



REPORT SUMMARY

The private rented sector has grown substantially over the past two decades. It is now home to 20 per cent of households (4.7 million). Many more people now expect to live in the private rented sector for longer; this includes 1.7 million households containing nearly three million children. Many of those children will grow up, go to school and transition into adulthood in homes rented from private landlords.

Despite the more significant role that the private rented sector now plays in the housing market, the regulations which govern the tenure have not kept pace with its growth. This report follows a number of in-depth conversations with tenants and landlords across England as we seek to understand the lived experience of those in private renting and how they want it to change.

Through our conversations with tenants we found that many remain very concerned about the insecurity of private renting, the unaffordability due to rent, fees and deposits, the poor conditions which they too often find themselves in, and the lack of agency and representation that they have in the sector. From the landlords' perspective, the key concerns were welfare reform, reforms and reductions to tax relief on private landlords, and the legal system.

Our research also found that tenants and landlords shared some key issues about the sector. Both felt that they lack knowledge on their rights and responsibilities, that too often they were reliant on luck as to whether they could build a good relationship with each other, that tenants lacked power in the system overall and landlords at key pressure points, and that both distrust the ability of the government to reform the sector.

With private renters now comprising a significant block of voters, particularly in many marginal seats, the offer that is made to them will be a defining political issue in coming elections. Ultimately, we argue in this interim report, a new deal is needed for both tenants and landlords, one which raises standards for tenants and equips them with better rights, all the while supporting landlords through strategic and well-understood policy that encourages socially responsible landlordism.

KEY FINDINGS

- The private rented sector has grown considerably in recent years, housing 4.7 million households (20 per cent) in 2016/17, up from two million (ten per cent) in 1996/97.
- The types of households renting from private landlords has changed. The number of households with dependent children living in the private sector grew from 461,112 in 1996/97 to 1.7 million in 2016/17.
- The private rented sector is insecure. Around one in 10 tenancies which come to an end do so as a landlord has terminated them, typically through a no-fault eviction.

The biggest reason for a no-fault eviction is to enable a landlord to sell the property or take it back into their own use. Tenancies ended by landlords were the biggest cause of homelessness acceptances in England in 2017, accounting for 28 per cent (16,320) of all local authority homelessness acceptances.

- Private rents are unaffordable for many. In 62 per cent of local authorities the median private rent would be unaffordable to those on low incomes and in 52 per cent to those on middle incomes. In all but one local authority, a person earning minimum wage would find the average private rented home unaffordable.
- A higher proportion of private rented homes are of poor quality compared to other tenures, with 27 per cent of homes failing to meet the Decent Homes Standard.
- The court system is working for neither tenants nor landlords. Legal aid reforms limit access to justice for tenants, with housing cases dropping by half following reforms. Meanwhile, court statistics show that, where they need to use County Court Bailiffs, it takes on average 41 weeks between a landlord making a claim for possession and regaining possession of the property.
- The key issues for tenants identified by our focus groups were insecurity, unaffordability, poor conditions, and a lack of agency and representation.
- The issues identified by landlords were welfare reforms, reforms and reductions to taxation on private landlords, and the legal system. Landlords also suggested that the key risks to their investments were long void periods plus rising interest rates.
- Our research also found that tenants and landlords shared some key issues: a lack of knowledge on their rights and responsibilities; the dependence on the kind of relationship that is built between tenant and landlord; an imbalance of power, with tenants feeling that they lack power in the system as a whole and landlords expressing frustration at a lack of power at key parts of the process, and limited trust in the system on both sides.
- Polling commissioned by IPPR from Sky Data found that most people believe the current system of private renting is unfair to tenants, providing them with neither a stable nor an affordable home. The poll found that 53 per cent of people believe the way private renting works is “very” or “fairly” unfair for tenants, while just 19 per cent regard it as fair; pensioners, single parents and couples with children are seen as groups for whom it works very or fairly badly by most people – 61 per cent, 58 per cent and 49 per cent respectively; 61 per cent said it does not provide tenants with a long-term, stable home; and 59 per cent say it does not provide affordable homes, and only 29 per cent say it provides good quality accommodation – outnumbered by the 45 per cent who say it does not.



The progressive policy think tank

Citation: Baxter D and Murphy L (2018) *The case for reforming private renting*, IPPR. www.ippr.org/publications/the-case-for-reforming-private-renting

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