90%	3.3

APPENDIX 3 - Barriers to finding a new privately rented home as reported by respondents who have moved house in the last 5 years

Barrier to finding a new home	% of respondents
Called to arrange a viewing and told the home had already been let	81.355
Advert that said 'professionals only'/'no DSS'	45.76
Lack of accessible homes on offer	33.89
Advert that said no families	3.38
Another tenant offered more money	35.59
Asked to pay several months rent in advance	40.67
Couldn't provide a guarantor	25.42
Lack of options near my work/college	35.59
Lack of options near my children's schools	1.69
Lack of homes that allow pets	44.06
Lots of housing has been converted into holiday lets	33.89

First time renting and couldn't give a previous reference	8.47
Didn't pass the credit check	8.47

Generation Rent Submission to Senedd Private Rented Sector Consultation**The supply, quality and affordability of accommodation in the private rented sector;**

Ultimately, supply of housing in general must be addressed through a housebuilding programme which includes social housing as a core objective.

As is the case throughout the UK, this failure of supply to keep pace with demand across all tenure types has led to overstretched demand within the private rented sector and thus rents which are increasingly unaffordable.

The prominence of holiday lets and short term rentals in Wales is a driver of this, and we commend the changes introduced to combat this. The outcomes must be monitored and assessed regularly to ensure that they are having the desired effect.

There is relatively little data available about the quality of private rented homes in Wales, compared with England. We do know that energy efficiency is a significant factor in terms of both thermal comfort and common problems such as damp and mould. ONS data indicates that private rented homes in Wales have the joint worst energy efficiency at a regional level – a median rating of 63 along with Yorkshire.¹

According to StatsWales, just 42% of PRS homes had adequate energy performance – the same proportion of owner-occupied homes and far fewer than the social sector where 69% were adequate according to the Welsh Housing Conditions Survey 2017/18.

Wales's recent reforms to evictions have created a protection from no-fault eviction for tenants whose property is in disrepair. This was intended to improve tenants' confidence to report issues with their homes to the landlord or letting agent by removing the fear of a revenge eviction. It is too early to say what difference this is making to security of tenure or the quality of the Welsh PRS.

The challenges currently facing private sector landlords;

The wider financial context, including vastly higher interest rates, that we have seen since the end of the pandemic have made things difficult for landlords but there remains no compelling evidence either that landlords are leaving the market in significant numbers. If more landlords do exit the market, the short term problem will be the eviction of their tenants, which tends to happen in such cases. However, in the long run this won't affect supply where homes continue to be lived in, and if private renters become home owners, there is dampened demand for rentals.

We must acknowledge that holiday lets are an issue in this context, as they are often a more attractive proposition for landlords and an exodus to this sector would have a significant impact on the homes available for long-term accommodation. We have yet to see how recent policy changes have made an impact in this space. As of 2022 the number of holiday lets registered for business rates (recorded by the Valuation Office) were at all-time highs, having more than doubled since 2015. In the current financial year more second homes than ever are registered for council tax, with only Pembrokeshire, which charges a 100% premium, having seen a fall from the previous year, from 3,794 to 3,492.

1

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/currentandpotentialenergyefficiencyofhousingenglandandwales>

The opportunities for greater partnership working between social and private landlords;

N/A

Barriers to accessing the private rented sector including challenges facing young people and people with pets;

The benefit system is a hinderance to young people. LHA for under-35s only covers enough for a room in a shared house, which is not suitable for many. Benefit payments are also often not counted towards income in agents' vetting processes, hamstringing tenants' ability to access housing even if the amount received is sufficient. 99 percent of available homes in Wales in 2022 would have been too expensive for someone on Universal Credit or housing benefit to afford, according to the Bureau of Investigative Journalism.

People with pets continue to suffer from blanket bans and an inability to access tenancies, especially in such a competitive market.

It is clear that a sustained failure to build enough, particularly social housing, is another key barrier to young people's access to housing.

How effectively the private rented sector is regulated;

The mechanisms in place as a result of Rent Smart Wales are broadly positive and an improvement on the current situation in England. Requiring landlords to be registered is essential as a means to identify who is responsible for meeting minimum standards and holding them accountable. However, it is not clear how much non-compliance there is and whether tenants have much of an incentive to report non-compliant landlords. In the financial year 2022-23 the property tribunal heard just two rent repayment order cases and one of them was brought by RSW itself.² While the rent repayment orders in place for non-compliance are welcome, we would urge the Welsh Government to consider how to promote their existence.

The government should also consider how this system can be built upon to enable a better understanding of the rental market to be garnered. For example, information around rents, deposit claim history and energy efficiency could easily be collected and this would provide data which could be used to inform further policymaking, specifically around abuse of the deposit dispute system by landlords, the state of the rental prices in certain areas and the energy efficiency of the housing stock (and thus the best measures to improve it.)

The availability of data on the private rented sector and how it can be improved.

Rent Smart Wales should consider running an annual survey to collect further data bespoke to the needs, queries and concerns of tenants and the local authority.

As mentioned above, RSW should also hold more information as standard, including rents, deposit claim history and energy efficiency.

The utility of RSW should also be assessed, including analysing how much is RSW used, and by whom – ie. how many searches have been done – as well as the numbers of landlords estimated to be non-compliant. The results of that information gathering exercise should be used to strengthen enforcement with more targeted measures aimed at those estimated to be missing/evading the system.

² <https://residentialpropertytribunal.gov.wales/decisions/4/2022-04--2023-04>

The National Union of Students Wales (NUS Wales) response to the Senedd's Local Government and Housing Committee inquiry into the private rented sector

About NUS Wales:

National Union of Students Wales (NUS Wales) is the representative body of more than 250,000 students, learners and apprentices in Wales. We work on behalf of 20 member students' unions and colleges on the issues that affect students in higher education and further education.

The supply, quality and affordability of accommodation in the private rented sector

1. A culture of complacency and perceived 'rite of passage' of students to live in poor quality housing, means that poor conditions in students' homes are entrenched within our society and have been for decades. It is NUS Wales' view that only fundamental reform, led in partnership with students and other key stakeholders, will deliver the desired change.
2. In addition to responding to the inquiry questions, NUS Wales has included testimonials from students throughout the response to best reflect their experience of the private rental housing sector in Wales.
3. Research from SOS-UK¹ (Students Organising for Sustainability UK), published in April 2023, revealed that 70% of university students in Wales had damp or mould in their current accommodation. Furthermore, the study found that 65% of students felt "uncomfortably cold" at home and almost half said this had a negative effect on their studies.
4. This has a detrimental impact on the health and wellbeing of student tenants. NUS Wales' Broken Foundations Report² -

¹ SOS-UK is a student-led education charity focusing on sustainability. Homes Fit for Study 2023 research here: <https://www.sos-uk.org/research/homes-fit-for-study>

² https://sheltercymru.org.uk/policy_and_research/broken-foundations-fix-student-housing/

completed alongside Shelter Cymru in 2022 - found that 65% of students said issues with their accommodation had a negative impact on their mental health and wellbeing. The report also highlighted that for more than a third (35%) of students accommodation had a negative impact on their physical health.

"My room is so cold and humid that mould started spreading from the walls to my clothes. There's drafts even with the windows closed and it's so cold that the heating barely helps" - Cardiff student, private rented accommodation

"Our heating broke and we went days without heating and hot water in the middle of winter. They finally put new windows into our flat after complaining in September that the window was broken and meant we both got sick because of mould and our stuff was also covered with mould." - Bangor student, private rented accommodation

5. Students are among the worst affected by poorly insulated accommodation, as some multi-occupancy properties (HMOs) are exempt from the EPC requirements under the law.³
6. Moreover, student accommodation prices have increased by 61% in the last decade which means they are paying more for housing which is falling in standard.⁴ SOS-UK research found that almost three quarters of students are spending less money on food to meet rental costs and around half are borrowing money from friends and family to pay bills.⁵ Rent is being pushed up because of issues in the wider market. Students are struggling to find accommodation - with many 'sofa-surfing', or commuting long distances to attend campus - and are being forced into paying large sums of money upfront as they compete with their peers to secure properties.
7. A shrinking rental market and growing demand is seeing increased competition amongst would-be tenants. This pushes prices up, creates an imbalance of power between landlord and tenant, and forces young people into substandard living conditions to avoid homelessness.

"We have students commuting from Manchester, Liverpool, most of Northern England actually due to a lack of suitable

³ <https://www.sos-uk.org/research/homes-fit-for-study>

⁴ <https://www.unipol.org.uk/news/accommodation-costs-survey-2021-launched>

⁵ <https://www.sos-uk.org/research/homes-fit-for-study>

accommodation for students in the city” - Undeb Bangor Sabbatical Officer, Bangor University.

8. Students’ Unions have also reported international students arriving to the Students’ Union, new to the country, asking for accommodation because they were unable to find some on their own. In Cardiff in September 2021, international students were forced to return to their home countries and take interruptions of study (defer their places) due to lack of suitable accommodation; this situation did not improve this academic year.

Barriers to accessing the private rented sector including challenges facing young people and people with pets

9. The practice of requiring a UK Homeowner Guarantor remains a significant barrier to students accessing private rented accommodation. International students, postgraduate research students (e.g., those studying for a PhD), estranged students and care leavers have all reported challenges in securing affordable property near their institution. While universities often offer guarantor services, whereby they can act as a guarantor for students, these services are limited.
10. International students are less likely to have links to UK homeowners and have reported being asked for 6 months of rent upfront in lieu of a guarantor. This significantly limits their choice of accommodation and leaves them vulnerable to exploitation. International students find their housing quality is low and landlords have little incentive to keep up to date with basic maintenance because rent was paid upfront.

“It is incredibly difficult to find a house without a homeowner guarantor, which is almost impossible to get as an estranged student from a low-income area.”

“My PhD stipend does not count as income to most agencies. As an international student, I’ve therefore had to take out loans to cover upfront rent costs because the agencies have refused to rent me a property without it”

How effectively the private rented sector is regulated

“My landlord suggested we went halves on the doorbell for my flat, for which I pay £650 a month. The doorbell fell off the wall and the landlord said he’d only replace it once,

and wouldn't again. Obviously, I didn't go halves on the doorbell, I put my foot down."

11. Students feel exploited by landlords, and claim they struggle to get basic repairs completed. NUS Wales spoke to one student whose bedroom was deemed 'unfit for human habitation' by Environmental Health because of mould. In response, the letting agency built a new wall in front of the existing, mouldy, exterior wall. While this improved the aesthetics of the room, it did not fix the underlying issue, and this student said they continued to become ill as a result of the conditions they were living in.
12. Students have told NUS Wales they feel powerless to take action against their landlords, and, due to a shortage of student housing, need to just 'put up with' the conditions:

"We moved in in July and they said that the previous tenants hadn't looked after it, but the landlord said that was our problem to sort out and clean up" - Cardiff student, paying £350 per person per month (pppm) (bills not included).

13. At the end of tenancies, students face additional obstacles in getting their deposits returned. Many claim landlords deduct significant amounts from their deposits to cover natural wear and tear, or to cover cleaning costs where the house has already been cleaned.

"I moved into my friend's old house this year - my mate had been charged £80 per person in a 3-bed house for a professional clean off their deposit. When we moved in the house was filthy - my mate's 'end of tenancy' photos showed they had left it clean. The landlord clearly had not had the house cleaned - in fact it looked like someone had come in to do the opposite." - Bangor student, £320 ppm (bills not included)

14. Students are often first-time renters, with limited experience of the private rented sector. It is felt, both by Students' Unions and students themselves, that landlords take advantage of this, assuming students do not know their rights.

"My landlord completely withheld my deposit for two months after we moved out. We spoke to our Students' Union who said we could raise disputes with the deposit

protection service. The second we told the agency this is what we were doing, our deposit was returned in full.” -
3rd year student, Swansea University

CARTREF YW POPETH HOME IS EVERYTHING



Shelter Cymru's response to the Local Government and Housing Committee inquiry into the private rented sector

May 2023

About Shelter Cymru

Shelter Cymru exists to defend the right to a safe home, because **home is everything**. We help thousands of people across all of Wales every year who have been affected by the housing emergency by offering free, confidential and independent advice. When necessary, we constructively challenge on behalf of people to ensure that they are properly assisted, and to improve practice and learning. We work with people who use our services as equals. We provide information, advice and support to help people identify the best options to prevent homelessness, to find and keep a home and to help them take back control of their own lives. We fight the devastating impact the housing emergency has on our people and communities with campaigning, advice and support – and we never give up.

Introduction

Shelter Cymru welcomes the opportunity to provide evidence to this inquiry into the private rented sector in Wales. Our thoughts have been shaped by our extensive housing advice casework across Wales and first-hand experience of working with households living in privately rented accommodation. We have also met with our Back the Bill¹ partners, CIH Cymru and Tai Pawb, to share thoughts on our responses and to provide support to our submissions. Generation Rent have also shared their submission with us.

Giving advice to private sector tenants accounts for a significant proportion of Shelter Cymru's case work. During the first three months of 2023 alone we gave advice to 1133 households living in the private rented sector, accounting for 35% of our total caseload. This doesn't include the many more who seek support from us after finding themselves in the homelessness system due to the loss of a private rented sector tenancy.

¹ <https://www.taipawb.org/policy-influencing/backthebill/>

CARTREF YW POPETH HOME IS EVERYTHING



A note on the role of privately rented accommodation in our housing market

Before we turn to the terms of reference for this inquiry, we wanted to take the opportunity to reflect on the role of the private rented sector and how it is currently positioned in our pressurised housing market.

The 2021 census revealed a 155% increase in the number of households renting privately in Wales over the last 20 years, accounting for an extra 139,000 households. This sits in stark contrast to an increase of only 2% in owner occupation and the 3% increase in households living in social housing.

The option to rent privately may have previously been taken by those making an active choice for short-term flexibility, or to enable residence in a particular area for lifestyle or convenience. It was the tenure of conscious choice for people looking to establish themselves in a new area before committing to a property purchase, or for someone relocating for a short term job opportunity.

We now regularly hear reference to the private rented sector as the tenure of last resort for those unable to afford home ownership due to rising house prices and households who would have some priority for social housing if only there was sufficient supply.

The private rented sector has grown to fill the gaps elsewhere and respond to demand whilst also representing a sound business decision for investing landlords. Meanwhile, households in need of long term, secure accommodation in their local community are in a position of constant worry about whether their tenancy will be brought to an end and when they will need to pack up and move on again.

The recent trend of landlords looking to leave the sector due to greater regulation has brought into focus our reliance on this accommodation option to fill the gaps which have developed elsewhere in the housing market.

We need strategic direction from Welsh Government about the role of the private rented sector in our housing market, who it is for and who should be providing it.

CARTREF YW POPETH HOME IS EVERYTHING



The supply, quality and affordability of accommodation in the private rented sector

We talk a lot about the Welsh housing emergency at Shelter Cymru and can't do so without highlighting the difficulties being faced by households living in, or looking to secure accommodation in the private rented sector. Together with the shortage of social housing, supply and affordability issues in the private rented sector are some of the main drivers of homelessness in Wales.

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

Supply

Lettings agents report² that there simply was not "enough houses out there for people who want rentals." Across the UK, Zoopla³ report that Lettings agencies typically had 10 available rentals in March 2023 compared to over 16 before September 2021. Meanwhile demand had risen by more than 50%.

Supply has also been hindered by unprecedented rates of possession proceedings across Wales as landlords serve notice to sell their properties or change their market to holiday lets for greater returns.

The Bevan Foundation have highlighted that⁴ on average, letting a property on Air B&B in a tourist hotspot would take a host less than 10 weeks to obtain the same rental income as a landlord letting their property at LHA rates for a year in all Welsh local authorities bar Torfaen.

We continue to fight for an end to no fault evictions in Wales following a U-turn in policy direction last year. This puts Welsh renters in a far more vulnerable position than their

² <https://www.bbc.co.uk/news/uk-wales-65474569>

³ <https://www.bbc.co.uk/news/business-65090846>

⁴ <https://www.bevanfoundation.org/resources/holiday-lets-and-the-prs/>

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Scottish counterparts, and in England the long awaited Renters (Reform) Bill⁵ has recently been published after originally being discussed four years ago.

It has been reported⁶ that every day last year more than 12 households in Wales sought temporary accommodation after being given an eviction notice. In 2022, at least 4,500 households presented themselves to council housing teams after being issued with a Section 21 notice.

Affordability

The search for a new home becomes even harder when looking to find accommodation at Local Housing Allowance rates. Further research⁷ by the Bevan Foundation confirmed something which we have all known but feared – the scarcity of affordable accommodation options in the private rented sector for low income families.

Data collected from 2,638 rental adverts across Wales in February 2023, found that, in Wales, only 32 properties advertised were available at or below LHA rates, equating to just 1.2% of the market. 16 local authorities did not have a single property available at LHA rates.

LHA levels have not been increased since April 2020, but we know that Wales has seen significant rent increases⁸ of up 10% or 11% in hotspots such as Merthyr, Rhondda Cynon Taff, Cardiff, Newport, Vale of Glamorgan and Conwy. We've seen landlords deciding to raise the rent by £200 a month in line with the increase in their mortgage payments⁹ and have also heard of cases where tenancies have been brought to an end by a landlord so that they are able to significantly increase the rent charged to the new tenant.

⁵ <https://bills.parliament.uk/bills/3462/publications>

⁶ <https://www.itv.com/news/wales/2023-03-27/the-huge-number-of-no-fault-evictions-last-year-and-why-theres-a-crisis>

⁷ <https://www.bevanfoundation.org/wp-content/uploads/2023/03/Wales-Housing-Crisis-Winter-2023.pdf>

⁸ <https://www.bbc.co.uk/news/business-65103937>

⁹ <https://www.bbc.co.uk/news/uk-wales-65474569>

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We continue to campaign to ask MPs to support the call to unfreeze Local Housing Allowance and lift the benefits cap as an emergency cost-of-living measure and would call on Welsh Government to do the same. .

The shortfall in assistance with rental payments is forcing households into homelessness as well as impacting on a local authority's ability to assist them. The private rented sector is a vital accommodation source for local authorities seeking both temporary and permanent accommodation solutions.

Quality

Wales has some of the oldest housing stock in Western Europe, with 26% of housing being built before 1919. Much of this older stock is used as private rented accommodation.

Shelter Cymru research¹⁰ from 2021 identified more than 1 in 4 of us - around 819,000 people - are living in homes with significant damp, mould or condensation problems. Over 1 in 10 (13%) - almost half a million people (409,000) - are living in homes that are not structurally sound or have hazards such as faulty wiring or fire risks.

Poor housing conditions are unfortunately commonly associated with the private rented sector and much of the regulation of the past has focused on improving living standards.

From 1st December 2022 the Renting Homes (Wales) Act 2016 sets out the obligations placed on a landlord with regard to the condition of a dwelling. These obligations apply to all occupation contracts made for a term of less than seven years. A landlord under an occupation contract is obliged to ensure a dwelling is both in repair and fit for human habitation. This includes matters such as damp and mould growth, cold, heat, crowding and space, entry by intruders, lighting, noise and hygiene. A landlord must keep the

¹⁰<https://www.itv.com/news/wales/2021-05-26/shocking-new-figures-demonstrate-scale-of-housing-crisis-in-wales-amidst-calls-for-immediate-welsh-government-action>

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dwelling in repair at all times. Once the landlord is aware of the need for repairs, they must be carried out in a reasonable time and to a reasonable standard.

We have seen increased concern in our case load about issues of damp and mould over the past 12 months. This follows the health concerns being brought into the spotlight by the inquest into the death of two-year old Awaab Ishak, which found that the cause was prolonged exposure to black mould in his social housing home in Rochdale. The property had "inadequate ventilation and was not equipped for normal day-to-day living activities which led to excess damp and condensation."

People are also concerned about the cost of heating their home given the rise in energy prices last year. According to the Energy Savings Trust¹¹ the private rented sector across the UK has the largest proportion of the most energy inefficient homes (6.3% are F and G rated properties, compared to around 0.7% of social housing). Nearly half (45.7%) of households living in such properties are in fuel poverty.

The Trust acknowledges that it has not proved easy to tackle this issue, as it is landlords who are responsible for investing in improvement measures, while it is the tenant who benefits from the resulting reductions in fuel bills.

As of 1 April 2022, all new tenancies in the private rented sector now require the property to have an EPC rating of at least 'D', however where significant investment is needed this may add more fuel to a landlord's decision to leave the sector.

The challenges currently facing private sector landlords

We totally appreciate that private sector landlords are having a challenging time at the moment and are having to make some difficult business decisions. Rent Smart Wales data suggest that 70% of landlords own only one property and for many that may have been inherited or bought to supplement their income rather than property rental being their main business focus.

¹¹ <https://energysavingtrust.org.uk/minimum-energy-efficiency-standards-private-rented-sector/>

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For these smaller landlords, increased regulation through mandatory registration, the changes introduced by the Renting Homes (Wales) Act and increased interest rates have understandably led many to question whether they want to remain in the sector.

Shelter Cymru's focus however, has to be on the households who are given notice to leave their home, with increasing numbers turning to local authority homelessness teams when they can't find alternative accommodation themselves. Many will go on to also require temporary accommodation.

The opportunities for greater partnership working between social and private landlords

The Welsh Government Leasing Scheme Wales is an excellent example of partnership working which aims to benefit tenants, property owners and local authorities. 15 local authorities have signed up to the Welsh Government backed scheme which offers incentives for property owners who lease their properties to the local authority. Tenants housed under the scheme will have longer term, secure and affordable accommodation as well as access to a high-level of support to help maintain their tenancy.

We applaud the scheme for providing an attractive package to a landlord such as guaranteed rent, a repairing lease, and grants for energy efficiency works. Whilst rental payments are tied to local housing allowance rates, and the significant shortfall to market rents exists, we question whether the scheme is attractive enough to an income focused landlord and whether this has hindered take up.

Shelter Cymru are aware of a number of initiatives being used by homeless prevention teams to save tenancies in the private sector. Some look to support the landlord or tenant to resolve issues which have led to the threat of eviction. This could include paying off rent arrears or providing intensive support to deal with issues such as anti-social behaviour or hoarding. Often this will be in partnership with a social landlord service, be it the local authority themselves or a housing association.

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We have also become aware of a number of authorities / associations considering whether homelessness could be prevented through rent rescue, where the property is purchased from the private landlord but the tenant remains in their home, becoming a social tenant. This is happening in at least three local authority areas after putting out a call for good practice¹².

Barriers to accessing the private rented sector including challenges facing young people and people with pets

Our 2022 report *Can I get a home?*¹³ considered the barriers which can be faced when trying to rent privately in Wales. With significant demand for private rented accommodation we are very much in a market where landlords have multiple potential tenants to consider for their property and set criteria on who they are willing to let to.

The report provides the findings of a Shelter Cymru survey of private landlords in Wales which reveals barriers that some prospective tenants can face when trying to access private rented homes, which makes it even more difficult for them to find a home.

The survey findings focussed on a number of barriers:

- Being a claimant of housing related benefits - Just over half (51%) of landlords asked, or sometimes asked, prospective tenants if they are receiving benefits and over a third (37%) of landlords do not, or would prefer not to, let to people who claim benefits. The report advocated that changes to the benefits system would make it more likely for landlords to let to people claiming benefits. These changes should include benefits for housing costs being paid directly to the landlord, benefits being paid in advance rather than in arrears and an uplift in local housing allowance levels to reflect higher market rents. We understand that some mortgage lenders still stipulate that properties should not be let to benefit recipients.

¹² https://sheltercymru.org.uk/policy_and_research/rent-rescue-homelessness-prevention-tool/

¹³ https://sheltercymru.org.uk/policy_and_research/can-i-get-a-home-barriers-to-getting-a-private-rented-home-in-wales/

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- Being homeless or moving from supported housing - Almost half of the landlords surveyed do not, or would prefer not to, let to people who are homeless (48%) or moving from supported housing (47%). Some commented that they had experienced difficulties with former tenants who had been homeless or moved in from supported housing. This had resulted in them adopting a blanket policy to not let to people in these situations again. One landlord was quoted to say *"homelessness is not an isolated issue, it is often related to many other issues such as domestic abuse, substance abuse and mental health issues that are not adequately supported by government agencies. If there was adequate support to help homeless people overcome these issues landlords would be much happier to have them as tenants."*
- Being the wrong age, being pregnant, being a transgender person, and being of a certain religion or holding certain beliefs - Only a small minority (less than 2%) of landlords surveyed said that they would not let a property to someone based on their race, marital status or sexual orientation. 3% would not let to people of all religions and beliefs, 4% would not let to transgender people and 5% said that they would not let to a woman who was pregnant. The most significant response was in relation to age with 10% saying that they would not let to people of all ages. Comments included: *"Experience has taught me young people are more likely to not pay the rent and damage the property and cause problems for the neighbours."*
- Having satisfactory financial and pre-tenancy checks - It is widely accepted practice for up-front payments and checks to be required by landlords. Whilst this is lawful, it can act as a significant barrier for people seeking accommodation. 72% of landlords surveyed said they require a month's rent in advance, and 7% require between two months and a year's rent in advance (with almost 2% asking for six months or more). Almost three quarters (72%) required a bond/deposit, half (50%) required an employer's reference, with 42% requiring a reference other than from an employer. Over half of landlords surveyed (55%)

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required a credit check and almost a third (36%) required people to have a minimum level of income.

- Having a pet- Prospective tenants can find that having a pet can significantly restrict their opportunities and choice of housing in the private rented sector. Over half of landlords surveyed (57%) said they don't, or would prefer not to, let to people with pets.

How effectively the private rented sector is regulated

Most landlords would argue that they are feeling over-regulated at the moment and would say that is causing them to consider leaving the sector. In reality we should remember that the UK rental market has been the exception across Europe, and that here gradual deregulation and easier access to debt finance has fuelled the rapid growth of the sector since the turn of the century.¹⁴

Research conducted by Cambridge Centre for Housing and Planning Research and LSE London¹⁵ suggests that a well- designed regulatory framework can have the potential to increase the size of the sector, but only where the aim is to improve quality and reduce costs as well as ensure reasonable rental returns for landlords.

Overall, the outcomes of regulatory regimes depend on the general context in which they operate as well as on finding a balance between too much interference which deters investment, and too little protection for tenants. The size of the private rented sector is not just an outcome of these regulatory regimes but also of the relative attractiveness and accessibility of other tenures and the availability of other investment opportunities.

Whilst we have a structured regulatory regime for social housing providers, regulation of the private rented sector is scattered across different mechanisms and is weaker as a result. The makeup of the two sectors is very different but we believe that there is a lot to be said for regulation sitting in one place.

¹⁴ https://www.cchpr.landecon.cam.ac.uk/system/files/documents/Summary_14.pdf

¹⁵ https://www.cchpr.landecon.cam.ac.uk/system/files/documents/Summary_14.pdf

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At present we have:

- Rent Smart Wales being responsible for mandatory registration and licencing
- The Residential Property Tribunal Wales managing rent level disputes, management orders, licencing and housing health and safety rating disputes
- Government approved deposit protection scheme managing deposit disputes.

Enforcement starts at a local authority level however we hear from colleagues that this is increasingly taking more of a reactive rather than proactive approach due to the strain on public sector budgets.

Shelter Cymru recently worked with Public Law Project on a strategic legal action to highlight that Cardiff Council had no resource available to fulfil their duty to prosecute illegal evictions. Following our action we understand resources are now in place at the authority but this is an issue that is likely to be found elsewhere.

We're not surprised that landlords feel overwhelmed by the level of scrutiny that they are under given its complexity. At present our casework is seeing wide variations in the way the requirements of the Renting Homes (Wales) Act 2016 have been actioned by individual landlords, particularly in relation to converting existing tenancies.

We should remember that the situation is equally complex and overwhelming for tenants as they navigate through different mechanisms to determine what their rights are – a reason why many turn to us at Shelter Cymru for help.

In terms of specific rent regulation Shelter Cymru keenly await the publication of the Welsh Government Green Paper which will call for evidence on securing a path towards adequate housing – including fair rents and affordability. We have been cautious in our support for rent control, wanting to see the policy position supported by a clear evidence base. It is good to see this approach being taken.

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The availability of data on the private rented sector and how it can be improved

The lack of reliable data in relation to the private rented sector has long been a concern for us. Robust data collection is essential to inform future policy decisions and monitor their impact.

The high number of households receiving Section 21 notices who are turning to us for advice gives us an indication that landlords are deciding to remove their properties from the sector, but we don't know for certain the scale of their departure, whether there are geographical differences across Wales or what those properties are becoming. The most recent Census has given us an updated snapshot of what the sector looks like, but that is 12-months out of date at the point which it is published.

Local housing allowance levels are not covering the rents being charged but with no consistent data collection on rent levels, we are in the dark about what the realities of the shortfall are. Online lettings portals only tell us part of the story for properties which have actually been listed, and then only the advertised asking rent rather than the level agreed contractually.

We also have concerns about the methodology used by Rent Officers Wales to conduct rent valuations which inform local housing allowance levels. Landlords provide rent information on a voluntary basis which is then combined with data held by local authority housing benefit departments. This is not captured rent data from across the market.

There were missed opportunities in the early days of Rent Smart Wales regarding the data that was collected as part of the registration and licencing process. Calls to collect rental information at the point of application or renewal were not listened to when the licencing authority was established. We understand that further data collection to enable informed policy making is now being considered and we very much support this as the logical place for it to happen.

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We are also pleased to see that statistical dashboards are being made available on the Rent Smart Wales website¹⁶ regarding the number of registered properties and energy performance. The breakdown of this information at a local authority level is particularly useful and we hope to see further access to the information they hold about:

- The properties in the sector - property type, number of bedrooms etc.
- The tenants - number of people in each household, single or multiple household
- The landlords - type or organisation, number of properties registered.

We also wonder if there are plans for Rent Smart Wales data to be made available through Stats Wales at some point in the future.

¹⁶ <https://rentsmart.gov.wales/en/registeredpropertiesdashboard/>

**Senedd Local Government and Housing Committee
Inquiry into the Private Rented Sector (PRS) May 2023
Crisis response**



About Crisis

Crisis is the national charity for people facing homelessness across Wales, Scotland and England. We know that homelessness is not inevitable, and we know that together, we can end it.

We provide services directly to people experiencing homelessness, carry out research into the causes and consequences of homelessness, and campaign for the changes needed to end it.

Introduction

Crisis believes that people experiencing or at risk of homelessness should be able to access a range of housing options, enabling them to exercise choice over the features of a home which meet their needs and preferences. For many people, renting privately is the most suitable housing option and they need access to good quality, well managed, affordable PRS homes.

However, we know that there is currently an undersupply of affordable, quality housing in the PRS in Wales, and this is directly contributing to homelessness.

At our Crisis Skylight centre in South Wales, we work in partnership with a number of private sector landlords to secure homes and prevent evictions for our members across Swansea, Neath, and Port Talbot. However, many of our members still face a number of barriers to accessing and sustaining tenancies in the PRS. Further, as part of our role as convenor of the Welsh Government Expert Review Panel for the reform of homelessness legislation, we have engaged with multiple stakeholders across Wales who report that they are experiencing the same problems.

We are therefore pleased that the Committee is investigating this area, and prior to addressing the terms of reference of the inquiry, we would like to offer five key recommendations for consideration.

Crisis recommendations

1. Increase Local Housing Allowance

In Crisis' view, the quickest way to increase the supply of affordable housing is to urgently invest in Local Housing Allowance rates so they cover at least the bottom third of rents. Investing in housing benefit would make it more affordable for people to stay in their current homes, preventing homelessness, and make it easier for those currently experiencing homelessness to find a suitable home, ensuring their homelessness is brief.

We are grateful for both the Committee and the Welsh Government's recent support of this recommendation and advise that the Welsh Government continues to raise this issue with counterparts in Westminster.

2. Stabilise rents

Any investment into or reform of benefits should be complemented with rent stabilisation linked to an inflationary measure. Crisis would suggest that the Committee considers a recommendation to limit rent increases to average wage growth. This would make tenancies more sustainable and ensure that people who have experienced homelessness in the past are less likely to be forced into homelessness again in the future.

It is important to note here that Crisis would not be supportive of hard rent controls that freeze rents completely for a specified time period – our research suggests that this type of intervention risks creating longer-term problems for the people most at risk of homelessness and their access to affordable housing. For example, there is potential for this to encourage a mass of rent rises prior to such a measure coming into effect.

3. Extend the functions of Rent Smart Wales

As part of the Welsh Government's review of Rent Smart Wales, the function of Rent Smart Wales should be extended to include detailed data collection and greater provision of training for landlords on how to support tenants. All PRS landlords should be legally required to submit annual rent data to Rent Smart Wales and to complete training on working with vulnerable private tenants.

4. Widen access for groups at risk of homelessness

There are multiple barriers to accessing and sustaining tenancies in the PRS, particularly for low-income households and groups that face barriers specific to a protected characteristic or life experience. The Welsh Government must consider interventions to break these barriers and reduce the increased risk of homelessness for these groups.

5. Continue investment in social housing

Given the undersupply of social housing in Wales, the PRS is currently the 'residual' tenure which absorbs demand from people who need social housing but cannot access it. The Welsh Government must continue to work to address ongoing barriers and meet its social housing building targets to alleviate pressure on the PRS.

Inquiry terms of reference: Crisis response

The supply, quality and affordability of accommodation in the private rented sector

The undersupply of good quality homes that are genuinely affordable to people on low incomes is causing and prolonging homelessness. Many people are stuck in temporary accommodation for several months, and in some cases, years, due to lack of suitable options to move into permanent homes.

Supply

The supply of residential lets is threatened by the profitability available to landlords in the short-term let sector. The Bevan Foundation report that several landlords are leaving the private residential rental sector in search of bigger profits and reduced regulation in the short-term holiday rental sector. The number of Airbnb properties in Wales increased by 53% between 2018-2022, with coastal and mountainous areas being the most affected. In Gwynedd, for example, Airbnb properties represent almost a third of all private rented sector stock.

In all local authorities bar Torfaen, a landlord could generate more income in under 10 weeks by letting their property on Airbnb than they could earn via letting their property at LHA rate for a whole year.¹

In addition to overall supply issues, there are specific issues with undersupply of the types of accommodation required to meet the demands of the population. For example, there is a lack of one-bedroom properties and properties suitable for people with disabilities.

Affordability

Rightmove estimated that rents rose by 15.1% in Wales between 2021-2022², meaning that Wales faces the second fastest growing rent costs in Great Britain, surpassed only by London. Recent research from the Bevan Foundation suggests that less than 2% of private rented homes in Wales are affordable to low-income renters and that many local authorities do not have any properties available for rent at LHA rates.³

Quality

The Welsh Housing Conditions Survey which provides information about the condition and energy efficiency/performance of all types and tenures of housing in Wales was last conducted in 2018. Crisis would recommend that this survey is repeated to get a better sense of the national standards of quality across the PRS in Wales.

Whilst the introduction of the Fitness for Habitation Standard in the Renting Homes Act 2016 is a positive step towards improving the quality of the PRS, we are concerned that without enforcement, the standard will not result in improvement of quality. This issue is explored further with regard to regulation on Page 7 of this response.

At our Crisis Skylight centre in South Wales, we support our members to secure tenancies in the PRS, but many of the properties available to them are of such poor quality that they are not a sustainable route out of homelessness.

For example, two of our members rented rooms in an extremely poor-quality shared house in Swansea. There were exposed wires, bare floorboards and broken locks – see photos in Appendix A. The rent was £450 per room per month, which

¹ The Bevan Foundation. (2022). [Holiday lets and the private rental sector](#).

² Rightmove. (2022). [The Rightmove Rental Trends Tracker](#).

³ The Bevan Foundation. (2023). [Wales Housing Crisis: Local Housing Allowance and the private rental market in Wales, Winter 2023](#)

is around £36 more than our members were receiving in Housing Benefit each month. If they had been under 35 years old and only entitled to the shared accommodation rate of LHA, the shortfall would have been £200 per month.

Another of our members went to view a property to find somebody sleeping in the bedroom they were viewing. There were holes in the walls and the bedroom was covered in rubbish.

One of our members was renting a flat which had a rat infestation at the front of the property and at one point, a snake came up the drainpipe. The front door to the property was broken and the landlord refused to pay for it to be fixed.

The challenges currently facing private sector landlords

The benefits system

The roll-out of Universal Credit included the consolidation of payments to be monthly single payments, with a five week wait before the first payment. This five-week wait has been linked to a rise in rent arrears, which may discourage landlords from letting to low-income households.⁴

If people in receipt of benefits had easier access to direct rent payments in Universal Credit and the five-week wait was replaced with a starter payment, this might increase PRS landlords' faith in the benefits system and encourage more landlords to let to low-income households.

Lack of understanding of vulnerable tenants

Private landlords have a vital role in housing people in Wales, and this includes people who may be vulnerable. There are many reasons why people renting in the PRS could be vulnerable. They might, for example:

- Be transitioning from living in an institution such as prison
- Have care experience
- Be experiencing mental ill health
- Have, or be recovering from, drug or alcohol dependencies
- Have a physical disability
- Be neurodivergent
- Be receiving welfare benefits
- Have learning difficulties
- Be living with, or escaping from, domestic abuse.

We understand that private landlords may not be aware or have a sound understanding of many of these issues that tenants face, which can make it difficult for a landlord to work successfully with a vulnerable tenant and therefore increase the tenant's risk of homelessness. Therefore, it would be beneficial to both landlords and tenants if landlords were legally required to complete comprehensive training on how to work successfully with vulnerable tenants, including how to signpost them to appropriate support services.

⁴ House of Commons Work and Pensions Committee. (2020). [Universal Credit: the wait for a first payment](#).

Crisis would advise that introduction of this requirement is accompanied with a legal duty for PRS landlords to refer tenants to local authority housing support teams if they believe that they are at risk of homelessness. To ensure that landlords are supported in this, Crisis also believes that local authorities should be legally required to support sustainment of tenancies as part of their wider homelessness duties.

Barriers for people accessing the private rented sector

There are multiple barriers to accessing the private rented sector, particularly for those on low incomes. Some groups also face barriers specific to a protected characteristic or background.

The gap between LHA and rent costs

As explored above, the combination of rising rents and the freeze of LHA rates means that people on low incomes cannot afford the majority of PRS tenancies.

Excessive landlord requirements

Landlords often ask potential tenants to supply:

- excessive deposits/rent in advance
- proof of income
- guarantors
- multiple references
- credit checks

We also know that some landlords request insurance for rent arrears, voids and damage from organisations supporting people on low incomes.

These requirements present significant barriers for low-income households and many other groups of people at particular risk of homelessness, for example, care leavers, prison leavers and those fleeing domestic abuse (who may have been subjected to financial abuse). Crisis would welcome further consideration of how such policies could be avoided or of how vulnerable groups could be supported to overcome the barriers these requirements present.

History of arrears

Many landlords refuse to let properties to people with a history of arrears. These arrears could relate to rent, council tax, or energy bills.

Shared accommodation rate

Single people under 35 are entitled to a lower rate of Housing Benefit which makes affordability even more challenging.

Discrimination

Despite its illegality, we know that certain landlords continue to discriminate against potential tenants based on their age, ethnicity, sexual orientation, and disability. Many landlords are reluctant to let to families with children and people in receipt of benefits.

Right to refuse adaptations

PRS landlords have the right to refuse adaptations for disability, even if they are at no cost to the landlord. This makes it more difficult for people with disabilities to access and sustain tenancies.

Offending history

People who have a history of offending often struggle to access the PRS as many landlords will not let to people with a criminal record. It is particularly difficult for those who have committed arson in the past, as landlords state that their insurance would be void if they let to a person with this on their record. This means people leaving prison have extremely limited options when seeking a home in which they can rehabilitate and reintegrate into society.

We would recommend that the Welsh Government considers how it can encourage PRS landlords to work with prison leavers.

Anti-social behaviour

Landlords are often reluctant to let to people with history of anti-social behaviour (ASB). It is important to note that ASB is often linked with mental ill health, and it can intersect with neurodivergence and how people interpret other people's behaviour. It can also be linked with families living in overcrowded homes, or people who are being victimised by a neighbour or someone else in their home. Tenants who are experiencing domestic abuse are four times more likely than other tenants to have ASB complaints made against them⁵. This is often due to the misidentification of domestic abuse as ASB.

Pets/companion animals

Landlords can be apprehensive about allowing pets in rented properties, and tenancies that do allow for pet ownership often come with inflated costs for deposits and damage protection. However, if managed correctly, allowing the keeping of pets facilitates happy, healthy tenants. Companion animals play an important role in improving their owners' physical and mental health and wellbeing, helping to reduce loneliness. This can benefit landlords by helping to maintain longer-term, successful letting arrangements.⁶ For some people experiencing homelessness, their pet has been a source of comfort and companionship during a traumatic chapter in their lives. Leaving their pet behind can therefore feel inconceivable – making no pet policies a considerable barrier.

Crisis would recommend that the Welsh Government bans blanket 'no-pet clauses' in PRS contracts. If a prospective tenant asks for a pet to be allowed as part of their contract, a landlord must not unreasonably refuse the request.

Under 18s

There are many reasons that people under 18-years-old may need to live independently of their parents or carers. Under land law, a minor cannot hold a

⁵ Jackson (2013), cited by Henderson, K. (2019) p.60. *The role of housing in a coordinated community response to domestic abuse*, Durham theses, Durham University. Available from: <http://etheses.dur.ac.uk/13087/> and SafeLives (2018), *Safe at Home*, Available from: <https://safelives.org.uk/sites/default/files/resources/Safe%20at%20Home%20Report.pdf>

⁶ RSPCA Cymru. [Housing and animal ownership](#).

'legal' interest in land and can only hold an 'equitable' interest. This creates difficulties for young people under 18 in accessing tenancies.

How effectively the private sector is regulated

Crisis is concerned that the regulations relevant to the PRS are not being enforced and that this is resulting in homelessness.

The Renting Homes Act sets out requirements for properties to be 'fit for habitation', but the reality is that local authorities do not have the resources to enforce these requirements.

The number of inspections carried out by local authorities in Wales under the Housing Health and Safety Rating System (HHSRS) has decreased significantly in recent years. Whilst the low numbers of assessments between 2019-2021 can be attributed to the Covid-19 pandemic, it is clear that the trend is continuing beyond the pandemic. In 2021-22, only 4,363 assessments were carried out across Wales – this represents a 22% decrease of assessments carried out in 2018-19 (the most recent data year unaffected by the pandemic) when the number of assessments had already fallen by 10% in comparison to the year before that.⁷

A further cause for concern is illegal eviction. Shelter Cymru report that cases of illegal evictions are rising in Wales, and a recent court case revealed that Cardiff Council has not investigated a single illegal eviction for at least ten years.⁸

We also worry about the fact that the onus is on tenants to enforce regulation through the Residential Property Tribunal. Tenants may be deterred from reporting issues for fear of losing their home or due to a lack of understanding of their rights and/or the bureaucracy of the tribunal.

The availability of data in the private rented sector and how it can be improved

Analysis by Crisis and Zoopla⁹, and the Bevan Foundation¹⁰ shows that limitations in rent officers' datasets is leading to unreliable estimates of the real cost of renting.

As there is currently no legal requirement for private residential landlords to disclose to Rent Officers how much rent they charge, the UK Government is making decisions about Local Housing Allowance levels without comprehensive or up-to-date information, with no assessment of the risk to people facing homelessness.

LHA rates are based on 'actual rents', rather than 'advertised rents'. However, collecting a snapshot of actual rents might fail to capture the rate at which average rents for new tenancies are rising, as existing tenants may be paying less

⁷ Welsh Government. (2023). [Housing hazards and licences: April 2021 – March 2022](#).

⁸ Wilks, R. (2023). [Cardiff Council's Systemic Failure to Investigate Illegal Eviction Exposed](#).

⁹ Crisis and Zoopla. (2022). [Falling short: Housing benefit and the rising cost of renting in England](#).

¹⁰ The Bevan Foundation. (2021). [Wales' housing crisis: the role of LHA](#).

rent than prospective new tenants. On the other side of the coin, advertised rents only include new tenancies and will not always reflect the actual rent level agreed, particularly in high demand areas where there is an increasing trend for tenants to bid over listed rents.

In order to solve this issue, annual rent reporting through Rent Smart Wales should be a legal requirement for landlords. This should include the rent paid by each tenant, and confirmation of whether any is paid through Local Housing Allowance. This annual data reporting would not be burdensome but would immediately provide a comprehensive and up-to-date evidence base. This would help the DWP and HM Treasury to accurately assess Local Housing Allowance shortfalls and improve the value for money on investment by ensuring that spending is efficiently targeted. It would also improve the accuracy of inflationary measures themselves, contributing to the work of the Office for National Statistics.

Conclusion

The private rented sector is a key part of the housing landscape in Wales and has clear potential to help with the unmet housing needs of the people of Wales. However, at present, many people are struggling to access a privately rented home, which is consequentially contributing to the housing crisis and rising homelessness rates. In order to maximise the potential of the PRS, it is important that the Welsh Government, Rent Smart Wales, private landlords, local authorities and support providers all work together towards implementing the many solutions highlighted in this evidence and beyond.

Thank you for reading this response. For more information, please email Jasmine Harris, Senior Policy and Public Affairs Officer jasmine.harris@crisis.org.uk

Appendix

Photos of a PRS property in Swansea, costing £450 per month per room.







Senedd Housing and Local Government Committee inquiry into the Private Rented Sector

The Bevan Foundation is Wales' most influential think-tank. We create insights, ideas and impact that help to end poverty and inequality. We are grateful for the opportunity to submit written evidence to the Housing and Local Government Committee's inquiry into the private rental sector. Our response addresses each of the terms of reference set out in the consultation document in turn and is based on our extensive work on the challenges faced by low-income renters in Wales.

1. The supply, quality and affordability of accommodation in the private rented sector

The Bevan Foundation's recent work on the Local Housing Allowance has raised significant concerns about the availability of good quality, affordable housing in Wales.

The Local Housing Allowance (LHA) is the mechanism used to calculate the amount of Housing Benefit or housing element of Universal Credit that someone renting in the private rental sector is entitled to claim. The LHA is designed to allow a tenant to rent a property in the cheapest 30th percentile of properties available within a market area, adjusted for household composition. Our most recent research has demonstrated that this is far from the case.

Between 3rd February and 17th February, we collected data on the 2,638 properties advertised for let in Wales. Of these only 32 (1.2 per cent) were advertised at rents that were at or below LHA rates.¹ Of the 22 local authorities in Wales only 6 have any properties available at or below LHA rates, Cardiff, Ceredigion, Conwy, Gwynedd, Powys and Rhondda Cynon Taf. In two of the six local authorities, (Ceredigion and Conwy) there was only a single property available at LHA rates.²

The inadequacies of the LHA system have a significant effect on low-income renters. These effects are predominantly manifested in one of three ways.

Some tenants move into properties where there is a gap between the support they receive through the social security system, and their rent. According to the Department for Work and Pension's own data, in September 2022, 70 per cent of private rental sector tenants that were on Universal Credit and who received support towards their housing costs in Wales did not have their rent covered in full.³ This has a significant impact on tenants' financial resilience, putting them at greater risk of falling into rent arrears or going without essentials such as food or heating.

Other tenants are pushed into poor quality accommodation. During our work on the LHA, we heard from one local authority officer that described the private rental housing that was available at LHA rates in their area as the "toilet end of the market".⁴ This does not only have a direct impact on tenant's health and quality of life, but it can also have an impact on their financial position. Poorly

¹ Bevan Foundation, *Wales' Housing Crisis: Local Housing Allowance and the private rental market in Wales, Winter 2023* (March 2023) available at - www.bevanfoundation.org/resources/housing-winter-2023/

² *ibid*

³ Statxplore data analysed by the Bevan Foundation

⁴ Bevan Foundation, *Wales' Housing Crisis: making the LHA work for Wales* (March 2022) available at - www.bevanfoundation.org/resources/wales-housing-crisis-making-the-lha-work-for-wales/

insulated homes, for example, are more expensive to heat, placing extra pressure on the finances of low-income renters.

Some tenants are pushed into accessing support through the homelessness system. The number of people living in temporary accommodation in Wales has risen by a quarter over the past twelve months, with 9,601 individuals living in temporary accommodation as of 28th February 2023.⁵ The gap that has opened between LHA and rents has likely contributed to this increase in two ways. First, the lack of affordable private rental sector accommodation is likely to have contributed to the increase in the number of people seeking support through the homelessness system. At the same time, the very factors that are making it difficult for renters to find affordable accommodation in the private rental sector are also making it increasingly difficult for local authority housing and homelessness teams to find appropriate move on accommodation, leading to more pressure being placed on temporary accommodation.

2. The challenges currently facing private sector landlords;

Over the summer of 2022 the Bevan Foundation held two joint events with the National Residential Landlords Association (NRLA) to better understand why there are not more properties available to rent at LHA rates in Wales.⁶ The primary reason given by landlords as to why they did not choose to let out their property at LHA rates was that the gap that has developed between LHA and market rents is now so significant that there was little incentive for them to do so.⁷ This combined with a concern that they did not have the appropriate skills to support tenants who may have additional needs meant that many landlords reported that they would prefer to let properties to people who were not in receipt of benefits.⁸

A secondary theme that emerged through our work over the summer of 2022 is that the rise of the holiday let industry is providing an attractive alternative income source for some landlords. Research undertaken by the Bevan Foundation found that in every local authority bar one, a property owner could make more in ten weeks by letting out their property on Airbnb than by letting out their property at LHA rates for an entire year.⁹ Whilst there may be some higher costs associated with the holiday let industry, lower regulatory standards, and potentially lucrative returns mean that in many parts of Wales, the holiday industry is likely to be an attractive alternative for landlords, potentially reducing the availability of rental stock.

The Bevan Foundation has not undertaken recent work exploring the challenges faced by landlords more broadly. We are aware that there is significant discussion about landlords leaving the sector in Wales, however, there is limited data that allows us to objectively analyse whether the private rental sector itself is getting smaller. For example, whilst individual landlords may be selling their properties, these could be being bought by other landlords, meaning that the sector overall is not reducing in size. In fact, in the medium term, the data suggests that the private rental sector in Wales is growing. There were 44,000 more people living in the private rental sector in Wales at the time of

⁵ Welsh Government, *Homelessness accommodation provision and rough sleeping: February 2023* (April 2023) available at - <https://www.gov.wales/homelessness-accommodation-provision-and-rough-sleeping-february-2023>

⁶ Bevan Foundation, *A call for action: joint pledges from Bevan Foundation and NRLA to support low income tenants* (August 2022) available at - https://www.bevanfoundation.org/resources/nrla_bevan_joint_asks/

⁷ *ibid*

⁸ *ibid*

⁹ Bevan Foundation, *Holiday lets and the private rental sector* (September 2022) available at - <https://www.bevanfoundation.org/resources/holiday-lets-and-the-prs/>

the 2021 census as compared to the 2011 census. It is possible that this growth has gone into reverse in the following two years, but we think there is a need for caution when exploring recent concerns about the sector becoming smaller in the absence of robust data.

3. The opportunities for greater partnership working between social and private landlords.

The Bevan Foundation has not undertaken extensive work exploring opportunities for social and private landlord partnership working. We are aware however, of some examples of such partnership working in action. For instance, the Welsh Government's Leasing Scheme is at its core an example of partnership working, with some local authorities working in partnership with social landlords to manage tenancies under the Scheme. Throughout our work on LHA, however, we have heard that the significant gap that has developed between LHA and rents undermines the attractiveness of such schemes to landlords, with landlords being better off financially if they let out a property at market rate, even if it sits empty for a month than if they rented their property to at LHA rates through the Leasing Scheme.¹⁰

Whilst we are sure that there are areas where there is space for greater partnership working between social and private landlords, we believe that it imperative that these are developed in a way that is sustainable in the long term, and that doesn't limit the ability of the Welsh Government to construct the additional social housing that is needed.

4. Barriers to accessing the private rented sector including challenges facing young people and people with pets;

Affordability is the primary barrier preventing low-income households from accessing the private rental sector, but during our work on LHA we did identify several further barriers. Many properties that are advertised for rent on the formal rental market require tenants to satisfy certain criteria before they are permitted to lease a property. Many of these additional requirements can prove difficult for low-income tenants to satisfy, such as:

- Deposits equivalent to more than one month's rent.
- A requirement to provide a guarantor.
- Credit checks.
- Minimum income checks.
- 'Professional Only' requirements.

Of the 32 properties found advertised for rent at or below the LHA rate by the Bevan Foundation in February 2023, 23 had one or more of these requirements that could prove difficult for low-income tenants to satisfy.¹¹ This means that there were only nine properties (0.34 per cent) advertised on the formal rental market in Wales that were fully covered by LHA rates and had no additional requirements that would be difficult for a low-income tenant to satisfy.¹² These properties were available in just three local authorities, with seven being available in Cardiff, one in Ceredigion and one in Rhondda Cynon Taf.¹³

¹⁰ Bevan Foundation n(4)

¹¹ Bevan Foundation n(1)

¹² ibid

¹³ ibid

5. How effectively the private rented sector is regulated; and

The enactment of recent legislation by the Senedd (such as the Renting Homes (Wales) Act) 2016 has undoubtedly improved the regulatory standards for the private rented sector. Whilst there may be areas where there is a case to increase regulation further (e.g. in relation to costs) the Foundation's recent work has unearthed some concerns with regards to the way that existing regulation is being enforced.

We have identified some areas where landlords may be ignoring existing regulations or have found loopholes so that they can avoid their spirit. For instance, we found examples of landlords explicitly stating that they would not rent their property to people in receipt of social security benefits, despite the ban on doing so.¹⁴ We also found examples of tenants being required to pay large up-front fees before they could rent a property despite restrictions on letting agency fees.¹⁵ There is therefore a clear need to both increase regulatory enforcement action and to review existing regulations to close possible loopholes.

A further limitation of the way that the sector is currently regulated is that there is a heavy dependence on tenants to both be aware of their rights and to take action against their landlord (e.g. report them to their local authority) in order for regulatory standards to be enforced. Throughout our work we have heard numerous concerns that private rental sector tenants are not empowered, both in terms of knowing their legal rights nor in feeling confident enough to take action against their landlord for fear of eviction.¹⁶ There is a need for the Welsh Government to take action to both increase tenants' understanding of their rights and to increase the support that is available to take action against their landlord, if required.

6. The availability of data on the private rented sector and how it can be improved.

There is a need for significant improvement on the data that is held in Wales on the private rental sector.

One of the key findings of the Bevan Foundation's work on LHA has been that there are significant limitations to the data used to calculate how LHA rates are set.¹⁷ LHA rates are set based on data gathered by the Welsh Government's rent officers. There is currently no obligation on landlords to share how much they charge for rent meaning that data gathered by rent officers may not provide a true overview of local rental markets. This does not only have possible implications as to how the LHA is set in Wales,¹⁸ but may also undermine broader policy discussions about the private rental sector. Placing a requirement on landlords to share how much they charge for rent with the Welsh Government or Rent Smart Wales, for example, could address this data weakness.

A second weakness with the current system is that despite the creation of Rent Smart Wales, there are still limitations as to our understanding of how many landlords operate in Wales and how this may or may not be changing over time. Despite all landlords in Wales being required to register with Rent Smart Wales there is no publicly available data that allows us to explore recent trends within the sector, for example whether it is indeed the case that landlords are leaving the sector in Wales.

¹⁴ Bevan Foundation n(4)

¹⁵ *ibid*

¹⁶ *ibid*

¹⁷ *ibid*

¹⁸ *ibid*

Improving the way that this data is held and published would provide a further opportunity to better understand the private rental sector in Wales.

A further issue with the data that is gathered with regards to the rental sector in Wales concerns Broad Rental Market Areas (BRMAs). Rents vary considerably across Wales, so to reflect this, different LHA rates are set for areas with broadly similar market conditions, called BRMAs. Wales has 23 BRMAs, which are drawn up by the Department of Work and Pensions. The Bevan Foundation's work on LHA has raised concerns about whether some BRMAs are truly representative.¹⁹ We believe that the Welsh Government and Welsh local authorities should use existing mechanisms to ask the UK Government to review Welsh BRMAs, to ensure that they better reflect Welsh communities.

¹⁹ *ibid*

Local Government and Housing Committee
Inquiry into the private rented sector
Response from the National Residential Landlords Association

1.0 About the NRLA

1.1 The **National Residential Landlords Association (NRLA)** is the leading voice in England and Wales for private sector residential landlords. It has over 100,000 members, making it by far the largest organisation in the sector. The membership owns and manages around 10% of private rented housing in England and Wales, equating to half a million properties.

1.2 The NRLA provides training and support for landlords to ensure they fully understand their responsibilities and are equipped to provide good quality housing for their tenants. It also campaigns for policies that seek to improve the sector for the benefit of tenants and responsible landlords.

2.0 Executive summary

2.1 Like other areas of the UK, Wales is facing a shortage of private rented housing. Tenant demand remains strong and continues to outstrip supply. This is placing an upwards pressure on rents out of tenancy, although rental growth remains below inflation.

2.2 To address this issue more landlords need to be brought into the market while current landlords should be encouraged to stay rather than leaving the market or moving to short-term and holiday lets. This can be achieved by addressing landlords' key concerns, such as uncertainty around future energy efficiency requirements, current regulations in Wales, and the prospect of rent controls being introduced by the Welsh Government.

2.3 The introduction of rent controls, so soon after the introduction of the Renting Homes (Wales) Act, risks pushing landlords out of the market. The introduction of such a substantial change to how the private rented sector works in Wales is alarming given the lack of data on the make-up of the PRS and the possible unintended consequences such a move could have.

2.4 The NRLA is calling for a number of measures to alleviate the pressure on the PRS and ensure that supply in the sector grows, helping to meet demand and improving the affordability of the sector. These include:

- A comprehensive strategy to support landlords in retrofitting the remaining fifth of PRS properties with a low EPC rating, particularly those that pose significant challenges and high costs for retrofitting.
- The Development Bank of Wales should offer additional funding, in the form of low-interest loans, to landlords who are facing prohibitive costs when making energy efficiency improvements to their properties.
- Any further incentives, such as a higher guaranteed level of rent or property upgrade grants, to ensure that the Leasing Scheme Wales is more successful and works for responsible landlords.

- An increased rate of Local Housing Allowance that realistically reflects rents in each area, and for access to the full rate of LHA to be extended to those under the age of 35.
- The purchase of additional homes for long-term rent should be exempt from the higher rate of Land Transaction Tax (LTT), thereby encouraging landlords to bring properties into the sector, adding much-needed supply. In addition, Welsh Government should urge the UK Government to undertake a full review of taxes affecting the sector to mitigate the detrimental consequences of a loss of investment on current and future tenants, tax revenue and expenditure on homelessness prevention.
- Both the Welsh and UK Governments should allow for more flexible deposit amounts for tenants with pets. Additionally, tenants should also be required to have pet insurance or pay the landlord for it, and this should be allowed as a requirement for a tenancy where relevant.
- An assessment of Rent Smart Wales should be conducted by Audit Wales to establish if it is meeting its objectives and advise on what improvements could be made to ensure it is effectively regulating the sector with the tools it already has.
- Rent Smart Wales should be required to publish annual performance statistics that include property conditions, energy efficiency data, the number of landlords in Wales, and other key tenure data to provide a more comprehensive picture of its performance.
- A Scrutiny Board should be established to provide oversight of Rent Smart Wales, and include representatives from across the sector, including tenant and landlord representative bodies.
- An annual Welsh Housing Survey should be developed to provide a comprehensive picture of the housing sector in Wales.

3.0 The supply, quality, and affordability of accommodation in the private rented sector

3.1 The demand for private rented properties in Wales is outstripping supply. By the simple laws of supply and demand, this is placing upwards pressure on rents.

3.2 In November 2022, Savills noted in its Welsh Housing Market update: “Surveyors have consistently reported a significant excess of demand over supply in the last year, suggesting strong rental growth is likely to continue.”¹ Separately, the Bank of England reported in February that: “Demand for rental properties continued to outstrip supply as the number of landlords choosing to exit the market increased. Contacts attributed this to a combination of factors including tax and regulation, higher maintenance and borrowing costs, and an inability to recoup increased costs in rents.”²

3.3 According to a recent survey conducted by the research consultancy BVA-BDRC, 73% of NRLA members in Wales reported an increase in tenant demand in the final quarter of 2022. Despite such strong demand, four in ten landlords stated that they plan to reduce the

¹ Savills. *Welsh Housing Market and Supply Update*. Available at: https://www.savills.co.uk/research_articles/229130/335606-0#:~:text=Rents%20increased%2011.9%25%20in%20Wales.growth%20is%20likely%20to%20continue.

² Bank of England. *Monetary Policy Committee Report, February 2023*. Available at: <https://www.bankofengland.co.uk/-/media/boe/files/monetary-policy-report/2023/february/monetary-policy-report-february-2023.pdf>.

number of properties they let, compared to almost one in ten (9%) who said they would increase the number of properties they rented out.³

- 3.4 The PRS in Wales has become more popular than ever before, with the 2021 census data revealing that it now provides homes for 16.6% of all households in Wales, an increase from 14.1% in 2011 and just 7.4% in 2001.^{4 5 6}
- 3.5 Contrary to the popular belief that landlords raise rents solely to maximise their profits, the main reason for increasing rents is to reflect market conditions when there is a change in tenancy. Typically, landlords will not raise rents when renewing a contract with an existing tenant who wishes to remain in the property.
- 3.6 Whilst not Wales-specific, the latest English Private Landlord Survey shows that 68% of landlords kept rents the same or reduced them instead of increasing them when extending or renewing a tenancy. The Office for National Statistics, which tracks changes in all rents, including in tenancy changes, reported that rents are increasing well below inflation in Wales. The average level of private rents in Wales increased by 4.4% in the 12 months leading up to March 2023, compared to inflation of 10.1% (by CPI) over the same period.
- 3.7 As of December 2021, the average rent in Wales is £550 per month, representing 23% of an average person's income. This makes them more affordable than those in England where an average rent is £730 a month, which is more than a quarter of an average person's income.⁷ Over the medium-term, rents in Wales increased by 15.6% between 2010 and 2023, while median weekly pay increased by 33% during the same period.^{8 9}
- 3.8 Increasing the supply of homes in the areas where people want to live is key to improving access to the sector. As well as undertaking a review of all taxes affecting the PRS to mitigate the detrimental consequences of a loss of investment on current and future tenants, tax revenue and expenditure on homelessness prevention, the UK Government must be urged to adopt pro-growth measures to sustain the sector. Additional support must also be provided to better support those on the lowest incomes to access private rented housing.

4.0 The challenges currently facing private sector landlords

- 4.1 Landlords in Wales currently face four significant challenges. Renting Homes (Wales), the spectre of rent controls, rising costs, and a lack of clarity around energy efficiency improvements.
- 4.2 Compliance with the recently introduced Renting Homes (Wales) Act is proving to be challenging, particularly for landlords with sitting tenants in place. The Act made sweeping changes to the way that tenancies operate in Wales, and many are still getting to grips with these changes. There are also a number of outstanding issues yet to be resolved.

³ BVA BDRC Survey: Q4 2022. Not yet publicly available.

⁴ Office for National Statistics. Census 2021: Housing in England and Wales. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingenglandandwales/census2021>.

⁵ Nomis. Census 2011: Tenure. Available at: <https://www.nomisweb.co.uk/census/2011/ks402ew>.

⁶ Nomis. Census 2001: Tenure. Available at: <https://www.nomisweb.co.uk/census/2001/ks018>.

⁷ Office for National Statistics. *Private rental affordability: 2021*. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalaffordabilityengland/2021#:~:text=Wales%20%2D%20%2C%20A3550%20monthly%20rent,household%20income%20of%20%2C%20A32%2C350>.

⁸ House of Commons Library. Average earnings by age and region. Available at: <https://commonslibrary.parliament.uk/research-briefings/cbp-8456/>.

⁹ Office for National Statistics. Index of Private Rental Prices: January 2023. Available at: <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/indexofprivatehousingrentalprices/january2023>.

- 4.3 Converted contracts in particular are a source of great concern for landlords as Schedule 12 (and by extension the required converted contract terms) have been repeatedly changed in the run-up to, and even after, the introduction of the act. These changes are a reflection of the lack of clarity for pre-existing tenancies, but also makes it very difficult to access clear guidance on how to comply. This in turn increases the likelihood of providing an incomplete or incorrect written statement and the likelihood a landlord will be penalised.
- 4.4 The NRLA has been informed by a number of landlords that the conversion process has increased the likelihood they will exit the private rented sector once their current contracts end rather than continuing to rent. Rising possession claims in Wales prior to December 1st suggests that many landlords had already started exiting rather than engaging with the conversion process. In the last quarter of 2022, accelerated possession claims in Wales increased by 354% compared to 69% in England.¹⁰ In the first quarter of 2023, accelerated possession claims rose by 236% compared to the same quarter in 2022. Over the same period, claims in England rose by just 16%.¹¹
- 4.5 Similarly, the NRLA's latest Landlord Confidence Index, compiled by the research consultancy BVA-BDRC shows that a quarter of Welsh landlords have reduced the number of properties they rent out over the last 12 months, and almost half (47%) intend to reduce the number of properties they let over the next year. This contrasts to the same quarter in 2022, where 15% said they had reduced the size of their portfolio and 31% said they were planning to sell or reduce their portfolios.^{12 13} Furthermore, the new legislation may impact the courts, as there is a plethora of new legislation to interpret, leading to increased waiting times and workload.
- 4.6 While pre-existing 'converted' contracts are the main source of concern at the moment, the courts will also have to rule on a number of grey areas over the next year for new contracts too. For example, it is not clear whether the requirement to provide a written statement can be met before occupation. Many landlords may, as a result, find themselves open to penalties because they gave their contract-holders a statement promptly. There are similar issues around the applicability of previous contracts and the exact terms of renewals which the courts will have to rule on.
- 4.7 All of which means that landlords face significant challenges in understanding and complying with the current regulations in Wales. There is a very significant risk that the Act will lead to a reduction in the size of the PRS, particularly if it is followed by further regulation such as rent controls. Landlords and the legislation itself, would likely to benefit from a period of calm where the impact can be fully assessed before pressing on with further regulatory change.
- 4.8 The Co-operation Agreement signed by the Welsh Government and Plaid Cymru included a commitment to publish a White Paper to explore how "fair rents" could make the private

¹⁰ Ministry of Justice. Mortgage and landlord possession statistics: October to December 2022. Available at: <https://www.gov.uk/government/statistics/mortgage-and-landlord-possession-statistics-october-to-december-2022/mortgage-and-landlord-possession-statistics-october-to-december-2022>.

¹¹ Ministry of Justice. Mortgage and landlord possession statistics: January to March 2023. Available at: <https://www.gov.uk/government/statistics/mortgage-and-landlord-possession-statistics-january-to-march-2023/mortgage-and-landlord-possession-statistics-january-to-march-2023>.

¹² NRLA Landlord Confidence Index. Q1 2023. (data available upon request).

¹³ NRLA Landlord Confidence Index. Q1 2022 (data available upon request).

rented sector affordable for local people on local incomes.¹⁴ This commitment indicated that that some form of rent control might be considered in Wales.

- 4.9 Rent controls, regardless of their intent, have proven to be ineffective in addressing affordability in the private rented sector. Implementing a system of “fair rents” is likely to result in unintended consequences that might harm tenants and shrink the rented housing supply in Wales. This will make it even more challenging to access housing, rather than increasing choice and affordability for lower income tenants.
- 4.10 Our research shows that implementing rent control measures would exacerbate the supply problems tenants are facing, ultimately causing a sizeable proportion of landlords to either decrease the number of properties they offer for long-term let or leaving the market altogether.
- 4.11 According to a survey by the NRLA of 1,013 landlords in England and Wales, the proportions that would either a) transfer some of their properties to the short-term/holiday-lets market; b) sell some of their properties in an area affected by rent controls; or c) sell all their properties in an affected area were:¹⁵

Type of rent control	Proportion of landlords who would leave the long-term let market, or reduce their portfolio
Rents are fixed by an external authority both between and during tenancies.	38%
Rent increases are linked to inflation between and during tenancies.	23%
Rents for new tenancies could be set by landlords with subsequent rent increases limited to inflation or set by an external authority	22%

- 4.12 The recent rent controls imposed in Scotland have disrupted the supply of new rental homes at a time when homes for private rent are in short supply. The Scottish Property Federation’s assessment of the rent freeze in Scotland found that: “The emergency legislation is intended as a short-term measure to help to solve an immediate cost-of-living crisis but, by acting against new supply, risks worsening affordability and availability problems in the PRS over the longer term, as well as negatively impacting on other Scottish Government objectives around net zero and energy efficiency.”¹⁶ The rent freeze/cap policy was not only opposed by landlords, but also by the Chartered Institute of Housing, who said that they were “concerned that the continuation of the rent cap in the PRS will have significant unintended consequences which will undermine tenants’ housing outcomes.”¹⁷ Unintended

¹⁴ Welsh Government, *Co-operation Agreement*, November 2021, available at: <https://gov.wales/sites/default/files/publications/2021-11/cooperation-agreement-2021.pdf>.

¹⁵ YouGov survey, December 2021: <https://www.nrla.org.uk/research/deep-insight/YouGov-Winter21>.

¹⁶ Scottish Property Federation. Assessment of Scotland’s Rent Freeze and Impacts. Available at: <https://scottishpropertyfederation.org.uk/our-work/research-and-briefings/assessment-of-scotlands-rent-freeze-and-impacts/>.

¹⁷ Chartered Institute of Housing. CIH Scotland responds to statement on rent setting for private landlords and eviction protections across the rented sector. Available at: <https://www.cih.org/news/cih-scotland-responds-to-statement-on-rent-setting-for-private-landlords-and-eviction-protections-across-the-rented-sector>.

consequences of rent controls are indeed something that the Welsh Government has expressed concern about in the past.¹⁸

- 4.13 We believe that the private rented sector should be accessible and affordable for everyone. However, this can only be achieved by ensuring there is sufficient supply of rental housing to meet the demand. Rent controls would not address this issue.
- 4.14 Another key challenge landlords face is meeting the energy efficiency requirements that the UK and Welsh Governments might set as part of their push towards achieving net zero carbon emissions.
- 4.15 In Wales, this challenge is particularly acute due to the old age of the housing stock. Retrofitting and upgrading the energy efficiency of these properties is a costly and complex process, especially when compared to the value of homes in Wales relative to the rest of the UK.¹⁹ As of February 2023, the average property price in Wales was £215,343 compared to £308,365 in England.²⁰
- 4.16 32% of Welsh homes were built before 1919, whilst just 6% have been built since 1987.²¹ In England, 20% of homes were built before 1919, and 24% of English housing was built after 1987.²² Homes built before 1919 present particular challenges for energy efficiency improvements as they are less likely to have cavity walls, and the Welsh PRS has a higher proportion of such homes than any other tenure, with 43% of homes in the Welsh PRS built before 1919.²³
- 4.17 That said, the PRS is becoming more energy efficient. Despite the challenging requirements to retrofit older properties, landlords have made continuous progress in improving the energy efficiency of the private rented sector. With limited support, they have successfully reduced the proportion of PRS homes with an Energy Performance Certificate (EPC) rating of D or lower from almost two-thirds in 2008 to 21% in 2018, representing the largest reduction of any tenure. Moreover, there are now more homes in the PRS with an EPC rating of C or above (25%) than those with an E rating or below.²⁴
- 4.18 A comprehensive strategy is needed to support landlords in retrofitting the remaining fifth of PRS properties with a low EPC rating, particularly those that pose significant challenges and high costs for retrofitting. This approach would not only help mitigate a loss of investment from the sector, ensuring the homes are kept in the PRS, but could also reduce energy costs for tenants. We agree with the assessment of the Welsh Government, which stated in its response to the Climate Change, Environment and Infrastructure Committee's report into decarbonising the private housing sector that: "If UK Government introduces a

¹⁸ ITV News. Labour shuns Plaid Cymru bid for rent freeze amid rising costs. Available at: <https://www.itv.com/news/wales/2022-10-13/freezing-rent-would-have-unintentional-consequences-for-landlords-labour-says>

¹⁹ The Health Foundation. *Proportion of properties built before 1919 by local authority*. Available at: <https://www.health.org.uk/evidence-hub/housing/housing-quality/properties-built-before-1919>.

²⁰ The Land Registry. UK House Price Index: March 2023. Available at: <https://landregistry.data.gov.uk/app/ukhpi/browse?from=2022-03-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2Fengland&to=2023-03-01&lang=en>.

²¹ Chartered Institute of Housing Cymru. *Decarbonising Wales' Private Rented Sector*. Available at: <https://cih.org/media/zbccclbu/0510-ttc-decarbonising-wales-private-rented-sector-v5.pdf>.

²² English Housing Survey. 2014-15: Housing stock report. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/539600/Housing_Stock_report.pdf.

²³ Welsh Housing Conditions Survey 2017-18. Available at: <https://www.gov.wales/sites/default/files/statistics-and-research/2020-02/welsh-housing-conditions-survey-headline-results-april-2017-march-2018-update-570.pdf>.

²⁴ Ibid

requirement to meet EPC C and does not provide financial support there could be a need to look at funding grants and/or loans to support improvements.”²⁵

4.19 The NRLA is calling for the Development Bank of Wales to offer additional funding, in the form of low-interest loans, to landlords who are facing prohibitive costs when making energy efficiency improvements to their properties. This would encourage investment in energy efficiency measures for the PRS, rather than pushing landlords to sell their properties as the burden of minimum standards without support could do. As with other businesses, private landlords face rising costs, including mortgage costs and the cost of maintaining properties. According to the Q4 2022 BVA-BDRC survey, 72% of landlords in England and Wales who planned to raise rents cited the increasing costs of running properties as the main reason for doing so. It is essential to provide support to landlords to ensure that they can continue to provide safe and affordable housing while meeting the government's energy efficiency requirements.

4.20 One of the key expenses landlords have to grapple with is the growing cost of mortgages. According to the Bank of England's Financial Stability Report published in December²⁶:

- There are around 2 million outstanding buy-to-let mortgages, representing 8% of the house stock.
- 85% of buy-to-let mortgages are interest only, making them “*particularly vulnerable to interest rate rises.*”
- By the end of 2023, monthly repayments for buy-to-let mortgages are forecast to rise on average by around £175, and around 20% of buy-to-let mortgages will have increases of over £300.
- Landlords would need to increase rental incomes by around 20% to offset the projected rise in buy-to-let mortgage costs.

4.21 In addition, in the 12 months leading up to March this year, the Office for National Statistics has shown a notable increase in costs linked to the maintenance and upkeep of dwellings.²⁷ For example:

- Materials for the maintenance and repair of dwellings increased by an average of 10.2%.
- The costs of furniture, furnishings and carpets increased by an average of 9.4%.

5.0 The opportunities for greater partnership working between social and private landlords

5.1 The NRLA is committed to collaborating closely with the social rented sector in Wales in order to meet the demand for housing.

²⁵ Welsh Government. Response to Climate Change, Environment and Infrastructure Committee's report on Decarbonising the private housing sector. Available at: <https://senedd.wales/media/az1fnguy/gen-ld15794-e.pdf>.

²⁶ Bank of England, *Financial Stability Report, December 2022*, available at: <https://www.bankofengland.co.uk/-/media/boe/files/financial-stability-report/2022/financial-stability-report-december-2022.pdf>.

²⁷ Office for National Statistics, *Consumer price inflation tables*, April 2023, table 3, available at: <https://www.ons.gov.uk/file?uri=economy/inflationandpriceindices/datasets/consumerpriceinflation/current/consumerpriceinflationdetailedreferencetales2.xlsx>.

5.2 We fully support the Government's Leasing Scheme Wales, which enables landlords in 15 local authority areas to lease their property to the local authority on a long-term basis and receive a guaranteed rental income in return. We agree that the scheme enhances access to homes in the PRS, offers tenants longer term security, and can help reduce homelessness. Incentives provided through the scheme, including grants for improving the energy efficiency of a property, are also welcome.

5.3 However, considering that the demand for private rented homes outstrips supply, many landlords may find it easier than before to attract tenants on the open market. As such, we would welcome engagement with the Welsh Government on whether any further incentives, such as a higher guaranteed level of rent or property upgrade grants, might be possible to ensure that the scheme is more successful and works for more responsible landlords.

6.0 Barriers to accessing the private rented sector including challenges facing young people and people with pets

6.1 Increasing the supply of homes in the areas where people want to live is the key to improving access to the sector.

6.2 For young people, this means ensuring properties are available close to colleges or universities, or in cities. While properties to rent can be found in every Welsh city, we continue to urge the UK Government to provide more support to those on the lowest incomes to access private rented housing. Specifically, we call for an increased rate of Local Housing Allowance that realistically reflects rents in each area, and for access to the full rate of LHA to be extended to those under the age of 35.

6.3 We also recognise the importance of pets as companions for tenants and encourage our members to be flexible when considering requests to allow pets in their properties. By being open to such requests, we can help ensure that responsible pet owners are not unfairly excluded from accessing suitable accommodation in the private rented sector.

6.4 However, it's important to note that pets may not be suitable for every property, and that there is often a higher level of risk of property damage where there is a pet present. If allowing pets becomes mandatory, landlords need to have confidence that they will not be forced to pay for any damage caused by pets at the end of a tenancy. We, therefore, call on both the Welsh and UK Governments to allow for more flexible deposit amounts to reflect this greater risk. Additionally, we call for tenants to either have pet insurance or to pay the landlord for it, to be allowed as a requirement for a tenancy where relevant.

7.0 How effectively the private rented sector is regulated

7.1 The NRLA believes that effective regulation can improve the private rented sector for both tenants and responsible landlords. We continue to want to work collaboratively with the Welsh Government and Rent Smart Wales, established as a national licensing scheme for private landlords to ensure compliance with legislation affecting the sector, to support regulations that roots out the small number of criminal and rogue landlords who bring the sector into disrepute, whilst supporting the compliant majority. Although the tools are already in place for Rent Smart Wales and local authorities to effectively police the sector, they need to be used more effectively to achieve this goal.

- 7.2 However, while the tools are already in place for Rent Smart Wales and local authorities to effectively police the sector and root out rogue landlords, they need to be used more effectively.
- 7.3 Despite the establishment of Rent Smart Wales, the number of inspections carried out by local authorities in Wales under the Housing Health and Safety Rating System (HHSRS) is falling. In 2018-19, 5,652 assessments were carried out across Wales, which is 10% less than the previous year and the lowest number since 2011-12.²⁸ We urge local authorities to increase their efforts in enforcing regulations and taking action against rogue landlords, to ensure that all tenants have access to safe and well-maintained homes.
- 7.4 Furthermore, an evaluation of Rent Smart Wales conducted by the Welsh Government showed that²⁹:
- A large proportion (42%) of tenants said they were unaware of the existence of the organisation.
 - Many local authority representatives questioned for the report said that they “*did not have detailed plans specific for Rent Smart Wales enforcement activities.*”
 - Councils reported a lack of capacity to undertake prosecution and enforcement action. The report goes on to note: “*Local authority interviewees suggested that enforcement was not being carried out to its fullest extent due to a lack of capacity. This was cited in relation to both the capacity of the local authorities as well as Rent Smart Wales.*”
- 7.5 In 2022, Rent Smart Wales was unable to service its phone lines sufficiently for a period of time. Whilst the service has now been restored, this period meant tenants and landlords who contacted the service were unable to access support.
- 7.6 Rather than introducing additional regulations that may harm investment in the sector, an assessment of Rent Smart Wales should be conducted by Audit Wales to establish if it is meeting its objectives and advise on what improvements could be made to ensure it is effectively regulating the sector with the tools it already has.
- 7.7 Rent Smart Wales should also be required to publish annual performance statistics that include property conditions, energy efficiency data, the number of landlords in Wales, and other key tenure data to provide a more comprehensive picture of its performance.
- 7.8 Finally, a Scrutiny Board should be established to provide oversight of Rent Smart Wales, and include representatives from across the sector, including tenant and landlord representative bodies. This Board should have the power to prepare reports and make recommendations to the Welsh Government. By implementing these measures, we can work towards a more effective regulatory environment that supports the private rented sector, while rooting out rogue landlords and promoting compliance among the majority of responsible landlords.

²⁸ Welsh Government, *Housing Hazards and Licences, 2018-19*, March 2020, available at: <https://gov.wales/sites/default/files/statistics-and-research/2020-03/housing-hazards-and-licences-april-2018-march-2019-649.pdf>.

²⁹ Welsh Government, *Evaluation of Rent Smart Wales Implementation and Delivery Final Evaluation Report*, June 2018, available at: <https://gov.wales/sites/default/files/statistics-and-research/2019-05/evaluation-of-rent-smart-wales-implementation-and-delivery-final-report.pdf>.

8.0 The availability of data on the private rented sector and how it can be improved

- 8.1 The available data on the private rented sector in Wales is significantly less comprehensive than what is available in England. Our upcoming State of the Welsh Private Rented Sector report highlights the difficulty of getting an in-depth understanding of the PRS in Wales, as data on its size, energy efficiency of the rented housing stock, costs, and other key issues are not available in a central location as can be found in the English Housing Survey.
- 8.2 As policy is developed concerning the private rented sector it needs to be rooted in evidence based on what works. At present much policy is being considered based on anecdotal evidence, or evidence that is not up to date, some of which predates the coronavirus pandemic. The private rented sector in Wales has significantly changed since then, but some of the latest data we have retrieved from government sources, such as the StatsWales website, was quite antiquated.
- 8.3 There remains a considerable amount of valuable information that is not tracked by the Welsh Government. For example, it would be helpful to understand the average income of private renters, their levels of savings, their future housing needs, and aspirations - and how many dependents they have, to fully understand the role that the PRS plays in Wales.
- 8.4 To address this, we call for the development of an annual Welsh Housing Survey, similar to that conducted and produced in England. Our proposal has received support from several organisations from across the housing sector, including Shelter and Crisis, and has bipartisan support in the Senedd.
- 8.5 In the meantime, as an interim measure, the Welsh Government should require Rent Smart Wales (RSW) to regularly publish details of all the data it currently holds on the make-up of the private rented sector. Furthermore, RSW should measure any key metrics that it does not presently cover to inform policymakers on the size and make-up of the Welsh private rented sector.

Senedd Local Government and Housing Committee inquiry into the private rented sector
Response from Propertymark
May 2023

Background

1. Propertymark is the UK's leading professional body for estate and letting agents, inventory providers, commercial agents, auctioneers and valuers, comprising over 17,000 members. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.

Overview

2. The Senedd's Local Government and Housing Committee has started an inquiry into the Private Rented Sector (PRS) in Wales. The Committee's terms of reference have included looking at supply, quality and affordability, current challenges, opportunities for partnership working with the social sector, the effectiveness of regulation, barriers to accessing the sector and the availability of data on the PRS.

The supply, quality, and affordability of accommodation in the private rented sector**Supply**

3. The supply of privately rented properties in Wales is of major concern. A survey of Welsh landlords by BVA-BDRC illustrates that in Wales 79% of landlords reported tenant demand having increased in the third quarter of 2021. Despite this rising demand, whilst 16% of Welsh landlords said they were likely to expand their portfolios, a larger proportion (19%) said they were planning to cut theirs. Most Welsh landlords (54%) said they were expecting their portfolio to remain the same size. Our report, *A Shrinking Private Rented Sector*¹ found that 53% of buy-to-let properties sold in March 2022 left the PRS and 84% of respondents told us that the number of new investors in the PRS has decreased over the past three years. Finally, there was a 49% reduction in properties available to rent per branch in March 2022 compared to March 2019. While this is data for the UK, the issue with supply is likely to be replicated in Wales as supply is struggling to keep up with demand across the country.

Supply – solutions

4. To increase the supply of homes to rent in Wales urgent action is required from the Welsh Government in three ways:
 - Firstly, exempt landlords from the 4% Land Transaction Tax Levy on the purchase of additional homes providing, they were used for long-term residential let.
 - Secondly, launch a review of all taxes relating to private landlords. Investment is stalling because the phasing out of tax relief on mortgage interest for landlords, the additional LTT

¹ [A shrinking private rented sector | Propertymark](#)

surcharge on buy-to-let property Through a review of taxation, the Welsh Government will be better placed to introduce policies that reduce costs for those wishing to invest in the private rented sector, which in turn will help boost supply and make it more affordable for renters.

- Thirdly, provide financial support through grants and loans to support to landlords upgrading the energy efficiency of their properties.

Standards and quality in the Welsh PRS

5. We believe there is sufficient legislation through the Renting Homes (Wales) Act 2016² and the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 to ensure that standards are kept high in the PRS. However, the difficulty is in local authorities' ability and capacity to enforce these standards. Concerningly, the number of inspections carried out by local authorities in Wales under the Housing Health and Safety Rating System (HHSRS) is falling. In 2018-19, only 5,652 assessments were carried out across Wales, a fall of 10% on the previous year and the lowest total since 2011-12.

Standards and quality in the Welsh PRS – solutions

6. Councils can play a crucial role in driving up standards in the private rented sector, but more needs to be done to resource local authority enforcement teams rather than creating new legislation that won't be enforced. The Welsh Government must do three things:
 - Firstly, allow sufficient time for the Renting Homes (Wales) Act to be fully implemented before embarking on a further round of changes to the sector.
 - Secondly, there needs to be more funding for local authorities to ensure they have the resources needed to tackle poor quality housing. Additionally, local authorities should be required to report back on the number of inspections and any follow up enforcement action taken as a result including how much they have spent and any outcomes such as the general condition of properties in their areas.
 - Thirdly, the Welsh Government should work with local authorities to develop an apprenticeship scheme to increase the number of local authority enforcement officers, resulting in more property inspections.

Affordability

7. On 3 March 2023, the Senedd Local Government and Housing Committee closed their inquiry into making the right to adequate housing law in Wales. This is on the back of the commitment made by the Minister for Climate Change who has responsibility for housing, as part of Welsh Labour's Cooperation Agreement to form a government with Plaid Cymru, to publish a Green and White Paper on fair rents in the Summer of 2024. Propertymark backed the call to make adequate housing law in Wales³, however, while the work is interlinked with the work of fair rents, we do not support rent controls. Rather than adding further financial hardship to landlords already under financial strain from unprecedented costs, we believe adequate housing can be achieved by

² [Renting Homes \(Wales\) Act 2016 \(legislation.gov.uk\)](https://legislation.gov.uk)

³ [Propertymark backs call for right to adequate housing | Propertymark](#)

raising standards and adopting a more quid pro quo relationship between governments with landlords and their agents.

Affordability – solutions

8. Whilst demand continues to outstrip supply in the private rented sector and not enough homes are being built each year, landlords and letting agents remain increasingly important to those who need a safe and secure place to live. Consequently, the Welsh Government need to do more to help landlords and implement the following changes:
 - **The long-term solution to address the lack of affordability in the private rented sector is to ensure that more social housing is built to reduce housing need.** The demand for social housing has far outstripped availability, meaning that many people who most need help with affordability now live in the.
 - **The Welsh Government must lobby the UK Government to restore and retain Local Housing Allowance (LHA) rates to at least the 30th percentile to cover the average cost of rents in the lowest third of local markets prepare the housing market for an increase in rental demand.** Propertymark are members of the Homes for all Cymru campaign, a coalition of Welsh organisations who have joined forces to call on the UK Government to end the freeze on LHA. In addition, we have recently written to this committee, asking if the committee would consider looking at the feasibility of the Welsh Government devolving LHA levels and Broad Rental Market Areas as part of the committee’s work programme. We believe that BRMA’s used to define a local area for LHA levels are too large and often include two local authority areas. This does not allow for local market rates within the area to be truly reflected.
 - **Support tenants with affordability when renting by doing three things to help with the cost and payment of deposits.** Firstly, the Welsh Government should be doing more to encourage employers to offer staff an interest free loan to pay for their deposit when moving into private rented property. Secondly, raise awareness to allow tenants to pay their deposit instalments. Thirdly, wider use of deposit bond schemes. The Bond is an agreement between a local authority, the landlord or letting agent and the incoming tenant. It is not a transfer of cash, but a written guarantee issued to the landlord on behalf of the tenant to cover the deposit for the property they wish to rent.

The challenges currently facing private sector landlords

9. Landlords in Wales are facing four key challenges:
 - **New and impending energy efficiency targets for private rented property** - the Minimum Energy Efficiency Standards Regulations 2015⁴ make it unlawful to let a privately rented property in England and Wales with an EPC rating below E, subject to various exemptions which must be registered online. The UK Government have still not published their consultation which will likely pave the way for it to be a requirement for all new tenancies to have an EPC of C by 2025 and all existing tenancies to meet a C rating by 2028. As part of the consultation, a costs cap exemption was discussed whereby if the cost of getting to EPC C was greater than £10,000, then the property could be exempt for five years.

⁴ [The Energy Efficiency \(Private Rented Property\) \(England and Wales\) Regulations 2015 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/2015/1134/contents/part-1)

The £10,000 costs cap will have a greater impact in areas such as Wales where property values are less than other areas of the UK. Propertymark commissioned the think tank, Localis who produced a report entitled Lagging behind⁵ which looked at the energy efficiency in low-viability properties. The report urges all governments to give serious consideration to the impact of regional variability in house prices and dwelling stock when installing heat pumps to hit decarbonisation targets. This would allow local authorities to set up one stop shops which could combine sub regionally to enjoy economies of scale, joint funding, and support as well as improved data collection to understand local challenges in retrofit. Specifically, to Wales, to address the impact costs will have on Welsh landlords against overall property values, we believe the Development Bank of Wales should offer grants and interest free loans to landlords to address these challenges and to ensure their properties are compliant.

- **Changes to landlord taxation rules** - one of the biggest challenges to landlords is the phasing out of tax-deductible costs such as mortgage interest as part of Section 24 of the Finance Act.⁶ As part of our budget representation to HM Treasury, we called for the reversal of Section 24 and for the UK Government to view landlords as a small business and to allow them to claim 100 per cent of their mortgage interest when filing their tax returns.⁷ The phasing out of Mortgage Interest Relief may have been the correct decision at the time to level the playing field between landlords and home buyers. However, with interest rates increasing exponentially, we believe this is a key factor for many landlords exiting the market.
- **Threat of rent controls** - as part of the Co-operation Agreement between the Welsh Government and Plaid Cymru⁸, there will be a commitment to publish a Green and White Paper on adequate housing and fair rents. Given these serious challenges to landlords and the sector in general, we do not support rent controls for Wales. Moving these challenges aside for the time being, we do not believe rent controls work and ultimately will reduce incentives for landlords to invest in their properties and make improvements. In Scotland where the Scottish Government have capped rents through the Cost of Living (Tenant Protection) Act 2022⁹, we have received evidence from Propertymark member agents in Scotland that show the impact in three ways. Firstly, the legislation is having an effect on landlord confidence with the majority of agents continuing to see landlords exiting the market since the legislation was introduced. Secondly, the crux of the housing problem is that demand is far outstripping supply - the legislation is having the opposite effect by pushing landlords out of the sector. Thirdly, rent increases have never been a significant factor, yet this legislation and the threat of further rent control is forcing landlords to put up rents between tenancies to cover any future cost implications.
- **Complexity of legislation** - on 1 December 2022, the Renting Homes (Wales) Act came into force.¹⁰ The Act brings several pieces of legislation into one legal framework and includes a number of measures that we believe are positive. However, the Act brings fundamental change to renting in Wales and we have reservations whether some landlords are ready for this level of change. Anecdotal evidence based on conversations we have had with PRS lead officers from local authorities alludes to the fact that the complexity of the legislation is

⁵ [040_LaggingBehind_PR3_HR_Final.pdf \(localis.org.uk\)](#)

⁶ [Finance Act 2023 \(legislation.gov.uk\)](#)

⁷ [Propertymark 2023 Spring Budget representation | Propertymark](#)

⁸ [The Co-Operation Agreement \(gov.wales\)](#)

⁹ [Cost of Living \(Tenant Protection\) \(Scotland\) Act 2022 \(legislation.gov.uk\)](#)

¹⁰ [Renting Homes \(Wales\) Act 2016 \(legislation.gov.uk\)](#)

forcing many smaller landlords to exit the sector. Larger portfolio landlords and those landlords with managed lets from a letting agent are proving more resilient. In terms of the impact on letting agents, we believe that the legislation is clear on the relationship between landlords and contract holders. The legislation assumes that a landlord may discharge duties to a letting agent. However, the legislation does not make it clear where this might be appropriate and the implications. Furthermore, there appears to be some ambivalence on personal information required from landlords. Although we have now had clarity from the Welsh Government that landlords may use the address of a letting agent within contracts in place of their own address, this needs to be communicated to avoid confusion. Finally, given our concerns over the extent that some landlords are prepared for the legislation, the Committee might like to consider the appropriateness of deadlines for landlords and letting agents to issue written statements of contracts to contract holders for existing tenancies by 1 June 2023. We believe that additional time is needed to ensure landlords are complaint and aware of their responsibilities.

The opportunities for greater partnership working between social and private landlords

10. Ahead of the 2021 Senedd elections, Propertymark produced a Wales manifesto which called for more social and affordable housing to be built in Wales¹¹. It is well documented that demand for social housing in Wales far out strips supply. However, while there is a growing need for social housing across the UK, the situation in Wales is even more acute due to deprivation levels and the increasingly aged population. According to the Welsh Government’s population projections, the number of people aged 65 or older is projected to increase by 16.1% to 776,300 between mid-2020 and mid-2030.¹² We believe that both social and private landlords can have a role in providing specialist accommodation for the increasing number of older and disabled people who require housing either through building more specialist housing or by adapting the existing housing stock. There are three things that can be done:

- **Firstly, to make existing stock more accessible, local authorities in Wales need to work more collaboratively with private landlords and letting agents to highlight the benefits of future proofing their housing stock for the growing number of aged people accessing the PRS.** This could be achieved by working with landlords to encouraging them to access the Disabled Facility Grant (DFG) if they have a tenant that requires an adaptation. Currently, take up of the DFG in the Welsh PRS is extremely low, with most grants going to the social sector.¹³ This is despite the fact more older and disabled people are accessing the PRS due to the shortfall in social homes.
- **Secondly, there is a growing need of accessible housing in Wales and the PRS can work in partnership by collaborating with local authorities and highlighting where PRS stock might be suitable for older or disabled people.** To achieve this, we would recommend that local authorities populate a register of accessible properties in their local areas. Where there is insufficient accessible housing in the social sector, the local authority could then signpost contract holders that require adapted properties to the PRS.

¹¹ [Propertymark releases action plan for next Welsh Government | Propertymark](#)

¹² [National population projections \(interim data\): 2020-based | GOV.WALES](#)

¹³ [Disabled facilities grants by local authority area and type of grant \(gov.wales\)](#)

- **Thirdly, while the building of social homes increases to meet supply, the PRS has an important role in housing vulnerable people. We believe that local authorities should improve engagement with landlords and letting agents to engage with them in opportunities to support vulnerable people.** Many local authorities in Wales have landlord forums, but we are meeting with several local authorities to encourage them to have bespoke letting agent engagement events with Pembrokeshire County Council recently running a letting agents forum. Firstly, this could be an opportunity to better integrate letting agents with the Welsh Government’s Social Leasing Programme. Secondly, for private landlords to support the work of social housing suppliers in housing vulnerable people and those at most risk of homelessness, we would recommend that local authorities consider incentives through grants and loans or through council tax rebates. This type of support is increasingly used by local authorities in London.

Barriers to accessing the private rented sector including challenges facing young people and people with pets

11. Whereas owning a property is financially out of reach for many young people, young people are increasingly reliant on the PRS for accommodation. However, there are often welfare barriers to accessing the PRS for young people. As part of our budget representation to the UK Government, we called for the suspension of the Shared Accommodation Rate. The Shared Accommodation Rate (SAR) limits the amount of Housing Benefit that single person under the age of 35 can receive. We believe given the impact Covid-19 has had on young people, this is unfair and restricts housing options for young people.
12. With regards to renting with pets, the Renting Homes (Fees etc) (Wales) Act 2019 states that the security deposit is not capped in the legislation. This means that agents in Wales can take a higher security deposit if the tenant has a pet to mitigate against any pet related damage. Furthermore, the Renting Homes Act, can allow a pet clause as an additional term in the contract which enables a contract-holder to ask for permission to keep a pet, and the landlord is not allowed to unreasonably refuse the request. Recognising the advantages of contract holders having a pet in terms of companionship and improving mental health, we encourage our members to be reasonable in this regard.

How effectively the private rented sector is regulated

13. Landlords and letting agents are mainly regulated by the Rent Smart Wales (RSW)¹⁴ regime, where landlords and agents are required to apply for a licence. This involves paying for a licence, completing mandatory training, a fitness and propriety check and for agents’ proof of business safeguards and evidence of managed properties is required. In terms of regulation, we believe this is a good start. There are two things the Welsh Government can do to improve the effectiveness of how the private rented sector is regulated:
 - **Firstly, improve the accountability of Rent Smart Wales** - RSW covers the whole of Wales but is managed from Cardiff City Council. While we are relatively supportive of the aims of RSW, we believe that RSW lacks transparency and a clear line of accountability. The work of RSW does not appear to be guided by a central national strategy nor does there appear to be an

¹⁴ <https://rentsmart.gov.wales/?fdChange=1>

annual evaluation of RSW's work. While RSW operates from Cardiff City Council, there does not appear to be any political scrutiny function acting as a critical friend to evaluate its work other than as part of ad-hoc inquiries and questions from the Senedd. We believe the work of RSW would be enriched if they produced a public annual report into RSW's performance with direct scrutiny by the Senedd every year rather than on an ad-hoc basis.

- **Secondly, extend the training requirements for letting agents to qualifications** - the Welsh Government's policy intention through Rent Smart Wales is looking at training and the registration of property, whereas we believe regulation should be focused on ensuring that every agent involved in lettings has the right skills to do the job and meets a minimum training standard through qualifications. We believe all agencies should ensure relevant staff are qualified and that staff understand and follow a Code of Practice. Unlike the training requirement through Rent Smart Wales, achieving a qualification should never be a box ticking exercise. Completing the right qualification drives the credibility of the sector and equips agents with the tools to meet the challenges ahead.

The availability of data on the private rented sector and how it can be improved

14. There are two main challenges in the availability of data for the PRS. Firstly, there is a lack of data, research, and evidence to support evidence-based policy decision making. Secondly, there are limitations in data submitted by landlords and letting agents to the Rent Office Wales to support official statistics. The Welsh Government should do two things to improve the availability of data on the private rented sector:

- **Firstly, introduce a Welsh Housing Survey** - in October 2020, PropertyMark signed a joint letter with the National Residential Landlords Association (NRLA) and other housing bodies calling for the Welsh Government to implement a Welsh Housing Survey.¹⁵ Based on the long running English Housing Survey, which has been in place since 1967.¹⁶ By basing a Welsh Survey on the English survey, data could be compared between the two nations. We also believe that a Welsh Housing Survey could have the potential to collect a wealth of information such as data on the proportion of private rented sector tenancies ended by the tenant, the levels of satisfaction among social renters and the percentage of owner-occupied homes that are under-occupied. Through the Welsh Housing Survey, we would encourage the Welsh Government and local authorities to work with both landlords and letting agents to make case studies to highlight good practice within the sector. This could improve the image of landlords and highlight the increasingly important work they do in housing many vulnerable people in society. There is currently very little data on the PRS for policy makers to make evidence-based decision, and policy is often made on anecdotal evidence. The main data sources are the National Survey for Wales¹⁷ and the Housing Conditions Evidence Programme¹⁸, which are limited in their uses and insufficient for the needs of the sector.
- **Secondly, support the Rent Officers Wales** - the Rent Officers Wales¹⁹ provide an important function for data within the Welsh PRS. The Rent Officers Wales work includes compiling and

¹⁵ [PropertyMark backs NRLA calls for a Welsh Housing Survey | PropertyMark](#)

¹⁶ [English Housing Survey - GOV.UK \(www.gov.uk\)](#)

¹⁷ [National Survey for Wales | GOV.WALES](#)

¹⁸ [Housing Stock Analytical Resource | GOV.WALES](#)

¹⁹ [Rent Officers Wales | GOV.WALES](#)

maintaining lists of council tax bands for every property in Wales, advising ministers on valuation, property matters and benefits, setting the Housing element of Universal Credit and setting Local Housing Allowance levels for Wales. However, their data is reliant on landlords and agents who operate in Wales submitting their rental data to the office. We believe that letting agents have an important opportunity to supply large volumes of rental data to the Rent Officer Wales as they have access to rental data from their landlord clients and this can be submitted through their CMS systems directly to the Rent Officers Wales. However, despite the important role that landlords and agents have in data submission, there appears to be a reluctance shown from both landlords and agents in submitting their data. We have recently met with officials from the Rent Officers Wales, to investigate ways in which agents could be encouraged to submit their data. One proposal to improve the quality and amount of rental data, could be that Rent Smart Wales collects this data via their records of licensee holders of landlords and agents operating in Wales.

Paragon Bank response to the Senedd's Local Government and Housing Committee's inquiry, 'Private rented sector'

Background to Paragon Bank

Paragon Bank is a specialist lending and savings bank authorised in February 2014. The bank is the principal entity of the Paragon Banking Group PLC, which has been trading since 1985. The business is managed through two lending divisions: Mortgage Lending, including buy-to-let, and Commercial Lending, which includes Development Finance, SME Lending, Motor Finance and Structured Finance. These are primarily funded through our retail deposit base, supplemented with wholesale and central bank borrowings.

Paragon is a leading independent provider of mortgages to landlords in the UK's private rented sector. Paragon pioneered buy-to-let (BTL) lending in the UK, launching the first products in 1995, and we have consistently led the development of socially responsible BTL lending policies over the last two decades. Today, we specialise in portfolio landlords, a group that provides the majority of PRS housing supply.

We provide BTL mortgages across all regions of the UK, including Wales where we operate in cities and rural communities. Here, we provide over £250 million of lending across nearly 2,000 accounts.

Given our experience, we are very aware of the importance of the private rented sector (PRS) to the housing sector and UK more broadly. The PRS and portfolio landlords who provide high-quality homes act as a key economic enabler, with tenants appreciating the model which allows them to move frequently and easily to areas they could not afford to buy. The PRS is the tenure of the working person and provides the housing market fluidity required for people to easily move to seek work.

We are therefore pleased with the opportunity to submit evidence to the Senedd's Local Government and Housing Committee's inquiry into the PRS. We hope our submission is of use and we would be pleased to provide further information on its contents should that be helpful.

Executive Summary

- The PRS has grown rapidly over the last three decades with more people entering the tenure, more staying in the sector for longer, and families and older people representing an increasing proportion of tenants. In Wales, the PRS accounts for 17.1% of all tenures.
- For many tenants, the PRS is the most suitable housing option for their needs, while the majority of renters are happy with their current property and their landlord.

- Despite the growing popularity and proportion of tenants entering and staying in the PRS, there is a mismatch between supply and demand, with more landlords choosing to exit the sector because of previous policy decisions and tax changes, which has led to significant price inflation and a reduction in choice and availability for tenants. Reducing availability has been compounded in some regions of Wales with the growing popularity of short term lets and significant student populations. Paragon therefore encourages the Committee to consider how supply pressures could be alleviated with a greater focus on housing delivery.
- Whilst we support the Welsh Government's measures to improve the PRS market for both tenants and landlords, we suggest the Committee consider how new regulations could be optimally introduced in a manner that consolidates existing rules and regulations, rather than layering additional disparate obligations on landlords. Moreover, we suggest the Committee consider the benefits of a comprehensive review of existing PRS regulations to ensure they are delivering the desired results.
- We support the principle of raising the required EPC standards in the PRS but have concerns regarding the achievability of current timelines. We suggest the Governments in the UK and Wales consider the domestic retrofitting industry more broadly and cost effective steps that could be taken to develop industrial capacity and an upskilled workforce in order to deliver retrofitting targets.

The PRS in context

The UK's PRS has grown rapidly over the last three decades and today one in five households rely on the tenure for a home, compared to one in ten in the year 2000¹. In Wales, the PRS accounts for 17.1% of all tenures². Population growth, wider participation in higher education and labour mobility have all impacted demand for rental accommodation. Layered on top of this has been lower investment in social housing, insufficient house-building and tighter mortgage affordability which, along with the significant growth in house prices over the last ten years, mean more people are entering the PRS, more are staying in the sector for longer, and more families are relying on the PRS for a long-term home.

Modelling by the Social Market Foundation³, based on English Housing Survey data, shows that even if Government policy leads to an increase in levels of home

¹ National Statistics, 2022. *English Housing Survey, Private rented sector 2020-21*. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1088486/EHS_20-21_PRS_Report.pdf

² Office for National Statistics, 2021. *Housing, England and Wales: Census 2021*. <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingenglandandwales/census2021#tenure>

³ Social Market Foundation, 2022. *Where next for the private rented sector?*. <https://www.smf.co.uk/wp-content/uploads/2022/03/Where-next-for-the-private-rented-sector-March-2022.pdf>

ownership, the PRS will be home to millions of people in 2035. By 2035, over half of households in the private rented sector will be headed by someone over 45, up from around a third today. Couples and house shares will also account for a growing proportion of private renting households, up from 29% today to 36% in a decade and a half. Half of today's tenants expect to be renting a home in 15 years. This is driven by a range of factors, primarily based on affordability. However, challenging the perception of all tenants as 'frustrated first-time buyers' (although these make up a significant proportion), the age profile of the PRS is changing and many renters are content to remain in the sector or see it as suitable for their needs, with one in five tenants not wishing to buy a property, increasing with age to just under half of those aged 55 and older.

While policy and social attention has rightly focused on the minority of private renters that have had bad experiences, this can create a misleading impression. Polling suggests that 81% of tenants are happy with their current property and 85% are satisfied with their landlord, while private renters particularly value not having to pay for repairs or insurance and other costs⁴. Others see it as a way to afford to live in areas in which they couldn't afford to buy or live flexibly.

Nonetheless, there are clear disadvantages that come with renting. Given the growth in the proportion of the population who are spending longer in the PRS, and the importance of the PRS in providing housing for families who would otherwise be unable to afford a property, it is right that the Welsh Government is seeking to strengthen the sector. New legislation can promote the continued vibrancy of the sector, provide tenants and landlords with more rights and protections that enable people to live in the home they want for the duration of time that suits them best, and ensure that housing stock in the PRS is safe, modern, comfortable and energy efficient.

The supply, quality and affordability of accommodation in the private rented sector

The UK's PRS is currently experiencing both high levels of demand and a shortage of homes available to renters. Data from Zoopla⁵ reveals that rental demand is 51% higher compared to the relative five year average, whereas stock of homes available to rent is 33% lower in comparison to the same average. The combination of strong demand and a shortage of homes is causing rent prices to increase, with the average annual rental inflation for new lets in the UK increasing by 11.1%.

The impact of high demand and the lack of homes to rent is also present in the PRS in Wales. Zoopla data reveals there has been a 10.3% annual increase in rent prices

⁴ Ibid.

⁵ Zoopla, 2023. *Rental market report: what's happening to rents?*.

<https://www.zoopla.co.uk/discover/property-news/rental-market-report-march-2023/>

in Wales. The same data also shows that the affordability in the Welsh PRS for a single earner stands at 29.5% with the average monthly rent reaching £812.

Whilst supply issues in the Welsh PRS are not isolated to either cities or rural areas, the market is not homogenous and Paragon's experience indicates a range of factors across the regions impact on the availability of homes and their quality. For example, North West Wales is a growing tourist area and this squeezes supply in the rental tenure as more properties are repurposed as short-term lets to meet the increased demand from temporary holidaymakers.

North Wales more broadly is a region that faces particularly acute issues, both in terms of lack of supply of rental properties and for experiencing a lower standard of property than elsewhere in the country. This is partly driven by the lower density of property in the region reducing supply but also by the relatively low capital appreciation of properties reducing the attractiveness of the area as a location in which to invest.

Demand and availability in the South of Wales is predominately focused in the major cities and, within them, the universities and their large student populations. There are also local factors that impact on supply and demand. For example, the removal of toll bridge between Bristol and Newport led to an influx of relocation to the area and inflated prices within the Newport PRS.

Given the impact of shortages in the PRS, which can also be found in the wider housing market, Paragon encourages the Committee to consider how pressures could be alleviated with a greater focus on housing delivery. Build-to-rent developments are welcome but they alone cannot deliver the additional number of tenancies necessary to meet demand. We suggest the Committee also consider how housing delivery can be targeted at the areas in which demand is most acute.

The challenges currently facing private sector landlords

Most landlords seek to provide a high quality of services to their tenants however there are several challenges associated with the profession in Wales. For example, the perception and rhetoric pertaining to landlords from the Welsh Government and the media is persistently negative and generalises a certain stereotype which conflates all landlords with the rogue few. This has real consequences in terms of the introduction of burdensome, ill-designed regulation and the vilification also discourages investment from the market, perpetuating the shortage of homes available to rent and pushing up prices even higher.

A practical challenge that landlords in Wales face is that of property maintenance. There is a lack of good quality managing agents available throughout the country and as a result landlords can struggle to maintain their property to the standards they and tenants would expect in a timely fashion.

Barriers to accessing the private rented sector including challenges facing young people and people with pets

The primary barrier facing young people in Wales's PRS is the lack of homes available for students. Wales is home to some of the UK's leading higher education institutions and each of these attracts a significant number of students from across the UK and abroad. For example, the universities of Aberystwyth and Bangor both have large student populations and as a result require a sizeable PRS to support them. This is manageable in some locations but the shortages seen in the wider PRS can be also found in the student market. We are therefore seeing price inflation in this market too, with young people consequently struggling to find affordable accommodation during their studies. This can be compounded with international students' willingness to pay higher rent prices.

How effectively the private rented sector is regulated

Paragon supports the Welsh Government's intentions to improve the PRS market for both tenants and landlords. The regulation and measures introduced so far should lead to better outcomes for all parties and a more equitable market. Most landlords comply with these regulations at a minimum and in many cases go over and above to ensure the property is at a high standard. Unfortunately, there is a small majority of rogue landlords that Paragon does not let against that do not comply with the regulations and damage the reputation of the many responsible actors in the market. Moreover, despite the new regulations, local authorities lack the sufficient powers to police these rogue landlords.

Whilst most landlords support the Welsh Government's intentions to improve the PRS, they have also expressed their concerns as to the sheer volume of regulation that has been introduced so far. It has been reported that the new requirements are challenging to understand and navigate, and are leading accidental landlords to exit the market. This feeds into the issue of too few properties in the PRS, with it being unclear as to who will replace those who leave the market and maintain sufficient levels of supply.

Similarly, there is waning enthusiasm amongst older landlords to rent out homes following the 2018 reform on Land Transaction Tax, which is more onerous than England's Stamp Duty Land Tax, and the introduction of further regulation in 2020. The view of many of these landlords is that participation in the market is becoming too costly, particularly given that Wales is only partway through the process of introducing the new PRS reforms, leading to a reluctance to continue with their investment.

The Welsh Government should therefore consider how to optimally introduce new PRS legislation in a manner that consolidates existing rules and regulations, rather than layering additional disparate obligations on landlords. Moreover, Paragon urge the Committee to consider the benefits of a comprehensive review of existing PRS regulations to ensure they are delivering the desired results. For example, Paragon

understand that many letting agents are not satisfied with Rent Smart Wales as they find it difficult to manage, expensive and cumbersome.

More broadly, Paragon supports the principle of raising the required EPC standards in the PRS from E to C in England and Wales as the UK Government first proposed in the 2020 consultation. However, we caution against the proposed timeline of apply this to all new tenancies from 2025 and all tenancies from 2028. We believe this will be unachievable due factors such as stock and labour limitations, and in the immediate term it may push landlords out of the market, reducing choice and accessibility for tenants and further driving up costs. To be achievable, clear and reasonable timeframes for carrying out the works together with a cohesive policy on rental properties are key. As the Government prepares to outline its final proposals, we suggest extending the implementation deadline for new tenancies to 2028 and all tenancies by 2030.

Paragon also encourages the Governments in the UK and Wales to consider the domestic retrofitting industry more broadly and cost effective steps that could be taken to support its development. Retrofitting the UK's housing stock could significantly reduce carbon emissions, improve energy efficiency and increase energy security, but these benefits cannot be delivered without industrial capacity and an upskilled workforce. Measures should therefore be taken to kick start a sufficient level of demand that can stimulate the growth in the sector, leading to reduced costs and greater accessibility for consumers in the medium-term. For example, more favourable tax incentives such as making any upgrade/improvement works tax deductible or reducing VAT on building materials for landlords and EPC improvements would provide a boost to this nascent sector.

The availability of data on the private rented sector and how it can be improved

Data availability for Wales's PRS varies and is particularly poor in rural areas. Rural Welsh communities are often data blind spots as it is common to advertise rental properties on social media, such as communities Facebook hubs, as opposed to official letting agents. Data availability can therefore depend on the culture of a given area, and Paragon does not lend in these locations as a result because they are not marketable. Moreover, the lack of data means there is no way to accurately understand the size of the market, availability of new tenures or the average rent price and whether it is increasing or decreasing. We urge the Committee to consider steps the Welsh Government could take to improve the availability of data in these areas, such as with the introduction of a property portal such as that proposed by the UK Government.



Dogs Trust Consultation Response

Senedd Local Government and Housing Committee inquiry into the private rented sector, May 2023.

Introduction

Dogs Trust is the UK's largest dog welfare charity. We usually care for around 14,000 dogs per year through our network of rehoming centres across the UK. In 2022 we cared for 1,322 dogs in Wales, from our sites in Bridgend and Cardiff. We welcome the decision of the Local Government and Housing Committee, to conduct an inquiry into the private rented sector (PRS) in Wales, specifically how pet ownership can be a barrier to accessing the PRS for many people in Wales.

Key Messages

- A lack of pet friendly homes in the PRS is one of the key drivers of people handing over their dogs to our rehoming centres in Wales. Between December 2022 and the end of March 2023, 118 people enquired about handing over their dogs to our rehoming centres in Wales citing "a change in accommodation or rental agreement" as a reason for wanting to relinquish their dog(s) to us.
- Research shows considerable health and wellbeing benefits for people associated with pet ownership, which supports the aims and objectives of a number of Welsh Government strategies.
- YouGov data commissioned by Dogs Trust shows a disparity between landlords and letting agents' perceptions of pet-related issues, compared to actual, reported issues experienced by PRS landlords in Wales.
- Dogs Trust is opposed to blanket "No Pet" policies across all types of tenure, including the PRS.
- We believe there must be societal and legislative change in Wales to remove barriers for pet owners in the PRS. With proposed legislative work expected to strengthen tenants' rights to keep pets in England and Scotland, we are concerned that renters in Wales risk being left behind and the continued lack



of pet friendly PRS accommodation in Wales will have a negative impact on the welfare of dogs and their owners in Wales.

Pet Friendly Housing in Wales – The Issues

As the Minister for Climate Change stated the housing crisis in Wales is a “huge and complex” issue¹ with many component parts. We recognise the lack of pet friendly housing within the PRS is one part of a wider issue affecting the rented sector, such as a lack of supply, unaffordability and insecurity, but we believe it is an important issue which – if solved – will have a beneficial impact on the lives of many people in Wales.

The recently implemented Renting Homes (Wales) Act 2016 has offered additional protection to renters across tenures in Wales, such as extended eviction notice periods and protection from eviction during the first 6 months of a tenancy. However, the Act unfortunately does little to offer any additional protection to tenants who wish to keep pets in their property.

An additional cause for concern with regard to the lack of pet friendly housing in the PRS, is the growing number of people living in temporary accommodation² in Wales. The Housing (Wales) Act 2014 means that local authorities are able to discharge their duty to homeless applicants via an offer of private rented accommodation. However, the lack of pet friendly housing in the PRS can mean that for many people, this offer may not be suitable and would require them to relinquish their dog, remain stuck in temporary accommodation or potentially run the risk of being considered “intentionally homeless” by refusal of an offer of perceived suitable accommodation.

¹ <https://www.westerntelegraph.co.uk/news/19421295.climate-change-minister-julie-james-visits-st-davids-announce-housing-crisis-action/>

² <https://www.gov.wales/homelessness-accommodation-provision-and-rough-sleeping-january-2023>



Between December 2022 and end of March 2023, Dogs Trust's data shows that 118 people who enquired about handing their dogs over to our Bridgend and Cardiff rehoming centres cited "a change in accommodation or rental agreement" as a reason for relinquishing their dog(s) to us. UK-wide, Dogs Trust received over 50,000 handover enquiries last year – our busiest year on record – and around 1 in 10 dog owners calling us cite issues with housing as the reason for needing to rehome their dog.

In a recent YouGov survey commissioned by Dogs Trust, only 8% of renters with pets say their home was advertised as pet friendly. Dogs Trust's data shows a significant need across South Wales for pet friendly housing. Given that this data only covers our two rehoming centres in Bridgend and Cardiff and to Dogs Trust services users, we are concerned about the scale of this need across Wales.

The recent pressures caused by the cost of living crisis are also exacerbating the housing crisis in Wales.

Spock's story

Spock was a former racing greyhound adopted via Dogs Trust. He moved in with his new family in rented accommodation and had permission from the landlord. The family had lived in the house for many years and felt very settled. However, as the cost of living began to rise, the family were forced to find new, more affordable housing. They were unable to find pet friendly accommodation, despite having references from the existing landlord. The family were forced to hand Spock back into the care of Dogs Trust. He has gone on to find a new home.

Our research demonstrates there are a wide range of benefits associated with owning a dog³ or pet. The PRS in Wales and across the UK is a huge barrier to many people accessing and benefitting from pet ownership, yet research shows that companion animals such as dogs provide benefits to people with mental health

³ <https://www.dogstrust.org.uk/dog-advice/getting-dog/dog-ready/benefits-of-owning-a-dog>



conditions⁴, more than 90% of pet owners reported that their pet helped them cope through lockdown during the Covid-19 pandemic⁵. Dog ownership is strongly linked to a longer life, especially among heart attack and stroke survivors⁶ and a further study showed that pet ownership can be a “catalyst” in developing networks and relationships between people in local communities⁷. More broadly, statistics show⁸ an average pet owner in the UK reporting that pet ownership positively impacts their physical and mental health. We do not believe that private renters should be excluded from experiencing these health benefits, nor simply the joy of pet companionship.

Despite the clear benefits of pet ownership, the lack of protection for tenants wishing to keep pets is an ongoing concern. It is important to understand why so many PRS landlords do not support renting to pet owners, particularly as pet ownership can support key priority areas of the Welsh Government such as Healthy Weight: Healthy Wales⁹ and Connected Communities¹⁰.

In our recent YouGov survey, nearly 1 in 4 landlords (24%) said that nothing would make them allow pets in their properties. A 2022 survey by Shelter Cymru¹¹ showed that over half of landlords surveyed (57%) said they don't, or would prefer not to let to people with pets. This shows why legislative change is needed, in addition to changing societal attitudes and/or perceptions.

⁴ <https://bmcpsonychiatry.biomedcentral.com/articles/10.1186/s12888-018-1613-2#Sec4>

⁵ <https://www.york.ac.uk/news-and-events/news/2020/research/pets-survey-lockdown-loneliness/>

⁶ <https://newsroom.heart.org/news/dog-ownership-associated-with-longer-life-especially-among-heart-attack-and-stroke-survivors>

⁷ <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0122085#sec006>

⁸ <https://www.statista.com/statistics/1331597/pet-health-benefits-for-owners-in-the-uk/>

⁹ <https://www.gov.wales/healthy-weight-strategy-healthy-weight-healthy-wales>

¹⁰ <https://www.gov.wales/loneliness-and-social-isolation-connected-communities>

¹¹ https://sheltercymru.org.uk/policy_and_research/can-i-get-a-home-barriers-to-getting-a-private-rented-home-in-wales/



Dogs Trust's findings show that nearly two thirds of landlords (64%) choose not to rent to pet owners for fear of damage to the property. Complaints from neighbours (47%) and potential flea infestations (31%) were also common responses from landlords. Yet only a small minority (16%) of landlords reported damage to properties caused by pets, or complaints from neighbours and only 8% of landlords reported issues with fleas, suggesting a significant gap between perceived issues and actual issues relating to tenants with pets. 31% of landlords who have never been asked to keep a pet said they would decline this request if made by a tenant. This suggests a perception problem with regard to tenants with pets, as opposed to being based on a landlord's prior experience of problems.

Only 16% of landlords reported that the Renting Homes (Fees Etc.) (Wales) Act 2019 would make them less likely to let to a tenant with pets, compared to 51% of landlords who reported that the Act made no difference to this decision.

Zoe and Rudy* – a Hope Project¹² Case Study from Wales

"I have been staying on friends' sofas for about 6-7 months now. Unfortunately, having a dog makes it so much more difficult for me to find any housing. There is such a stigma around dogs, people think they are dirty and always cause damage to furniture.

As soon as I say to a landlord that I have a dog, they are not interested in me because of their blanket bans on pets. I have offered to pay a higher deposit and have suggested more frequent inspections but I have had no success so far. Even the emergency accommodation I was initially offered refused to accept Rudy.

I don't think they understood how much we had been through together and they suggested kennelling for him, I just couldn't do it. I rescued Rudy when he was 7 months old. We have been together 4 and a half years now. Rudy is everything to me – he's the reason I get up in the morning. He gives me a purpose – I take him to the

¹² <https://www.dogstrusthopeproject.org.uk/>



beach, he runs around. And simply watching him being free and happy is the reason I don't give up. He reminds me that it's not worth giving up on everything. My worries and anxiety are still there but as soon as he puts his head on me, I feel such comfort. No matter how alone I feel sometimes, with him I'm never alone. The fear disappears when I see him in the morning.

The Hope Project has been such a relief for me. I know that if Rudy needs any vet treatment, he will be taken care of. I don't feel like a bad owner anymore. The Hope Project has changed my life and Rudy's life immensely – I don't feel guilt and I don't feel like I am letting him down anymore. To be completely honest, you have helped me keep my dog. I used to think he would be better off with another family who could afford to look after him properly. But he has been able to stay with me thanks to your help. And I can't put into words how much I appreciate this.

The pandemic has been so difficult for me because of my anxiety. And if I didn't have Rudy, I probably wouldn't have made it through the pandemic. He gives me the stability I need to face everything on a day-to-day basis”.

****Names altered for anonymity***

Pet Friendly Housing in Wales – The Solutions

While we recognise that the lack of pet friendly housing in the PRS is one part of a wider issue, this is clearly exacerbating an already challenging situation.

Dogs Trust is opposed to blanket “No Pet” policies across all tenures, including the PRS. We do support housing providers who act reasonably against genuine cases of nuisance and/or irresponsible behaviour. We would, however, emphasise that the vast majority of dog owners are considerate and responsible, as the data above shows, given the low numbers of reported issues by landlords in the Welsh PRS.

There are a wide range of benefits for both tenants/contract holders and landlords in the PRS relating to pet ownership. 1 in 5 renters (19%) say they would stay in a home longer if they were allowed to keep a pet, and more than 1 in 3 (37%) of landlords said they would allow a pet if it would make a tenant stay longer.



A key part of the solution to this issue is to improve understanding between landlords and tenants, and to address some of the myths and stigma around pets living in rented properties. The Welsh Government and Senedd have a key role to play in this respect, driving this awareness and working with stakeholders, including local authorities and the 3rd sector, to generate impact via culture change. Dogs Trust is leading the way, with our Lets With Pets¹³ scheme providing advice and support to tenants, landlords and letting agencies with the aim of improving access to the PRS. Through this scheme, we have seen many positive experiences from landlords who have agreed to pets in their properties, illustrated by data from a 2021 YouGov survey commissioned by Dogs Trust showing that 73% of landlords who allowed have allowed pets have reported no problems.

The Minister for Climate Change has made reference¹⁴ to pet friendly housing being subject to UK consumer protection laws, however given that both housing and animal welfare is devolved to Wales, we believe that the Welsh Government should act to equalise access to housing across all tenures for pet owners, with the PRS being the priority, given the particular struggles that private renters face in finding suitable accommodation. .

Policy proposals are already developing in Scotland¹⁵ and England¹⁶, strengthening renters' abilities to keep pets in their home, which have received strong support from renters and animal charities. In England, the UK Government's *A Fairer Private Rented Sector* white paper states that the government will "legislate to ensure landlords do not unreasonably withhold consent when a tenant requests to have a pet in their home, with the tenant able to challenge a decision." In Scotland, 94% of responses to the Scottish Government's "*New Deal for Tenants*" consultation¹⁷

¹³ <https://www.letswithpets.org.uk/>

¹⁴ <https://record.senedd.wales/WrittenQuestion/86865>

¹⁵ <https://www.gov.scot/news/a-new-deal-for-tenants/>

¹⁶ <https://www.gov.uk/government/publications/a-fairer-private-rented-sector>

¹⁷ <https://www.gov.scot/publications/new-deal-tenants-analysis-report-responses-consultation-exercise/>



thought that the right to keep pets should be introduced as a right in the social sector, and that any approach should be tenure-neutral. Dogs Trust highly recommends that these plans are similarly adopted in Wales, both to protect dog and human welfare and improve tenants' rights.

We believe that legislative change – such as is being proposed in England and Scotland - is required in addition to any culture change, as a safeguard for future generations and their right to benefit from pet ownership. Consensus on tackling “No Pet” clauses already exists cross-party in the Senedd. In July 2022, Luke Fletcher MS led a debate¹⁸ on a Member’s Legislative Proposal calling for a ban on “No Pet” clauses in rented accommodation. The motion was supported by 30 Members, including the Leaders of both the Welsh Conservatives and Plaid Cymru and every Welsh Labour MS outside of Government¹⁹.

Additionally in 2020, Dogs Trust partnered with Jack Sargeant MS and a number of Welsh housing organisations²⁰ to produce our ‘Pet Friendly Paw-licy’ document, giving guidance on supporting pet owners living in, or trying to access temporary accommodation.

Dogs Trust believes that the Local Government and Housing Committee can play a key role in fostering this cross-party support, bringing stakeholders together to propose recommendations to the Welsh Government with the aim of equalising access for pet owners across tenures, but specifically the PRS.

¹⁸ <https://record.senedd.wales/Plenary/12901#A73329>

¹⁹ <https://record.senedd.wales/VoteOutcome/12901#V3783>

²⁰ <https://www.leaderlive.co.uk/news/18825856.jack-sargeant-ms-teams-six-national-charities-call-pet-friendly-paw-licy/>



Pet Friendly Housing in Wales – What Dogs Trust is Doing

Lets with Pets was set up by Dogs Trust in 2009 to encourage landlords and letting agencies to accept tenants with pets and to make the house hunting process easier for pet owners in the PRS. Sadly, one of the main reasons people hand over their dogs to us is problems finding rental accommodation that will accept pets. As the PRS accounts for more than 200,000 households²¹ in Wales, people giving up pets because of accommodation issues is a problem that has been increasing over the last few years.

The Hope Project is a combined scheme running for almost 30 years that helps dog owners experiencing homelessness with access to homelessness and support services and veterinary care. The Veterinary Scheme provides free veterinary treatment to dogs whose owners are experiencing or at risk of homelessness. Dogs who are registered on the scheme are able to access free flea and worming treatments, vaccinations, neutering and microchipping. Dogs Trust will also cover the cost of most additional essential and emergency treatments that the dogs may need.

The scheme, run with the help of local veterinary practices and homelessness organisations, can support any dog owner experiencing or at risk of homelessness across the UK. We work with partner vet practices in five towns and cities in Wales.

The Welcoming Dogs endorsement scheme works with homelessness services and housing providers to encourage them to accept clients with dogs. Dogs Trust offers bespoke advice and support to homelessness services around becoming dog-friendly so that we can ensure that people and their pets can stay together.

²¹ <https://statswales.gov.wales/Catalogue/Housing/Dwelling-Stock-Estimates/dwellingstockestimates-by-year-tenure>



The Freedom Project, which expanded to Wales in 2022, is a free specialist fostering service for dogs belonging to people fleeing from domestic abuse. Freedom was set up over 18 years ago and has been operating in several English regions and across all of Scotland. Research indicates a strong link between animal abuse and domestic abuse, with perpetrators often threatening or harming a pet in order to intimidate and control their partner. Families and individuals fleeing domestic abuse are usually unable to take their pets with them into a refuge so in many cases they are reluctant to leave their home until they know there is somewhere safe for their pets. Dogs Trust, alongside other specialist pet fostering services in the UK, offers a solution.

Through our work on these projects, we know dogs can have a hugely positive impact on a person's quality of life, providing companionship, a sense of purpose and love, and in some cases, a reason to live. With this and the huge number of dogs acquired during the pandemic in mind, we welcome the renewed debate in Wales, on how best to encourage more pet-friendly properties.



Consultation response

Local Government & Housing Committee inquiry

Keeping pets in private rented accommodation - May 2023

RSPCA Cymru welcomes the opportunity to contribute to the Local Government and Housing Committee's inquiry into the private rented sector. The RSPCA has long called for more support for pet owners who rent in Wales, to prevent prospective tenants from having to choose between accessing rented accommodation and keeping companion animals.

RSPCA Cymru strongly believes allowing pets in private rented properties can yield wide-ranging social benefits, help promote responsible animal ownership and facilitate happy, healthy tenants. The positive physical and mental health benefits companion animals provide their owners with are well-known and widely established. Pets can combat loneliness by providing comfort and companionship to their owners - many of whom consider their pet to be a member of their respective families.

Pet ownership - and renting - is on the rise, along with living costs. The number of households who have companion animals has been on the rise in recent years - in 2015, the National Survey for Wales found that 47% of households owned a pet¹. According to the latest [National Survey for Wales](#) which featured questions on pet ownership, 53% of households in Wales now have a pet. Welsh Government statistics also estimate that 451,000 (33.5%) people in Wales rent their properties - an increase of almost 3% since 2011².

The Committee's welcome focus on pet ownership in the private rental sector comes at a time when renters are facing significant challenges in terms of rising costs and high demand for properties. Statistics published by the [Office for National Statistics](#) show private rental prices in Wales increased by 3.2% in the 12 months to October 2022, with this being the highest annual percentage charge since records began in 2010. This trend is showing no sign of slowing as Wales' average rental values increased by 11.0% in March 2023 compared to the same period in 2022, according to [HomeLet](#). In April, it was reported that tenant demand had reached a five month high throughout the UK, while the supply of rental properties is currently declining³.

With the costs associated with - and the demand for - rental accommodation still rising, we are concerned that pet owners who find themselves having to seek accommodation against the backdrop of the cost of living crisis could struggle to find suitable housing. This could potentially lead to further increases in animal abandonments and the number of pets needing to be rehomed, as well as homelessness figures if renters refuse to give up their animals.

As it stands, the number of animals coming into our care is up by more than a quarter (27%) in comparison to last year. Problems around keeping pets in rented accommodation are a common reason

¹ <https://www.gov.wales/sites/default/files/statistics-and-research/2019-03/national-survey-wales-pet-welfare-2014-15.pdf>

² <https://www.gov.wales/housing-wales-census-2021.html>

³ <https://www.independent.co.uk/news/uk/royal-institution-of-chartered-surveyors-deals-yorkshire-humber-hexham-b2318835.html>

as to why some find themselves faced with no choice other than to surrender their companion animals. With our centres and many other animal rescues in Wales currently full to capacity, a change in legislation that looks towards making the keeping of companion animals in private rental accommodation a legal right could help ensure that less people need to give up their pets. This could also create much-needed homes for companion animals while helping to alleviate pressure on charities and the rescue sector.

Positively, the Welsh Government shares the RSPCA's relevant best practice guide with private landlords and agents through Rent Smart Wales. Nevertheless, accessing rented accommodation with companion animals tends to pose many challenges to private rental tenants as landlords may be apprehensive about taking requests for pets through fear of an animal damaging the property, or causing a nuisance.

Last May, we surveyed 144 current and prospective renters to establish whether pet ownership is a common barrier to those seeking private rental accommodation in Wales⁴. Our survey found that 86.5% had experienced difficulties when trying to rent with a pet, while almost 60% of respondents had previously been refused a pet by their landlord.

Wales risks lagging behind on renting with pets. Recent estimates from the UK Government suggest that only seven per cent of private landlords advertise pet-friendly properties⁵. However, this number could actually be lower in Wales as England introduced model tenancy agreements that specifically discourage blanket bans from pet ownership in 2021. Under these agreements, landlords need to object in writing within 28 days of a written pet request from a tenant and provide a good reason if it is to be declined - with keeping the pet the default scenario. While we would welcome a similar approach in Wales, as these tenancy agreements are not statutory, we are calling for the Welsh Government to go even further by making the keeping of pets a legal default in the private housing sector.

Unlike in England, landlords in Wales can request an additional, separate deposit to cover themselves against any potential damage caused by pets at the end of the tenancy. Meanwhile, landlords in England have the option of charging up to five weeks' rent as a deposit, which could include a pet deposit, while landlords in Scotland can charge up to two months' rent. However, with any additional costs for a pet adding to the expense of the usual deposit and rent advances many agents and landlords require before a tenant moves in, this might not be a viable option for all pet owning renters. Meanwhile, making pets a legal default in tenancy agreements, unless there is justifiable reason not to, such as concerns for animal welfare, would cover all pet owners regardless of their financial circumstances.

The Renting Homes (Wales) Act 2016 came into force in December 2022 but there is little reference to pet ownership included within the associated guidance for this legislation. While pets can be included as an 'additional term' in rental contracts under this Act, this falls short of making the keeping of pets a legal default in tenancy agreements. The explanatory guidance relevant to this legislation states that "additional terms are agreed between the landlord and contract holder"⁶ - which suggests that landlords could potentially still refuse pets should they wish to do so. RSPCA Cymru has long called for a change in law to prevent private landlords initiating blanket bans on the keeping of pets in private rental properties and had previously hoped that this would be featured in the Renting Homes (Wales) Act.

Public and political support for pet owning renters is strong. [A petition](#), which RSPCA Cymru has supported, calling for the use of 'no pet clauses' in tenancy agreements to be banned in Wales, is currently under the consideration of the Petitions Committee. In [correspondence](#) associated with this petition, it has been stated that following the commencement of the Renting Homes (Wales) Act 2016 "a landlord cannot unreasonably withhold a request to have a pet". Unfortunately, there is no further explanation as to what would be considered 'reasonable' in terms of refusing a pet in the legislation's

⁴ The survey was conducted in May 2022 and asked 144 people a series of questions on renting with pets. The survey was created via Google and advertised on the RSPCA's social media channels.

⁵ <https://www.gov.uk/government/news/new-standard-tenancy-agreement-to-help-renters-with-well-behaved-pets>

⁶ National Residential Landlord Association - Make your voice heard in new Welsh tenancies consultation, 8 June 2021

guidance. What a prospective tenant would deem reasonable could differ significantly from what a landlord would consider reasonable, with there being no dispute resolution mechanism in place as it stands.

The aforementioned survey found that a clear majority (64%) of those who had been previously refused pets were not given a reason why by their landlord. Concerns around damage to the property were among the most common reasons given to those who did receive an explanation, while some landlords were also fearful of insurance issues as well as the 'smell' of pets.

The Consumer Rights Act 2015, which prohibits 'unfair terms' in rental contracts, is also referred to in [the guidance](#) for the Renting (Homes) Wales Act. Any 'additional terms' in contracts, such as pet clauses, are required to comply with this Act in terms of fairness. A 'pets clause' would allow a contract-holder to ask for permission to keep a pet, which the landlord cannot unreasonably refuse. Nevertheless, with the inclusion of a pet clause still being classed as an 'additional term', there is no legal requirement for them to be included in a contract as standard or if a landlord refuses.

While the Consumer Rights Act means a blanket ban on keeping pets in a tenancy agreement could be struck out if challenged in court, tenants might find legally challenging 'no pets clauses' an expensive and time consuming process. With a high number of adverts for rental properties also stating 'no pets' - allowing prospective landlords to refuse pets before a prospective tenant has even viewed a property - this legislation also doesn't help those who are seeking to enter the rental market with a companion animal and/or those without an existing contract.

As to whether most current and prospective tenants would be aware of the legislation above and their legal rights in terms of keeping pets in rented accommodation is also questionable. Our survey also found that 87% of respondents felt that there was not enough advice available for private renters who have or want pets, with a similar amount (81%) stating that the Welsh Government is not doing enough to support them.

Reducing the barriers pet owners who rent face has strong cross-party support in the Senedd. A relevant legislative proposal tabled by Luke Fletcher MS was debated in the Senedd last July⁷. A clear majority of eligible MSs (30/49) voted in favour of the introduction of legislation that would ban 'no pets' clauses in rented accommodation, with only seven members voting against the proposals. The proposed bill would also -

- introduce a standard tenancy agreement similar to the UK Government's model tenancy agreement announced in January 2021;
- propose a series of measures which would ensure that responsible pet owners are not treated unfairly as a consequence of the type of accommodation they live in;
- allow consent for pets as the legal default in social housing and the private rented sector, unless there is a justifiable reason not to do so

This RSPCA Cymru-proposed bill is currently included in the Senedd's legislative ballot for Members Bills. With this ballot being 'random' and infrequent, we remain concerned that unless legislation is progressed by the Welsh Government, pet owners will continue to find themselves at a disadvantage when seeking appropriate accommodation. With the number of renters - along with the number of households with companion animals - on the rise in Wales, it is vital that more support is made available for pet owning renters. We therefore urge the Local Government and Housing Committee to recommend that the Welsh Government legislates to establish a fairer balance between tenants' rights and the rights of landlords, who could also benefit from these proposals by maintaining longer-term, successful letting arrangements.

⁷ <https://business.senedd.wales/ieListDocuments.aspx?CIId=700&MIId=12901>

Private Rented Sector

Local Government and Housing Committee Consultation

Introduction

Cats Protection is the UK's largest cat welfare charity. Our Welsh network includes six volunteer-run branches, two adoption centres (Bridgend and Wrexham), as well as eight high-street charity shops which also offer advice on cat care.

Landlords not allowing pets is one of the top five reasons Cats Protection takes in cats for rehoming. The charity launched its Purrfect Landlords campaign in 2018 to encourage landlords to allow responsible tenants to keep pets.

Summary

- According to private tenants in Wales, the percentage of tenancy agreements which allow pets is 27%. This is the lowest in the UK.
- 94% of Welsh cat owners consider their cat part of the family.
- Due to the low percentage of tenancy agreements which allow pets many responsible tenants must make the heart-breaking decision to give up their pets.
- Cats Protection is calling for a statutory right for responsible pet owners to keep a pet in a rented property.

The importance of allowing pets in the Private Rented Sector (PRS)

Wales is a nation of cat lovers with 560,000 owned cats in Wales and over one in four households owning one or more cats¹. Therefore, any proposals to make it easier for tenants in the private rented sector to own or keep their cats will be beneficial to a significant portion of the Welsh population.

There are many benefits of cat ownership. 94% of Welsh cat owners view their cat(s) as part of the family and 90% says their cat(s) bring them joy². When we consider these statistics, it is alarming to think that our Welsh Adoption Centres took in 78 cats (an average of 1 cat every 4 days) as a result of landlords disallowing pets last year.

Pet ownership can also be beneficial to mental health. 38% of owners explicitly state that they got a cat to reduce loneliness/anxiety.³ Research carried out by Cats Protection and the Mental Health Foundation found that 87% of people who owned a cat felt it had a positive impact on their well-being.⁴ A 2021 study⁵ explored people's experiences of the role of their

¹ [cats-report-2022-wales.pdf](#)

² [cats-report-2022-wales.pdf](#)

³ [cats-report-2022-wales.pdf](#)

⁴ [Cats marvellous for mental health says survey | Cats Protection](#)

⁵ Roxanne D. Hawkins, Emma L. Hawkins & Liesbeth Tip (2021) "I Can't Give Up When I Have Them to Care for": People's Experiences of Pets and Their Mental Health, *Anthrozoös*, 34:4, 543-562

pets in reducing or exacerbating symptoms of their mental health conditions and general well-being. Responses of people with diagnosed mental health conditions and those who self-reported to have been struggling with mental health recently and their relationship with their animals were analysed. The responses were generally positive, and participants stated that owning animals helped alleviate some of their symptoms.

With so many positive benefits to be enjoyed from owning a cat, it is disappointing that a significant number of people feel unable or are prevented from having a cat in their lives due to the type of housing they live in.

Perception vs Reality: Pets in rented properties

According to Cats Protection and Dogs Trust research conducted in 2021⁶ in partnership with YouGov, there are inconsistencies between the narratives surrounding allowing pets in rented properties and the realities. For example, the most common reason landlord refuses to allow cats in a rented property is over concern that the cat will cause damage to the floors, walls, furniture or fittings. However, 73% of the landlords we surveyed who allowed cats in the property reported no issues. In most cases, if damage to the property did occur, the cost should be covered by the security deposit.⁷

There are also inconsistencies around the number of landlords who claim to allow pets and the actual amount of properties advertised as pet-friendly in the private rented sector. At a UK level, 46% of the landlords surveyed stated that they allowed pets, however, the proportion of tenants saying their tenancy agreement allows pets is lower than this at 31% – **in Wales this figure drops to 27% which is the lowest in the UK.** In addition, only 9% of properties in the UK were advertised as pet friendly.⁸

The barriers that are put up for those who rent mean that too often cat owning renters face the heart-breaking situation of being forced to give up their beloved cat because of a lack of pet-friendly rented homes. Ultimately, the findings of this survey suggest that there is a need to create a statutory right for responsible renters to keep pets to ensure that both renters and landlords are given a fair deal. Cats Protection is keen to discuss this further with the Local Government and Housing Committee.

Cats in the PRS: Cats Protection's work and suggested actions

Cats Protection is campaigning to ensure that responsible tenants can have the opportunity to enjoy the companionship of a cat by calling for a statutory right for responsible tenants to keep pets. Cats Protection strongly believes that people who own pets should be protected from blanket bans.

⁶ Pets and Landlords 2021, YouGov

⁷ Pets and Landlords 2021, YouGov

⁸ Pets and Landlords 2021, YouGov

Blanket “no-pet” clauses are a significant barrier to cat ownership. It is estimated that up to 1.5 million more cats could be rehomed if all landlords allowed pets⁹. Cats Protection believes introducing a right for responsible tenants to keep pets will stop tenants from being unfairly excluded from pet ownership simply because of their type of rented home. Cats Protection also believes that a statutory right for responsible tenants to keep pets should benefit tenants in existing and new tenancies and therefore recommends any changes to the law should also apply to tenancy renewals.

Cats Protection believes it is not reasonable for a landlord to refuse consent for tenants to keep a pet out of fear their property might be damaged, when evidence shows this is most likely not going to be the case. Some landlords might feel like they need extra measures in place before they would be happy to allow pet owning tenants. Cats Protection supports reasonable measures to encourage landlords to allow responsible tenants to keep pets. The charity advises cat friendly landlords to include pet policies in their tenancy which could include a clause limiting the number of cats allowed per property. However, with the backdrop of the cost of living crisis, we need to be mindful that any extra costs to tenants are not excessive and result in those on low incomes being unable to keep their cats. Cats Protection is already seeing people relinquishing cats due to financial reasons and home evictions.

In Wales, as well as in the rest of the UK, there is no statutory right to keep a pet in a rented property. On the issue of pets in rented accommodation, the Welsh Government states:

“As elsewhere in the UK, we have not legislated to create a statutory right to keep a pet, landlords and contract-holders are able to agree additional terms covering the keeping of pets. The explanatory information that must be included in written statements of contracts makes it clear that all additional terms must comply with the Consumer Rights Act 2015 regarding fairness. Any pet clause as an additional term in the contract should allow a contract-holder to ask for permission to keep a pet, and the landlord is not allowed to unreasonably refuse the request.”¹⁰

This means that although there are some protections in place for renters in the event of a pet clause being included in a contract, the inclusion of that clause is entirely optional. Cats Protection is committed to working with the Local Government and Housing Committee to introduce new legislation which is fair and affordable for renters with pets and ensures that landlords feel confident allowing renters with pets in their property. We would like to work with the Local Government and Housing Committee to help introduce legislation which provides responsible renters with a statutory right to keep a pet in a rented property unless there are mitigating circumstances.

⁹ [cats-report-2022-uk.pdf](#)

¹⁰ [Renting homes: frequently asked questions \(landlords\) | GOV.WALES](#)

Cats Protection believes it is important that a cat is kept in a property that is suitable for its needs. The charity does not believe that a property should have a blanket ‘no-pet’ policy because of its size, location or outdoor space. In most cases, there is a cat suitable for any property, including flats and properties without a garden – it is a case of getting the right cat for the right home. Some cats are actually best suited to living indoors, perhaps due to a disability such as being blind or deaf, or an illness that makes them vulnerable to picking up infections outside. Other cats just prefer the indoor life. Charities such as Cats Protection can offer assistance to landlords and tenants to help match the right cat to the most suitable home. The charity believes that the needs of the cat should be considered when deciding if a property is suitable.

Refusal to allow pets in a property should be reasonable and be based on the current tenant and their pet, not based on the landlords’ previous experiences with pet owners. A Pet CV, like Cats Protection and Dogs Trust’s joint Pet CV, could be used to help determine if the property is suitable for the pet and if the landlord is reasonably refusing the tenant to keep a pet. It also highlights that the owner is a responsible pet owner to landlords and letting agents. The CV sets out details about the animal including if they are neutered, microchipped, or vaccinated and information about their general behaviour and temperament. A Pet CV can be a vital tool to help landlords assess if a tenant is a responsible pet owner.¹¹

Conclusion

Cats Protection believes there is potential in Wales to create a partnership between landlords and renters which is fair and reasonable for both sides. Cats Protection also advocates a more pet-friendly private rented sector because pet ownership can have a positive impact on the tenant’s life and the landlords by allowing tenants to feel more at home in the property which can result in tenants potentially staying longer, making business sense for landlords. Finally it will also help thousands of cats find new homes.

For further information please email: advocacy@Cats.org.uk

¹¹ [Private tenants | Purrfect Landlords | Cats Protection](#)

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA/JJ/0630/24

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4 Mawrth 2024

Annwyl John,

Diolch ichi am adroddiad y Pwyllgor Llywodraeth Leol a Thai ar ei waith Craffu ar Gyllideb Ddrafft Llywodraeth Cymru 2024 – 25. Rydym yn gwerthfawrogi gwaith y Pwyllgor. Atodir ymateb Llywodraeth Cymru i Gwestiynau 12-16 sy'n ymwneud â Thai.

Yn gywir,

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Y Pwyllgor Llywodraeth Leol a Thai - Cyllideb Ddrafft 2024-25

Tai

Argymhelliad 12

Rhaid i Lywodraeth Cymru roi blaenoriaeth i ddarparu cyllid ychwanegol ar gyfer dyraniad y Grant Cymorth Tai cyn y gyllideb derfynol, a dylai archwilio'r holl opsiynau posibl ar gyfer gwneud hynny.

Ymateb: Derbyn

Mae Llywodraeth Cymru wedi neilltuo £5m yn ychwanegol i'r Grant Cymorth ac Atal Digartrefedd yn y Gyllideb Derfynol, gan ddod â chyfanswm y gyllideb i bron £220m yn 2024/25.

O fewn y gyllideb hon, mae'r Gweinidog Newid Hinsawdd wedi neilltuo £13m ychwanegol i'r Grant Cymorth Tai, gan ddod â'i gyfanswm i ychydig dros £182m yn 2024/25. Bwriad y cynnydd hwn yw helpu gwasanaethau cymorth tai i ddelio â phwysau chwyddiant, yn enwedig mewn perthynas â chyflogau ac i helpu'r sector i wireddu'n dyheadau o ran Gwaith Teg a'r Cyflog Byw Go lawn.

Argymhelliad 13

Dylai'r Gweinidog Newid Hinsawdd, pan fo'r wybodaeth ar gael, roi diweddariad i'r Pwyllgor hwn ar y cynnydd a waned yn ystod blwyddyn ariannol 2023-24 i gyflawni targed Llywodraeth Cymru o greu 20,000 o gartrefi cymdeithasol newydd i'w rhentu.

Ymateb: Derbyn

Disgwylir cyhoeddi'r datganiad ystadegol ar dai fforddiadwy ychwanegol yn 2023-24 ddiwedd yr hydref. Bydd y cyhoeddiad hwn yn cynnwys manylion yr holl dai fforddiadwy a ddarparwyd yn 2023-24 a nodi'r gwaith sydd wedi'i wneud at gyrraedd ein targed o 20,000 o gartrefi rhent yn y sector cymdeithasol.

Argymhelliad 14

Dylai Llywodraeth Cymru ddarparu rhestr gynhwysfawr o gyflwr presennol y cynlluniau adfer ar gyfer adeiladau preswyl uchel a chynnydd gwaith adfer gan ddatblygwyr. Dylid darparu manylion hefyd ynglŷn â sut mae Llywodraeth Cymru yn disgwyl i'r dyraniadau ar gyfer diogelwch adeiladau yn y gyllideb ddrafft gyflawni'r gwaith adfer yn 2024-25

Ymateb: Derbyn mewn egwyddor

Mae manylion cynlluniau datblygwyr a hynt y gwaith eisoes ar gael, ac mae cynlluniau i rannu'r ffigurau hyn ar wefan Llywodraeth Cymru. Fel ag yn Lloegr, nid yw manylion adeiladau unigol yn cael eu rhannu'n gyhoeddus. Fodd bynnag, gofynnir i ddatblygwyr a Phersonau Cyfrifol rannu manylion gwaith arfaethedig gyda lesddeiliaid trwy delerau'r contract.

Mae dyraniad o £127 miliwn wedi'i wneud ar gyfer gwaith yn 2024/25, sy'n unol â'r gwariant disgwyliedig ac yn ddigon i gynnal arolygon a chynnal gwaith adfer mewn adeiladau amddifad, cymdeithasol ac adeiladau eraill sydd angen cymorth.

Argymhelliad 15

Dylai Llywodraeth Cymru wneud trefniadau i sicrhau bod data ar godiadau rhent cymdeithasol ledled Cymru ar gael i'r cyhoedd.

Ymateb: Derbynn mewn egwyddor

Mae Llywodraeth Cymru yn casglu amrywiaeth o ddata ar stoc tai cymdeithasol a rhenti ([Stoc tai cymdeithasol a rhenti \(llyw.cymru\)](#)) gan gynnwys data ar y rhent wythnosol gyfartalog, sy'n caniatáu i ni gymharu blwyddyn â blwyddyn.

Yn yr Alban, mae landlordiaid cymdeithasol yn cael pennu eu codiadau rhent eu hunain, sy'n ei gwneud hi'n bwysig cyhoeddi data rhenti. Yng Nghymru, mae'n rhaid i landlordiaid cymdeithasol gadw at gap y rhent y flwyddyn honno.

Fel rhan o'n gwaith yn adolygu Safon Tâl Gwasanaeth a Rhent Gymdeithasol Llywodraeth Cymru, byddwn yn gweithio gyda'r sector tai cymdeithasol ehangach i ddeall yn well sut y gallwn ddefnyddio'r data a gasglwn ar hyn o bryd yn fwy effeithiol. Mae hyn yn rhan bwysig o'n gwaith i wneud fforddiadwyedd yn rhan ganolog o'n polisi rhent cymdeithasol yn y dyfodol, ac mae'n golygu asesu'r data sydd ar gael a'r defnydd ohono, gan gynnwys data ar incwm, enillion a chostau ehangach aelwydydd.

Argymhelliad 16

Dylai Llywodraeth Cymru weithio gyda Gofal a Thrwsio Cymru i archwilio cyflwyno grant i gywiro problemau peryglus i alluogi pobl hŷn i fyw'n ddiogel ac yn annibynnol ac i atal derbyniadau i'r ysbyty oherwydd damweiniau gartref.

Ymateb: Derbynn mewn egwyddor

Mae'r Rhaglen Byw'n Annibynnol yn cefnogi ystod eang o weithgareddau trwy grantiau, nid i Gofal a Thrwsio Cymru ac Asiantaethau Gofal a Thrwsio yn unig ond hefyd i Gymdeithasau Tai drwy Grantiau Addasiadau Ffisegol (PAG) ac i Awdurdodau Lleol drwy'r rhaglen Galluogi.

Rydym wedi ymrwymo i barhau i gefnogi'r rhaglen hon. Mae hynny'n golygu parhau i gefnogi asiantaethau Gofal a Thrwsio, gan eu galluogi i wneud addasiadau bach yn gyflym er mwyn gallu rhyddhau cleifion ysbytai'n gyflym a rhag i bobl orfod mynd i ysbyty heb fod angen. Bydd hyn yn lleihau costau'r GIG ac yn lleihau'r pwysau ar ofal yn y cartref a gofal preswyl.

Eitem 6.2

We would like to thank the committee for the opportunity to give evidence. We would like to take this additional opportunity to provide further clarification and information on a number of our points.

Tenancy support for autistic and neurodiverse people

Dr Henley explained that they felt that providing routine support for tenants who believe themselves to be neurodivergent would be beneficial in helping this group to enter and remain in the sector.

To address the data gaps in terms of the needs, including support needs, of autistic people in the PRS, we are currently conducting research, which we would be happy to share on completion.

Longer term financial support for those who have experienced abuse, to enable them to enter and remain in the private rented sector.

Domestic abuse is well recognised as a leading cause of women's homelessness. In 2018-19, among those households found to be subject to a s73 duty to help secure accommodation under the Housing (Wales) Act 2014, 18% of single female and 28% of female lone parents gave their main reason for loss of previous accommodation as violent relationship breakdown, representing 10% of applications at this stage (figures from StatsWales).

Economic abuse is identified as a category of abuse within the Domestic Abuse Act 2021. It can operate through housing – for instance, creating rent arrears – or to force or coerce someone into debt. Economic abuse can affect individuals even after they have left an abuser – for instance directly through control over child support or mortgage payment, or indirectly through a poor credit rating due to previous financial control.

We would like to stress the importance of long-term, potentially lifetime, support for those who have experienced abuse, especially economic abuse, to enable them to enter and remain in the PRS. We suggest that identified or suspected economic abuse should entitle an individual to access to interventions intended to reduce the impact of poor credit histories upon ability to secure affordable PRS accommodation (e.g. bond and first month's rent). These should be available without requiring individuals to go through a homelessness application. This is especially important given that other protections, e.g. within Universal Credit, are time-limited.

The 'vision' for the PRS needs to be considered and integrated alongside broader 'visions' for Welsh society.

We feel strongly that discussion around the role of the private rented sector (for instance, the question of supply) needs to consider wider questions of housing adequacy, which (following Article 11(1) of the International Covenant on Economic, Social and Cultural Rights) includes affordability, tenure security and quality standards.

We especially highlight the importance of considering quality. No national minimum standards apply to the private rented sector in Wales. In contrast, those renting from social landlords benefit from the Welsh Housing Quality Standard 2023, which requires social housing in Wales to reach a minimum quality threshold. Those in the PRS have limited avenues for redress if their homes are not of a reasonable standard, primarily through potential costly and extended court action. We suggest that this could be addressed through the introduction of a Housing and Property Tribunal, drawing on some features of the approach in Scotland, but with a greater emphasis on Alternate Dispute Resolution, which has been shown to be successful in resolving disputes within the private rented sector effectively (see Harris, 2020 for a more detailed discussion).

Instability

We feel that the impact on children and families of tenure insecurity in the PRS are often overlooked. We are conducting research to address this gap, which we would be happy to share on completion. In the interim: census figures suggest that around a fifth (21%) of those living in the PRS in Wales have dependent children. We have also found that children in the Welsh PRS are more likely than those in other tenures to have moved at least once in the last 5 years, with their parents more likely to anticipate moving again within the next year. Preece and Bimpson have also highlighted that housing insecurity and unaffordability are frequently cited by those experiencing poor mental health as a causal factor (Preece, Jenny; Bimpson, 2019).

Hazards

Category 1 hazards are those that are or are likely to impact health, wellbeing and/or personal safety. Based on figures from the Welsh Housing Conditions Survey 2017-18, just under a quarter (23.6%) of Welsh private rented sector homes contain at least one Category 1 hazard (Based on Nichol, Garrett, Woodfine, Watkins and Woodham's (2019) figures for the costs of poor housing to society in general and the NHS specifically, poor housing costs Wales an estimated £178 million a year, with a cost to the NHS of just under eighteen million.

We also note that there exists no quality standards with respect to the private rented sector, unlike the social rented sector. Yet, following the logic of Article 11(1) of the International Covenant on Economic, Social and Cultural Rights, there is no logical reason why private renters should be excluded from rights enjoyed by social renters. We suggest that a Wales-wide quality standard (similar to, or extending, the Welsh Housing Quality Standard for social housing) should be introduced to cover private rented housing.

Data gaps

As mentioned previously, we feel there to be two significant gaps. First, around quality within the Private Rented Sector. It would be very helpful to have a survey similar to the English Household Survey to assess the quality of Welsh housing across different tenures. Crucially, this would enable understanding of the differential impact of PRS accommodation (and differing experiences of the PRS) on different groups in Wales.

Second, we highlighted the importance of data to capture flows into and out of the PRS, particularly the relationship between the PRS and homelessness. The current StatsWales record has records of cause of loss of prior housing up to 2018/19; having this regularly updated, and with details (e.g. age, gender, working status ethnicity, etc) to enable targeted interventions.

We spoke about the importance of access to administrative justice mechanisms (e.g. a dedicated tribunal system). If this were introduced, it would also offer more data on the extent of existing issues and challenges within the sector. For instance, it would give additional detail as to the nature and prevalence of disrepair, rental increases, and unlawful property entry by landlords. Dr Edith England (Senior Lecturer in Social Policy and Practice, Cardiff Metropolitan University) Dr Josie Henley (Lecturer in Social Psychology, Cardiff University)

Julie James AS

Y Gweinidog Newid Hinsawdd

5 Mawrth 2024

Annwyl Julie,

Memorandwm Cydsyniad Deddfwriaethol - Bil Rhentwyr (Diwygio)

Yn dilyn ein gwahoddiad ar 22 Chwefror, rydym yn ddiolchgar i chi am gytuno mewn egwyddor i ddod i'r sesiwn dystiolaeth ar y Memorandwm Cydsyniad Deddfwriaethol ar y Bil Rhentwyr (Diwygio).

Ers hynny, mae'r Pwyllgor Busnes wedi cytuno i'n cais i newid ein slot i sesiwn yn y bore, felly dyma gadarnhau ein bod yn gallu bwrw ymlaen â'r sesiwn dystiolaeth gyda chi rhwng 10.00 a 10.45 ddydd Llun 11 Mawrth.

Anfonir copi o'r llythyr hwn at Gadeirydd y Pwyllgor Llywodraeth Leol a Thai a Chadeirydd y Pwyllgor Cyllid.

Edrychwn ymlaen at gwrdd â chi ar 11 Mawrth.

Yn gywir,

Huw Irranca-Davies

Huw Irranca-Davies

Cadeirydd

Mae cyfyngiadau ar y ddogfen hon