

Poverty and the private rented sector

Housing Rights PRS Conference
15th November 2017

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What I'll cover this morning

- Scale of the issue
- Why it matters
- Welfare reform
- Ideas for positive change



Scale of the issue.



Total number

14 million

people in the UK are living in poverty



8 million working-age adults



4 million children



1.9 million pensioners

Key stats



40%

of people in poverty live in a family where at least one person is disabled



68%

of all people in poverty live in rented properties



38%

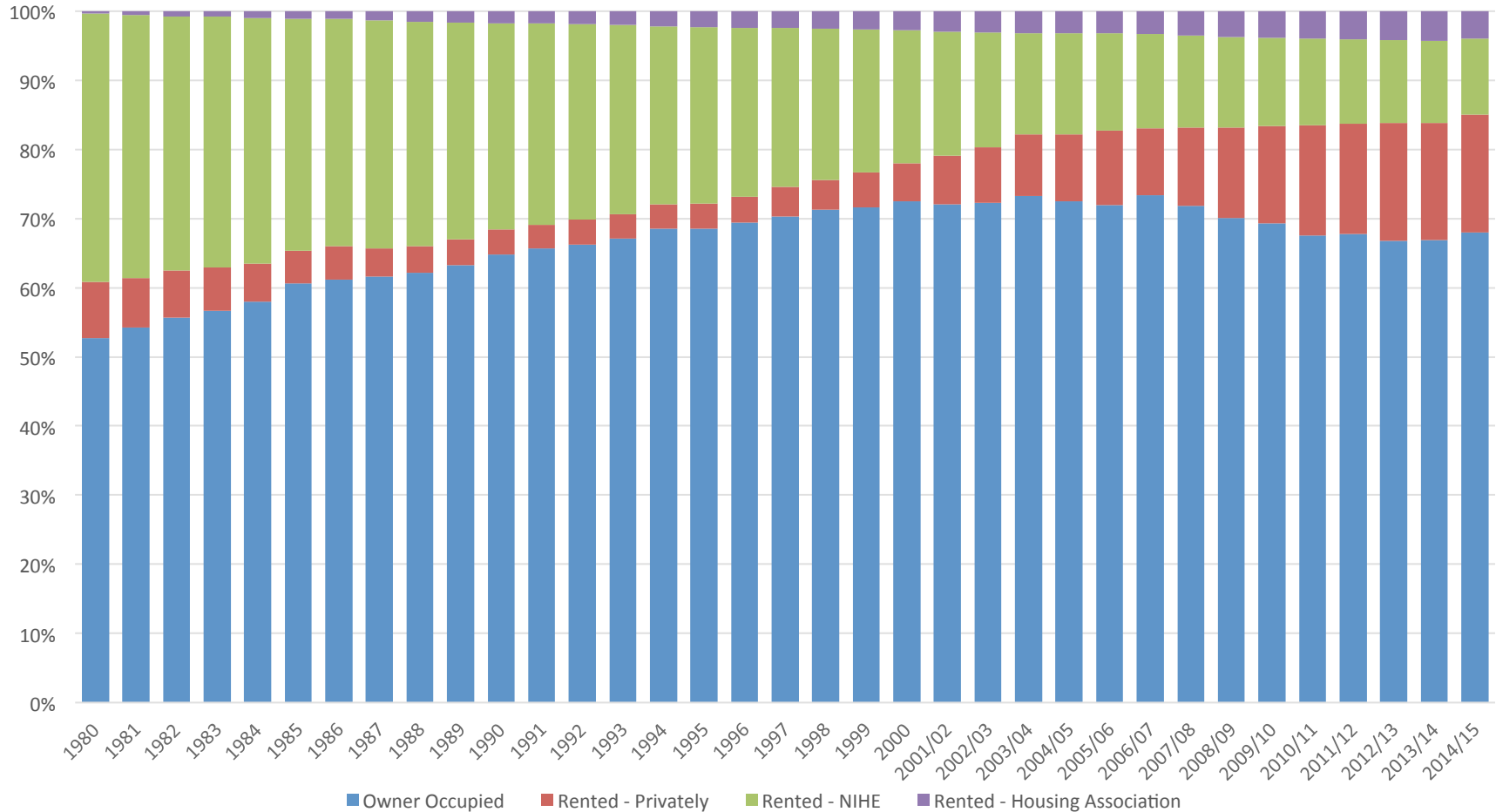
of children in poverty live in a lone-parent family



65%

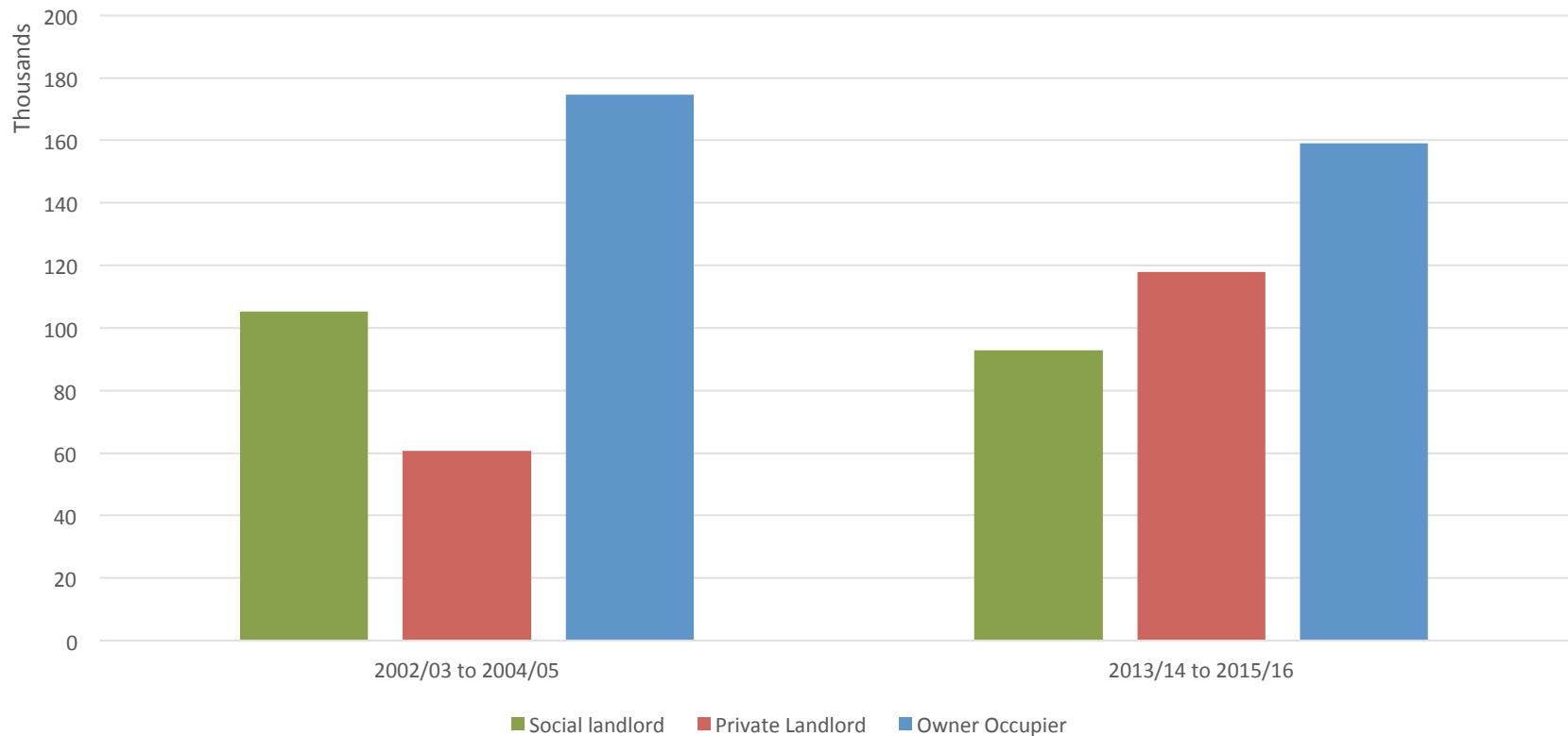
of working-age households in poverty have someone doing paid work

Trends in NI tenure, 1980->



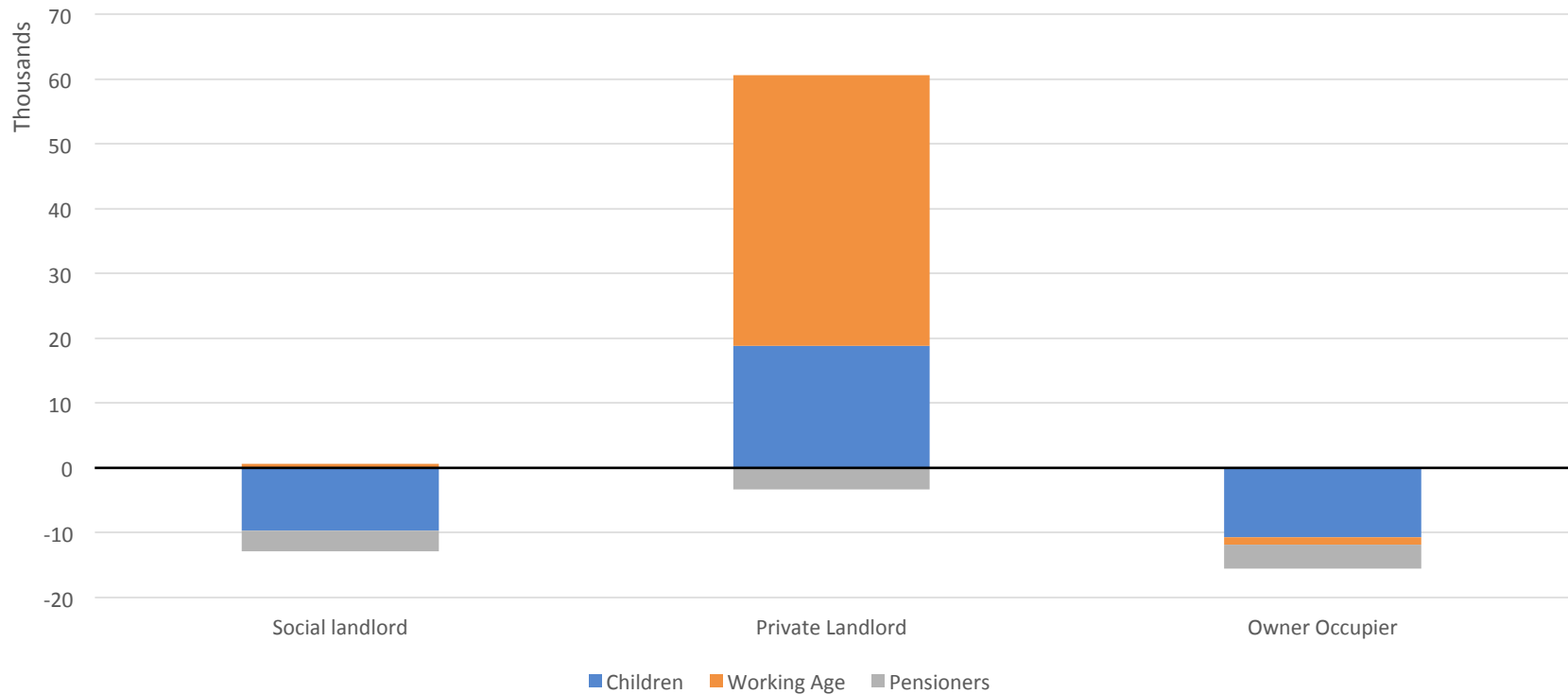
Where people in poverty live in NI

People in Poverty in Northern Ireland by Tenure



Change early 2000s to mid 2010s

Poverty Change in Northern Ireland by Age Group and Tenure
(Between 2002/03 to 2004/05 and 2013/14 to 2015/16)



Why it matters.



Housing and poverty: variables

Cost

Quality

Security

Availability

Location

Costs

Direct Costs

- Rent

Indirect costs

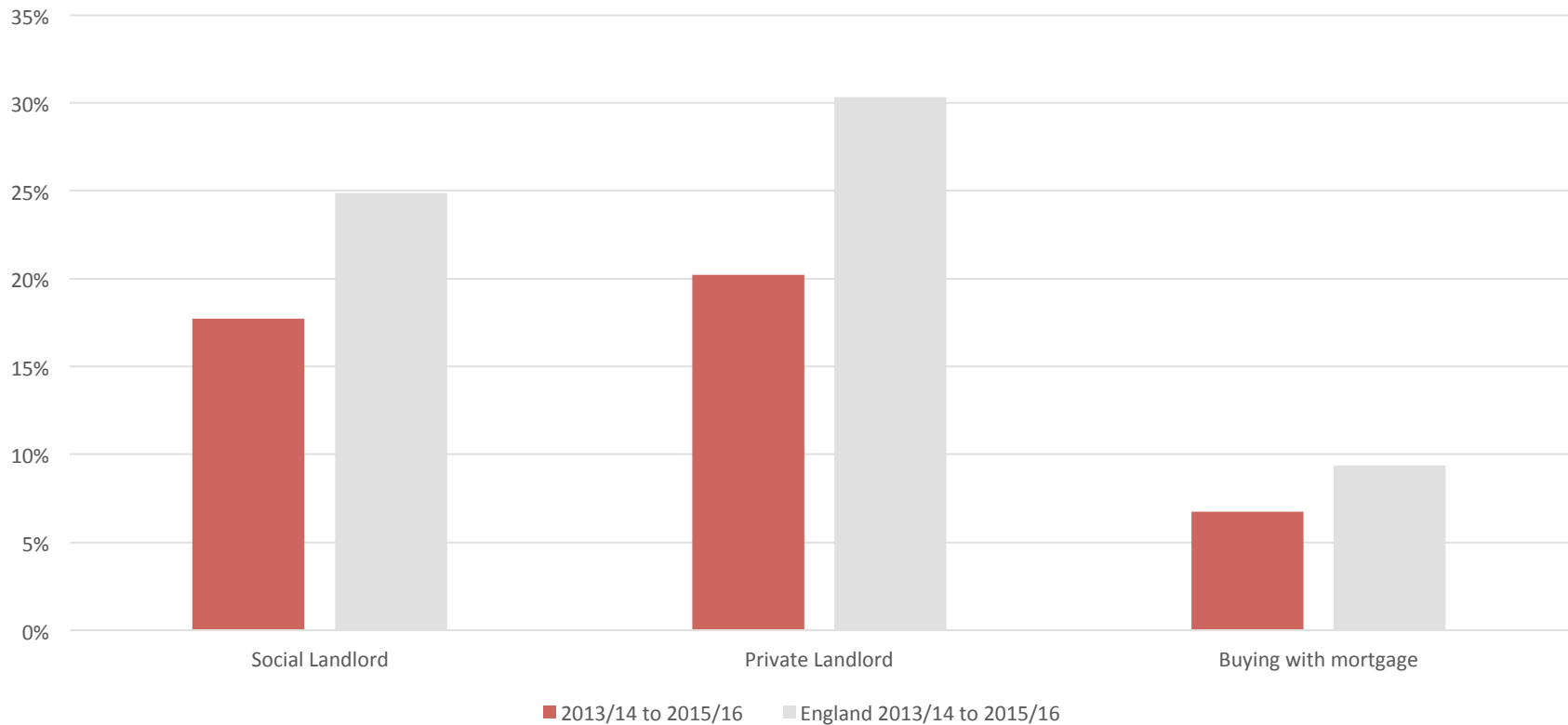
- Heating
- Transport
- Repairs/maintenance

Access costs

- Deposit
- Rent in advance
- Furnishing/essentials

Housing costs as % of income

Percentage of household income spent on housing in Northern Ireland, by tenure



Costs

Direct Costs

- Rent

Indirect costs

- Heating
- Transport
- Repairs/maintenance

Access costs

- Deposit
- Rent in advance
- Furnishing/essentials

“My rent hasn't been put up for three years, for which I am so thankful.”

“It's going to go up; my rent is going to go up any day now. If he puts it up £100 I'll cross myself. No idea how I'm going to find £100; I'll have to go and see if I can get a DHP, discretionary housing payment award from the council.”

“My housing benefit is £650 so I then pay the top-up of the rent which is £750 through my DLA, which I'm not supposed to because that's supposed to be for support things that I need and the travel and any particular food supplements.”

Older cohort


Quality

Costs

- Heating
- Repair
- Maintenance

Non-material impacts

- Physical health
- Mental health
- Wellbeing



“I've phoned up so many times that I had to stop because it was really upsetting me, because they wouldn't do it and he'll make it sound like he's going to do something and then he just doesn't do it. I suppose if it was my own place I would get things fixed, but if the landlord doesn't want to do it and he's not putting the rent up, you don't want to rock the boat too much.”

Mid-life cohort

Security

Costs

- Moving house

Incomes

- Can constrain access to work and learning
- Disrupts access to existing work and learning opportunities

Non-material

- Health and wellbeing
- Educational attainment

“I never really wanted to buy until my son was born four years ago and then I think since then, it’s always been on my mind that it would be nice to have a place that we’d own and we know that we could be in because we’ve had issues in the past where we’ve been happy living somewhere and then the landlord has put the house on the market. So, there’s always that niggling thought of those sorts of things could happen but when you own the place, you can be a bit more settled.”

Couple with young child

Welfare reform.



Housing benefit

Much maligned...

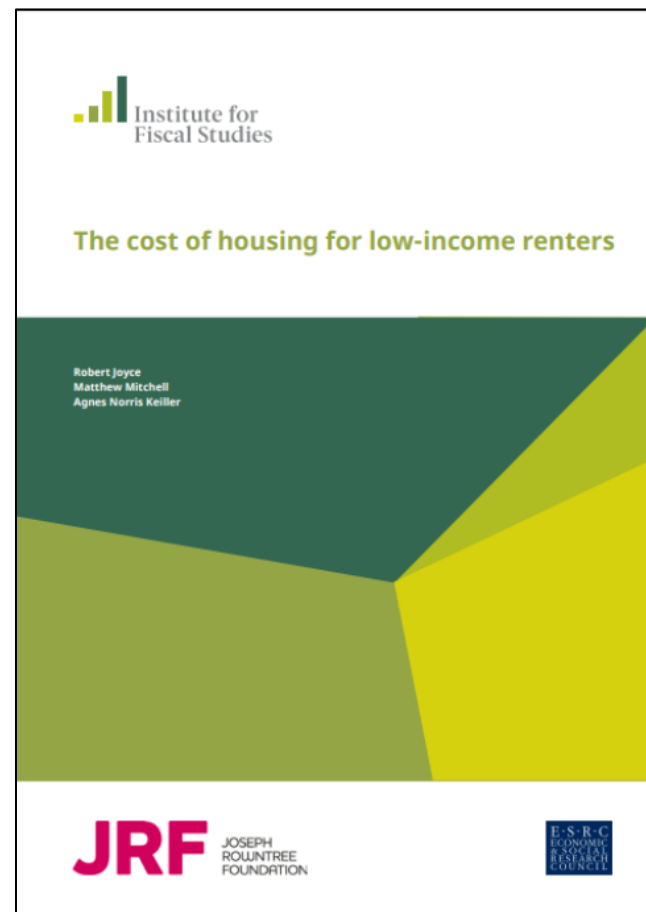
But UK's Office for National Statistics say:

- Cash benefits are the most progressive benefits.
- **Housing benefit is the most progressive cash benefit.**

Welfare reform & housing benefit

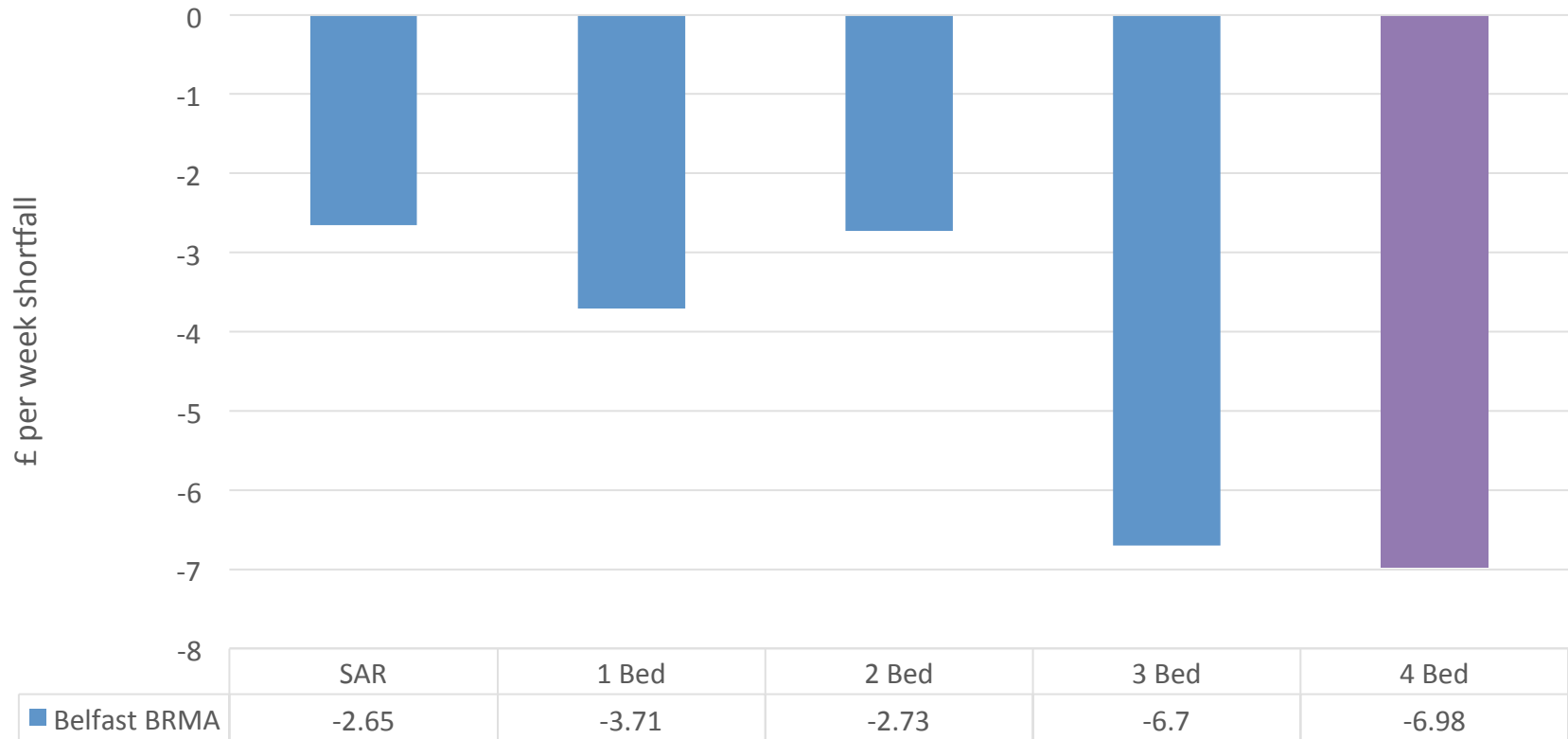
IFS work for JRF shows:

- Entitlements of 1.9m PRS households cut since 2011
- 90% of low income private renters now have shortfall between rent and HB income
- This will rise to 94% by 2025



Shortfalls in Northern Ireland, too

Difference between 30th centile rents and 2017 LHA rate (£ pw)



Ideas for positive change.



Looking over the border

- Longer term tenancies
- Limits on frequency of rent increases
- Registration = better understanding
- Use of incentives



Using incentives in the UK

Three options developed:

- A tax break for landlords who accept LHA tenants
- Allow offset of improvements against income
- A 'voucher' entitling landlords to rent insurance



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Social lettings agencies

- ‘ethical middlemen’ – enable access, stability?
- Common elsewhere – e.g. Belgium
- Emerging in UK
- Potential for social investment?



Thanks for listening

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