

## Senedd Local Government and Housing Committee

### Inquiry into the Private Rented Sector

The Wallich wants to create a Wales where people stand together to provide hope, support, and solutions to end homelessness.

As Wales's largest homelessness and rough sleeping charity, The Wallich operates under three core objectives: getting people off the streets; keeping people off the streets; and creating opportunities for people.

Running over 100 diverse projects, across 18 local authorities, The Wallich works with more than 7,000 people experiencing or at risk of homelessness every year across Wales.

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

We believe that there is a significant shortage of affordable private rented housing across all parts of Wales, and that any properties that are available are typically of a poor quality, or otherwise do not meet the needs of the people we support who have experienced or are at risk of homelessness. Properties are typically rented out at way above Local Housing Allowance (LHA) rates, meaning that they are simply unaffordable for people on low incomes or in receipt of basic housing benefits.

Our PRS service in Swansea has reported that the majority of rooms becoming available at the moment are between £100 to £200 above LHA rates, representing a rise of approximately 30 per cent since 2020. Before the pandemic this team would typically source between 10-15 properties at LHA rate per month, now they are lucky to find one per month. Successful placements rely upon building trusting relationships with individual landlords, providing reassurance around the ongoing support we provide to tenants, and negotiating with landlords and the local authority to bridge the gap above LHA rates with discretionary funding.

We are also aware of significant additional requirements from landlords ahead of letting a property, including rent in advance, double bonds/deposits, and guarantors, all of which can be significant barriers for our clients with no savings and limited disposable income. All these challenges are contributing to the inability to move people and families out of temporary accommodation: across all parts of Wales, the number of people in TA increases month on month as more people present to the system than successfully leave it.

There is a real lack of data on the quality of PRS homes, although anecdotal evidence suggests some real issues related to disrepair, suitability, and environmental standards. [Recent research by Shelter](#) in England highlights the poor quality of PRS over the border, however there is limited visibility of similar issues in Wales. As our clients can typically only access the lower end of the market, these



properties often suffer from damp and mould, structural disrepairs, plumbing or electrical issues, or a range of other hazards that should not be acceptable in the 21st century. Legislation requires all landlords to ensure their properties are fit for human habitation, however we remain concerned that enforcement of this requirement is insufficient to meet the scale of the problem.

## The challenges currently facing private sector landlords

Like many other organisations in the sector, we have heard some anecdotal evidence of an increase in landlords selling their properties and leaving the sector in recent months, something that is typically attributed to the commencement of the Government's Renting Homes (Wales) Act 2016 at the end of last year. We believe that there is a need for more information on what is happening to those properties that are being sold: to what extent are they being bought by owner occupiers, or are they being bought by other landlords who are expanding their portfolios? At the moment we can only speculate.

We should state that we are fully supportive of the aims of the Renting Homes Act, as it represents a major rebalancing of rights and responsibilities in favour of tenants. The extension of security of tenure to up to six months for a no-fault eviction notice, and new requirements to make properties fit for human habitation, are essential safeguards, and something that all good landlords should welcome. Improving the overall quality of PRS homes, including improving energy efficiency and decarbonisation, should be a major priority for landlords over the coming months and years.

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

If it is the case that increasing numbers of PRS landlords are considering leaving the sector because they are not willing or able to meet the new requirements under the Renting Homes Act, then this presents a significant opportunity for social landlords and stock-holding local authorities. They may consider directly purchasing properties as they become available, to convert them into social tenancies. Alternatively, they might look to work with landlords who no-longer want the management responsibility for their properties and manage them as social homes on their behalf.

The Welsh Government's private sector leasing scheme is a good idea in principle, as it will bring more stock into use as affordable social housing, whilst providing a guaranteed income for landlords and allowing investment in property improvements. The downside of the scheme is that landlords are only eligible for the Local Housing Allowance rate for their property, which is typically well below what they might receive renting privately themselves, so the financial incentive may be insufficient for many to seriously consider. [Recent research from the Bevan Foundation](#) evidences the ever-increasing gap between LHA and market rates.

We are currently in the process of setting up a unique and innovative project in Neath Port Talbot, in partnership with a private landlord and the local authority, to create a number of new supported accommodation units. The building, which also hosts The Wallich Prevention and Wellbeing Service



on the ground floor, is being converted by the private owner to include 12 self-contained flats in the upper floors. As a result of the high-quality support offered by The Wallich, the landlord is confident to offer these homes to people who have experienced homelessness, because there is an understanding that support needs will be met, and there is a network around each tenant working towards making a success of the tenancy. When this project is up and running, we will of course be keen to share successes and any lessons learned.

The Welsh Government should continue to explore any and all options to make the private sector leasing scheme into a more attractive offer for landlords, whilst ensuring that they do not pay over the odds for properties just because the housing market is so buoyant at the moment.

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

There are a number of significant barriers to accessing the private rented sector, including for young people and those with pets, but these barriers could ultimately be said to boil down to affordability and availability. In most parts of Wales, there are simply not enough affordable homes available for private rent, and therefore landlords are able to be ever more selective over potential tenants. A total lack of suitable homes available for rent is itself the main issue here, but problems are compounded further if you have accessibility requirements due to a physical disability, are a young person without a family or support network, are asked for a large deposit or several months' rent in advance, or if you are unable to bring your pet to a new property. We have previously supported calls from Dogs Trust and others for every tenant to have a right to keep a pet at their rented properties and support their innovative [Lets with Pets](#) scheme.

## How effectively the private rented sector is regulated

We feel that existing regulations, primarily derived from the Housing (Wales) Act 2014 and the Renting Homes (Wales) Act 2016 are useful for clearly setting out the respective rights and responsibilities of tenants and landlords, however we are concerned that the rights of tenants in particular could be more widely understood. The current licensing regime for landlords and agents run by Rent Smart Wales is another strength of the Welsh system, however we feel that RSW and the local authorities could do more to enforce higher quality standards across the PRS. [A 2018 review of Rent Smart Wales](#) and the licensing regime found that there remain ongoing challenges making tenants aware of their rights under the Housing Act, and that there were significant capacity issues for local authorities to conduct rigorous enforcement.

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

We support [previous calls made by the NRLA](#), Shelter Cymru and many others on the importance of establishing a regular Welsh housing survey, similar to the [annual survey carried out in England](#).



There are significant gaps in the data around housing, meaning that we regularly have to rely on incomplete or anecdotal data when we look at different types of housing tenures in Wales.

A comprehensive housing survey would go some way towards addressing the issues raised above about landlords supposedly leaving the sector: It would allow us to understand more clearly whether properties are being sold on to other landlords, to owner occupiers, or simply allowed to sit empty. A survey would also improve visibility around the quality of homes across the private and social rented sectors and highlight areas of focus for energy efficiency and decarbonisation efforts.

