



Llywodraeth Cymru
Welsh Government

Consultation Response Form

Your name: Thomas Hollick

Organisation (if applicable): The Wallich

email / telephone number: communications@thewallich.net /
07467120098

Your address: The Wallich Cardiff Hub, 18 Park Place, Cardiff, CF10
3DQ

Questions

Q1. Do you think that the 7 factors of adequacy are something to aspire to achieving in Wales? If so, what mechanism or combination of mechanisms do you think are required to achieve the 7 factors of housing adequacy in Wales? (Please explain your reasons)

Yes, the 7 factors of housing adequacy identified by the UN are definitely something that we should aspire to for every home in Wales. In order to achieve this, the Welsh Government should develop a comprehensive national housing survey, to assess the extent to which each household has a home which meets these standards of adequacy. Then design targeted programmes to raise standards where they are currently falling short.

This remediation effort will undoubtedly be complex and time-consuming and will only succeed with the cooperation of private and social landlords, local authorities, and other partners across the sector. Some of this can be achieved through existing legislation and Government guidance, however in other areas there may be more work needed to advance.

For security of tenure, this should largely be delivered through the enacted Renting Homes (Wales) Act 2016, however we need greater assurances that tenants' rights are being respected through the proper issuance of occupation contracts and that illegal evictions are not happening despite the change to the law. Rent Smart Wales and local authorities may need strengthened investigation and enforcement powers and the appropriate resource capacity to follow up wherever tenancy security is lacking.

The availability of services, materials, facilities, and infrastructure, as well as habitability, should primarily be addressed through the fitness for human habitation regulations, as well as strengthening planning policy and practice to ensure homes are well built and maintained, with access to appropriate infrastructure. These factors will also have some overlap with accessibility, location, and cultural adequacy – we need to ensure that we have high quality homes that meet the needs of people who want to live there, with access to appropriate facilities and infrastructure needed to live a good life.

The affordability factor is something that can be addressed through the fair-rents work considered later in this consultation, as well as ongoing efforts to create more, higher-paying jobs, boost the economy and household incomes. It should be noted that the market has specifically failed to provide adequate affordable homes for rent, instead incentivising development of more expensive properties which are unsuitable for those

on the lowest incomes and at greatest risk of homelessness or insecure housing. There are also separate issues around the availability and affordability of mortgages for owner-occupiers, however The Wallich primarily supports people for whom renting is the only realistic option.

Finally, we would be interested to hear how the Welsh Government might consider defining adequate housing in terms of size. Those with the lowest incomes often live in the smallest homes, single adults under 35 are only eligible for housing benefit rates for shared accommodation, and multiple children must often share bedrooms long after outgrowing a shared space. These situations are largely as a result of welfare policies decided at UK Government level, however there may be more that Welsh Government can do to ensure that people on low incomes are able to access larger homes if they are needed. Another thing to think about is the increase in home working since the pandemic, as those on the lowest incomes are least likely to have a suitable space to work from at home and could face undue challenges in the job market as a result.

Q2. What considerations should be taken into account when establishing a minimum core for Wales against the 7 factors of housing adequacy?

Establishing minimum standards for adequate housing should be developed in way similar to that currently used to agree amendments to the Welsh Housing Quality Standards (WHQS) for social housing, through broad consultation with the sector to reach a consensus position, then providing funding and realistic timescales for remediation. Adequacy should be defined through consultation with private and social tenants, owner-occupiers, and other stakeholders across the housing sector.

Where there are disagreements about the appropriate level at adequacy is defined, there needs to be careful consideration of the typical imbalance of power between tenants and landlords, particularly in the context of the current shortage of affordable housing. It is a reality that high levels of demand have meant that some landlords have been able to offer inadequate homes at unaffordable levels of rent, because prospective tenants have had few other options. Setting out reasonable universal standards of adequacy should help address this long-standing iniquity in landlord-tenant relations.

Q3. What type of monitoring arrangements and/or enforcement measures should be available to ensure the delivery of housing adequacy? (Please explain your reasons)

We believe that housing adequacy ought to be monitored and standards enforced primarily by the 22 Welsh local authorities, in partnership with Rent Smart Wales where appropriate. Additionally, the Welsh Government should consider the creation of a national body such as a dedicated housing ombudsman, who could champion the right to adequate housing, support local authorities, RSLs (Registered Social Landlords) and private landlords to raise standards, and initiate investigations or enforcement where housing remains inadequate with no attempts to remediate. There are good examples in both South Korea and Canada of independent bodies set up to advocate on behalf of citizens, based upon a human rights approach to housing.

Q4. Are there any other considerations or potential implications of working towards delivering the 7 factors of housing adequacy you wish to highlight?

The Wallich is supportive of [the campaign](#), led by Tai Pawb, Shelter Cymru, and CIH Cymru, to embed the Human Right to Adequate Housing within Welsh law. With this in mind, we are pleased to see the Welsh Government consulting on what adequate housing might mean in practice, but will echo their call on the importance of situating this work within a human rights context. This means that the 7 core factors of adequacy must be approached holistically, rather than seeing each in isolation, and particularly, each of the 7 factors must be allowed to complement each other, rather than be traded off each other in a zero-sum game.

We also support the approach recommended by the Back the Bill campaign, to implement the right to adequate housing through 'progressive realisation': that is a recognition that the right will not be realised in its entirety overnight, but rather with a clear commitment from Welsh Government and partners across the sector to dedicate the maximum available resources towards the wider realisation of the right. This is particularly important given the current shortage of suitable, affordable homes in Wales. As the supply of housing increases over time, people will be afforded the ever-greater right to access the housing that best meets their needs.

Finally, we would call upon Welsh Government to develop a more concrete national housing strategy, that sets out their vision for the future of housing in Wales, and how they will ensure that homes across all tenure types are suitable to meet the needs of the whole population. This strategy must consider the right to adequate housing, but also several other overlapping agendas, including the wellbeing of future generations, decarbonisation and environmental sustainability, tackling poverty, ongoing work on the rights of children, women, and people with disabilities, and antiracism. Although there are of course lots of competing demands upon the housing of the future, and a wide range of different views, we believe that an integrated, national strategic assessment of what is needed would help set the direction of travel for the years to come.

Q5. Do you agree with the proposal to define "fair" in its broader context? (Yes/No – Please explain why)

Yes. Fair rents mean a level that can be reached, which balances the competing interests of landlords and tenants. Rents should cover the costs of maintaining the property, but must be affordable for the tenant, something which has become increasingly difficult in recent years.

Q6. What considerations do you think should be taken into account when defining what is meant by fair rents – and how might we avoid unintended consequences?

We agree with the Green Paper in the view that rents should be fair to both tenants and landlords and should be reasonable and proportional to the specific circumstances of the locality. There is understandably some anxiety that introducing rent control measures could have the unintended consequence of discouraging private landlords from continuing to lease their properties to tenants, so any measures must be carefully calibrated to be acceptable to professional landlords who currently provide good quality, affordable homes in the private rented sector (PRS), whilst discouraging some of the reckless profiteering we have seen elsewhere in the sector.

It is likely that any measures that cap or freeze rents will have the effect of pushing some landlords out of the market, so there should be careful consideration as to where current tenants of those landlords will be able to live. Welsh Government should also pay close attention to what happens to the properties of those landlords who chose to leave the sector, whether they are sold on to other PRS landlords, owner-occupiers, bought by local authorities or RSLs, or allowed to sit empty. Previous measures such as the Renting Homes Act have led to many anecdotal reports of landlords leaving the sector, but we have so far been missing hard data as to what is happening to those tenants and homes affected.

Finally, we would urge Welsh Government to take early consideration of temporary and long-term supported accommodation, to ensure homelessness services are not adversely affected by any new rules. There were unintended consequences in this regard as part of the implementation of the Renting Homes Act, when it was unclear until late in the process whether of supported accommodation would be subject to occupation contracts or licensing agreements, and local authorities were left to designate each property of service, often inconsistently.

Q7. What considerations do you think should be taken into account when defining “local incomes” – and how should it be defined?

We understand and agree with the idea of defining local incomes as a method of calculating fair rents depending upon the locality. Obviously, a smaller local area will provide a more useful baseline than a larger area which will necessarily have more households with significant variations from the overall average income. Nonetheless we recognise that a line needs to be drawn somewhere, so calculating local income at local authority level seems like a reasonable compromise.

Of course, there are significant variations in income within local authority areas, and there may be other complicating factors related to remote working (i.e. people living in comparatively poorer areas but working remotely for an organisation paying higher wages), or indeed issues around owners of second homes. We also would not want to see rigidly defined local incomes (and corresponding rent levels) becoming barriers to people moving between local authority areas, perhaps to take up offers of work.

Q8a. What measures should be used to assess affordability, and why?

The current measures of affordability as used by the Office for National Statistics seem reasonable. It is useful to consider the wider costs of running a home beyond just rent or mortgage repayments: the impact of energy and water costs, council tax, and insurance also all play a part in determining whether a home is affordable or not.

Q8b. Do you agree that 30% of a household’s income is an appropriate indicator of affordability? (Yes/No – If no, please explain why and what alternative value could be used)

Households on the lowest incomes typically spend the largest proportion of their income on renting costs, so any reduction from the current average of nearly 40% will be beneficial, providing the greatest reductions to those most in need. 30% of a household’s income would be a significant improvement, 25% would be even better.

*Q9. Can you provide any additional data or evidence which has not been considered?
(Please provide details)*

The Office for National Statistics has a range of useful datasets on incomes and household running costs across each local authority area.

Q10. Do you agree that better data on incomes and affordability is necessary to inform policy interventions – and how could this data be obtained?

Yes, we agree that better data on incomes and affordability will help inform better policy making in this area. The Office for National Statistics (ONS) and the Welsh Government Knowledge and Analytical Services seem best placed to develop richer datasets to contribute to this work.

Q11. What data do you consider needs to be captured on rents and relevant affordability factors, at what scale, and how often?

Current data on rents and affordability seems to be informal, typically through analysis of lettings adverts on websites like Rightmove or Zoopla, which is likely to offer a partial picture of the whole rental market only ever. More data could be collected and shared by Rent Smart Wales as part of their licensing process, perhaps upon renewal or change a change of circumstances for each licensee. Alternatively, we believe a detailed National Housing Survey could collect information on rents and affordability.

Q12. Are there other considerations and potential impacts (including other data sources) you wish to highlight in regard to the current and future private rental market?

Not at this time.

Q13. What other sources of data on rent might we draw on to inform policy development and future monitoring and evaluation?

Lots of organisations working in the housing sector currently collect all sorts of different datasets as part of their routine work supporting people with their different housing needs. Obviously, data protection sensitivities mean that datasets often cannot and should not be shared for purposes unconnected to that for which they were originally collected, however there may be opportunities to learn from each other about what data does exist, and what methodologies are effective for collection.

There may also be opportunities to collect relevant data as part of the forthcoming Ending Homelessness Outcomes Framework, specifically if processes are established to better record and report information relating to tenancy failures. Evidence of regular or increasing failures due to unaffordability of housing may form grounds for a policy intervention to make rents more affordable.

Q.14. Do you think there should be a requirement to provide rent information to Rent Officers? (Yes/No – If no, please explain why)

Yes

Q15. How do you think such a requirement could be enacted and enforced?

This should become a requirement as part of the terms of the Rent Smart Wales license. Landlords and agents should be asked to provide accurate and up to date information on rent levels for all their registered properties.

Q16. Should such a requirement apply to all landlords or only some, perhaps larger, landlords? Why?

It should apply to all landlords, and where officers note inconsistencies, or rent levels changing significantly over time, they should be empowered to investigate to ensure that there are no unfair practices (such as evictions in order to secure higher rent)

Q17. What do you consider to be the advantages and/or disadvantages of first, second, and third generation rent control measures?

We have no specific views on the advantages or disadvantages of the different models of rent control as set out in the green paper, beyond the comment that a model which allows for a strict freeze or overall cap on rents is likely to be most beneficial to those on low incomes currently struggling with unaffordable rents, but also to be the least preferred option for landlords, as it threatens the profitability of their businesses. A model which allows some rent increases, but only within specified parameters is likely to be more acceptable to both tenants and landlords.

Of course, there is a real issue right now with unaffordable rents in the PRS, so freezing or limiting future rises will do little to assist those already unable to afford a suitable home. In this context Welsh Government should be open to considering more radical options to prevent the current homelessness crisis escalating even further, however it should do its best to balance competing demands from both sides of the sector.

Q18. What factors should apply to determine if a rent control measure is required?

[Recent research](#) from The Bevan Foundation demonstrated the scale of the challenge represented by the lack of affordable housing in Wales. In February 2023 it found just 32 properties advertised at Local Housing Allowance (LHA) rates across the whole of Wales. 16 local authorities did not have a single property available for a household receiving basic housing benefits. This seems to be a clear failure of the market to provide suitable, affordable housing, and the Welsh Government should explore all options to increase supply and address this crisis.

Q19. Who should be responsible for determining if a rent control measure is to be introduced?

In line with the subsidiarity principle, the 22 Welsh local authorities should be empowered to consider measures, to tackle unaffordable rents, as bodies with strong awareness of the local housing contexts, and democratically accountable to the people living in the area. As this is a new, and potentially contentious area of policy making, Welsh Government should consider what additional support and resources are needed, to ensure that local authorities are empowered to make positive decisions. If a Housing

Ombudsman is established in future, it could also have a role supporting and arbitrating these decisions.

Q20. How could compliance with a rent control measure be monitored and enforced?

Compliance with any measures introduced should be enforced by local authorities, Rent Smart Wales, and Welsh Government itself. This is also another role that could be supported by a dedicated Housing Ombudsman for Wales.

Q21. Do you have any views on the models for rent control measures?

As in our response to question 17 above, we have no specific views on the different models for rent control measures.

Q22. Do you have any further evidence or observations that you wish to provide?

Not at this time.