

A City for all Londoners: Generation Rent consultation response

Introduction

Generation Rent is the national campaign for private renters, working towards an affordable, decent, and secure private rented sector as part of ending the national housing crisis.

We also have a project focused on private renting in London, where we seek to develop and influence policy and practice on the specific problems in the capital, as well as support greater levels of private tenant activism and engagement across the city.

To that end, this response will focus mainly on part 2 (housing) of ‘A City for all Londoners’, and specifically the issues facing the private rented sector and the answers needed, as well as parts related to wider housing policy.

However, it is worth noting that housing policy is difficult to approach in isolation, connected as it is to a wide range of macro-economic factors affecting the city, and with housing having a deep influence across London on employment, the economy, regeneration, poverty, health, and community cohesion.

Therefore, the arguments set out in this response start from a point that the future economy and communities of London, and indeed the wider goals of ‘A City for all Londoners’, cannot be sustained or optimised without affordable, secure and healthy housing for all its citizens. This includes the two million (and growing) private renters in the city.

Failings of the current private rented sector – security of tenure

As ‘A City for all Londoners’ sets out, the population living in London’s private rented sector is diverse, encompassing different household types such as students, young professionals, families, older people, and with both the very poorest and very richest privately renting across the city.

However, within this range, one third of private rented households in the capital contain dependent children,ⁱ and it is broadly acknowledged that families require housing that meets quite specific needs.

Particularly, stability and the ability to live somewhere in the long-term is very important to families, who will have children in local schools, perhaps with other support groups nearby, and who will often find it more difficult to move than other household types.

The current private rented sector does not deliver stability, and this is something that the Mayor of London should be looking to address urgently. Tenancy rights in the private rented sector do not provide the security of tenure needed for families to live somewhere long-term without fear of eviction every year, and with only a two-month notice period to find a new home.

Generation Rent has recently set out a proposal for changing tenancy law in this country to end the use of ‘no fault’ evictions, and for private renters to have unrestricted security unless the landlord requires the property to be sold (where it may be possible for it to be sold with sitting tenants) or to move in themselves.ⁱⁱ

The Mayor should be making the case for a new tenancy law that ends ‘no fault evictions’, to support private renters and particularly families in London. Not only would improved security allow

households to settle properly in the city and help community relations, it would also reduce the strain on local authorities' homelessness services.

Ending of a private rented tenancy remains the number one cause of homelessness in London, where it makes up 39% of those newly accepted as homeless.ⁱⁱⁱ 72% of all of those in temporary accommodation in England are in London, and the clear majority families.^{iv}

Another factor affecting poor security for all tenants in London's private rented sector is that evictions closely follow house price rises, as recent analysis of eviction data over the last decade confirms.^v

This suggests that in the overheated London market, with ongoing house price rises, any household, whatever their behaviour, record, and length of time in their home, can face eviction when the price is right for their particular landlord.

Alongside calling for greater regulation of existing stock, Mayoral plans to encourage build-to-rent should come with a presumption that these new developments will provide much greater security of tenure.

Until tenancy law is reformed, this should be achieved through long-term (at least five-year) tenancies with rolling break clauses so that tenants can exit the property if their circumstances change.

Equally, 'A City for all Londoners' should make it clear the kind of security of tenure that the new London Living Rent will provide, which again should comply as a minimum with those requirements for other build-to-rent as set out above.

These conditions should ultimately form part of the new London Plan and the Mayor's new housing strategy. In the interim, the Mayor should be making the case publicly for greater security of tenure and speaking to government about its inclusion in a London devolution settlement.

Failings of the current private rented sector – affordability

'A City for all Londoners' refers to the affordability crisis in the private rented sector, but has no proposals to support private renters living in existing stock with their rents. With rents predicted to rise by almost 25% to 2021,^{vi} political action is needed as soon as possible to support tenants.

Generation Rent believes that the London Mayor should undertake a full-scale investigation into different forms of rent control, with a view as to how they could work in London.^{vii} We also support the concept of a London Living Rent, and have previously set out what features are needed to ensure it provides genuine security and affordability.^{viii}

Another affordability issue that affects a wide range of renters is the level of letting fees that agents charge. Renters are captured consumers who choose the property, not the agent, and for those on low-incomes, are either unable to access many properties or are forced to accrue debt before they even start paying rent.

The government has announced that letting fees will be banned for tenants and the Mayor should be working to make this legislation as comprehensive as possible.

Until the ban comes into place, he should be supporting local authorities to properly enforce existing regulation around transparency and redress in the lettings industry.^{ix} This information could form part of any new private rented sector online portal that the Mayor establishes.

We recognise that Mayoral powers are limited on affordability, but again suggest the Mayor should be making the case for further devolution so that he has the tools to genuinely tackle these issues in the private rented sector.

Failings of the current private rented sector – management and conditions

One in three homes in London's private rented sector fails the Decent Homes Standard.^x This is a scandal but is made worse by a lack of a fully systemic approach to maintaining conditions and professional management of privately rented homes.

Landlord licensing is one step towards such a system and is the one policy explicitly mentioned in the private rented sector section of 'A City for all Londoners', which commits to 'supporting local authorities in London to introduce licensing schemes where they are needed'.

We know that borough-wide licensing aids enforcement against the worst landlords and helps to drive up standards across the private rented sector, and that several London boroughs have started their own schemes already.

The power to approve landlord licensing on a local authority level should be devolved to the Mayor and his team should continue to argue for this, to meet the particular challenges facing councils in the capital. In the meantime, it would be helpful to be explicit about what the commitment in the document means in practical terms.

In the case of the London Borough of Redbridge the Mayor wrote a supportive letter, but there is potential for some resources in the GLA housing team to be used to support licensing applications, or to help collate and share best practice, for example.

Additional manifesto commitments

The Mayor's manifesto also made several commitments on the private rented sector that are not included in 'A City for all Londoners' including a social lettings agency and 'naming and shaming' of rogue landlords.

We understand these policies may be wrapped up into a PRS 'property portal' and think that this should include references and links to tenants' legal rights, 'how to' guides when dealing with issues that fall outside of directly unlawful behaviour, and links to other groups.

Another commitment overlooked in the document is the policy to provide a new estate regeneration policy that provides for full and transparent consultations and stops demolition where there isn't resident support.

After the election, the Mayor also committed to ensuring private renters could participate in this new form of consultation. We will feed back on the draft guidance once it is published, but would like to emphasise its importance, given the scale of estate regeneration proposed in the London area, and the levels of private renters potentially affected.

Although we don't know the exact numbers on estates, we do know, for example, that 52,000 homes sold through right-to-buy in London are now rented out privately.^{xi} This amounts to 36% of all those sold, and will therefore naturally affect many estates across the city.

Finally, we face a fuel poverty crisis in London, and much of that is present in the private rented sector, where homes are more likely to be fuel poor.^{xii} The document refers to 'explor(ing) innovative ways to direct funding to treat existing homes' in terms of retrofitting and energy efficiency.

The Mayor should be supporting the principle of attaching levels of energy efficiency to landlord licensing schemes, with a view to bringing up all privately rented homes in London to EPC level C by 2025.^{xiii}

Conclusion

This response has focused on the private rented sector and related policy, but a vision for 'A City for all Londoners' needs to consider additional actions that embed broader principles within London's housing, namely the end of house price inflation and rising private rents, the much larger provision of social housing, and the end of speculation on homes as assets with financial returns.

This requires a wide range of policy levers, but can be supported by the policies set out in this response and a strategy that recognises these problems as being fundamental to the housing crisis.

An approach that talks solely about supply, even supply of affordable homes, will still result in homeownership being unavailable to increasing numbers who are then left unprotected in the private rented sector, while more people who are unable to access social housing are driven into poverty through high rents.

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ⁱ https://www.london.gov.uk/sites/default/files/at_home_with_renting_march_2016.pdf

ⁱⁱ https://d3n8a8pro7vbm.cloudfront.net/npto/pages/4322/attachments/original/1477664477/Secure_tenancies.pdf?1477664477

ⁱⁱⁱ [http://www.crisis.org.uk/data/files/publications/Homelessness_Monitor_England_2016_FINAL_\(V12\).pdf](http://www.crisis.org.uk/data/files/publications/Homelessness_Monitor_England_2016_FINAL_(V12).pdf), p1.

^{iv} <file:///C:/Users/Seb/Downloads/SN02110.pdf>

^v https://d3n8a8pro7vbm.cloudfront.net/npto/pages/4322/attachments/original/1477662310/Evictions_report_David_Adler.pdf?1477662310

^{vi} <http://www.bbc.co.uk/news/business-37864258>

^{vii} https://d3n8a8pro7vbm.cloudfront.net/npto/pages/4312/attachments/original/1473935900/Mayoral_Plan_for_London_final.pdf?1473935900

^{viii} http://www.generationrent.org/the_london_living_rent_winners_losers_and_the_rest_of_us_part_1_rent_levels and

http://www.generationrent.org/the_london_living_rent_winners_losers_and_the_rest_of_us_part_2_tenancies

^{ix} Generation Rent has produced an online tool that begins to track lettings agents who are flouting current law, see <http://lettingfees.co.uk/>

^x <http://www.centreforlondon.org/wp-content/uploads/2016/08/CFL-PRS-REPORT.pdf>, p. 12.

^{xi} <http://www.insidehousing.co.uk/report-finds-52000-right-to-buy-homes-in-london-now-rented-privately/7001600.article>

^{xii} https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/557400/Annual_Fuel_Poverty_Statistics_Report_2016_-_revised_30.09.2016.pdf

^{xiii} <http://www.ukace.org/wp-content/uploads/2016/04/Energy-efficiency-PRS-briefing-FINAL.pdf>