

## **SENEDD CONSULTATION - The Private Rented Sector**

Responses by the **Isle of Anglesey County Council Housing Services and Environmental Health Services**

**To: SeneddHousing@senedd.wales**

The Local Government and Housing Committee has agreed to undertake an inquiry into the private rented sector.

The terms of reference for the inquiry are to look at:

- The supply, quality and affordability of accommodation in the private rented sector;
- The challenges currently facing private sector landlords;
- The opportunities for greater partnership working between social and private landlords;
- Barriers to accessing the private rented sector including challenges facing young people and people with pets;
- How effectively the private rented sector is regulated; and
- The availability of data on the private rented sector and how it can be improved.

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

The availability of private rented accommodation has become an issue with demand high on the Island. Affordability is a key factor as landlords are currently seeking higher rents which are above the current LHA rates. The LHA is set to assist those on lower incomes to access the private sector, based on the bottom 30% of the rental market.

The Bevan Foundation research shows that only 3.8% of the market has a rent level that falls within the LHA. This is compounded further with only 2.1% available to low-income tenants as the landlords' requirements are too strict (i.e. requirements for a deposit, needing to satisfy a credit check, and a minimum income requirement etc.).

The main issue is that the LHA level has been frozen since 2020, a report by Bevan Foundation LHA 'Rental Market in Wales, March 2023' identified the largest gap between LHA and the cheapest property on the market in Ynys Môn where the gap stood at £751.78 a month for four-bedroom properties.

During the last year the Authority has seen a rise of those presenting for homeless assistance due to rent arrears which has increased three fold.

Because of the current financial crisis landlords are pricing people out of being able to afford them. Landlords have changed to let via Airbnb, with Anglesey being a hotspot as identified by the Bevan Foundation. The report 'Holiday lets and the private rental sector' Bevan Foundation September, 2022 found that 10% of available private rented being identified as Airbnb. We have anecdotal evidence that a landlord can receive approximately £20,000 per annum from Airbnb.

We believe that a percentage of private sector stock can be in poor condition, i.e. poor heating systems, poor condition of windows, bathrooms and kitchens needing to be updated which does not give a choice to families due to affordability and lack of availability of stock.

- **The challenges currently facing private sector landlords;**

Changes to responsibilities and obligations on landlords has resulted in some landlords exiting the market. The extension to notice periods and the risk of increased rent arrears has, we believe, contributed to landlords exiting the market, as well as, higher EPC requirements and interest and mortgage increases. These issues have contributed to landlords seeing an increase risk in their asset and deciding to leave the market. We have seen an increase in private tenants approaching our service following a NtQ whereby the landlord purporting to be selling up. The number of no fault evictions has doubled from the previous year with landlords stating that they are selling up and upon questioning by the assessment team it is found that more than 75% of these state it is because of the Renting Homes Wales Act and that being a landlord is no longer a viable option for them.

Challenges facing landlords is finding suitable tenants that can afford their property and will look after it.

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

The Welsh Government Leasing scheme is an opportunity for the Authority to work closely with landlords. This gives assurances to the landlord of the rental income, repairs and maintenance as well as improving the standard and EPC rating with a grant funding option. Initial feedback for this scheme has been positive on Ynys Môn.

We have a Private Landlord Liaison Officer within Housing Services who can offer incentives to prospective landlords when considering taking on a person either homeless or threatened with homelessness. These incentives range from guaranteed rent, one off payments to cashless bonds.

Housing Services host a Landlord Forum meetings for landlords on the Island and are well attended with the NRLA being present.

It can be difficult for landlords to know what assistance is available and that Housing Support Grant is available to all tenures, compared to the knowledge within the social rented sector.

Greater partnership working is needed to raise the awareness of the impact the LHA rates are having on tenants.

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

There are barriers facing all client groups when attempting to secure private rented, with one key issue being affordability. LHA level has been frozen since 2020 and have not been updated to reflect increases in rent since then. Current LHA rates are nowhere near the rents being charged with a one bedroom property being in the region of 41.5% more expensive than the LHA and a typical three bedroom property being offered at 147% more than the LHA rates.

Unemployed people and low income households have limited choices and those on a higher income, although could afford the rent may not be able to maintain it with high costs of utilities and the general cost of living.

If a landlord was to lower the rent for a young person they still would be penalised as they receive a lower rate of housing cost from benefits.

Allowing pets can be difficult choice for landlords as they may have had previous bad experience with a pet owner whose pet had damaged the property therefore don't want the same issues again. Also landlords who rent 1 or 2 bed flats out, these are usually above a commercial premises and without adequate garden facilities etc.

Quite often it is not the private landlord's fault that requirements are so strict - often mortgage providers place stipulations on the buy to let mortgages, such as minimum income requirements and no pets for those who rent.

- **How effectively the private rented sector is regulated;**

Currently landlords of private rented sector are regulated through Rent Smart Wales, however this method does not check on the suitability of their property and whether it meets the minimum letting standards and is not applicable in meeting the needs of those looking to rent.

Local Authorities regulate the condition of the private rented stock as well as owner occupied properties. This is done through Environmental health officers who are limited by their resources in taking enforcement action, which can be time consuming. The approach is reactive, with no ability to take proactive actions that would benefit in tackling problematic areas or specific hazards. This is partly due to the officer having other duties to respond to apart from regulating the PRS.

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

Information is more readily available via Rent Smart Wales but could be expanded to include certification for gas, electrical etc.