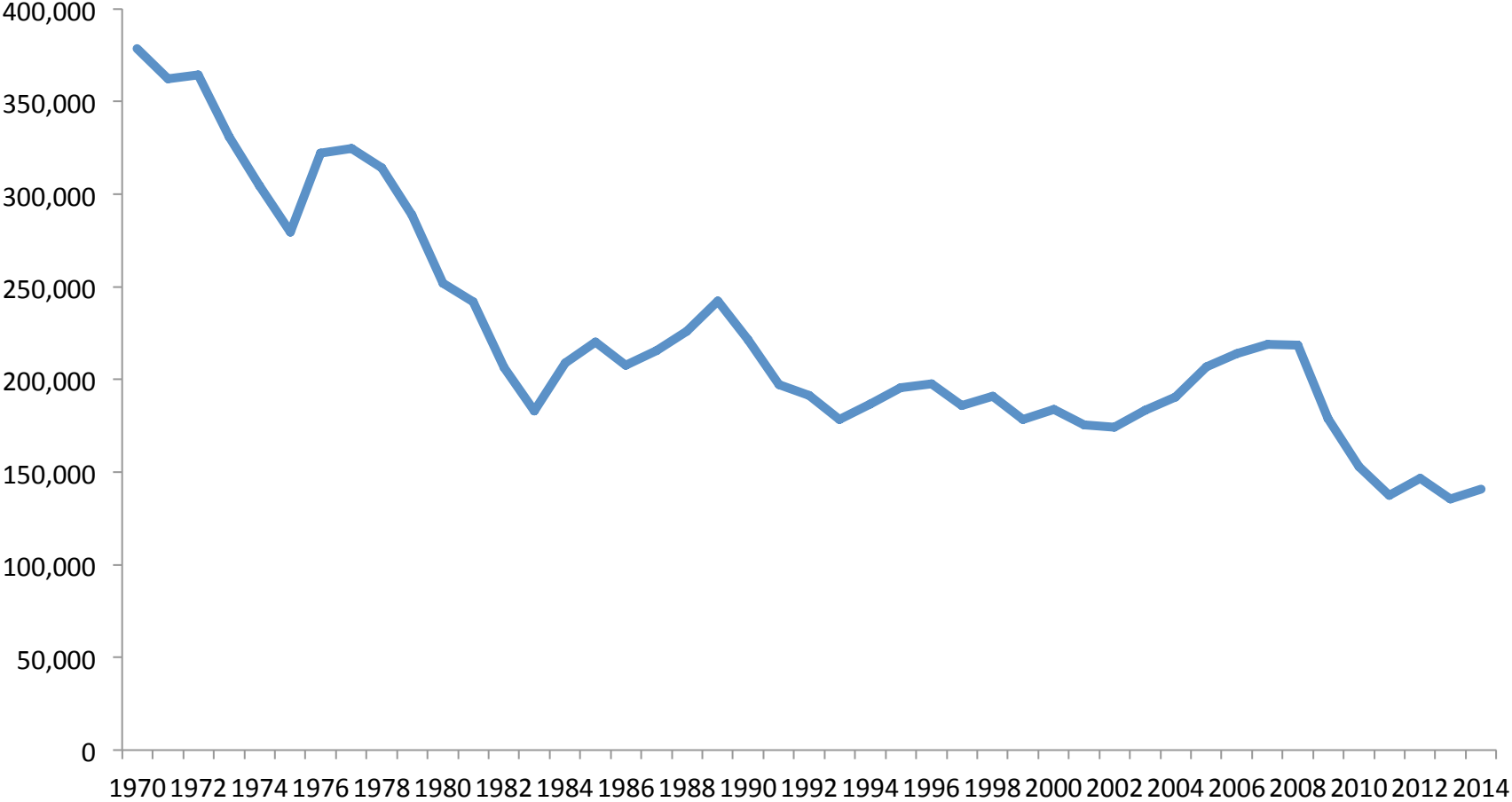




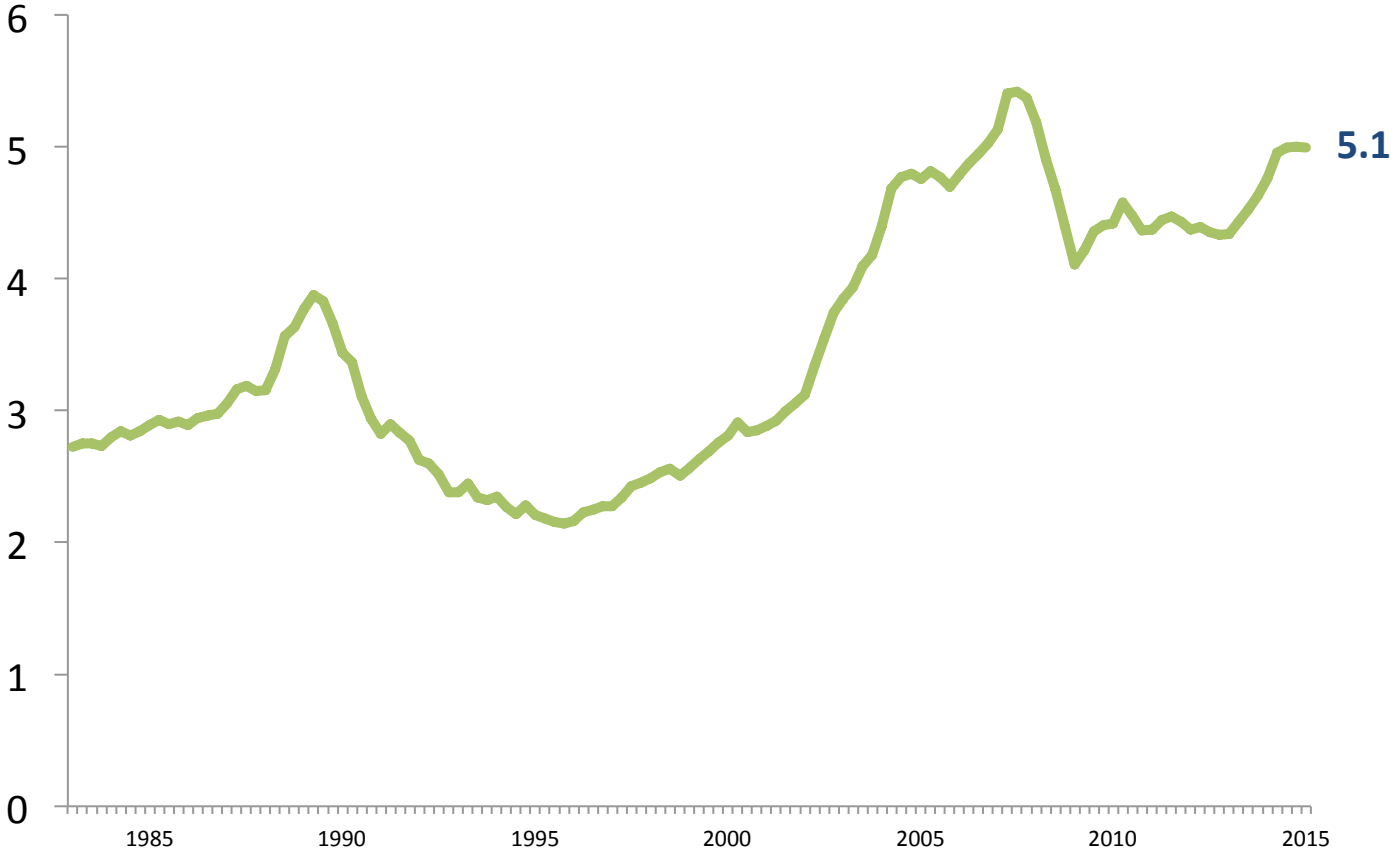
Private renting policy at the crossroads

Peter A Kemp

House-building in the UK (1970/71 to 2013/14)



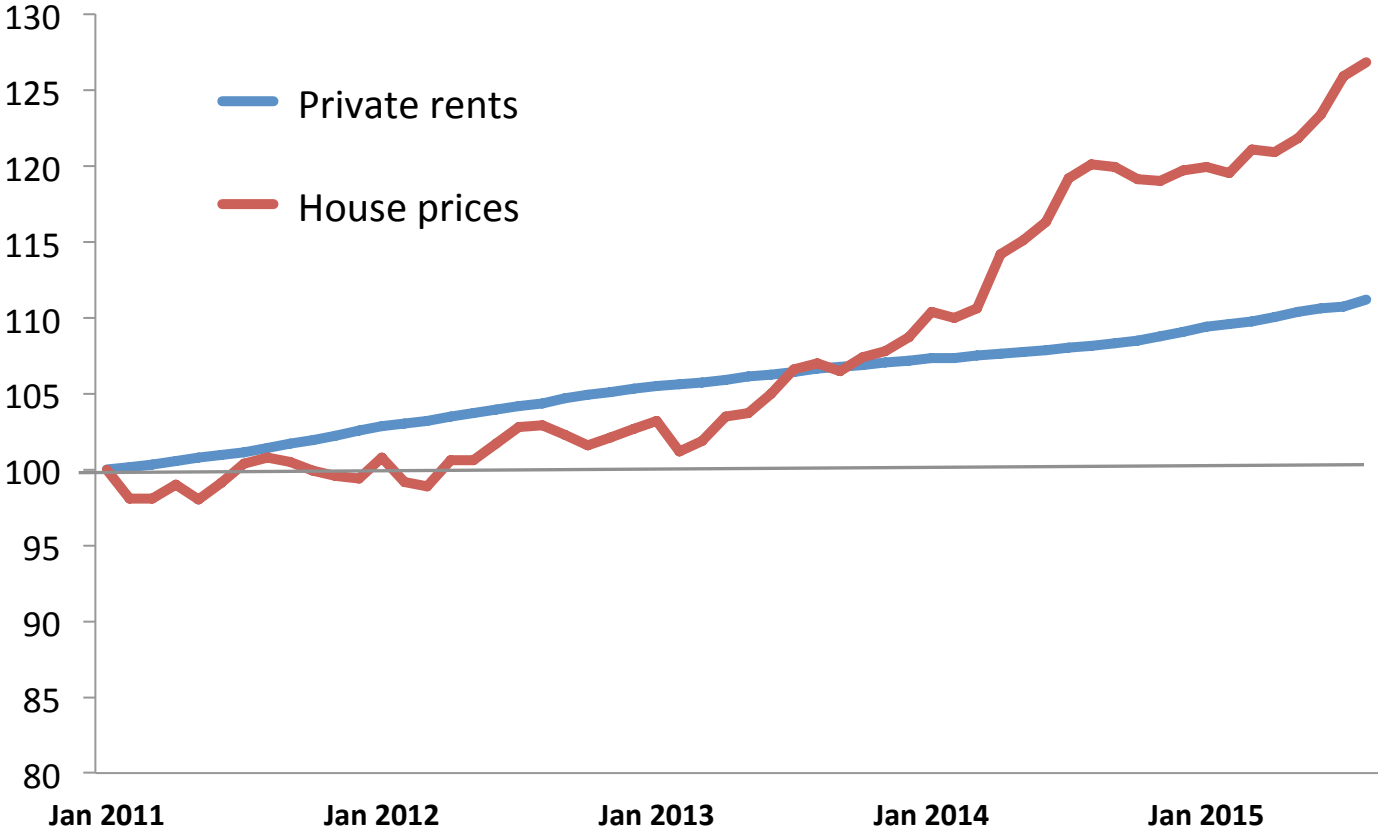
FTB house price to earnings ratio (UK, 1983 to 2015)



Source: ONS

Index of rents and house prices

(England, 2011 to 2015)



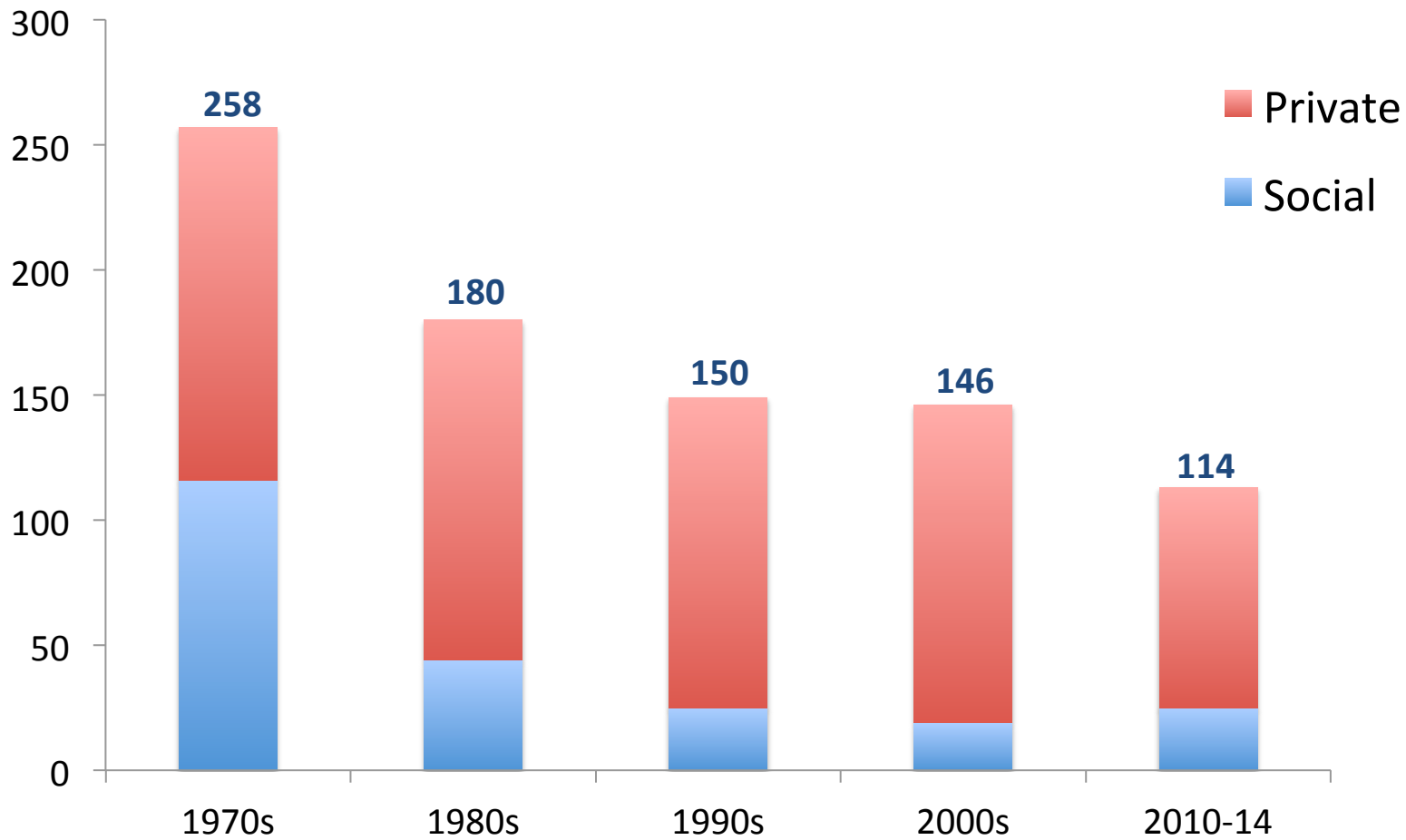
Source: Office of National Statistics

Housing tenure in England (% households)

Year	Home owners	Private renters	Social renters	Total
	%	%	%	%
1981	57	11	32	100
1991	68	9	23	100
2001	70	10	20	100
2013/14	63	19	17	100

House-building: annual average per decade

(England, 000s)



PRS policy concerns

1. Access barriers (for low-income tenants)
2. Affordability
3. Insecurity of tenure (families/low-income tenants)
4. Poor management
5. Sub-standard property (bottom end of the market)

UK Budget 2015

1. Restricting finance cost relief for landlords (from 2017)
2. Changes to 'wear & tear' tax allowance
3. Local Housing Allowances to be frozen for 4 years
4. Abolition of the family premium in HB (new claims)
5. Abolition of HB for out-of-work 18-21 year olds (new claims)

Private Housing (Tenancies) (Scotland) Bill

New simplified single tenancy

1. Initial tenancy period followed by an indefinite tenancy
2. 'Notice to leave'
3. Longer notice period where tenant has > 6 months residence
4. 12 mandatory & 3 discretionary grounds for possession

Rent provisions

1. Rent 'predictability'
2. Protection against 'rent hikes'
3. Rent caps in areas where rents are rising 'excessively'

Conclusions

1. Under-supply of new homes a critical underlying problem
2. Private renting growth likely to continue
3. The PRS not adjusted to its new role as long-term housing for low-income tenants
4. 2015 Budget changes will make things worse
5. Significant policy progress in Scotland, but not in England