

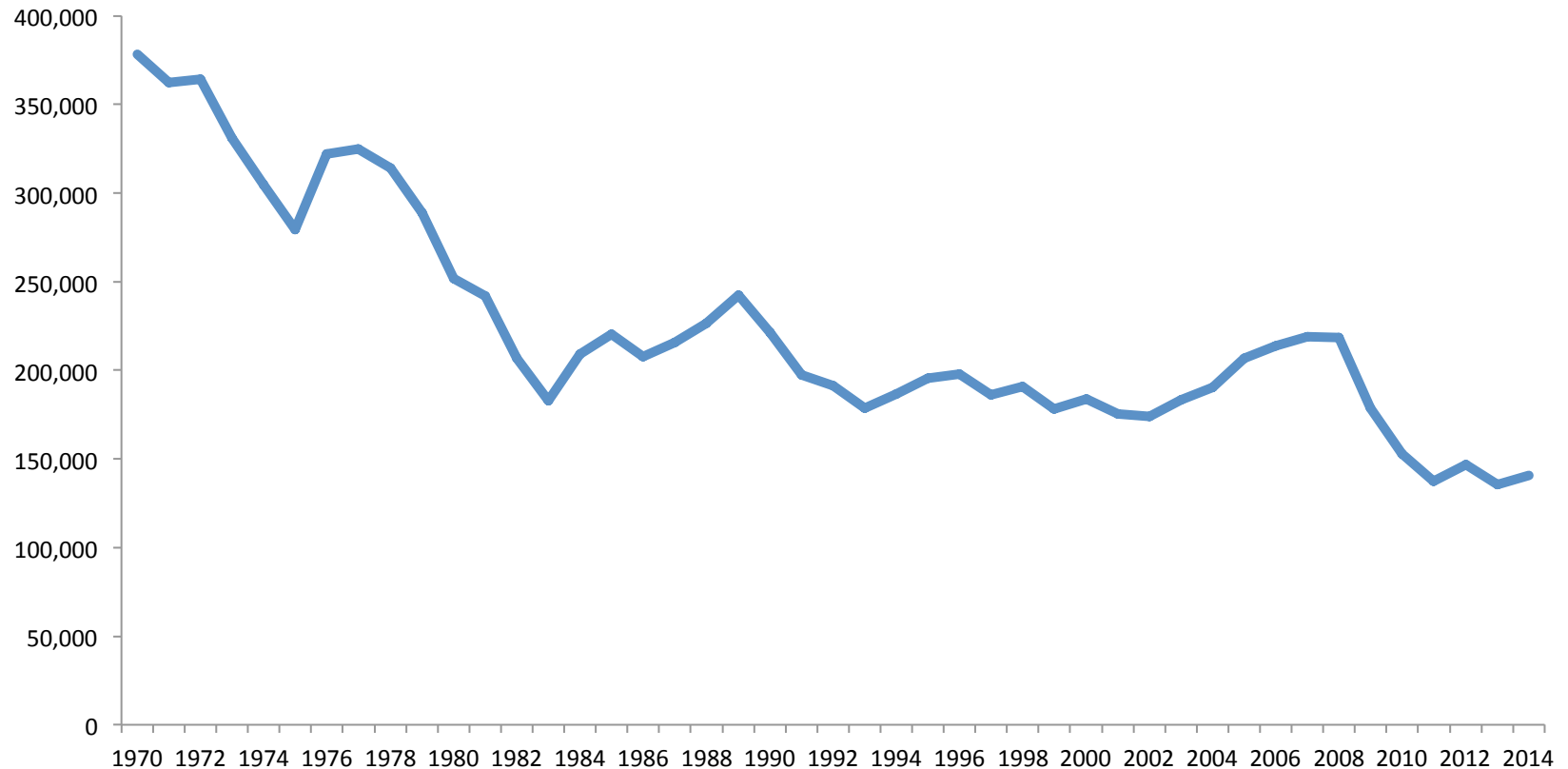


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The changing landscape for private renting in England

Peter A. Kemp

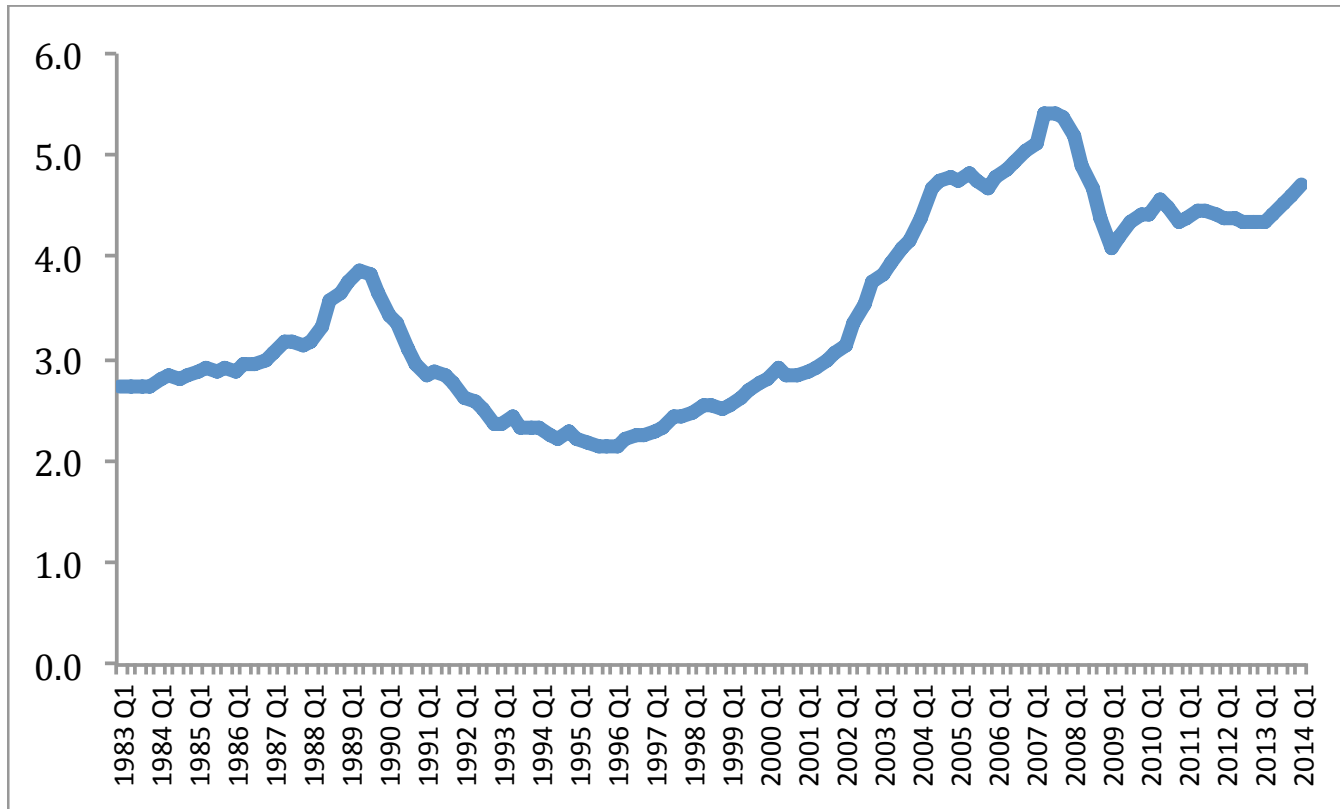
House-building in the UK 1970/71 to 2013/14



Notes:

1. Source: DCLG Live Table 209
2. Financial years

House price to earnings ratio: first-time buyers

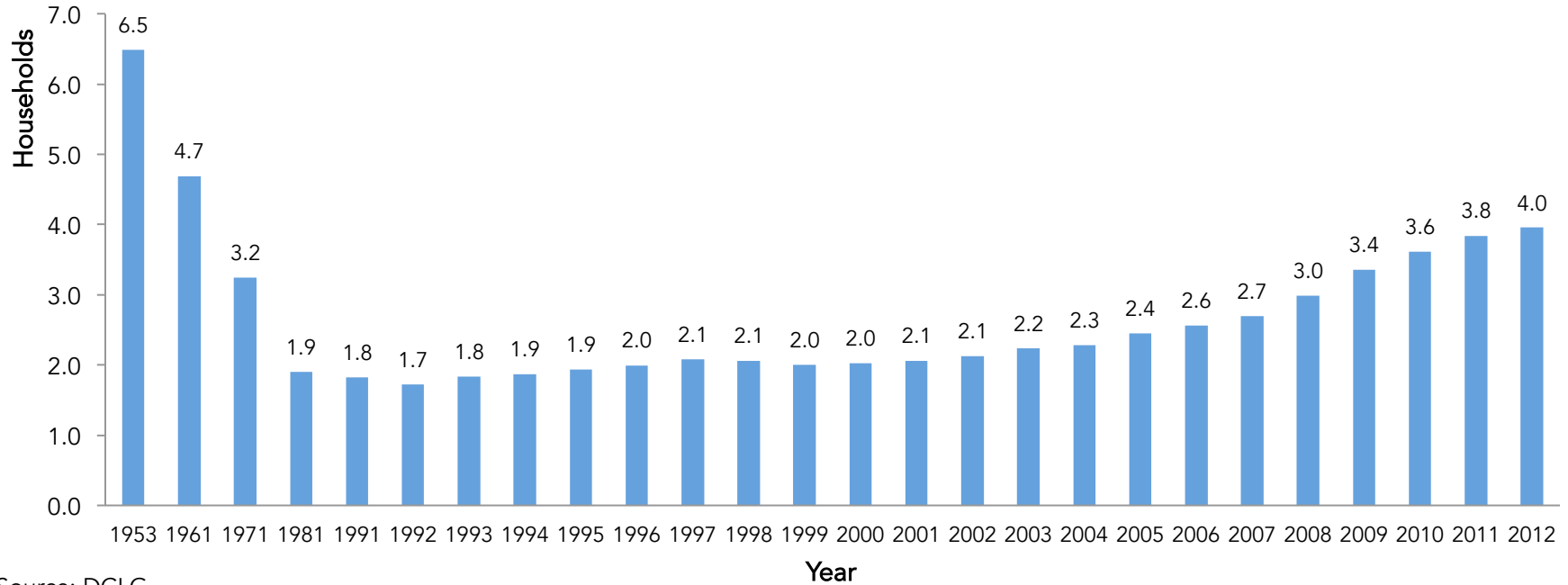


Source: Nationwide Building Society (UK data)

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
2012/13	65	18	17	100

Privately renting households in England 1953 to 2012 (millions)



Source: DCLG

- Increase social housing waiting lists
- Decline in first-time buyer market
- Growth in higher education
- Increase in low-paid employment
- Economic migration
- Increase in single person households



- Families
- Long-term renters
- Sharing
- Overcrowded
- Living in income poverty

Length of residence: private renters in England

	2007/08	2012/13
	%	%
Less than 1 year	40	34
1 but less than 3 years	30	33
3 but less than 5 years	10	13
5+ years	20	20
	100	100

Source: English Housing Survey

Poverty after housing costs: England (2007)

	% in poverty	% of the poor	Odds of poverty
Owner-occupiers	11	42	1.0
Private tenants	36	23	3.5
Social tenants	39	18	3.3
Total	19	100	

Source: Kemp (2011)

- Increase in individual private landlords
- Decline in portfolio sizes
- Growth in student housing companies
- Increase in landlords with BTL loans
- More emphasis on rental yields since the GFC
- Increase in foreign investors

- Insecurity of tenure
- Affordability
- Access barriers for low-income tenants
- Letting agents fees
- Poor management & property at bottom end of the market

- **Coalition Government:**
 - Build to Rent Fund + Housing Debt Guarantees
 - Letting & property agents required to approved redress scheme
 - Model long-term tenancy agreement
 - Cuts in HB
- **Labour Party proposals:**
 - 3-year tenancies
 - Restrictions on rent increases
 - Ban on letting agents charging tenants fees
 - (Possible restrictions on BTLs/purchases on secondhand dwellings/new flats?)

New policy developments:

- **Scotland**
 - New PRS Tribunal for repossession cases
 - Mandatory registration of letting agents
 - Consultation on a new tenancy system:
 - Stronger security of tenure for tenants
 - Streamlined and quicker repossession for landlord
 - Rents (unspecified)
- **Wales**
 - Mandatory registration & licensing of private landlords & managing agents
 - Including compulsory approved training

- Under-supply of new homes a critical underlying problem
- Despite significant improvements, the PRS has many long-term problems
- The PRS has not (yet?) adjusted to its new role as a source of long-term housing for low-income tenants