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Update on the Review of the Private Rented Sector

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An essential early message

- The PRS has expanded considerably in local authorities across the UK
- Growth of the PRS is a catalyst for increasing local willingness to understand and engage with this part of the housing market

AND

- Deepening appreciation of the wider localised ramifications for a failure to manage the PRS
- Increasing the justification for resourcing effective intervention



Five stages in active management

- Audit the policy actors; acknowledge the existing tone of engagement
- Understand the supply-side characteristics of the PRS
- Establish the nuances of demand
- Audit procuring authorities
- Audit practices and seek co-ordination



Audit the policy actors

- Housing strategy, planning, PD and Article 4 directives
- Affordable housing delivery via s104
- Eg Local authority housing companies
- Environmental Health/Private Sector Enforcement
- Tenancy Relations Officers/other legal housing advice
- Trading standards
- Police
- Home Office/Immigration
- Homelessness and housing advice/HRA
- Any other mediating, help to rent schemes

ACKNOWLEDGE THE EXISTING **TONE** OF LOCAL AUTHORITY
ENGAGEMENT WITH LOCAL LANDLORDS



Understand supply-side characteristics

- Size and constituent elements of PRS: eg number of HMOs, location
- Location, 'hot spots' in terms of demand, displacement/gentrification
- Rents at all levels, and drivers of change in achieved rent
- Limiting characteristics (ie type of properties, for example, smaller terraces less amenable to creating HMOs)
- Alternative demand groups: how big is the HB market cf other demand; 'gentrification'; incoming , overspill demand
- Supply characteristics: eg build to rent; PBSA; larger portfolio landlords; pension landlords
- Letting agents in the market, and tenor of involvement
- Capture dynamics and behaviour trends: what's the *story* of the market?



Establish nuances of demand

- Local wages/employment opportunities
- Household size
- Vulnerability characteristics eg disability
- ‘Life course’ need: young singles, families, older people
- Prospective growth/decrease in established demand groups eg students, military



Audit procuring authorities

- Local authority homelessness teams: from a background of help to rent for non-statutory households; Localism Act
- Local authority temporary accommodation: moving from long-term leasing to short-term nightly rates; devolved HB admin spending; tradition of incentives
- Social services eg care leavers; Probation Service: uncertain funding for supported hostel provision
- Third sector help to rent/access scheme: national, regional; specialist, generic; highly experienced and well-established or nascent. Supported by donations/some reliance on voluntary labour and calling on landlord good will
- Other local authority statutory agencies: incentives inflation



Audit practices and seek co-ordination

- How are 'competitor' schemes operating?
- What are their USBs?
- What is the scale of financial incentivisation? Can there be co-ordination on scaling back?
- What are the obstacles to co-ordination?
- Which organisation constitutes the best foundation root for co-ordinated organic growth/scaling up in procurement?



Elements of strategic management

- **A change of attitude: local authorities do have the powers to manage the market**
- Make sure that the planning system works to meet need in all parts of the market; be alert to signals that certain kinds of supply may contribute to dysfunction; unit supply at any cost is too expensive
- Actively manage shared housing: seek closer partnership working with EHOs; explore the potential of Management Orders and facilitate housing management expertise
- Co-ordinate procurement across statutory services
- Audit and monetize interventions: effective management is politically neutral