

**TOWARDS A BETTER PRIVATE RENTED SECTOR – A SAFEAGENT MANIFESTO – NOVEMBER 2019**

Almost 20% of all households now live in the private rented sector. It is, therefore, vital that the next Government develops a clear and positive agenda for the sector, that supports good landlords to provide the homes to rent that the country needs. We know that most current tenants are satisfied with their accommodation and the services they receive. The priority now should be to root out the small number of rogue landlords and agents, to ensure that the private rented sector is an attractive option that is available to all.

**INCREASING SUPPLY - BRINGING EMPTY PROPERTY BACK INTO USE**

The number of empty homes across England has risen to 205,000. At the same time, the number of local authority applications to seize vacant properties using empty dwelling management orders dropped to just six in 2018[[1]](#footnote-1). Other measures, such as the power to charge increased council tax on homes that have been empty for at least two years, are clearly having insufficient impact. We believe that urgent action should be taken, using incentives as well as just enforcement measures, to bring more empty properties into the private rented sector.

**FAIR ACCESS FOR TENANTS ON BENEFITS - BETTER ALIGNMENT OF LOCAL HOUSING ALLOWANCE**

Tenants on benefits, many of whom are in low paid work, are finding it increasingly challenging to access the private rented sector. New research [[2]](#footnote-2) has shown that, across Britain, less than 6% of two-bed properties are affordable for people claiming the Local Housing Allowance element of Universal Credit. Some major cities have virtually no affordable accommodation at all. But, at the same time, councils across the country are increasingly encouraging people facing or experiencing homelessness, many of whom are benefit claimants, to rent privately rather than wait for a social housing.

The research also found that some landlords refuse to let to benefit claimants. In many cases, this is because landlords know that Local Housing Allowance will not cover the rent. Tenants forced to top up their rent payments from the remainder of their Universal Credit are much more likely to get into arrears and other debts. Even where councils offer incentives, this can make renting to claimant tenants a very high risk.

We believe that the government should invest in re-aligning Local Housing Allowance with the lower end of market rents. This would entail an end to the current Local Housing Allowance cap. Such a measure would help to address debt as well as in-work and child poverty. It will also help to ensure that tenants on benefits do not face unfair disadvantage when trying to access the private rented sector.

**REFORMING LOCAL AUTHORITY LICENSING SCHEMES**

Not all Local Authority licensing schemes are operating effectively in the interests of tenants, good landlords and reputable agents. For example, new research[[3]](#footnote-3) for safeagent (<https://safeagents.co.uk/>) has found that in the capital, non-compliance with licensing schemes is rife, potentially putting consumers at risk. Licence applications have been submitted for only 25% of the 138,500 private rented properties that require licensing under mandatory or additional Houses in Multiple Occupation licensing schemes – a non-compliance rate of 75%.

However, the picture for selective licensing is markedly different. These schemes extend licensing to all private rented properties within a clearly defined geographical area. They are more focussed and, in London, licence applications have been submitted for 85% of the 173,000 private rented properties that require them.

Rather than scrapping licensing altogether, **safeagent** believes government should promote a simple, streamlined licensing process which would be more cost effective for the public purse, easier for councils to enforce and clearer for landlords and agents to understand. Rather than drowning the Private Rented Sector in paperwork, licensing should be targeted at specific problem neighbourhoods and substandard properties, as well as at rogue landlords and agents.

**INCREASED FUNDING FOR MEANINGFUL ENFORCEMENT**

As the limited success and high cost of many licensing schemes illustrates, Local Authorities are under resourced as regards enforcement of their existing powers. As part of better regulation, we believe Local Authorities should receive specific funding to enable them to exercise the powers they already have. Working with the recognised membership organisations, they should be empowered to crack down on the rogues who operate under the radar. They should be supported to use the wide range of data already available to them, including council tax, benefits, tenancy deposit and electoral roll information and take a fair, accountable and robust approach to compliance.

**REGULATION OF AGENTS**

Reputable lettings and management agents have a key role to play in promoting a better private rented sector. They can assist both small and large landlords in ensuring that tenants can access high quality accommodation and receive a good management service. Furthermore, they can help to ensure compliance across the whole of their diverse property portfolios. Many already engage in established self-regulation schemes, through compliance with the membership conditions and service standards of recognised industry bodies.

We are, therefore, supportive of statutory regulation of lettings and management agents. When implementing statutory regulation, we would urge Government to consider whether existing “co-regulation” approaches taken in some Local Authority areas could be built upon, or whether a single regulator would be more appropriate. The aim should be to focus efforts on the minority of non-compliant agents and landlords that bring the sector into disrepute.

Regulation offers a chance to stamp out bad practice and improve the PRS. Therefore any regulation must also include the introduction of minimum qualifications, to allow the professionalisation of agents. This should follow existing successful examples in Wales and Scotland.

Together, all of these measures will help to raise standards across the sector as a whole, making it an attractive option for an increasing number of tenants.

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1. <https://www.pbctoday.co.uk/news/planning-construction-news/empty-dwelling-management/55904/> [↑](#footnote-ref-1)
2. <https://www.huffingtonpost.co.uk/entry/britain-homelessness-housing-benefit_uk_5d94ff13e4b0da7f6620c532?utm_hp_ref=uk-local-housing-allowance&guccounter=1> [↑](#footnote-ref-2)
3. <https://safeagents.co.uk/2019/10/11/london-licensing-scheme-regime-failing-consumers/> [↑](#footnote-ref-3)