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# Vulnerability amongst Low-Income Households in the Private Rented Sector in England

David Rhodes and Julie Rugg

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UNIVERSITY *of York*



This report is a companion report to the principal Review report published as *An Evolving Private Rented Sector: Its Contribution and Potential*. The Review report comprises a broad overview of the PRS in terms of supply and demand characteristics, and considers the broad range of policy interventions currently in play and suggested for the sector. It is suggested that the two reports be read in conjunction.

# **Vulnerability amongst Low-Income Households in the Private Rented Sector in England**

David Rhodes and Julie Rugg

University of York  
Centre for Housing Policy  
2018

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## Disclaimer

The views presented in the report are not necessarily those of The Nationwide Foundation or the University of York. Responsibility for any errors rests with the authors.

## Acronyms

AHC	After Housing Costs
AST	Assured Shorthold Tenancy
BHC	Before Housing Costs
BTR	Build to Rent
CPI	Consumer Prices Index
DHS	Decent Homes Standard
DWP	Department for Work and Pensions
EHS	English Housing Survey
FRS	Family Resources Survey
HB	Housing Benefit
HBAI	Households Below Average Income
HHSRS	Housing Health and Safety Rating System
HMO	Houses in Multiple Occupation
HRP	Household Reference Person
JSA	Jobseeker's Allowance
LHA	Local Housing Allowance
MHCLG	Ministry of Housing, Communities & Local Government
OECD	Organisation for Economic Co-operation and Development
PRS	Private Rented Sector
RLA	Residential Landlords Association
SAP	Standard Assessment Procedure
TA	Temporary Accommodation
UC	Universal Credit



## Foreword

There has been much discussion about the increasing number of vulnerable households living in the private rented sector, yet this is often without a real understanding of what vulnerability in this sector really means. We funded the University of York to produce this report because of our belief that a better understanding of vulnerability is critical to finding ways to reduce the harm often experienced by households in the private rented sector. It was written alongside, and draws upon, a comprehensive review of the private rented sector: *The Evolving Private Rented Sector: its Contribution and Potential*, carried out by the same academic team.

This report uses robust evidence to prove unequivocally that a large proportion of tenants living in the private rented sector are experiencing harm from over-crowding, poverty and poor conditions. While this doesn't come as a complete surprise, it is still shocking, saddening and unacceptable.

It has long been a clear expectation of the housing system, that social housing exists to provide stable and affordable homes for those in housing need. However, in recent times the demand for social housing has far outstripped availability, meaning that people who most need security, affordability and protection have no alternative but to live in the private rented sector. Yet the private rented sector is primarily a commercial industry that does not currently operate in a way that adequately provides decent, affordable homes for the most vulnerable households. This is leaving many people trapped in homes that clearly fail to meet their needs.

We want the Government to deliver a strategy for the private rented sector. The stark findings from this report tell us how living in the private rented sector puts many people at risk of harm. The report presents the evidence to show why there is need for urgent and considered action. Despite being steps in the right direction, the recent private rented sector policy interventions are piecemeal and uncoordinated and therefore will not make a meaningful improvement.

This report provides a clear benchmark against which the success of a sector-wide strategy and subsequent policies and interventions can be measured, ensuring that any such interventions are making improvements for the people who really need them.

Everyone should have access to a decent affordable home. A home ought to be a safe place, yet for too many private sector tenants it actually increases their risk of harm. We will continue to use our funding and our voice to push for better outcomes for these households.

**Leigh Pearce, Chief Executive  
The Nationwide Foundation  
September 2018**



## Guide to the Analysis and Report Conventions

### English Housing Survey

The quantitative analysis in this report primarily uses EHS data files from the combined years of 2012 and 2013. These data are older but more robust in being the most recent available for which the full range of detailed data files had been released, several of which were required to identify the range of vulnerable groups of households. The analysis pertains to England, and the figures presented are effectively two-year averages relating to 2012 and 2013. Percentages in the report have been rounded to the nearest whole per cent, and may not sum exactly to 100.

### Bedroom standard

The LHA version of the bedroom standard has been used in the analysis. This standard compares the number of bedrooms available to a household with the number of bedrooms the household is deemed to require. The standard requires one bedroom for:

- Each married or co-habiting couple
- Every other adult aged 16 or older
- Any two children of the same sex
- Any two children under the age of ten regardless of sex
- Any other child.

The EHS data contains variables indicating whether households have the requisite number of bedrooms, or whether they have too few or surplus bedrooms. The analysis uses a binary indicator, which identifies whether a household has the exact number or more bedrooms than is needed, or if it has insufficient bedrooms.

### Review Omnibus Survey

The main review of the private rented sector added a series of questions relating to the private rented sector to the Ipsos MORI Capibus. The questions were included on four waves of the omnibus during February 2018, achieving in-home, face-to-face interviews with 1,358 private renting adults in England.

### Decent Homes Standard

The Decent Homes Standard is identified in the EHS data from material collected by EHS surveyors, who complete physical surveys of dwellings included in the main EHS survey. For a dwelling to meet the standard, it must:

- be free from Category 1 hazards under the Housing Health and Safety Rating System (HHSRS), including excess cold (a low SAP rating), radiation, lead, crowding and space (occupants per habitable room ratio);

- be in a reasonable state of repair, which is an assessment of whether key building components are old and in need of repair;
- provide reasonably modern facilities and services, including kitchens are less than 20 years old, bathrooms are less than 30 years old, there is adequate space and layout within the dwelling, and the dwelling has adequate noise insulation; and
- provide a reasonable degree of thermal comfort, including an efficient heating system and effective heat insulation.

## Equivalised incomes and low income

Incomes used in the analysis relate to the total net household income of the household reference person (HRP) and any partner, or any other adult in the household, from all sources including: earnings; income from savings or investments; and benefits, including winter fuel payments, council tax support and housing related benefits. The total net household income is equivalised using the modified OECD scale, which is a method usually used in Government and other data sets. The underlying premise of equivalisation is that households of differing composition and size require a differing income to achieve a similar material standard of living. The scale takes a couple without any children as the reference category, and relative to couples it increases the income of smaller households and decreases the income of larger households according to a set of specified criteria.

This report has used the EHS to identify households in the lowest one-third of before housing costs (BHC) equivalised incomes.

## Before and after housing costs poverty

A household is defined as being in poverty before housing costs (BHC) poverty if it has an equivalised household income of less than 60 per cent of the median BHC income for England, and in after housing costs (AHC) poverty if its equivalised income after housing costs have been deducted is less than 60 per cent of the median AHC income for England. Housing costs in the EHS data include the amount of rent the household is charged for private and social rented tenants, and mortgage payments for owner occupiers. Council tax paid by the household is deducted from the before housing cost income.<sup>1</sup>

## Vulnerable households

Analysis of EHS data has been used to identify six vulnerable groups of households. The six groups are all located within the bottom one third of equivalised BHC incomes across all tenures, and are:

- *Dependent children*: all households containing one or more dependent child of any age, and of any household formation (couples, lone parents, or others). A dependent child is

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<sup>1</sup> <https://www.gov.uk/government/publications/english-housing-survey-2012-to-2013-technical-report>

one that lives in the household and is aged 0 to 15, or is aged 16 to 18 and in full-time education.

- *Disability*: the HRP or any partner is registered as disabled, and/or the HRP reported they were unable to work due to a long-term sickness or disability.
- *Benefit reliant*: the HRP is in receipt of means tested benefits or tax credits.
- *Older households*: the HRP is aged 65 or older.
- *Migrants*: the HRP was born overseas, and came to live in the UK at any time during the period from 2000 until they were interviewed for the EHS in either 2012 or 2013.
- *Low income, non-benefit recipients*: the HRP is not receiving any means tested benefits or tax credits.



## Executive Summary

### 1. Introduction

- In order to understand the incidence of vulnerability in the private rented sector (PRS), this report uses a quantitative analysis of English Housing Survey data, in combination with a qualitative review of published reports. The study focuses on households in the bottom one third of incomes. This bottom one third of incomes is distributed unevenly across the tenures: in the PRS it comprises 38 per cent of all private renting households.
- The report defines certain household types as being particularly vulnerable to harm. These are households containing dependent children; households in which the household reference person (HRP) or their partner has a disability or long-term illness; household where the HRP is aged 65 or older; households in receipt of a means-tested benefit or tax credit; households on low incomes not receiving any means-tested benefit or tax credit; and households headed by an overseas migrant who came to England between 2000 and 2013.

### 2. Understanding the PRS

- Recent growth of the PRS has been accompanied by a fracturing of supply-side elements of the sector, which includes an increasing diversity of landlord types. Some parts of the sector comprise 'episodic' landlords who intend to be in the sector only for a short period, for a variety of reasons. Most landlords are seeking long-term tenants. There is a small but increasing supply of properties from larger-scale investors, and from housing associations and local authority housing companies letting at market rates. As yet it is not possible to discern whether problems associated with the PRS occur more or less frequently according to landlord type.
- The PRS contains a range of niche markets, of which temporary accommodation (TA) is deemed to be particularly problematic. Local authority procurement of TA from the PRS is increasing as a proportion of all TA placements. Qualitative reports associate TA with particularly poor quality property and tenancy insecurity. However, it is not possible to isolate TA tenants within the EHS data.

### 3. Problems associated with the PRS

- There are a number of problems associated with the PRS, and not all are amenable to robust quantification. The inability to 'count' a problem should by no means be taken as a dismissal of its significance. Rather, it is evident that some data are, on analysis, rather more ambiguous than might be thought, and further more nuanced research is required to understand the causes and consequences of some types of letting behaviour.
- Security of tenure is regarded as being particularly problematic in the PRS, but 'insecurity' is difficult to quantify. The majority of landlords seek long-term tenants, and survey evidence from tenants indicate that the majority of tenancies end at a

tenants' request. Figures that associate a growing number of homelessness acceptances with the end of Assured Shorthold Tenancies (ASTs) do not necessarily indicate a growing problem within the PRS, but rather a growth in the overall size of the tenure. Repossession actions show substantial regional variation, and are similar within the social housing sector. Tenancy length has been growing within the PRS, but some evidence points to tenants being 'stuck' in unsatisfactory housing, and unable to move. All these data underline ambiguities around any 'count' for the incidence of insecurity, and which as a consequence is not included in the quantitative analysis.

- By contrast, property quality has been assessed by independent evaluators using standardised measures. The English Housing Survey includes a physical assessment of dwellings, from which compliance with the Decent Homes Standard (DHS) can be ascertained, and which allows for an analysis of property condition and household circumstances. A failure to meet the DHS is therefore included as a robust, quantifiable problem.
- Although the *proportion* of privately rented properties failing to meet the DHS has been falling, the *number* of such properties has increased. Most properties are failing because they include a Category 1 hazard, which is one of 29 problems judged to be sufficiently serious to constitute a severe or immediate risk to tenants' health and safety.
- Poor management standards are also regarded as being endemic in the PRS, but encompass a very wide range of activities and practices, including lack of transparency on fees and costs, failure to protect a deposit, and not responding to repairs and maintenance requests. There is variability across data sources on tenants' experiences of different kinds of problems, which make generalisation problematic. It is for this reason that poor management standards are not included in the quantitative analysis.
- 'Overcrowding' in this report is defined strictly in terms of whether a dwelling meets the needs of a household according to the LHA bedroom standard. This standard can be applied uniformly, and it is possible to assess variation geographically using 2011 Census data.
- Affordability widely regarded as an issue in the PRS. In this report, the exact measure used in the analysis is the incidence of after housing costs poverty (AHC), as being a measure that best captures the incidence of low-income households with high housing costs relative to their income. Analysis of the FRS has equalised incomes across household types to allow for comparison.
- Finally, the report considers whether LHA constitutes a problem, given successive welfare changes that have increased the incidence and scale of shortfall between the LHA payable and the rents charged by landlords. Data have quantified the incidence shortfalls, but no data are available that chart landlord and tenant responses to those shortfalls. Review Omnibus data suggest that around a quarter of all housing benefit recipients in the PRS have their rent fully covered by the benefit.

- Around one half of LHA claimants who are private tenants live in a group of local authorities that can be defined as having a dominant LHA market, which means that landlords in such areas may have limited access to alternative demand groups.
- However, the broader range of changes to welfare, including the benefit cap, a freeze on personal payments, reduced assistance with council tax and a strong sanctions framework for Universal Credit have all reduced benefit income and undermine households' economic resilience. It is for this reason that being in receipt of benefit is constituted as a category of household risk rather than a PRS problem.

#### 4. Households vulnerable to harm

- Vulnerability is a contested concept, and can be used as a term to further marginalise and disempower some groups. This report views vulnerability to harm as a largely inevitable part of the life course and experienced by many people. Periods of vulnerability occur during periods of time and as a consequence of incidents that have an adverse impact on household income, such as having children, falling ill, becoming temporarily reliant on benefits, and becoming old and acquiring care needs.
- This report isolates six household types within the bottom one third of incomes whose circumstances mean that they are particularly vulnerable to the harms outlined in Chapter 3. The six household types are not mutually exclusive.
- The proportion of *households with dependent children* has grown in the PRS, with growth being particularly marked amongst couples; lone parent household numbers have remained largely static since 2000/01. The growth has principally been amongst younger families containing babies or infants under the age of five: 20 per cent of PRS households have this characteristic, compared with 12 per cent of households overall.
- Multiple reports evidence the severity of adverse impacts of a range of PRS problems on children, including long-term physical and mental health impacts, and impacts on educational attainment.
- *Disability or long-term sickness of the HRP or their partner* covers a wide range of mental and physical problems which may be short-term with an expectation of recovery, or long-term and degenerative. Eight per cent of privately renting households fall into this vulnerability category. Physical and mental health conditions may well be exacerbated by living in the PRS, such as where a need for property adaptations has not been met, for example. There are particular issues relating to mental health problems that are exacerbated by poor property conditions and insecurity.
- *Households with an HRP aged 65 or older* constitute a shrinking proportion of the PRS in relation to overall growth in this age bracket, but the number of older renters has increased. Older people in the PRS face problems associated with economic inactivity on retirement, in living on fixed incomes when housing costs may increase. The risk of eviction is felt more strongly in old age, since there are heightened anxieties around

finding appropriate alternative accommodation close to support networks. Poor property condition impacts more heavily on people whose health may not be robust.

- *Households in receipt of means-tested benefits* are vulnerable as a consequence of financial precarity, which may reduce the ability to meet shortfalls between rent and benefit payments. The loss of housing through rent arrears is particularly critical, given reports of increases in the number of landlords unwilling to let to people in receipt of benefit. Younger single people under the age of 35 are particularly disadvantaged, in that their benefit is restricted to the cost of shared accommodation in the private rented sector. Benefit restrictions can channel younger people into less well-managed Houses in Multiple Occupation (HMOs), where anti-social behaviour and criminality is more likely.
- *Low-income, non-means tested benefit or tax credit recipients* include households on low incomes, but who often cycle in and out of benefit receipt as a consequence of changes in the availability of employment in the bottom end of the labour market. These households are at enhanced risk of eviction, since moving into and out of work can accrue debt as a consequence of delays in benefit payment.
- *Recent migrants* to the UK live predominantly in the PRS: 80 per cent of recent migrants are private renters. This group contains wide variation in the circumstances of migration, and a migrant's intentions on moving to the UK. However, for migrants with low labour skills there may be a number of obstacles to negotiating an affordable PRS tenancy in a reasonable-quality property, not least of which are language difficulties and unfamiliarity with legal rights and responsibilities. 'Right to Rent' regulation has also reduced the willingness of some landlords to let to individuals unable to produce a UK passport.
- Analysis of data on the six vulnerable groups in the bottom one third BHC incomes indicates that the PRS contains a higher than average proportion of households with dependent children, people on means tested benefits and migrants. Social housing accounts for a higher proportion of households in the disabled/sickness category, and owner occupiers are much more likely to include households in the older age category.
- 38 per cent of the whole PRS comprises low income households that are in at least one of the six vulnerable categories. Of this 38 per cent, close to three quarters had two or more of the vulnerable characteristics, although this proportion is similar across all tenures.

## **5. Incidence of the three types of harm by tenure**

- There was marked variation in the incidence of the three quantifiable types of harm, by tenure. Private renters with one or more vulnerable characteristics were more likely to be in property not compliant with DHS (33 per cent compared with 15 per cent of social renters and 25 per cent of owner occupiers) and to be in AHC poverty (76 per cent compared with 55 per cent social renters and 28 per cent owner occupiers).

- Social housing tenants and private tenants with at least one vulnerable characteristic were equally likely to live in property not meeting the bedroom standard (11 and 10 per cent respectively)
- Eighty six per cent of the PRS households deemed vulnerable had at least one of the three problem, compared with 64 per cent of social renting tenants and 46 per cent of owner occupiers.
- By far the biggest problem faced by the PRS tenant groups was after housing costs poverty. Disposable average weekly income for this group (after payment of the rent and council tax is deducted), was £164 per week to meet household costs - including all utilities as well as other household essentials. For social housing tenants in ostensibly similar circumstances, this figure was £189 per week, and for owner occupiers it was £221 per week.

## 6. Conclusions

- The social rented sector is the largest 'low income' tenure, but 38 per cent of the PRS is inhabited by households in the bottom one third of incomes. The circumstances of these households would be materially improved if they lived in the social rented sector. This group includes households with babies and infants.
- Tenants in the PRS were the most likely to be experiencing at least one of the three harms quantified in this report: this was the case for 86 per cent of the low income group. Within the Greater London region, the proportion was even higher at 97 per cent of the low income group of private tenants.
- The relationship between vulnerability and higher levels of harm reported to be evident in temporary accommodation is particularly strong, but not amenable to quantification. Some tenants in placed in a PRS property by a statutory agency may have been better-off securing PRS accommodation independently.
- Various evidence of financial precarity was more marked for households in a vulnerable category in the bottom one third of the PRS, compared with other groups.
- This report is a companion to the authors' Review report *An Evolving Private Rented Sector: Its Contribution and Potential*. The findings relating to vulnerability contribute substantially to justification of the strong recommendations made in favour of regulation, particularly of property standards in the PRS.
- Further, this report questions the ability of the PRS to comprise a proxy tenure for social housing. Households in generally the same circumstances are materially worse off than their counterparts in the social rented sector, particularly in terms of disposable income after housing costs, and exposure to poor housing quality.



## 1. Introduction

In 2011, the private rented sector (PRS) became the largest rental tenure in England. The sector has continued to grow, and by 2016 accommodated 4.8m households. The PRS has always played a unique role in the housing market, in offering ease of access and flexibility to groups seeking short-term lettings. PRS expansion reflects growth in demand from households unable to access social housing or owner occupation. This development has led to questions about the ability of the PRS to deliver sustainable tenancies for tenants seeking settled accommodation for the longer term.

The Nationwide Foundation has commissioned this report as a companion to a wider-ranging Review of the PRS.<sup>2</sup> The Review repeated an exercise undertaken in 2008, published as *The Private Rented Sector: Its Contribution and Potential*. That report drew together a detailed narrative of the sector outlining its innate complexities, and provided an overview of related policy issues including property supply, management, property conditions, tenancy security, affordability and homelessness and strategic and planning issues. The PRS has, since 2008, evolved in many respects not least in terms of an increase in the range of suppliers. There has also been considerable change in the policy contexts for letting. For example, welfare reform has reduced the level of housing benefit support available to low-income renters, and local authorities are now permitted to discharge their homelessness duties by offering a twelve-month assured shorthold tenancy in the PRS.<sup>3</sup> Many of the changes have created uncertainties around the boundaries and definition of private renting as a tenure, and around the interplay of niche markets within the tenure.

### Method

For the Nationwide Foundation, effective operation of the PRS depends on the protections afforded to households who may find themselves in the sector for extended periods of time, and who may be vulnerable. There are a number of ways to approach defining vulnerability. This report views 'vulnerability' as enhanced risk of harm. The harm may be caused by a range of problems. This report considers the incidence of problems in the sector, and the vulnerability of certain groups of renters to harm as a consequence of those problems.

The PRS is not necessarily regarded as a tenure in which long-term, sustainable tenancies are easy to secure. Problems associated with private renting include low security of tenure, poor property conditions and management standards, overcrowding, and high rent costs. In addition, being in receipt of housing benefit is regarded as more problematic for PRS tenants than for social housing tenants, for a number of reasons. However, problems are not endemic in the sector. Some issues will occur in some parts of the market more frequently in others, and there is geographic variation in the incidence and severity of

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<sup>2</sup> Rugg, J. and Rhodes, D. (2018) *An Evolving Private Rented Sector: Its Contribution and Potential*, York: Centre for Housing Policy.

<sup>3</sup> These issues are addressed in detail in Rugg and Rhodes, *An Evolving Private Rented Sector*.

problems. Furthermore, some problems – for example, overcrowding - may be more acute in other tenures.

The report uses quantitative methods. A review of secondary data has indicated a number of groups who can be particularly vulnerable to harm in the PRS. Analysis of EHS data allows for an exploration of the characteristics of some, but not all, of those groups. The study is based on the combined 2012 and 2013 EHS, which was the most recently available that containing the full range of detailed data files, several of which were required to identify the different groups of households defined as vulnerable. Some household groups were too small or unidentifiable within the data to be analysed separately, such as households placed in temporary accommodation, for example.

The PRS accommodates a broad range of household types at the highest and lowest ends of the income spectrum. This report will not be considering the PRS as a whole, except as an occasional point of comparison. This report has used the EHS to identify households in the lowest one-third of before housing costs (BHC) equivalised incomes. The income profile across the three tenures means that this one-third of low income households is not evenly distributed: it comprises 38 per cent of households in the PRS, 59 per cent of social rented households, and 25 per cent of owner occupied households.

High levels of housing stress and increased competition for property will tend to disadvantage lower-income groups that are not in a strong position to compete with higher-income tenants for better-quality properties, or who simply may be unable to afford the cost of moving home. It is therefore appropriate to assess the degree to which problems in the sector are more likely to be experienced by the poorest households.

The report identifies six household types within the lowest one third of BHC equivalised incomes in England that are potentially vulnerable to harm:

- households containing dependent children;
- households in which the household reference person (HRP) or their partner is registered as disabled, or in which the HRP is unable to work due to a long-term sickness or disability;
- households in which the HRP is aged 65 or older;
- households in receipt of a means-tested benefit or tax credit;
- households on low incomes but not receiving any means tested benefits or tax credits; and
- households headed by an overseas migrant who came to England from the period covered by 2000 until the EHS surveys in 2012 or 2013.

These groups of households may have particular difficulty in mediating the impact of problems associated with renting privately. A household may fall into just one of these categories or into two or more, in which case, those households can be viewed as having multiple vulnerabilities.

This report concentrates on these household types rather than 'symptoms' of harm, for example, stress, anxiety, ill-health or debt since these symptoms are much more difficult to quantify and to link conclusively to housing circumstances.

The report also concentrates on those problems which are more amenable to objective measurement, and three such problems have been analysed within the EHS data:

- unfitness, measured by the Decent Homes Standard;
- living below the 2011 Local Housing Allowance (LHA) bedroom standard; and
- poverty, defined as an equivalised after housing costs (AHC) income of less than 60 per cent of the median AHC income.

The study explores the extent, and characteristics, of these types of harm as experienced by the six vulnerable household types. Using a statistical approach it is estimated that one third of the entire private rented sector is comprised of low income households with one or more vulnerabilities experiencing one or more problem.

This report establishes a method that can be replicated and repeated, and used as a benchmark against which future development of the PRS can be assessed in terms of positive or negative outcomes for tenant groups with vulnerable characteristics.

## Report structure

Chapter two provides a brief introduction to the PRS in England, including its recent growth, definition, and supply-side characteristics. Change in the market means that it is increasingly difficult to define private renting as a discrete tenure. The chapter also considers the particular issues attached to temporary accommodation.

Chapter three contains discussion of a range of problems, including security of tenure, poor property condition, deficiencies in management, households at below bedroom standard, high rents and the operation of the local housing allowance (LHA) system. The discussions aim to establish the nature and incidence of the problems, and degrees of geographic variation. Some of these problems have been excluded from quantitative analysis, not because the problem lacks severity but rather because robust quantification is not possible.

Chapter four defines the demographics of groups that are regarded as being particularly vulnerable to harm, and addresses how problems in the sector impact on those groups. The report draws on published data, including qualitative research with tenants in a range of circumstances, to understand the impact of problems on the defined vulnerability groups.

Chapter five gives a quantitative assessment of the character of multiple vulnerabilities in the PRS, and the proportion of vulnerable groups experiencing harms. All tenures are distinctive in the size of vulnerable groups they contain, and in their experience of particular harms. The conclusion draws together key findings and indicates linkages with the principal Review report.



## 2. Understanding the PRS

### Introduction

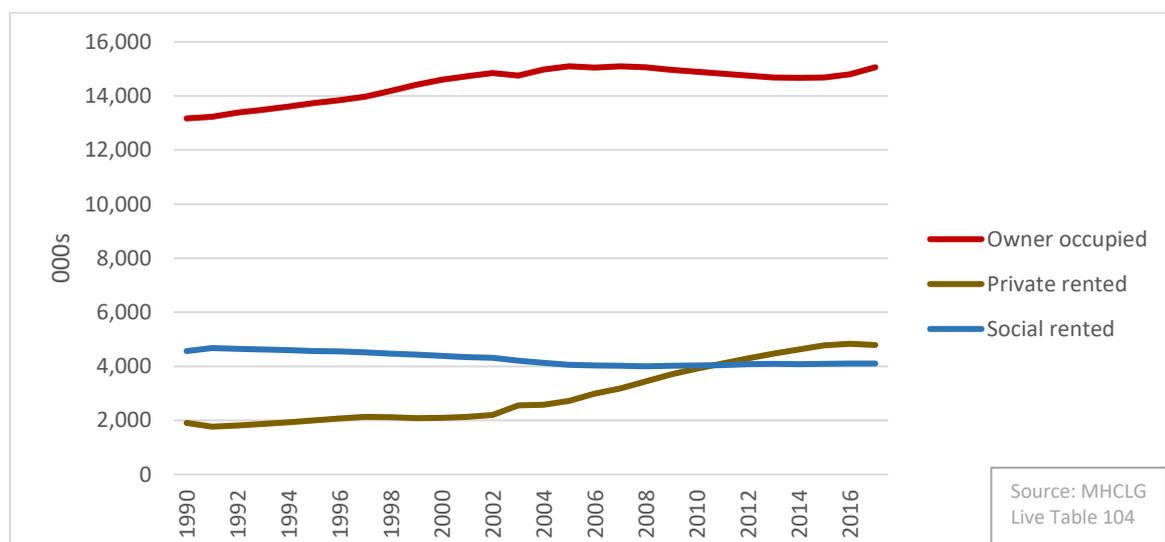
The private rented sector is a market in which a broad range of suppliers meet the demands of a number of rental groups. There has been an increase in the supply of private rental accommodation over recent years, but largely as a consequence of the absorption of properties from the owner occupied and social rented sector, in the latter case via right to buy. Supply-side elements vary substantially: landlords are not a homogenous group. Most landlords are looking for long-term, stable tenancies; but a substantial minority of the market is supplied by 'episodic' landlords who are looking to let for the short or medium term. Larger-scale institutional investors, housing associations and local authorities also form a part of the PRS, although currently supply from these sources is relatively small.

Particular issues sit around temporary accommodation (TA) that is procured from the PRS by local authorities to meet homelessness duties. Qualitative reporting indicates that households in TA experience acute problems with those properties, but it is not possible to isolate households in TA in large-scale datasets such as the English Housing Survey.

### Growth of the PRS

The total stock of dwellings in England grew from 19,635,000 in 1990 to 23,950,000 in 2017, an increase of 22 per cent. Over this period, the owner occupied stock increased by 14 per cent, the social rented stock decreased by ten per cent, and the private rented stock increased by 151 per cent. The PRS overtook the social rented sector to become the second largest tenure in 2011. The bulk of growth in private renting has taken place since 2000, with the rate of increase over the 1990s being near-identical to that in owner occupation, both having expanded in size by around ten per cent. Over the next decade the private rented sector increased by 87 per cent, and then by a further 22 per cent from 2010 to 2017.

**Chart 2.1: Stock of dwellings in England**



## Defining 'private rental' and 'private landlord'

Establishing a definition of 'private renting' is becoming increasingly difficult, but many commentators would point to characteristics that include a property being let at the market rate, on an assured shorthold tenancy (AST) and advertised on the open market.<sup>4</sup> Aspects of these characteristics could contribute to a tenant being regarded as innately vulnerable. The sector offers limited security of tenure relative to social housing, and private landlords are under no obligation to cap the rents they charge. Letting on the open market means that landlords are at liberty to end a tenancy and choose another tenant. In a situation where housing is in generally short supply, a 'power imbalance' operates in favour of the landlord. The presumption is that, as a consequence of this imbalance, landlords rapidly turn-over tenancies, increase rents above inflation, and have no reason to invest in property maintenance.

This image fails to take into account the complexity of the PRS, which contains a wide range of suppliers and an equally wide range of demand groups. The majority of private landlords are single individuals operating as individuals or incorporated companies. These individuals have a range of reasons and motivations for being a landlord. The market also contains larger institutional landlords. It is possible to sort landlords into broad groupings, with some degree of overlap between groupings.<sup>5</sup>

*'Portfolio' landlords* own a number of properties and might manage those properties directly or use intermediary letting agencies to arrange lets and/or management. These landlords might operate as individuals or couples, partnerships, or incorporated businesses, and generally seek to derive yield from a combination of rental income and capital growth achieved over the long term. A proportion of their lettings may be unmortgaged. These landlords will buy and sell properties in order to maximise financial efficiency, to realise capital to undertake improvements and further portfolio expansion, and to meet their strategies for portfolio development.

*Pension plan landlords* are usually individuals or couples or partnerships, who have purchased perhaps one to three properties as a long-term investment to secure an income in retirement.

*Episodic landlords* may be letting a property incidentally, and have no intention to remain in the market over the long term: the property may have been inherited, acquired as part of a commercial business transaction, or be a 'spare' in new household formation. Some may only be letting to a family member or a friend for a temporary period. This type of landlord might have secured a buy to let mortgage on the property in order to ensure tax efficiency, but the intention will be to sell in the short to medium term.

The sector also includes larger-scale institutional landlords, although at present their contribution to supply remains relatively minor compared with the 'small' landlords outlined above.

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<sup>4</sup>See Rugg and Rhodes, *An Evolving Private Rented Sector*.

<sup>5</sup> Rugg and Rhodes, *An Evolving Private Rented Sector*.

*'Build-to-Rent' landlords* are creating branded, large-scale blocks of property to let on the open market to 'working professionals'. This landlord group also includes developers of purpose-built student halls of residence. BTR landlords provide only a small proportion of properties let nationally, but can have substantial penetration in localised markets.

*Housing associations*: a growing number of housing associations operate in the open market, letting at market rates on ASTs and often under separate branding. Numbers are small but growing.

*Local authorities*: some local authorities have created housing companies, which also let on the open market, using ASTs with rents at market rates. Numbers are small, but accelerating.

The vast majority of landlords, irrespective of their size, will generally seek long-term, stable tenants who offer little risk of falling into rent arrears. 'Episodic' landlords constitute the most volatile portion of the market, since their letting intent is by definition short-term. It is estimated that this group might comprise up to a fifth of the market.<sup>6</sup>

## Temporary accommodation

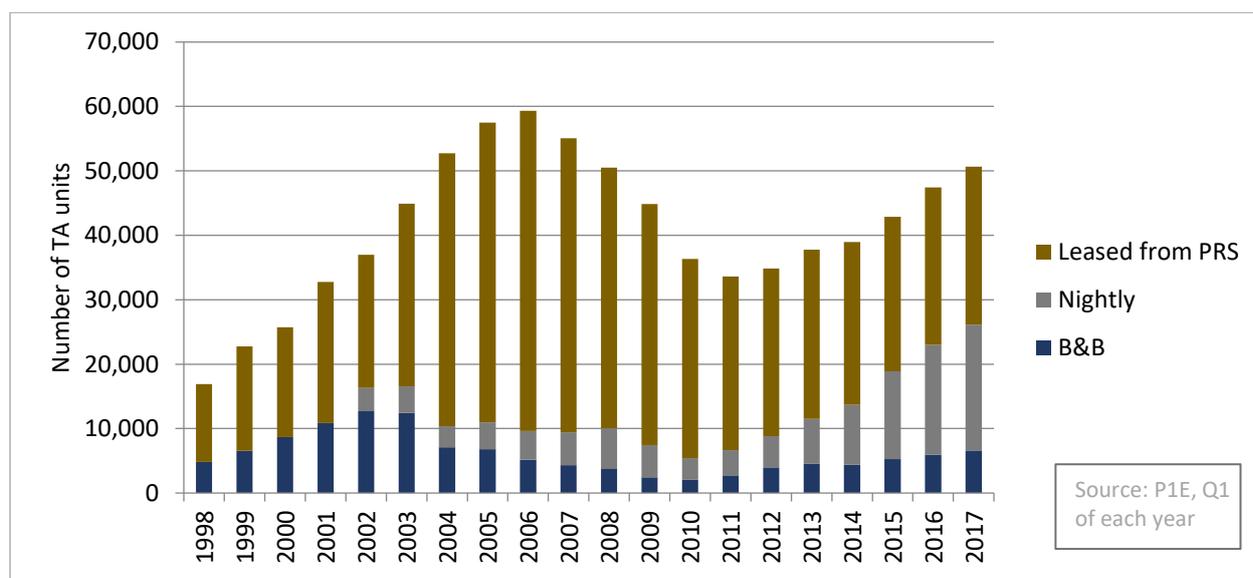
Some parts of the PRS are more problematic than others. Qualitative evidence indicates that households in TA experience difficulties in the PRS that are exacerbated rather than ameliorated by the fact that their housing arrangements have been overseen by a local authority. Numbers of households in temporary accommodation dropped to their lowest level 2011, standing at 48,240 in Q1. By Q1, 2017 this figure had risen to 77,220. The P1E data, routinely collected from local authorities, indicate that around two-thirds of TA placements use accommodation secured from the private rented sector. In some locations, part of the PRS has become configured to meet the need for temporary accommodation. The TA market constitutes a highly problematic submarket, with distinctive management and supply characteristics. In London there has been a particular increase in the supply of more expensive 'nightly rates' accommodation, as the number of properties leased over the longer term have been decreasing. Chart 2.2 specifically shows use made of properties procured from the PRS, and including B&Bs, to demonstrate variation in dependence on that accommodation source over time.<sup>7</sup>

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<sup>6</sup> Rugg and Rhodes, *An Evolving Private Rented Sector*.

<sup>7</sup> Rugg, J. (2016) *Temporary Accommodation in London: Local Authorities Under Pressure*, York: Centre for Housing Policy.

**Chart 2:2: Temporary accommodation in the PRS and in B&Bs in England**



The type of tenancy arrangement being made and within the PRS is not always clear. The majority of TA placement is in what IPPR has termed ‘unsupported temporary accommodation’, where in practice the formality of the placement is not necessarily well-defined. This type of accommodation includes rooms in houses in multiple occupation (HMOs), B&Bs and guesthouses. Tenants placed in such housing are unlikely to have ASTs.<sup>8</sup> This type of accommodation is intended to meet short-term, emergency need, which means that families may have to share bathroom and cooking facilities with other households, thereby giving a limited level of privacy.

Despite the fact that this is part of the market is mediated by local authority involvement, tenants in temporary accommodation experience very high levels of insecurity, inflated rents, acute overcrowding and often extremely poor property conditions. In 2004, Shelter reported that more than three quarters of the 417 people in temporary accommodation responding to a survey request were suffering from depression; over half mentioned that their or their family’s health had worsened as a consequence of living in TA. This proportion increased as the stay in temporary accommodation became more protracted.<sup>9</sup> It is possible for tenants to be evicted from TA, as a qualitative study of enforced moves has demonstrated.<sup>10</sup>

It is not possible to specifically isolate TA tenants within EHS data. However, prior to April 2018, local authorities were obliged to use TA to accommodate homeless households defined as vulnerable, and it is highly likely that any households living in TA that are

<sup>8</sup> Rose, A. and Davies, B. (2014) *Not Home: The Lives of Hidden Homeless Households in Unsupported Temporary Accommodation in England*, Manchester: IPPR North.

<sup>9</sup> Mitchell, F., Neuburger, J., Radebe, D. and Rayne, A. (2004) *Life in Limbo: A Survey of Homeless Households Living in Temporary Accommodation*, London: Shelter.

<sup>10</sup> Clarke, A., Hamilton, C., Jones, M., and Muir, K. (2017) *Poverty, Evictions and Forced Moves*, York: JRF, 32.

contained within the EHS data will be included in the analysis, since their household characteristics will place them in at least one of the vulnerable categories.

## Conclusion

The PRS is a dynamic and changing sector. Its supply-side characteristics indicate that landlords have a variety of motives for being in the market, and in some instances may only be in the sector for the short-term. There is an increasing number of larger-scale landlords, including institutions, local authorities and housing associations letting property at market rates, which challenges definitions of private rental. It is not yet possible to establish in detail how far tenant experiences may differ according to landlord type. Qualitative reports indicate that tenants' experiences of TA may be markedly worse in terms of problems that this report will go on to discuss. However, it is not possible to establish how far, quantitatively, this is the case.



### 3. Problems Associated with the PRS

#### Introduction

This report considers some of the problems that are frequently associated with private renting, and which place tenants at a disadvantage compared with similar households living in other tenures. Some problems are particularly acute but are not easy to quantify; some data that are apparently straightforward are rather more ambiguous when more closely scrutinised. The inability to 'count' these problems is by no means a dismissal. Rather, it is clear indication that both qualitative and quantitative research needs a more sophisticated and nuanced approach to establishing root causes and consequences of particular letting behaviours. The section therefore includes some extended discussion of why particular issues have not been included in quantitative analysis.

#### Security of tenure

One problem that is particularly difficult to quantify is insecurity of tenure, which is regarded as one of the principal issues relating to renting privately in England. The inability to 'count' insecurity does not in any way suggest that the problem is not felt acutely by many private renters. An inability to feel settled may contribute to mental illness, provoking depression and anxiety. Where there is frequent movement, family and community ties are disrupted and there are impacts on education and employment. Qualitative research has underlined tenant experiences on all these issues.<sup>11</sup> In 2014, the Sustain project reported on outcomes from a longitudinal project tracking the experiences of 171 households which had been resettled into PRS properties by a statutory agency, they previously having been homeless. There was evidence of tenants feeling insecure and unable to plan or budget; landlords changing their minds about whether tenancies could continue; landlords failing to follow their legal requirements with regard to notice to quit; and worries about impacts on childrens' schooling.<sup>12</sup>

Tenancy insecurity may reflect uncertainty about landlord's long-term letting intentions, and so it may be possible to 'count' insecurity by reviewing data on landlords. Some landlords will be letting property with no intention of doing so for the long term: letting may be an interim measure and the property available for a short period only. This does not necessarily translate to high tenant turnover. The EHS routinely asks respondents who had moved from the PRS in the last three years why their tenancy had ended (Chart 3.1). Collated data from 2012/13/14 indicated that the tenant was asked to leave in eight per cent of cases; in 2015/6, this had increased slightly to 11 per cent.<sup>13</sup> When asked why tenants

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<sup>11</sup> See, for example, De Santos, R. (2012) *Homes Fit for Families? The Case for Stable Private Renting*, London: Shelter; Shelter (2012) *A Better Deal: Towards More Stable Private Renting*, London: Shelter.

<sup>12</sup> Smith, M., Albanese, F. and Truder, J. (2013) *A Roof Over My Head: The Final Report of the Sustain Project*, London: Crisis/Shelter; Croucher, K, Quilgars, D. and Dykes, A. (2018) *Housing and Life Experiences: Making a Home on a Low Income*, York: Centre for Housing Policy.

<sup>13</sup> EHS 2015 to 2016: Private Rented Sector, AT 3.9.

thought they had been asked to leave, 63 per cent indicated that landlords wanted to sell or use the property themselves.<sup>14</sup> Short-term letting intent is therefore an issue, but one that is likely to affect only a small proportion of tenants.

Leaving the issue of letting intent to one side, the principal difficulty appears to rest with the nature of tenancy agreements.<sup>15</sup> The majority of PRS tenants have assured shorthold tenancies (ASTs). These are issued for a fixed term – usually six or twelve months – as defined by the initial tenancy agreement. At the end of the fixed term, the tenant and landlord may agree to another fixed term or the tenancy becomes a periodic AST, rolling from week-to-week or month-to-month depending on the original agreement.

Assured shorthold tenancies may be ended by the landlord for a variety of reasons, using two principal methods. At any time after the end of the original fixed term, landlords may issue a Section 21 notice, giving a tenant two months' notice of the ending of the tenancy. It is not necessary to state a reason for ending the tenancy. Section 21 notices can only be used if landlords comply with a range of requirements, including protecting the deposit using a protection scheme; issuing the tenant with the appropriate gas safety and energy efficiency documentation, and giving a tenant a copy of the 'How to Rent' guide at the start of the tenancy. Section 21 notices cannot be used before the end of an initial fixed term of a tenancy. Landlords may use a Section 8 notice to terminate a tenancy during a fixed term if the tenant is in rent arrears, is involved in criminal activity at the property, or has broken the terms of condition of the tenancy. The notice term depends on the reason for the eviction.

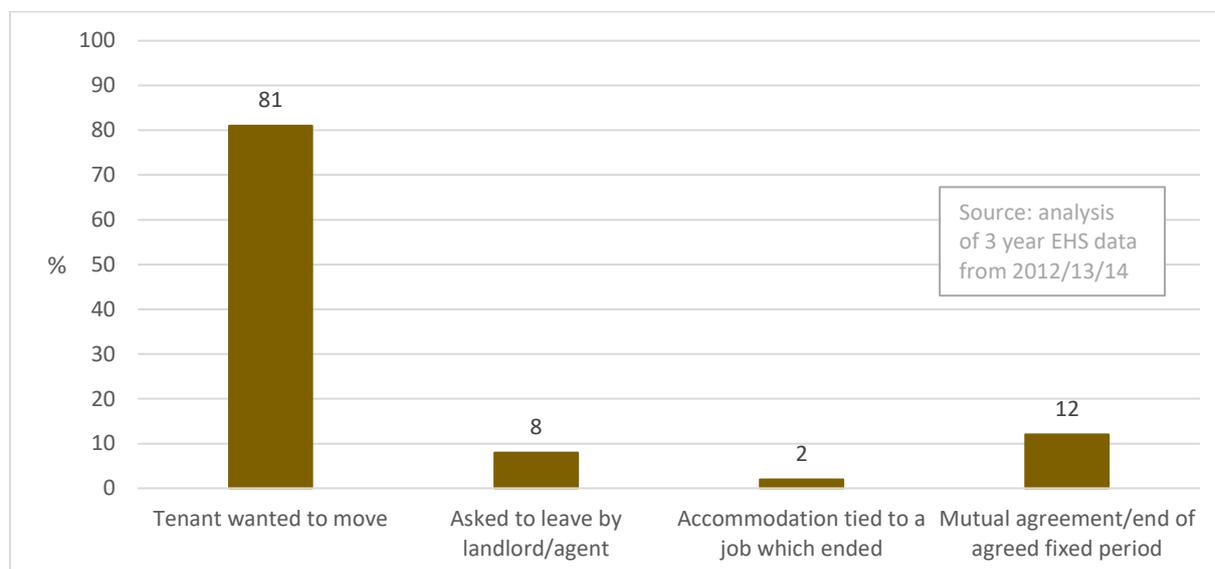
The AST is therefore widely regarded as being innately insecure, in offering tenants limited protection from notice to quit after the end of an initial tenancy term. Quantifying such insecurity is not straightforward, however. For example, the EHS asked respondents who had lived at their current address for less than three years and whose previous home had been rented privately, whose decision it had been to end the previous tenancy (more than one reason could be given): a large majority respondents indicated that they left their last home because they had wanted to move (Chart 3.1). Respondents were also asked about the main reason why they had decided to end the previous tenancy, and only a tiny proportion of those who had chosen to end their tenancy gave a reason that could be interpreted as indicating tenure insecurity (one per cent mentioned that they did not get on with their landlord, and one per cent that they could not afford the rent). The great majority of reasons given by respondents who chose to end their previous tenancy were related to the desire for accommodation of a different size, to move to a different area, or for job-related reasons.

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<sup>14</sup> EHS 2015 to 2016: Private Rented Sector, AT3.13. Although note that the majority of alternative reasons fell into an undefined 'other' category.

<sup>15</sup> This is an issue discussed in detail in Rugg and Rhodes, *An Evolving Private Rented Sector*.

**Chart 3.1: Whose decision it was to leave the previous home if it was privately rented (more than one reason could be given)**



A recent survey also asked adult respondents about whose decision it had been to end a previous PRS tenancy (asked of respondents who had rented privately previously during the last ten years).<sup>16</sup> Sixty-six per cent of these respondents said that their last PRS tenancy had ended because they had wanted it to end, and a further 15 per cent that the tenancy came to a close because it was the end of a fixed term. Ten per cent of respondents indicated that their tenancy ended because the landlord or agent wanted it to end, and a further nine per cent that both they and the landlord or agent had wanted the tenancy to end.

Taking all of these respondents together, only a small minority gave reasons for the previous tenancy ending that indicate tenure insecurity. In response to a series of direct questions about the reasons why the previous tenancy might have ended (more than one reason could be given), eight per cent said they struggled to pay the rent, two per cent that they couldn't afford to pay a rent increase, and five per cent that they didn't think a rent increase was worth it. Four per cent said that the landlord or agent was unhappy because they had asked for some repairs to be done, and three per cent that the landlord or agent was unhappy because they had complained about something. One per cent said that the landlord or agent had entered their home without permission, and four per cent that they generally had a poor relationship with their landlord or agent.

Other data may illuminate issues of insecurity to allow for quantification. The MHCLG P1E data collate the reasons for households presenting as homeless. Over the last few years the end of an AST has become the principal cause, increasing from 15 per cent of acceptances in 1998 to 28 per cent of acceptances in 2017.<sup>17</sup> These data are problematic for a number of

<sup>16</sup> Ipsos MORI Omnibus survey, February 2018.

<sup>17</sup> P1E Table 774: Reason for loss of last settled home: Households accepted (1) by local authorities as owed a main homelessness duty by reason for loss of last settled home England, 2004 Q1 to 2017 Q4.

reasons, not least of which is the fact that changes to administrative guidance, particularly around prevention measures, materially impact on the collated statistics. In addition, an increase in the number of homelessness cases as a consequence of an end to AST could simply reflect the increased size of the PRS. Stated very crudely, in 1998 15,390 households were accepted as homeless as a consequence of an end to an AST. In that year that PRS accommodated 2,063,000 households, so there was what might be termed an 'AST critical failure rate' of 0.75 per cent. In 2017, 16,320 households presented as homeless with the end of AST as the principal cause, but from an increased PRS population of 4,692,000, which constitutes a fall in the 'AST critical failure rate' by more than half, to 0.35 per cent.<sup>18</sup>

Furthermore, the end of AST as a causal factor can be interpreted in a number of ways. For example, it is unreasonable to presume – as has been claimed – that 'the PRS is now the main cause of homelessness'.<sup>19</sup> It is equally valid to state that the homelessness figures indicate the number of tenants unable to secure alternative accommodation towards or after the end of a fixed-term AST. This failure may as well be regarded as an issue with access to social housing, or relate to an overall limitation in accommodation supply.

Similar ambiguity sits around Ministry of Justice data, which include quarterly collated statistics on landlord claims and possessions. However, since 2003, across England, the *rate* of repossessions has fallen given the growth of the PRS. Furthermore, it is notable that there are similar repossession rates per thousand dwellings in both PRS and social rentals. The trend does not hold for London, where there has been a marked increase in the use of Section 21 notices by private landlords. It appears, therefore, that there is a geographical dimension to the incidence of repossession: indeed in 2017 it was reported that one third of all repossessions using Section 21 notices were in five London boroughs.<sup>20</sup>

Although Section 21 notices constitute a 'no fault' eviction, there is generally a reason for the end of the AST, and these remain opaque. However, the new H-CLIC processes introduced in April 2018 under the Homelessness Reduction Act have started to collect information on why ASTs came to an end. At the time of writing, those data were not yet publically available.

Taking another approach, an alternative indicator of insecurity is the increased frequency of moves of PRS tenants compared with residents in other tenures. Analysis of the EHS indicates that 32 per cent of PRS tenants had been living in their current property for up to one year, compared with four per cent of owner occupiers and nine per cent of social renters. These statistics are unsurprising. The relatively easy accessibility of PRS means that it – of all the tenures – is the one most suitable for short-term use. The PRS contains a higher percentage of younger people aged 16-24 than any other tenure, and many of these younger people will be students who generally move after each year, and sometimes between terms.

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<sup>18</sup> *Ibid.*

<sup>19</sup> Smith, M., Albanese, F. and Truder, J. (2013) *A Roof Over My Head: The Final Report of the Sustain Project*, London: Crisis/Shelter, 11.

<sup>20</sup> Clarke, A., Hamilton, C., Jones, M. and Muir, K. (2017) *Poverty, Evictions and Enforced Moves*, York: Joseph Rowntree Foundation.

There is evidence that tenancy length is increasing for many in the PRS. Analysis of the FRS shows that the proportion of private renters living at their address for less than one year reduced from 39 per cent in 2000/01 to 26 per cent in 2015/16, while those living at their address for between one and up to three years increased from 27 per cent to 36 per cent, and those living at their address for between three and up to ten years increased from 19 per cent to 30 per cent. Over the same period, and reflecting a decline in the proportion of elderly people living in the PRS and a similar decline in the proportion of tenants with a regulated tenancy, there has been a decrease from 16 to nine per cent in the proportion of private renters living at their address for ten years or longer.<sup>21</sup>

It could be argued, therefore, that the sector is responding to demand for longer tenancies. However, again length of tenancy in itself does not necessarily equate to feelings of security or that the current tenancy is satisfactory. Evaluation of welfare reform impacts in the PRS indicates that tenants are more likely to stay in a financially unsustainable tenancy than seek to move.<sup>22</sup> This tendency is understandable. Leaving to one side the reluctance to move away from kinship and community ties and a resistance to disrupting children's education, moving is in itself an expense which lower-income households cannot necessarily afford. Furthermore, the decision to move requires there to be suitable alternative accommodation. Some households might prefer to stay in their current tenancy – even when there are affordability and property condition issues – rather than risk not being able to secure an alternative. Analysis of three-year EHS data from 2012/13/14, for example, indicates that PRS tenancies that had lasted for ten years or longer most commonly failed the Decent Homes Standard, 42 per cent of which failed compared with 29 per cent across the PRS as a whole.

It is extremely difficult to arrive at a quantitative measure that objectively records in any satisfactory way the incidence of tenancy insecurity. As yet, there is limited evidence of how far ASTs are, in themselves, a cause of higher tenancy turnover than tenants themselves would like. Some statistics may be taken as an indication that tenants are usually able to define for themselves the length of tenancy they want or need within the current legal framework. In response to this kind of survey data, tenant rights groups argue that tenants who pay their rent and act within the terms of a tenancy agreement still remain under constant threat of being asked to leave or given a notice to quit, and are faced with the possibility that they may – at any time after the initial term, and without themselves giving cause – be given two months' notice to vacate the property.

### Poor property condition

Many privately renting households are living in properties where the conditions are so poor as to be detrimental to physical and mental health.<sup>23</sup> The incidence of poor property

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<sup>21</sup> Rugg and Rhodes, *An Evolving Private Rented Sector*.

<sup>22</sup> Cole, I., Beatty, C., Powell, R. and Saunders, E. (2014) *Monitoring the Impact of Recent Measures Affecting Housing Benefit and Local Housing Allowance in the Private Rented Sector: The Response of Landlords*, London: DWP.

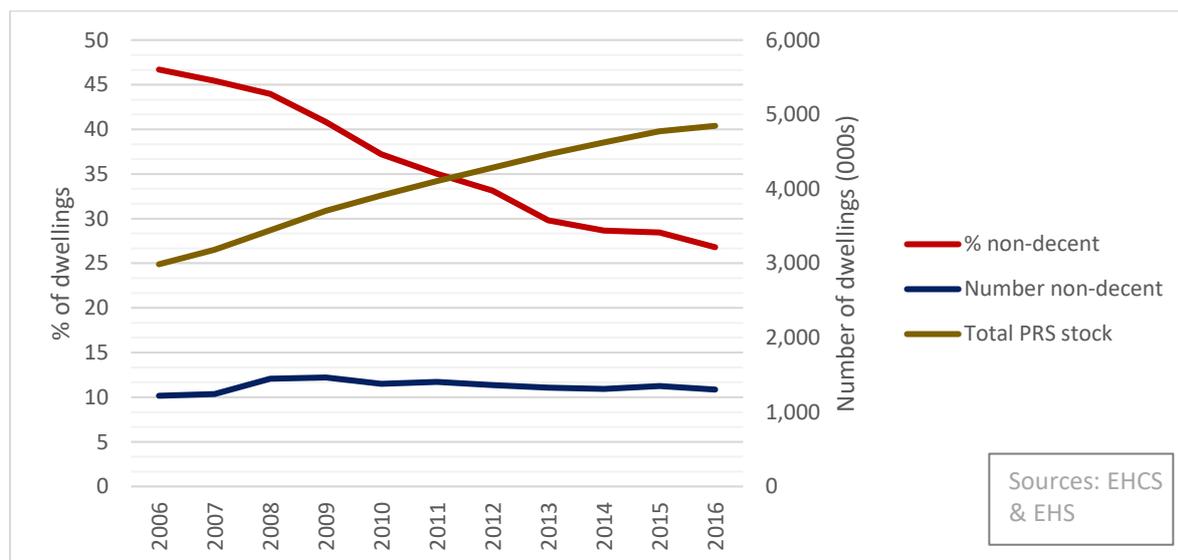
<sup>23</sup> Barnes, M, Cullinane, C., Scott, S. and Silvester, H. (2013) *People Living in Bad Housing – Numbers and Health Impacts*, London: NatCen; Diggle, J., Butler, H., Musgrove, M. and Ward, R. (2017) *Brick by Brick: A Review of Mental Health and Housing*, London: Mind.

condition is monitored annually by the English Housing Survey (EHS). General information is collected on aspects of property condition, in addition to an officer-conducted physical survey, from which an assessment of whether a property meets the Decent Homes Standard is made. For a dwelling to meet the Decent Homes Standard, it needs to be:

- free from Category 1 hazards under the Housing Health and Safety Rating System (HHSRS);
- in a reasonable state of repair;
- provide reasonably modern facilities and services; and
- provide a reasonable degree of thermal comfort.

The proportion of PRS properties failing to meet the DHS has been falling. Chart 3.2 shows the trend within the PRS since 2006. The proportion of non-decent dwellings within the tenure has fallen from 47 to 27 per cent across the period. However, due to the simultaneous growth in the size of the PRS, the *number* of unfit properties within the sector increased over the period from about 1.2 million to about 1.3 million.

**Chart 3.2: England: Non-decent dwellings in the private rented sector**



Analysis of EHS data from 2012 to 2014 indicates that 29 per cent of PRS properties were judged to be non-decent during this three year period. The non-decent figure was substantially higher for certain types of property, such as converted flats (52 per cent). Non-decency in the PRS is to some degree a reflection of the older age profile of its dwellings, however: the EHS data show that almost one-third of the PRS stock was built before 1919 (32 per cent), and almost half of this (47 per cent) was non-decent. By comparison, 19 per cent of the owner occupied stock was built before 1919, 37 per cent of which was non-decent. Non-decency is also the highest for newer dwellings that were being rented privately: 12 per cent of PRS properties built post 1980 were non-decent, compared with

seven per cent of social housing and five per cent of owner occupied dwellings. Likewise with properties built between 1965 and 1980: 24 per cent of these in the PRS were non-decent, compared with 15 per cent of social rented housing, and 15 per cent that were owner occupied.

The reasons why properties are failing to meet the DHS have not changed over time. The principal failure remains the presence of Category 1 hazards. Twenty-nine types of hazard have been defined including the presence of mould or damp, poor design of property such that it is difficult to keep it clean and free of pests and vermin, inadequate facilities for personal hygiene, and electrical hazards. A 'Category 1' hazard is so severe as to constitute a severe or immediate risk to residents' health and safety. The incidence of all private rented properties with a Category 1 hazard has dropped from 31 per cent in 2008 to 17 in 2015.<sup>24</sup>

The DHS includes 'thermal comfort' as a measure, and in 2012/13, 13 per cent of PRS properties failed to meet the required standard. There are similarly low rates of energy efficiency in PRS and owner occupied dwellings. In 2015, less than one per cent of social renting households were in properties rated F or G; for private renting and owner occupation the proportion was six per cent and five per cent respectively.<sup>25</sup>

However, problems in the PRS are more likely to be compounded by damp, the lack of a central heating system, and the property not being fully double-glazed (Table 3.1) Poor thermal insulation contributes to fuel poverty. In 2015, the Fuel Poverty Advisory Group for England reported that 20 per cent of PRS tenants were in fuel poverty although the basis of that calculation was unclear.<sup>26</sup> What is evident is that tenants on lower incomes are both unlikely and unable to take actions to ameliorate excess cold, in terms of seeking improvements in property conditions from their landlord, or arranging such improvements on their own account.<sup>27</sup>

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<sup>24</sup> <https://www.gov.uk/government/statistical-data-sets/dwelling-condition-and-safety>, Table DA4101 (SST4.1): Health and safety – dwellings, accessed 16 Jun 2018.

<sup>25</sup> GOV.UK Live Tables: English Housing Survey 2015-16 Private Rented Sector, AT4.1: Annex Table 4.1: Energy efficiency rating bands by tenure, 2015.

<sup>26</sup> *Fuel Poverty Advisory Group (for England) 12<sup>th</sup> Annual Report 2013-14*, London: Department of Energy and Climate Change.

<sup>27</sup> Ambrose, A., McCarthy, L. and Pinder, J. (2016) *Energy (In)efficiency: What Tenants Expect and Endure in Private Rented Housing*, Sheffield: Sheffield Hallam University.

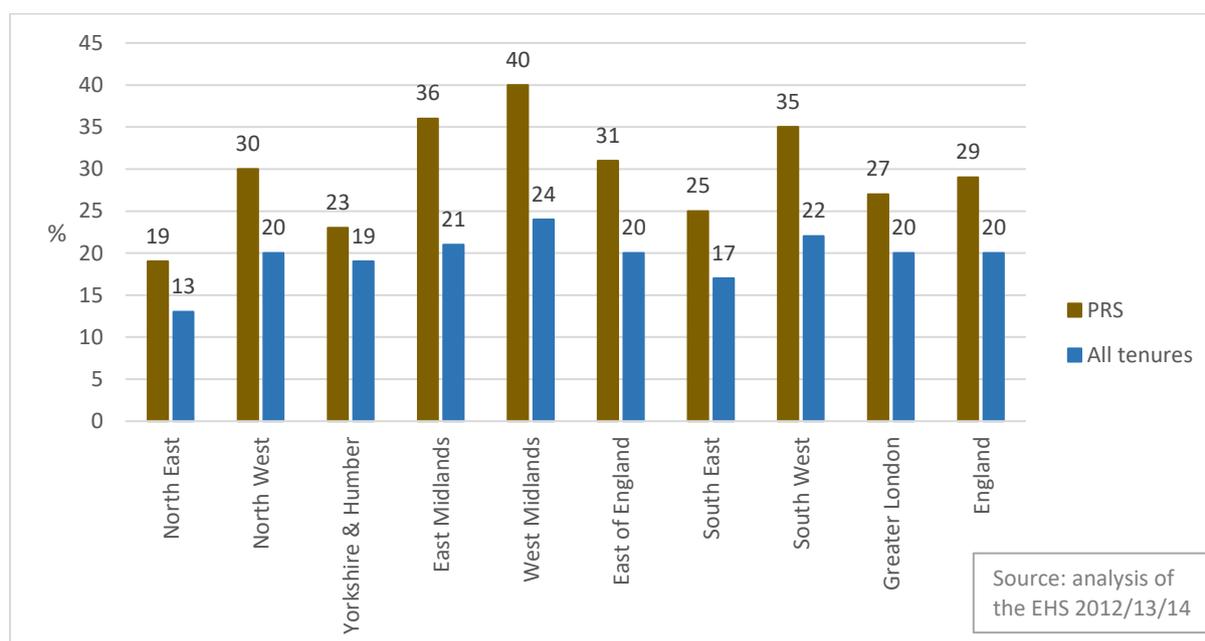
**Table 3.1: Physical conditions of dwellings in England**

Condition type	Private rented (%)	Owner occupied (%)	Social rented (%)
Problems with damp	8	3	5
Dwellings in energy bands F or G	6	5	1
Presence of central heating	84	95	91
Presence of full double glazing	76	80	90

<sup>1</sup> EHS 2016/17, AT 2.4. <sup>2</sup> Analysis of three year EHS data from 2012/13/14.

Analysis of the three-year EHS from 2012 to 2014 shows that there is geographic variation in the incidence of property failing the DHS (Chart 3.3). Non-decency in the PRS was below the England average in the North East (19 per cent) and Yorkshire & Humber (23 per cent), and much higher in the East and West Midlands (36 per cent and 40 per cent respectively). The proportion of non-decency in the PRS within Greater London was close to the tenure average, at 27 per cent. Due to the DHS being based on a physical survey of dwellings by officers trained for the purpose, it is appropriate to include property condition as one of the measurable problems in the analysis.

**Chart 3.3: Proportion of non-decent dwellings in the PRS and all tenures**



### Poor management standards

There is, at present, an uncertain and not well-understood overlap between particularly poor management practice and criminality in the PRS. Anecdotally, there is substantial evidence of a broad range of criminal practices which encompass a 'landlord' and 'tenant' relationship. These practices include: stealing deposits or 'reservation' payments; including

unfair terms within complex tenancy agreements; rent-to-rent scams<sup>28</sup>; labour and sex trafficking; and violent harassment. Tenants at the very bottom end of the PRS are more likely to fall into this 'shadow' PRS. The incidence of criminality is always difficult to quantify, particularly when criminal practices are elusive and populations are perforce transitory.<sup>29</sup>

However, here it is perhaps necessary to consider practices that tenants might encounter more routinely, and which reflect some landlords' either unwitting or willing operation outside the required legal frameworks. Poor management standards encompass a range of actions that include, *inter alia*:

- a failure to meet the statutory requirements with regard to setting up tenancies and protecting a deposit, unfair terms and conditions hidden in rental agreements;
- lack of transparency on any fees being charged before the start of the tenancy;
- not meeting maintenance and repairs requests in a timely way;
- poorly receipted rent collection, and little notice of rent increases; and
- other actions, such as entering a tenant's home without permission.

The incidence of poor management standards is generally regarded as being endemic in the private rented sector, and is often associated with landlords owning small portfolios who may not necessarily be conversant with the relevant regulations.

It is not always possible to quantify the problem of poor management.<sup>30</sup> The range of issues is very broad, and there are variable responses to the incidence of problems across different surveys. For example, Shelter's July/August 2017 survey data indicated that 29 per cent of respondents had not been provided with a copy of their signed tenancy agreement at the start of the tenancy; just 12 per cent had been provided with the Government's 'How to Rent' guide, which has been a legal requirement since 2015. When asked about the last time something needed to be urgently repaired or dealt with in their current property, 26 per cent of respondents indicated that the landlord had taken longer than a week to respond.

A large section of the market is let or managed by managing agents. A recent survey found that letting agents were involved in either arranging or managing tenancies in almost half (47 per cent) of the open private rented market in England.<sup>31</sup> Evidence does not necessarily indicate that tenants were more satisfied with management practices when they dealt with letting agents rather than with landlords directly. Research by Which? indicated that

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<sup>28</sup> 'Rent to rent' can include letting agents' subdivision of properties into HMOs without a landlords' consent. 'Rent to rent' can also include tenants subletting property or subdividing it without landlord consent.

<sup>29</sup> Reeve-Lewis, B. (2018) 'A new breed of rogue landlord', *Journal of Housing Law*, 21:2, 17-22.

<sup>30</sup> For example, Resolution Foundation (2014) *More than a Roof: How Incentives can Improve Standards in the PRS*, London: Resolution Foundation found that standards were 'currently very variable'.

<sup>31</sup> Ipsos MORI Capibus, February 2018.

tenants became more critical of letting agent practices as the tenant themselves gained experience in the market, and in particular were sceptical with regard to the fees paid.<sup>32</sup> Recent regulation of letting agent fees reflects widespread concern that the fees charged to tenants are not transparent, could be extortionate, and at times replicated the fees charged to landlords. Data from the EHS collected in 2014-15 indicated that tenants were much less satisfied on issues relating to repair where an agent had main responsibility for management: 76 per cent of tenants were satisfied where the landlord managed the property, but only 55 per cent were satisfied where an agent managed the property.<sup>33</sup>

It is possible to arrive at some estimate of tenants' experiences of very particular problems but not necessarily straightforward to consider what proportion of the PRS may be subject to poor management practice. It is for this reason that the problem of poor management practice is not included in the statistical analysis.

## The bedroom standard

When tenants are living in properties that are too small for the household's needs, there are multiple impacts on family relationships, child development, and health and well-being.<sup>34</sup> Living in housing that does not meet the bedroom standard is one of three objective measures used in the analysis to ascertain whether vulnerable households are subject to this form of harm.<sup>35</sup> The LHA version of the bedroom standard has been used in this analysis, and is arguably more 'generous' than the previous bedroom standard (the occupancy rating bedroom standard), in that an adult is defined as a person aged 16 or older, whereas the previous version used the age of 21. Under the LHA bedroom standard, one bedroom is allowed for:

- Each married or co-habiting couple
- Every other adult aged 16 or older
- Any two children of the same sex
- Any two children under the age of ten regardless of sex
- Any other child.

The LHA bedroom standard compares the number of bedrooms available to a household with the number of bedrooms required by the standard, and identifies whether there are the correct number, too few, or too many bedrooms. This report uses a simple binary distinction to identify whether households have bedrooms sufficient to meet or exceed their needs, or whether the number is insufficient.

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<sup>32</sup> Ipsos MORI (2018) *Private Renters' Customer Journeys*, London: Which?, 25.

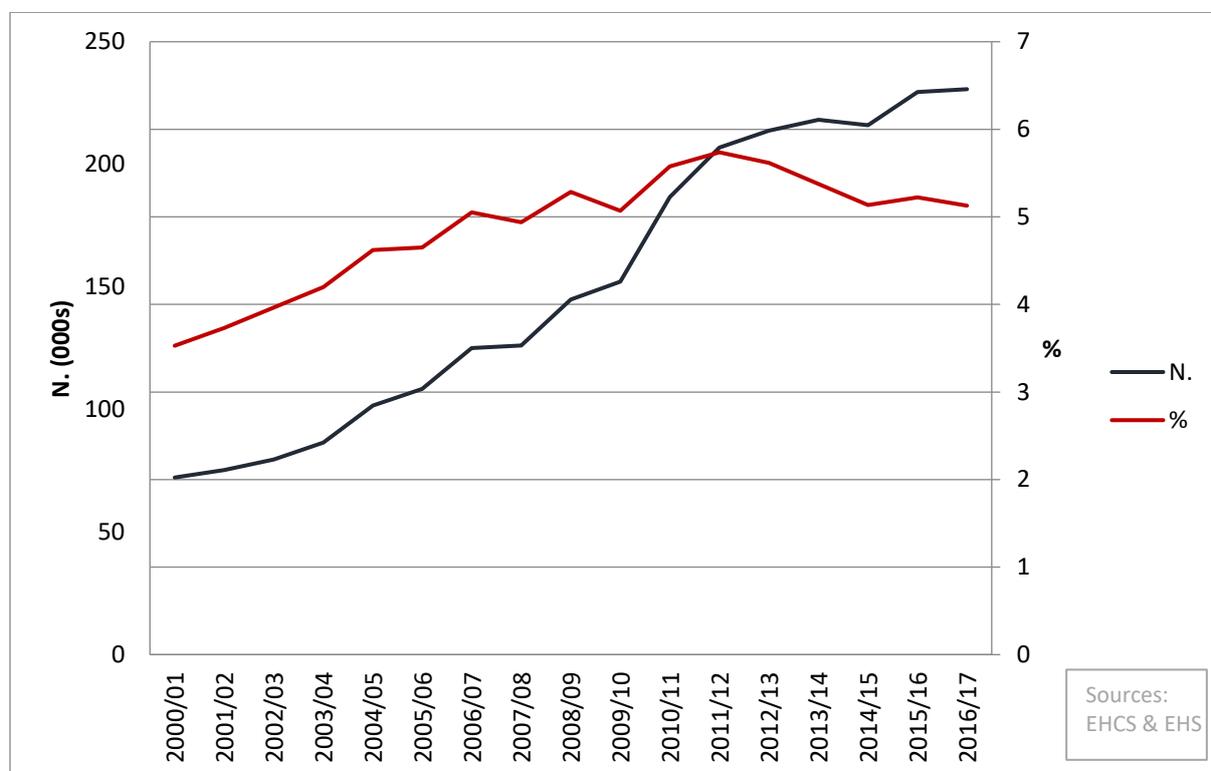
<sup>33</sup> EHS 2014-15, Chapter 4 Figures and Annex Table.

<sup>34</sup> See, for example, Reynolds, L. and Robinson, N. (2005) *Full House? How Overcrowding Affects Families*, London: Shelter.

<sup>35</sup> Overcrowding can be defined in a number of ways, and the value of alternative approaches will not be discussed here. See Wilson, W. and Fears, C. (2016) *Overcrowding (England)*, House of Commons Briefing Paper 1013.

In 2016/17, households living in the social rented sector had the highest proportion of households failing the bedroom standard, at seven per cent compared with one per cent in owner occupation and five per cent in the PRS.<sup>36</sup> While the proportions of households living in accommodation with insufficient bedrooms in the PRS has been relatively stable, in the range of three to six per cent, the expansion in the size of the sector has led to an increase in the number of households in the situation, from 72,000 in 2000/01 to 231,000 in 2016/17 (Chart 3.4). Following its high point of almost six per cent in 2011/12, the proportion of PRS households with insufficient bedrooms has decreased. However, the expansion in the PRS since then has led to an increase of 44,000 private rented households with insufficient bedrooms by 2016/17.

**Chart 3.4: Number and proportion of PRS households with insufficient bedrooms in England**

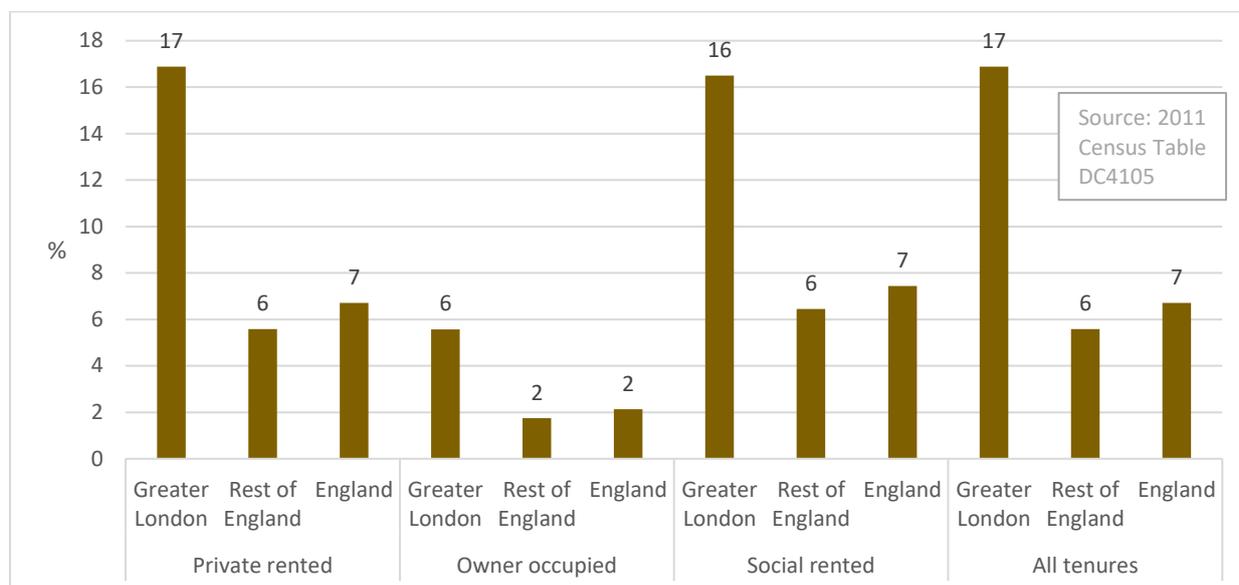


The 2011 census shows that there was a broadly consistent level of insufficient bedrooms across the non-Greater London regions of England, as measured by the occupancy rating version of the bedroom standard (used in the census output).<sup>37</sup> The private and social rented sectors typically had six per cent of households lacking enough bedrooms in the regions across the rest of England, as did two per cent of households living in owner occupation. Within Greater London, however, the proportion of households without sufficient bedrooms was about three times higher in each of the tenures, with 17 per cent of private renters, 16 per cent of social renters, and six per cent of owner occupiers having insufficient bedrooms (Chart 3.5).

<sup>36</sup> EHS 2016/17, AT 1.20, Overcrowding by tenure, 1995/96 to 2016/17.

<sup>37</sup> 2011 Census Table DC4105.

**Chart 3.5: Proportion of households with insufficient bedrooms on the occupancy rating (bedrooms) in 2011**



### Rent affordability and AHC poverty

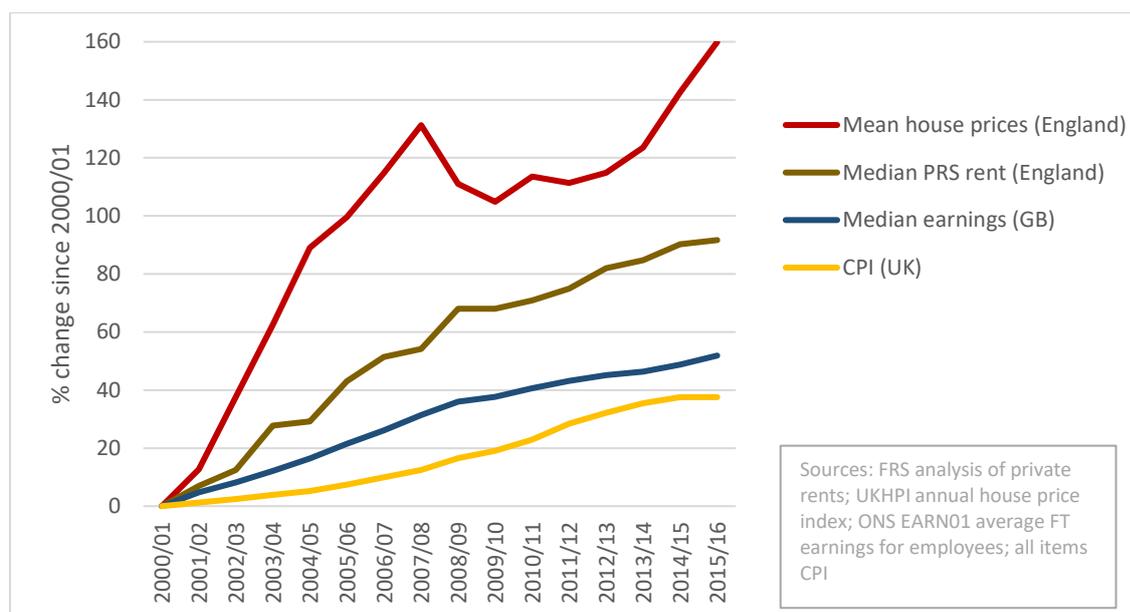
High rents in the PRS are deemed to be increasingly problematic. Analysis of the Family Resources Survey (FRS) data has tracked the average rents paid by private tenants from 2000/01 to 2015/16, and these have been compared with house prices<sup>38</sup>, average earnings for employees<sup>39</sup>, and the Consumer Prices Index (CPI)<sup>40</sup> over the period (Chart 3.6). Median private rents in England increased by 92 per cent over the sixteen years, which was a notably greater increase than either median earnings (52 per cent) or the CPI (38 per cent), but considerably less than the increase in mean house prices across the period (160 per cent).

<sup>38</sup> <https://www.gov.uk/government/collections/uk-house-price-index-reports>

<sup>39</sup> <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/averageweeklyearningsearn01>

<sup>40</sup> <https://www.ons.gov.uk/economy/inflationandpriceindices#timeseries>

**Chart 3.6: Private rents, house prices, earnings, and the CPI**



Analysis of private renters in the FRS data shows that their rents have on average risen in real-terms, and in all regions, between 2000/01 and 2015/16. Likewise, there has also been a real-terms increase in the average net household income of private renters in each region over the period. Private rents, however, have increased by more than incomes, which has led to a slight increase in the proportion of net household income being spent on rent, from 28 per cent to 29 per cent for England as a whole over the period.

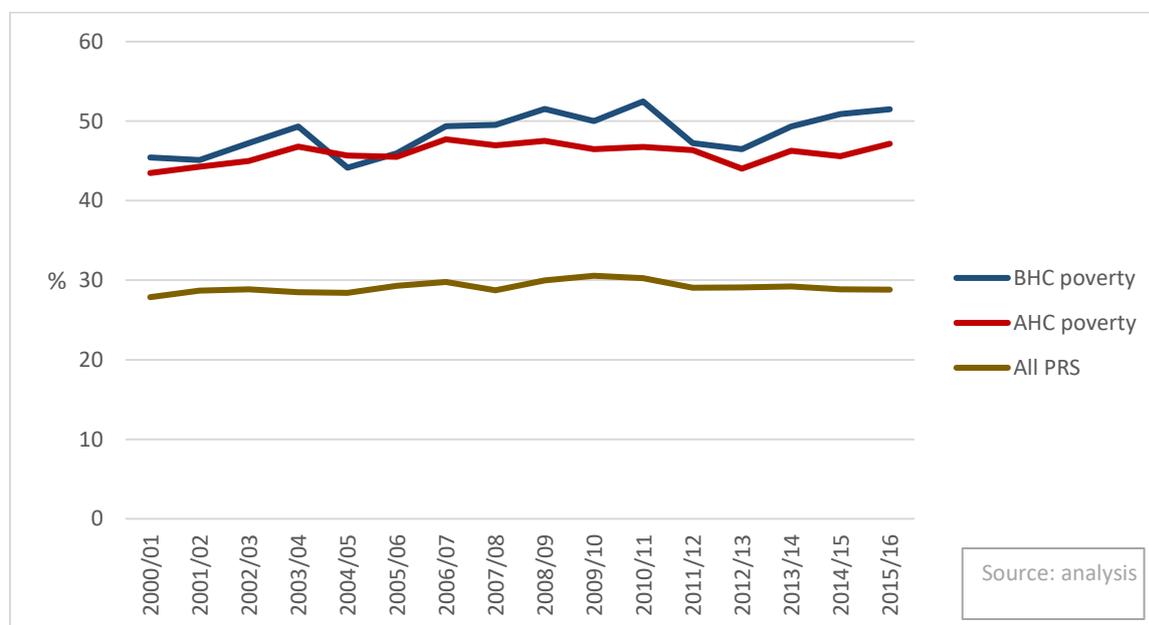
There have been variations at a sub-national level, with some regions seeing a small decrease in the proportion of income spent on rent, and others often substantial increases in the proportion of income paying the rent. In the north of England (the North East, North West, and Yorkshire & Humber regions), private rents became slightly more affordable between 2000/01 and 2015/16, with the average proportion of net income being spent on rent reducing from 27 per cent to 26 per cent. In the midlands (the East and West Midlands and the East of England regions), the proportion increased from 24 per cent to 27 per cent, and in southern England (the South East, South West, and Greater London) the average proportion of net income being spent on rent increased from 30 per cent to 32 per cent. The Greater London region, where rents relative to incomes have been much the highest over the period, saw an increase in the average amount of net household income being spent on the rent from 34 per cent to 39 per cent.

The proportion of net household income being spent on the rent was particularly high for PRS households living in poverty<sup>41</sup> (Chart 3.7). Private renting households in BHC poverty were paying the most as a proportion of their net income overall, which increased from 45 per cent in 2000/01 to 52 per cent in 2015/16. The majority of households in BHC poverty were in AHC poverty also, whereas those in AHC poverty were not always in BHC poverty

<sup>41</sup> The poverty definition used is less than 60 per cent of the median BHC and AHC equivalised incomes in England.

(see Appendix Table A3). The latter group of households are sometimes described as being in 'housing induced poverty', in that their rent is sufficiently high as to 'push' them below the AHC poverty line.

**Chart 3.7: Proportion of net household income spent on the rent for PRS households in BHC and AHC poverty**



After Housing Costs (AHC) poverty is the second objective measure used in this analysis to ascertain whether vulnerable households are subject to harm. This measure follows the one often used in other analyses of poverty, such as the DWP's HBAI reports.<sup>42</sup> In addition to identifying households in poverty after their housing costs are considered, it is a measure that also captures low income households with a high rent relative to their income. On this measure, a household is defined as being in AHC poverty if its equivalised net household income after taking account of housing costs is below 60 per cent of the median figure for England. Household income includes the net income of the HRP and any partner, as well as the net income from other additional adults in the household, winter fuel payment, council tax support, and housing-related benefits that help pay towards the rent. These sources of income are combined, the amount of council tax payable is deducted, as is the rent (net of services or council tax) or mortgage payment (excluding buildings insurance and mortgage protection, and can include capital and interest payments), and the remaining income is equivalised using the OECD modified equivalisation scale.

The OECD equivalisation scale is one which is widely used, again such as in the HBAI analysis. The scale adjusts incomes to reflect the size and composition of households in order to allow comparisons of the material living standards of different of households. The

<sup>42</sup> <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201617>

The HBAI method differs from that used in the EHS data due to differences in the amount of financial information available, with the consequence that a wider range housing-related costs are deducted in the HBAI analysis.

underlying assumption of equivalisation is that smaller households require a lower income than larger households to achieve a similar material standard of living. The scale takes an adult couple without children as the reference point, and then increases the income of single person households, and reduces the incomes of households with three or more persons.

One issue compounding problems with affordability is the incidence of high rent increases, through the serving of S13 notices after a fixed term or permitted via rent review clauses within a tenancy agreement. There is no restriction on the increases allowable, although tenants may appeal a rent increase at the First Tier Tribunal Chamber (Residential Property). There is anecdotal evidence of landlords increasing the rent as a means of encouraging a tenant to leave the property; the possibility adds to some tenants' feelings of insecurity in the tenure. Assessing the incidence of unexpectedly high rent increases is problematic. There are issues relating to how much of a rent increase might be deemed reasonable by a tenant, year on year, and without that information it is difficult to judge tenant experiences.

Notwithstanding definition issues, in the August 2017 Shelter survey - and responding to questions relating to the end of the last tenancy – five per cent of tenants said they had moved from their last PRS tenancy as a consequence of a rent increase, although only two per cent indicated that this was the principal reason. It would appear that sudden and unexpectedly high rent increases are not markedly endemic in the sector, and therefore will not be included as a separate, measurable, problem.

## Local Housing Allowance

The PRS has always accommodated a high proportion of tenants either wholly or partially reliant on welfare to pay the rent. In 2008, Local Housing Allowance (LHA) replaced the existing housing benefit system for private tenants. For private tenants, many features of the LHA present substantial difficulties that do not impact in the same way on tenants in social housing in receipt of housing benefit.<sup>43</sup>

For all households in receipt of help with payments there may be shortfalls between the benefit and the rent charged. Shortfalls are more marked for tenants in the PRS. LHA levels are now set at the 30<sup>th</sup> percentile rather than the 50<sup>th</sup>, as first introduced, and in 2016 they were frozen for a period of four years. The impact of the shortfall is heightened in some locations, where the boundary of the Broad Rental Market Area includes high- and low-rent areas.

A number of studies have outlined the degree of shortfall between the rent charged by the landlords and the LHA that is payable. For example according to the National Audit Office, which uses data from the DWP, the average weekly shortfall outside London was £26 a

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<sup>43</sup> Tenants in work and on low income or who may be unable to work can apply for housing benefit (HB); this system was superseded by the local housing allowance (LHA) system in April 2008 but the terms 'housing benefit' and 'local housing allowance' still tend to be used interchangeably.

week and within London £50 a week; this amount comprises 22 per cent and 44 per cent respectively of a couples' joint income from JSA.<sup>44</sup> The existence of a shortfall is a strong indicator that a household may be under financial pressure, but it is not always easy to isolate landlord response to the shortfall, and extent to which the shortfall in itself leads to rent arrears. In addition, the tenant may be in work and so more able to meet the payment. Review Omnibus data suggest that around a quarter of respondents on housing benefit had their rent fully covered by the payment.

It is difficult to collect quantitative data on rent arrears, particularly since definitions have to be clearly established from the outset. LHA is automatically paid in arrears, meaning that every tenant in receipt of LHA could be said to be behind with their rent. In 2017, the Residential Landlords Association (RLA) published findings from 2,974 landlords who had opted into completing a survey on their letting practice over the previous twelve months. These landlords were derived largely from the RLA's membership base, and so represented a high proportion of portfolio landlords. Responses came from across the UK. In total, 38 per cent of respondents – as far as they knew – let to recipients of LHA or Universal Credit (UC); of these, 38 per cent indicated that those tenants had fallen into arrears. Twenty-nine per cent of respondents indicated that they had evicted a tenant in receipt of LHA/UC in the last twelve months, and in 64 per cent of cases rent arrears was the principal cause.<sup>45</sup>

In 2015-16, the EHS asked tenants in arrears why they had fallen behind with the rent. For all private renters with a shortfall between their contractual rent and the housing benefit payment, 21 per cent indicated that arrears had been caused by a reduction in their benefit, a problem with its administration, or with Universal Credit.<sup>46</sup> Problems with arrears occur in both the social and the private rented sector. However, unlike registered social landlords, private landlords routinely dealing with UC claimants will not be able to secure Trusted Partner Status. Trusted Partner Status allows access to the landlord portal, which permits landlords to make arrangements to secure Alternative Payment Arrangements (APA) for tenants likely to fall into difficulties.<sup>47</sup> For private tenants, APAs can only be secured after a tenant has fallen into rent arrears.

Data on the existence of shortfalls does not allow for the very specific geographic dimensions of reliance on LHA. Shortfalls become an issue where landlords are able to let to an alternative demand group. It is important, therefore, to understand the proportion of tenants living in HB-dominant markets. Anecdotally, it appears, landlords in these markets are not reducing their lettings and instead are revising their management practices to better support tenants through their LHA/UC applications.

There is no established definition of what constitutes a HB dominant market in the PRS. One approach is to combine 2011 Census data on the number of PRS households and DWP

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<sup>44</sup> National Audit Office (2017) *Department for Communities and Local Government: Homelessness*, London: NAO.

<sup>45</sup> Simcock, T. (2017) *Welfare Reform and Universal Credit: The Impact on the Private Rented Sector*, Sale: RLA.

<sup>46</sup> 2015-16 Private Rented Report Chapter 2 – Housing cost and affordability, annex table 2.4.

<sup>47</sup> Wilson, W. (2017) *Housing Costs in Universal Credit*, House of Commons Library Briefing Paper 6547.

data on PRS claimants for HB at the local authority level, to produce a 'HB density index' (percentages cannot be calculated using this method, since a claimant for HB is not necessarily the same as a household, due to sharing situations). This process shows the one-third of local authorities with the most heavily HB dominated markets contained half of all HB PRS claimants in 2017 (618,007 claimants).

The other half of HB claimants were dispersed across the remaining two thirds of local authorities in the PRS (611,807 claimants in 2017), and which were arguably areas in which private landlords were likely to find it easier to secure alternative demand groups to HB-reliant tenants. Thus it cannot be presumed that *all* HB-reliant households are at heightened risk of homelessness, because an estimated half of them live in areas in which the HB market is dominant, and in some cases highly dominant. In these areas, theoretically, landlords may be less likely to seek evictions, although no exact data are available to indicate whether this is the case.

It becomes difficult, therefore, to consider receipt of LHA as a readily quantifiable problem. However, LHA is in itself just one element of Welfare Reform. The LHA changes have taken place within an extended programme of welfare reform, including an overall cap on the amount of benefit a single household can receive; a freeze on the value of personal benefits; reduced assistance with council tax payments; and the reduction of assistance for one-off payments via the Social Fund. Universal Credit was introduced with the intention of increasing the gains made from being in work compared to remaining on benefits, but has been implemented within a framework of strong sanctions for non-compliance with required job-seeking behaviours. It is very difficult to disaggregate the individual impacts of these changes, which in totality have reduced the benefit income of many tenants, with impacts falling particularly severely on those living the PRS.<sup>48</sup> It is for this reason that rather than LHA being defined as a single measurable problem, all benefit recipients can be viewed as being at risk, as will be seen, below.

## Conclusion

A wide range of problems is associated with the private rented sector but the number of problems where the incidence can be robustly measured is limited. There are ambiguities inherent in many data on renting behaviour that have some level of self-reporting, since it is evident that both tenants and landlords have a partial understanding of, for example, the reasons why a tenancy might come to an end. As a consequence, this report focuses on objective measures that are independently assessed including: the incidence of homes not meeting the Decent Homes Standard; overcrowding, as represented by households living below the bedroom standard; and the incidence of AHC poverty. The next chapter outlines the six groups that are regarded as being markedly vulnerable in the PRS and tests the degree to which households falling within these groupings experience these three problems.

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<sup>48</sup> Policy in Practice (2017) *The Cumulative Impact of Welfare Reform: A National Picture*, Policy in Practice: London.



## 4. Households Vulnerable to Harm

### Introduction

The private rented sector is a market. There can be no expectation that private landlords will act in the capacity of social landlords, in seeking material and well-being benefits for their tenants. However, it is not unreasonable to expect that private renting is not actively detrimental to health and well-being, particularly for groups whose resilience to harm is impaired by age, ill health or economic marginality. This section describes the approach taken to vulnerability in this report, in defining six key groups that are at increased risk of harm in the PRS as a consequence of demographic, health or economic circumstance. The section also describes how the problems identified in the previous section impact on different vulnerable groups, and considers the incidence of multiple vulnerabilities.

### Defining vulnerability

Vulnerability can be defined in a variety of ways, and any definition chosen will have both supporters and detractors. For example, there is resistance to the notion of calling particular individuals or households 'vulnerable', since this terminology can in itself be regarded as disempowering by people who strive to be resilient in response to adverse housing and economic circumstances.<sup>49</sup> However, circumlocutions can in themselves also appear patronising.

There are legal definitions that sit within the Housing Act 1996 s189 (1) (c), and used to determine access to homelessness services. This report does not use these categories because they are difficult to isolate within the EHS data, or isolate in sufficient numbers to allow for robust analysis. Instead, this report addresses vulnerability by considering the households at a greater risk of harm, for reasons that include – and in some instances combine – economic status and income, age, health, and household demographic characteristics.

It is acknowledged that this approach might serve further to isolate individuals who may be already be marginalised within the housing system. For example, the research does not specifically distinguish households containing individuals experiencing mental health problems. Households are included where the HRP or their partner is registered as disabled, and/or where the HRP reports that they are unable to work due to a long-term sickness or disability. This category encompasses people whose mental health problems constitute a barrier to work.

Vulnerability is not always experienced in the same way, and the state of being vulnerable is not necessarily static or unchanging. All individuals and households are more or less vulnerable at different points in the life course, and as a consequence of life events such as separation or divorce, the onset of long-term illnesses or development of debilitating

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<sup>49</sup> Pitt, B., Hasbrouk, H. and Fu, E. (2018) *How People in Housing Need Feel About the Way They Are Described by UK Charities*, London: Shelter, 14ff.

conditions, loss of work, having children and/or acquiring a care responsibility.<sup>50</sup> These factors generally have an adverse impact on household income in removing or reducing a source of income, restricting the work capacity of adults in the household and increasing the likelihood of that household becoming wholly or partly reliant on benefit income. A secure and affordable home can offer respite and protection in these circumstances. However, there are situations where housing itself can increase the detrimental impact of change. For example, an older person with worsening mobility problems might find those problems exacerbated by being in home with stepped access; where the home has level access, those problems will be ameliorated.

In order to consider the scale of impact of a range of possible harms, this part of the report quantifies the groups that might be regarded as having a higher level of risk of harm, and who may be disadvantaged in different ways through their experiences of renting privately. The analysis of vulnerability in the EHS data considers six groups of households, which are not mutually exclusive, within the bottom one-third of BHC equivalised incomes in England. Overall, therefore, this approach includes 33 per cent of all households in all tenures. Due to the uneven profile of incomes across the tenures, however, 25 per cent of owner occupiers, 59 per cent of social rented tenants, and 38 per cent of private rented tenants are included (see Chart 4.2 below).

## Households with dependent children

There has been renewed interest in regulating the private rented sector following findings from the 2011 census that indicated a growing proportion and number of households with children in the sector. Analysis of the FRS shows that the overall proportion of households containing dependent children has remained at 29 per cent of all households between 2000/01 and 2015/16 in England (Chart 4.1). The proportions of households in owner occupation and social renting with dependent children have also remained relatively stable over the period.

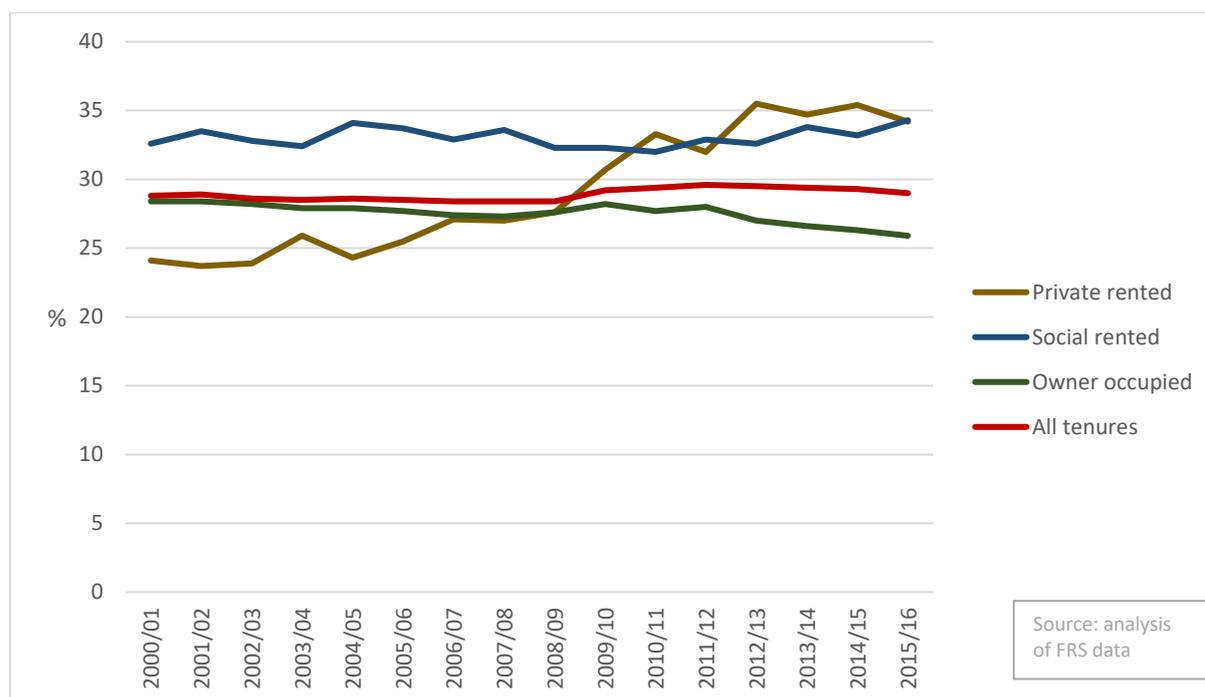
The PRS has seen a notable change, however, with the proportion increasing from 24 to 34 per cent, or an increase from around 0.5 million to 1.6 million households. The proportion of lone parents with dependent children living in the private rented sector grew around tenfold between 1981 and 2001, from about one to ten per cent of the tenure.<sup>51</sup> Since then, however, the FRS shows the growth in households with dependent children in the PRS has come largely from couples with dependent children, which increased from 13 per cent in 2000/01 to 22 per cent in 2015/16, whilst the proportion of lone parents in the sector remained at ten per cent.

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<sup>50</sup> Croucher, K., Quilgars, D. and Dyke, A. (2018) *Housing and Life Experiences: Making a Home on a Low Income*, York: JRF.

<sup>51</sup> Rhodes, D. (2006) *The Modern Private Rented Sector*, Coventry/York: CIH/Joseph Rowntree Foundation.

**Chart 4.1: Proportion of households in England containing dependent children**



The growth in households with dependent children in the PRS has primarily been in younger families, with the proportion of PRS households containing a child aged under five increasing from 12 per cent in 2000/01 to 20 per cent in 2015/16. In all tenures together the proportion of such families remained at 12 per cent. The proportions of families with older children in the PRS have remained similar to the overall pattern across the period: the proportion of PRS households in which the youngest child was aged from five to 11 was nine per cent in 2015/16 (and nine per cent overall), and the proportion in which the youngest dependent child was aged 12 to 18 was five per cent (compared with seven per cent overall).<sup>52</sup>

The age of the dependent children is a telling defining characteristic.<sup>53</sup> Where children are at pre-primary school age, mothers are more likely to have to pay for full-time childcare if they are in work; there is an ongoing dependence on after-school clubs or a need to find other suitable childcare when children are in junior school. Both these requirements mean a reduced household income and/or restrictions around the hours it is possible to work. The need to pay for childcare falls away as children start to attend secondary school. Children add economic precarity in constraining parents' ability to maximise their earned income and carry additional childcare expense.

Problems associated with private renting have the capacity to harm children in specific ways. Poor property conditions experienced from birth and for a protracted period have

<sup>52</sup> Analysis of FRS datafiles.

<sup>53</sup> Tunstall, R., Green, A.E., Rugg, J., Staniewicz, T. and Attuyer, K. (2015) *Women, families and work: how to help L&Q's women residents into work and tackle the barriers they face*, London: L&Q.

long-term detrimental impacts.<sup>54</sup> In the first weeks after birth, mothers are advised to stay at home with their babies, and so the impact of poor housing conditions on both mother and baby will be greater, particularly in terms of thermal comfort. Poor thermal comfort continues to have a high impact on younger children's physical health, and on the mental health of both teenagers and adults.<sup>55</sup> Space standards may be inadequate for the additional needs of babies and toddlers in terms of prams and other equipment. Where the housing does not meet the bedroom standard, there is less space to play, less quiet space for homework and less privacy leading to issues at all stages of child development, which are exacerbated the longer those conditions are experienced.<sup>56</sup> Overcrowding is also more likely to lead to relationship tensions within the family, causing stress and anxiety.<sup>57</sup> Frequent moves have an impact on children's education; being in the PRS as a consequence of TA placement also carries the risk of being moved to a different city altogether.<sup>58</sup>

### Disability and long-term sickness

The physical and mental health problems encompassed by this definition are broad, which expands implications as they relate to housing and tenure. Furthermore, there are issues relating to severity of the condition and its duration: some tenants may be experiencing an illness or condition from which they may recover, and overall the expectation is to re-engage with the labour market. Recovery may be more protracted and uncertain if property conditions are poor. During that period, a temporary reliance on benefit should not put a tenancy at risk. Other tenants may have deteriorating health conditions that over time may require enhancements and additions to a property in order for a tenant to remain living there.

According to the EHS, eight per cent of private rented households had a HRP or a partner who was registered as disabled or the HRP reported that they were unable to work due to a long-term sickness or disability. It is not possible to establish whether these proportions have changed over time since there have been changes to the definition of disability following the changes made to the Disability Discrimination Act by the Equality Act.<sup>59</sup> However, HRPs in the PRS who describe themselves as being long-term sick or disabled has constantly remained at about one in 20 from 2000/01 to 2015/16.<sup>60</sup>

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<sup>54</sup> Harker, L. (2006) *Chance of a lifetime: the impact of bad housing on children's lives*, London: Shelter.

<sup>55</sup> Liddell, C. and Morris, C. (2010) 'Fuel poverty and human health: a review of recent evidence', *Energy Policy*, 38: 2987-2997.

<sup>56</sup> Barnes, M., Butt, S. and Tomaszewski, W. (2011) 'The duration of bad housing and children's wellbeing in Britain', *Housing Studies*, 26:1, 155-76.

<sup>57</sup> Reynolds, L. and Robinson, N. (2005) *Full House? How Overcrowding Affects Families*, London: Shelter.

<sup>58</sup> Smith, M., Albanese, F. and Truder, J. (2013) *A Roof Over My Head: The Final Report of the Sustain Project*, London: Crisis/Shelter.

<sup>59</sup> Note that this report follows the EHS approach, in defining disability as having a long-standing illness, disability or impairment which causes substantial difficulty with day-to-day activity.

<sup>60</sup> Analysis of FRS datafiles.

There is some regional variation in the proportion of tenants who fall into this vulnerability category. FRS analysis on the economic status of HRP indicates that in London, two per cent of respondents fell into the sickness/disability category, as did three per cent in the southern regions of England as a whole. The proportions were higher in the midlands regions, at seven per cent, and in the northern regions, at eight per cent. It might be expected that variations are related to age, with the PRS in London and the southern regions having a younger age profile.

For individuals with long-term sickness or disability, living in the private rented sector can present particular problems. At the most straightforward level, PRS properties are not always adaptable for people with disabilities. The PRS has a higher proportion of older and terraced housing which is more expensive to convert to accommodate wheelchairs/individuals with reduced mobility<sup>61</sup> Between 2011/12 and 2014/15 there was a slight increase in the proportion of respondents to the EHS indicating that their housing did not have the required adaptations because the landlord was unwilling to pay.<sup>62</sup> Space standards may not be adequate for additional equipment that may be required, for example walking aids or wheelchairs. Mobility problems generally mean a larger proportion of time at home and so the impact of poor housing conditions will be greater, particularly in terms of thermal comfort.

Many of the problems associated with living in the bottom end of the private rented sector are likely to exacerbate mental health problems. Qualitative reports have highlighted the incidence of increased depression caused by poor housing conditions, overcrowding and frequent moves. 'Stranger' shared accommodation is particularly unsuitable for individuals with a range of mental health problems. Anxiety and depression and other mental health conditions will be exacerbated by living in insecure, poor quality, insecure accommodation which has an impact on self-esteem and on feelings of personal security.<sup>63</sup>

## Older age

Households can be vulnerable as a consequence of old age. Private renting is the 'youngest' tenure, the proportion of HRPs aged 65 or older almost halving from 14 per cent in 2000/01 to eight per cent in 2015/16, whereas the proportion of HRPs overall in this age band in all tenures increased slightly across the period, from 26 per cent to 28 per cent.<sup>64</sup> FRS analysis shows there to have been a particular divergence in trend between the PRS and the other tenures amongst households with a HRP aged 75 or older. This age group more than doubled overall between 2000/01 and 2015/16, from 12 to 28 per cent, but it simultaneously shrank by two-thirds in the PRS, from nine to three per cent.

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<sup>61</sup> DCLG, *English Housing Survey: Adaptations and Accessibility Report*, 23.

<sup>62</sup> DCLG (2016) *English Housing Survey: Adaptations and Accessibility Report, 2014-15*, London: DCLG, 13.

<sup>63</sup> Diggle, J., Butler, H., Musgrove, M. and Ward, R. (2017) *Brick by Brick: A Review of Mental Health and Housing*, Association of Mental Health Providers/Mind: London. See also Croucher, K. *et al.*, *Housing and Life Experiences*.

<sup>64</sup> Analysis of FRS datafiles.

Problems with the PRS will be experienced in different ways by older households. The Review Omnibus suggested that 45 per cent of renters aged 65 and over were in receipt of housing benefit.<sup>65</sup> Older households are often reliant on fixed pension income, and therefore cannot easily increase their income to meet any shortfall between rental charges and housing benefit. There are complications with regard to the interplay between private pension income, Pension Credits, housing, and disability benefits which may mean delays and uncertainty in securing benefit payments.<sup>66</sup> The risk of eviction is felt more strongly in older age, as a consequence of a potential loss of support mechanisms, uncertainty about the ability to handle a move, and doubt with regard to securing an affordable tenancy with suitable adaptations.<sup>67</sup>

Poor property quality carries more severe health consequences for older people, who will be more likely to spend longer periods in the home, in a relatively immobile state. Poor housing is likely to carry more serious and multiple impacts for older people: for example, respiratory conditions followed damp, condensation and mould and poor thermal insulation; and trips and falls were associated with disrepair. In addition, older people were more likely to feel anxious with regard to burglary, as a consequence of poorly-fitting doors and windows.<sup>68</sup> The 2011 EHS indicated that 32 per cent of PRS properties did not have secure windows and doors: this figure was over ten percentage points higher than properties in other tenures.<sup>69</sup> Deterioration in acuity over time creates increased vulnerability to landlord crime and fraud.

Space standards may not be adequate for additional equipment that may be required, for example walking aids or wheelchairs. Older tenants are likely to be at home for longer periods during the day, and so paying for heating becomes problematic: older people are at particular risk of respiration impacts in properties with deficient thermal comfort. Overcrowding can include inadequate storage space and increased risk of falls, as can the property being in a poor stage of repair. Falls are more likely to require hospitalisation as age increases.

### Households in receipt of means tested benefits

Households that are wholly or partly reliant on welfare payments to meet the cost of the rent face substantial difficulties in the private rented sector, and so are vulnerable for a number of reasons. These reasons go beyond the lack of finance to meet housing costs. The benefit system has introduced uncertainty for all benefit recipients, but that uncertainty falls heaviest on those in the private rented sector, which places them at increased risk of homelessness.

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<sup>65</sup> Rugg and Rhodes, *An Evolving Private Rented Sector*, AT18.

<sup>66</sup> Foundations (2011) *Supporting People in Private Rented Sector Housing: A Good Practice Guide*, Foundations: London.

<sup>67</sup> Age Concern (2017) *Living in Fear: Experiences of Older Renters in London*, London: Age UK London.

<sup>68</sup> Foundations (2011) *Supporting People in Private Rented Sector Housing: A Good Practice Guide*, Foundations: London.

<sup>69</sup> EHS 2011, chapter 2 annex table 2.12.

Benefit income can be insufficient to meet essential outgoings, particularly when there has been extended reliance on welfare. In April 2016, all working-age benefits were frozen for a four-year period. This means that tenant incomes have reduced in real terms and this problem is particularly marked for tenants who are reliant on LHA. Many tenants facing a shortfall between the LHA and the rent charged by the landlord have to meet those payments from a benefit income that has diminished in value. Furthermore, the operation of sanctions means that some tenants lose benefit income as a consequence of failure to meet certain obligations. In 2017 it was reported that 25 per cent of recipients of Jobseekers' Allowance between 2011 and 2015 had experienced at least one sanction.<sup>70</sup> Welfare Reform changes also included a review of support for payments of Council Tax Benefit and this has in many localities added an additional debt to the household budget; aggressive collection of council tax payments means that tenants are likely to prioritise this payment.<sup>71</sup>

The risk of rent arrears and subsequent eviction is heightened by the payment of LHA to tenants rather than directly to landlords. Tenants whose income is generally insufficient to meet their essential outgoings 'juggle' their bills, and rent then becomes one of the bills that might be paid some months but not others.<sup>72</sup> The low and potentially sporadic nature of benefit income makes it very difficult for tenants to save or to budget over the long term. Indeed, debt caused by the benefit system has been recognised as a contributing factor to households falling into destitution, in being unable to meet housing, utility, food and personal hygiene costs, although specific data on levels of destitution amongst private renters has not been identified.<sup>73</sup>

Benefit recipients who are at risk of losing their property are also at a substantially increased risk of being unable to secure a replacement: a number of reports have highlighted landlords' increasing unwillingness to let to benefit claimants.<sup>74</sup> The 2017 RLA survey indicated that just 13 per cent of respondents were willing to let to someone they knew to be in receipt of housing benefit.<sup>75</sup> Landlord groups have also cited the uncertain impact of Universal Credit – with its increased emphasis on sanctions for non-compliance with job-seeking activity, and delays in initial housing payments – as decreasing their willingness to operate in the HB market. Households reliant on benefits are less likely to be

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<sup>70</sup> House of Commons (2017) *Committee of Public Accounts: Benefit Sanctions. 42<sup>nd</sup> Report of Session 2016-17.*

<sup>71</sup> Rugg, J. and Kellaheer, L. (2016) *Social Housing Tenants and Household Economics: Three Years in the Lives of g15 Tenants*, York: Centre for Housing Policy.

<sup>72</sup> See Rugg, J. and Kellaheer, L. (2016) *Social Housing Tenants and Household Economics: Three Years in the Lives of g15 Tenants*, York: Centre for Housing Policy.

<sup>73</sup> Fitzpatrick, S., Bramley, G., Sosenko, P., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G. and Watts, B. (2016) *Destitution in the UK*, York: Joseph Rowntree Foundation.

<sup>74</sup> Adcock, A. and Wilson, W. (2016) *Can Private Landlords Refuse to let to Housing Benefit Claimants?* House of Commons Library Briefing Paper 7008; Shelter (2017) *Shut Out: The Barriers Low-Income Households Face in Private Renting*, London: Shelter.

<sup>75</sup> Simcock, T. (2017) *Welfare Reform and Universal Credit: The Impact on the Private Rented Sector*, Sale: RLA.

able to afford the rent in advance and deposits required to set up a new tenancy, or the costs associated with moving.<sup>76</sup>

It might be argued that tenants who are reliant on benefits risk living on a downward spiral, with rent arrears leading to poorer quality rental options that again may prove to be unsustainable. Research funded by Shelter has indicated that some tenants may choose to leave the very poorest quality rentals and become homeless in preference to continue enduring insanitary conditions where personal and property safety is not guaranteed.<sup>77</sup>

Within this group, under-35s face particular difficulties in the PRS. Younger single applicants for housing benefit assistance have always received less than their older counterparts, which has generally restricted their options to rooms in houses in multiple occupation. From 2012, 'young people' was redefined to include anyone up to the age of 35 without dependents. Such applicants would be eligible for the shared accommodation rate of LHA only, irrespective of the type of accommodation they had secured. Analysis of DWP HB statistics shows that the proportion of all LHA claimants in the PRS within England who under the age of 35 has fallen between 2011 and 2017, from 38 per cent to 28 per cent of the total. Much of this reduction took place amongst the under 25 age group, which shrank from 12 per cent in 2011 to five per cent in 2017, whilst the 25 to 34 age group shrank from 26 per cent to 23 per cent.<sup>78</sup>

Younger benefit recipients are disadvantaged in the PRS in other ways too: landlords are generally unwilling to let to younger, non-student tenants.<sup>79</sup> Unsupported shared accommodation is not routinely available in the social sector, which further increases the pressure on existing HMOs. All these factors channel younger people into less well-managed properties, where fuel poverty is more prevalent<sup>80</sup>, and where there is more likelihood of anti-social behaviour, violence, and tenants with drug and alcohol problems.<sup>81</sup>

### Low-income, non-means tested benefit or tax credit dependent

There is an indeterminate state at the bottom end of the labour market that includes individuals cycling between work and welfare, in a 'low-pay, no-pay' cycle.<sup>82</sup> In 2011 the

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<sup>76</sup> Shelter (2017) *Shut Out: The Barriers Low-Income Households Face in Private Renting*, London: Shelter.

<sup>77</sup> Rugg, J. (2008) *A Route to Homelessness? A Study of Why Private Sector Tenants Become Homeless*, London: Shelter.

<sup>78</sup> Analysis of DWP HB data obtained from: [stat-xplore.dwp.gov.uk](https://stat-xplore.dwp.gov.uk)

<sup>79</sup> Pattison, B. and Reeve, K. (2017) *Access to Homes for Under-35s: The Impact of Welfare Reform on Private Renting*, Sheffield: Sheffield Hallam University, 7.

<sup>80</sup> Bourzarovski, S. and Couvain, J. (2016) 'Spaces of exception: governing fuel poverty in England's multi-occupancy housing sector', *Space and Polity*, 20:3, 310-29.

<sup>81</sup> Stewart, J. (2013) 'Enforcement led interventions: the private rented sector and HMOs' in Stewart, J. (ed.) *Effective Strategies and Interventions: Environmental Health and the Private Housing Sector*, Greenwich: University of Greenwich.

<sup>82</sup> See, for example, McCollom, D. (2011) "'An acceptance that it's just your lot, I suppose": reflections on turbulent transitions between work and welfare', *People, Place and Policy Online*, 5/3.

IPPR reported that in London, 49 per cent of all people leaving benefits return within a period of six months.<sup>83</sup> The labour market has altered, and there has been an increase in jobs offered on short-term or zero-hour contracts. Sporadic movement in and out of work carry substantial risk for tenants in the PRS. In theory, Universal Credit will retain sensitivity to changes in circumstances. In practice, there are likely to be substantial delays as the benefit adjusts; it is inevitable that tenants will accrue both rent arrears and more general debt which makes dealing with rent arrears more problematic.

Despite the presumption that, under Universal Credit, work should always 'pay', in actuality being in low-paid work creates financial instability in meeting the costs of work – including childcare and travel to and between jobs. These problems are exacerbated by low pay rates. In these circumstances, it is extremely difficult to create a financial 'buffer' for periods out of work, or to resolve debt accrued during that period. This group experiences many of the difficulties in the PRS faced by the group in receipt of benefit, but with an added element of heightened risk of debt as a consequence of moving between work and unemployment.

## Recent migrants

Recent migrants<sup>84</sup> to England commonly become private renters. In 2016, net migration to the UK was 248,000; 88 per cent of migrants moved to England.<sup>85</sup> Migrants rely heavily on the PRS, as being the most accessible tenure on entry to the UK. Between 2011 and 2016, the proportion of UK-born and foreign-born residents in the PRS has remained broadly similar. Analysis of the Labour Force survey indicates that 80 per cent of individuals born abroad and living in the UK for less than five years were living in the PRS; for owner occupation, this figure was 9 per cent and for social housing, 12 per cent.<sup>86</sup> As the length of time that migrants living in England increases, there is a movement out of the PRS into, principally, owner occupation.<sup>87</sup>

As with so many aspects of this research, definition is not always straightforward. Migrants include a wide range of different groups, travelling in different circumstances. It is necessary to distinguish between refugees who have come to the UK to seek asylum; this

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DOI 10.3351.0005.0003.0003; Shildrick, T., MacDonald, R., Webster, C. and Garthwaite, K. (2010) *The low pay, no pay cycle*, York: Joseph Rowntree Foundation; Schmuecker, K. (2014) *The Future of the Labour Market*, York: JRF.

<sup>83</sup> London Development Agency (2009) *Staying In, Moving Up: Employment Retention and Progression in London*, London: London Development Agency.

<sup>84</sup> A recent migrant in the analysis here is a HRP who was born overseas and who came to live in England during the period between 2000 and when they were interviewed in the EHS in 2012 or 2013.

<sup>85</sup> Houses of Parliament (2017) *Migrants and Housing*, POSTNOTE, 560, August.

<sup>86</sup> <https://migrationobservatory.ox.ac.uk/resources/briefings/migrants-and-housing-in-the-uk-experiences-and-impacts/>, Figure 3.

<sup>87</sup> See, for example:

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/internationalmigrationandthechangingnatureofhousinginenglandwhatdoestheavailaiblevidenceshow/2017-05-25>

group may include children. Other groups may arrive in this country singly or in couples as either skilled or unskilled economic migrants. Skilled migrants might seek to stay in the UK for a protracted period, and have the income to secure more settled letting arrangements. Unskilled migrants may regard their stay in the PRS as short-term, and who might prefer to rent cheap and subsequently very low quality property, in order to maximise their earned income.<sup>88</sup> Qualitative research evidence suggests that both economic migrants and asylum seekers have distinctive housing pathways that in both instances tend to feature a protracted period in the private rented sector, but where there may be frequent movement between properties. This movement may reflect changing work opportunities or indicate a reliance on statutory arranged temporary accommodation. As time passes, tenants often move into more secure and settled rental agreements and then onwards, principally into owner occupation.

However, there are concerns that migrants are negotiating a number of obstacles: problems with language; the inability to provide deposits, references and/or guarantors to secure properties<sup>89</sup>; and with the recent introduction of the 'Right to Rent' regulation.<sup>90</sup> These problems mean that migrants may not be able to access the 'formal' elements of the rental market and so end up in poorer quality properties, often in highly overcrowded and insanitary 'beds in sheds'-style arrangements. In these circumstances, all the problems relating to insecurity and impacts on mental and physical health are multiplied. There are particular concerns about the mental health impacts of insecurity, overcrowding and sharing personal space in kitchens and bathrooms for migrants who have come to the country as asylum seekers.<sup>91</sup> A great deal of concern has been expressed about the quality of private rented accommodation procured by the agencies with responsibility for dispersing asylum seekers and refugees, and the management of that property.<sup>92</sup> As with temporary accommodation, it appears that mediating agencies are not necessarily acting in such a way as to improve the experience households being placed in the PRS.

## Membership of the six vulnerable groups

Table 4.1 sets out the size of the six vulnerable groups for each tenure as a whole, and according to whether households have an equivalised BHC income that places them in the upper two-thirds of incomes or within the bottom one-third of incomes, the latter being the key group of interest. Note that households can fall into more than one category. Key findings from the table include:

- Forty-nine per cent of privately renting households in the bottom income one third contain dependent children, a higher proportion than in either the owner occupied (28

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<sup>88</sup> Perry, J. (2012) *UK Migrants and the Private Rented Sector*, York: JRF

<sup>89</sup> Perry, *UK Migrants*, 11.

<sup>90</sup> Patel, C. and Peel, C. (2017) *Passport Please: The impact of the Right to Rent checks on migrants and ethnic minorities in England*, London: JCWI.

<sup>91</sup> Mind (2009) *A Civilised society: mental health provision for refugees and asylum seekers in England and Wales*, London: Mind.

<sup>92</sup> See, for example, lobbying activity by the South Yorkshire Migration and Asylum Action Group.

per cent) or the social housing sector (41 per cent), and substantially higher than private renters in the upper two-thirds income bracket (28 per cent);

- Privately renting households in the disabled category are nearly as twice as likely to be in the bottom one-third income bracket (11 per cent) as in the upper two thirds of incomes (six per cent), but overall the social rented sector houses by far the largest proportion (25 per cent);
- The bottom income group is fairly evenly split between those in receipt of benefit; and low-income, non-benefit households (53 per cent compared with 47 per cent);
- The proportion of older private renters is small compared with the other tenures, and older renters are almost equally distributed between upper two thirds and lower one third income brackets (seven per cent and eight per cent);
- The proportion of migrants is highest in the PRS as a whole (21 per cent), and is also almost equally distributed between upper two-thirds and lower third income brackets (20 per cent and 18 per cent).
- In owner occupation, the bottom third group is much more likely to be vulnerable as a consequence of being in the low-income, non-benefit group (72 per cent), but in the social rented sector the category with the largest proportion is the means tested benefit group (79 per cent).
- In the PRS, there is a more even spread with the vulnerable groups having dependent children, being on means tested benefit or being in the low-income, non-benefit category (49 per cent, 53 per cent and 47 per cent respectively).

**Table 4.1: Proportion of households in the six vulnerable groups by income level and tenure**

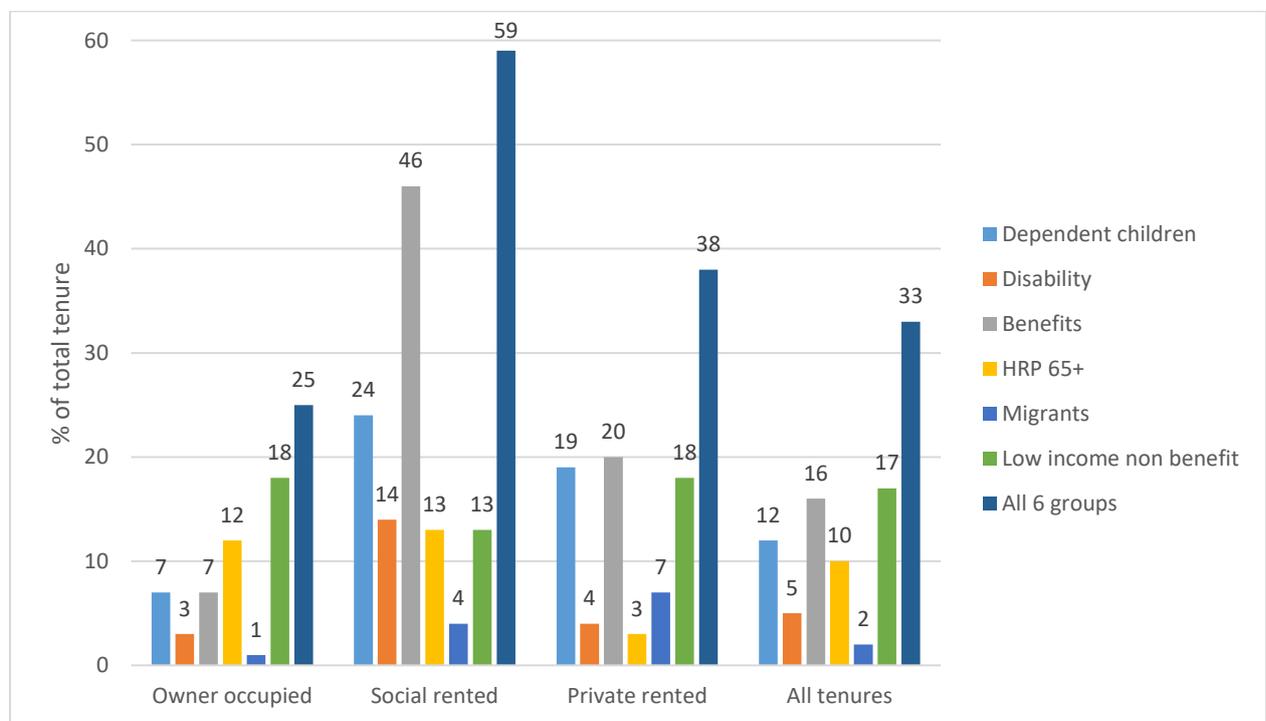
Income level and tenure		Vulnerable groups (%)						
		Dependent children	Disabled/sickness	Means tested benefits	HRP aged 65+	Migrants	Low income non-benefit	Any vulnerable group
All income levels	Owner occupied	26	8	9	34	2	18	68
	Social rented	33	27	70	28	5	13	91
	Private rented	36	8	31	7	21	18	70
	All	29	11	24	28	6	17	72
Upper 2/3 BHC incomes	Owner occupied	26	7	2	29	2	0	57
	Social rented	22	30	58	38	4	0	79
	Private rented	28	6	18	7	20	0	52
	All	26	9	11	26	5	0	58
Bottom 1/3 BHC incomes	Owner occupied	28	12	28	48	2	72	100
	Social rented	41	25	79	21	6	21	100
	Private rented	49	11	53	8	18	47	100
	All	36	15	49	31	7	51	100

Source: analysis of EHS datafiles 2012 & 2013

Chart 4.2 shows the six vulnerable groups in the bottom one-third of BHC incomes, and their size as a proportion of each whole tenure. Thus, for example, the 49 per cent households within the bottom one-third of incomes in the PRS that contain dependent children (as shown in Table 4.1) comprise 19 per cent of the PRS as a whole. Likewise, the 18 per cent of migrant households in the bottom one-third of incomes in the PRS households comprise seven per cent of the PRS as a whole. Taking all households in the bottom one-third of incomes in the PRS, all of which are in at least one of the six vulnerable groups, this comprises 38 per cent of the whole PRS.

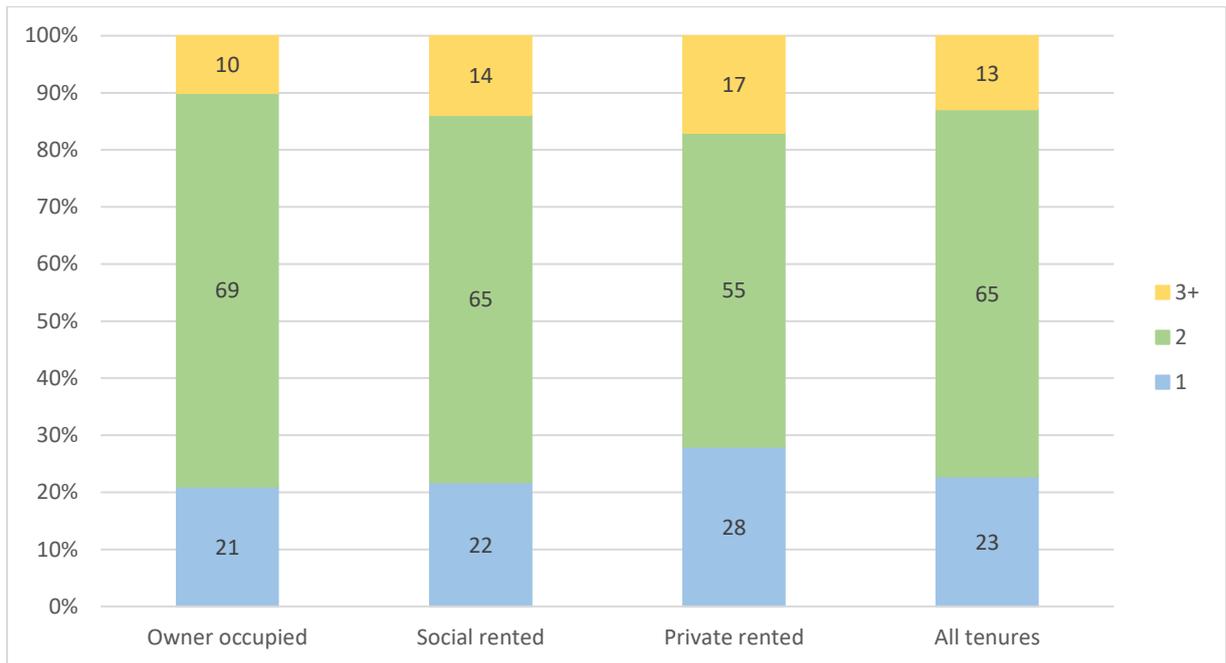
Similarly with the other tenures, the vulnerable households in the bottom one-third of incomes comprise 59 per cent of the social rented sector, 25 per cent of owner occupation, and of course 33 per cent of all households in all tenures.

**Chart 4.2: The six vulnerable groups in the bottom one third of incomes as proportion of each tenure**



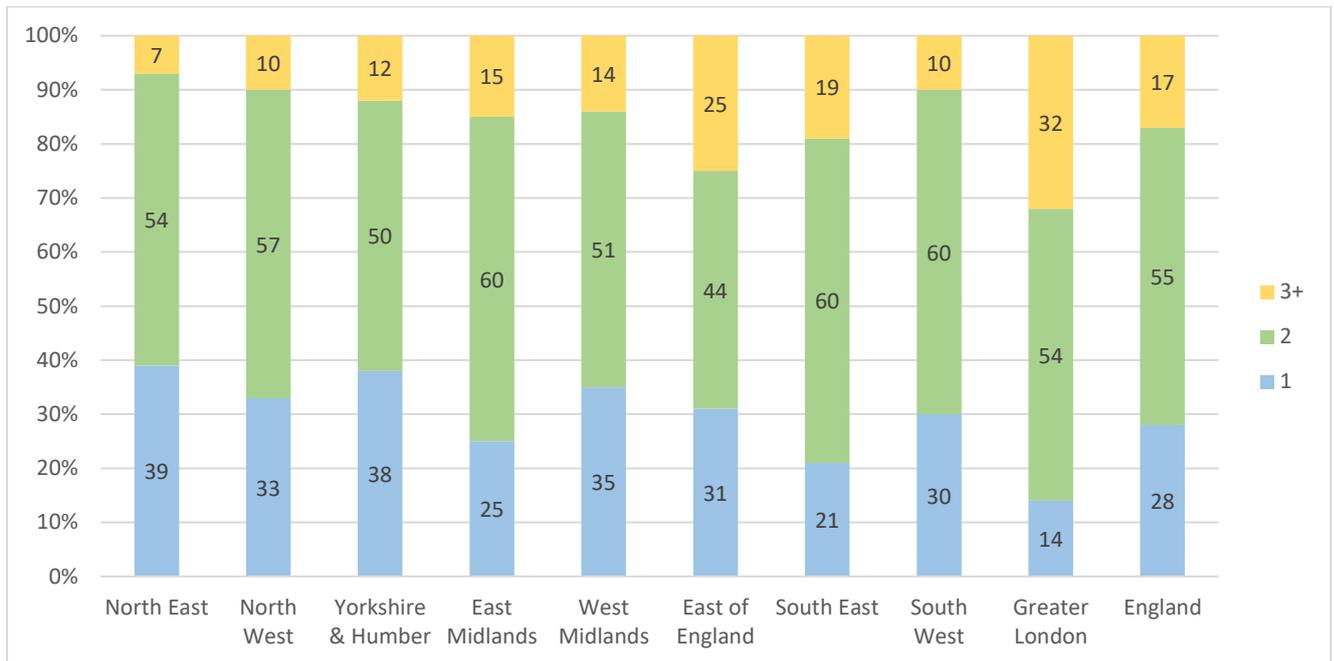
The majority of households in the bottom one-third of incomes had multiple vulnerabilities (Chart 4.3). Within the 38 per cent of the PRS comprised of vulnerable groups on low incomes, 28 per cent were in one vulnerability group only, 55 per cent were in two vulnerability groups, and 17 per cent were in three or more of the vulnerability groups.

**Chart 4.3: Proportion of households in the bottom one third of incomes in 1, 2 or 3+ vulnerable category groups by tenure**



There was a degree of geographic variation in the extent to which low income households in the private rented sector had multiple vulnerabilities (Chart 4.4). The Greater London region in particular had a high level of multiple vulnerabilities amongst the PRS households in the lowest one-third of incomes, with 14 per cent of them being in one vulnerable group, and 32 per cent being in three or more. In the North East region and Yorkshire and Humber, in contrast, the low income PRS households least commonly had multiple vulnerabilities.

**Chart 4.4: Proportion of PRS households in the bottom one third of incomes in 1, 2 or 3+ vulnerable category groups by region**



## Conclusion

This section has considered in detail a range of qualitative evidence that contributes to the task of identifying groups more vulnerable to harm in the PRS. It is possible to use the EHS and the FRS to analyse these groups and identify essential characteristics. In this analysis, vulnerability is a reflection of demographic characteristics including age, the fact that the household may contain dependent children, and the health of family members. Secondary analysis indicates that other characteristics create vulnerabilities, including long-term or even sporadic reliance on the welfare system. This dependence increasingly contributes to households falling into debt and even destitution, and in totality contributes to a household being more likely to become homeless as a consequence of inability to meet rental payments.

In this analysis, all households will be in at least one vulnerability category, by virtue of their income being in the bottom one third. However, households are likely to fall into more than one vulnerability category. It is notable that children, and more specifically babies and infants, are more likely to be in vulnerable households in the PRS. Older people in the bottom one third of incomes are more commonly living in the social rented sector and owner occupation. Being in more than one vulnerability group is experienced by a similar proportion of households across tenures but, as will be seen in the next chapter, the incidence of problems is more commonplace amongst the privately renting groups.



## 5. Incidence of the Three Types of Harm by Tenure

### Introduction

The study set out to test the degree to which households deemed to be vulnerable experienced particular problems associated with renting privately. This final section draws together a statistical analysis that demonstrates the degree to which the groups identified as vulnerable experienced three harms that are readily quantifiable.

### The incidence of harm, by tenure

Table 5.1 summarises the extent of the three quantified problems by tenure, and whether households are in the bottom one third of equivalised BHC incomes. Key findings from the table include:

- There was little difference between vulnerable and non-vulnerable groups in non-compliance with DHS for social renters (15 per cent and 14 per cent). Vulnerable private renters were more likely to be in housing not meeting DHS (33 per cent) compared with non-vulnerable households (27 per cent);
- AHC poverty was more marked for all renters. In the vulnerable category, 76 per cent were in AHC poverty compared with 28 per cent of owner occupiers and 55 per cent of social renters. In the non-vulnerable category, seven per cent of private renters were in AHC poverty compared with 1 per cent in the other tenures;
- A similar proportion across all renting tenures were in housing that had fewer bedrooms than needed according to the bedroom standard; vulnerable tenants in both groups were around twice as likely to be overcrowded than tenants not in the vulnerable group.
- Taking all problems together, 86 per cent of private renters in the vulnerable category had at least one problem compared with 54 per cent of owner occupiers and 36 per cent of social renters in the vulnerable category.
- The experience of problems remained high for renters in the non-vulnerable category: 35 per cent experienced at least one problem, compared with 26 per cent of owner occupiers and 19 per cent of social renters.

**Table 5.1: Extent of the three problems by tenure and by whether households are vulnerable in the bottom one third of equivalised BHC incomes**

Type of problem and whether households are vulnerable in the bottom one third of BHC incomes			Owner occupation (%)	Social rented (%)	Private rented (%)	All tenures (%)
Decent Homes Standard	Vulnerable households	Decent	75	85	67	76
		Not decent	25	15	33	24
	Not vulnerable	Decent	83	86	73	82
		Not decent	17	14	27	19
	All	Decent	81	85	71	80
		Not decent	19	15	29	20
AHC poverty	Vulnerable households	Not poverty	72	45	24	53
		AHC poverty	28	55	76	47
	Not vulnerable	Not poverty	99	99	93	98
		AHC poverty	1	1	7	2
	All	Not poverty	92	67	66	83
		AHC poverty	8	33	34	17
Bedroom standard	Vulnerable households	Pass standard	96	89	90	93
		Fail standard	4	11	10	7
	Not vulnerable	Pass standard	99	95	96	98
		Fail standard	1	5	4	2
	All	Pass standard	98	92	93	96
		Fail standard	2	8	7	4
Any of the three problems	Vulnerable households	No problem	54	36	14	39
		1+ problem	46	64	86	61
	Not vulnerable	No problem	81	81	65	78
		1+ problem	26	19	35	22
	All	No problem	74	54	45	65
		1+ problem	26	46	55	35

Source: Analysis of EHS datafiles 2012 & 2013.

Note: The housing cost deducted in the EHS to give an after housing costs net income comprises the rent for private and social renters, and mortgage interest payments for owner occupiers. Council tax is deducted from the before housing costs income. Information on other housing costs, such as water rates and ground rent or service charges, is not collected in the survey.

It is notable that amongst the three problems identified, living in property not meeting the bedroom standard was the problem encountered least often by the privately renting households in any of the vulnerability categories. It is possible that tenants on lower incomes are better able to make a case for housing where gross overcrowding takes place, although there may be an extended wait in some locations for property to become available. This was certainly the housing experience of many social housing tenants who were interviewed as part of the g15 Real London Lives project.<sup>93</sup> However, one implication is that it is more likely that babies and infants will spend a protracted period in the PRS, where property conditions may be below DHS standard.

Issues of property standards are commonplace in the PRS irrespective of household income. Overall, 29 per cent of all privately rented property is judged to be non-decent. This proportion is the same for the lower income group. This fact runs counter to the expectation that lower income households are living in worse quality property although this report uses a simple binary compliant/non-compliant measure. There are issues relating to choice and toleration that guide private renters' decisions about the quality of properties they are willing to accept. Higher-income renters may tolerate lower standards – perhaps as a trade-off for desirable location – but lower-income renters have little choice.

By far the biggest problem facing vulnerable households is the incidence of AHC poverty. Table A3 (in the Appendix) indicates that 43 per cent of households were in BHC and AHC poverty, and a further 45 per cent were not in BHC poverty but shifted into AHC. Eleven per cent of renters in the bottom one third income group were in neither BHC nor AHC poverty.

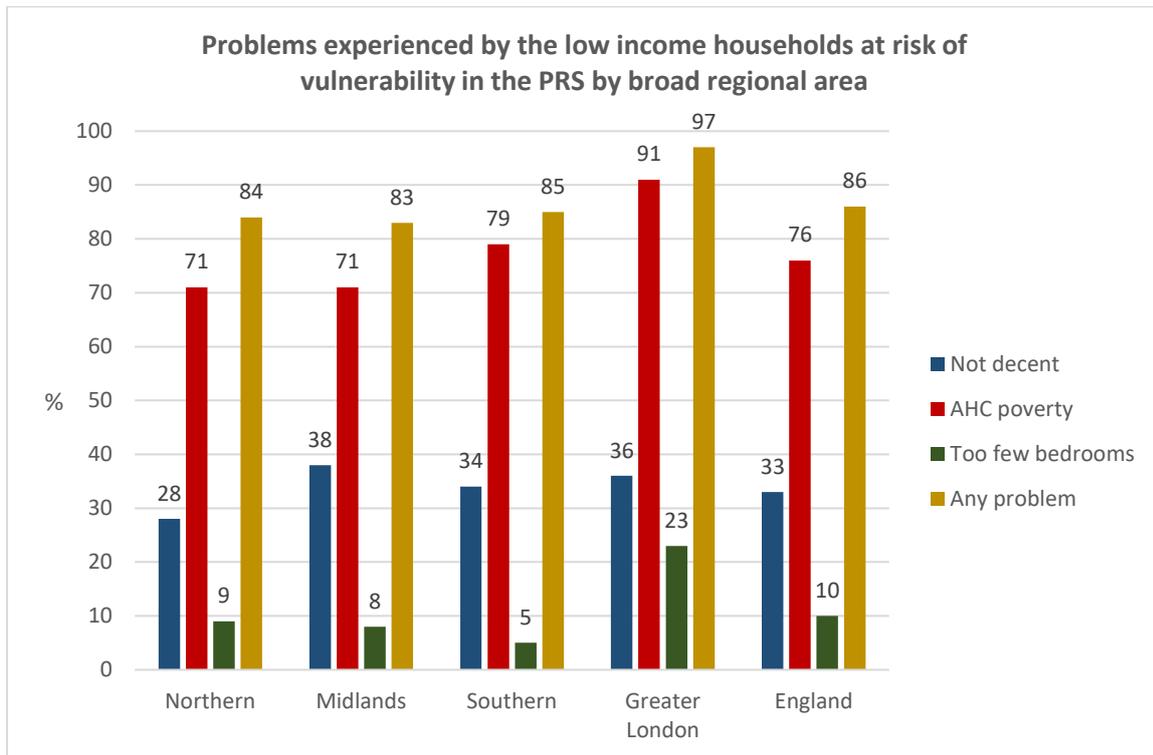
### Incidence of harm, by region

Chart 5.1 indicates that there is some regional variation in the incidence of the three principal harms. As might be expected, AHC poverty and too few bedrooms are both problems that are more marked in London than elsewhere although, notably, AHC poverty is an issue for over 70 per cent of low income households in all regions. Property conditions are, proportionally, a bigger issue in the Midlands compared with other broad regions.

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<sup>93</sup> Rugg, J. and Kellaher, L. (2014) *Living a Life in Social Housing: A Report from the Real London Lives Project*, York: Centre for Housing Policy.

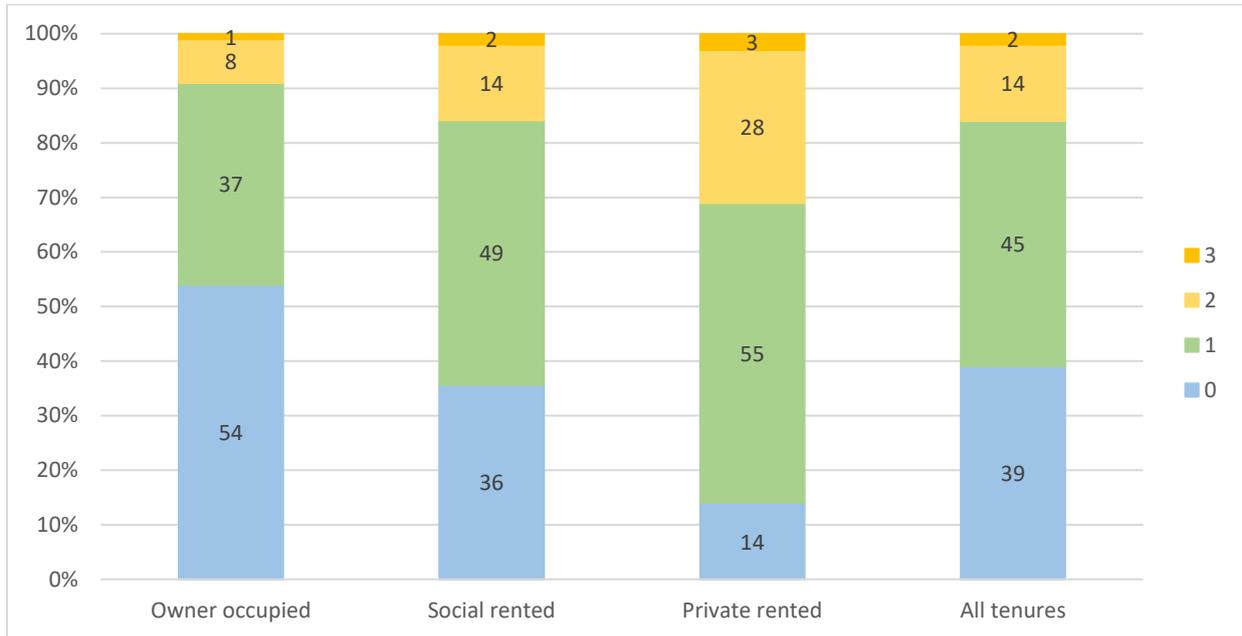
**Chart 5.1: Problems experienced in the PRS by the low income households at risk of vulnerability by broad regional area**



### The experience of multiple problems

Compared with the other tenures, the vulnerable households in the PRS most commonly experienced multiple problems (Chart 5.2). Thirty-one per cent of the vulnerable PRS households had two or more of the three problems, compared with 16 per cent of the vulnerable social renters, and nine per cent of the vulnerable owner occupiers.

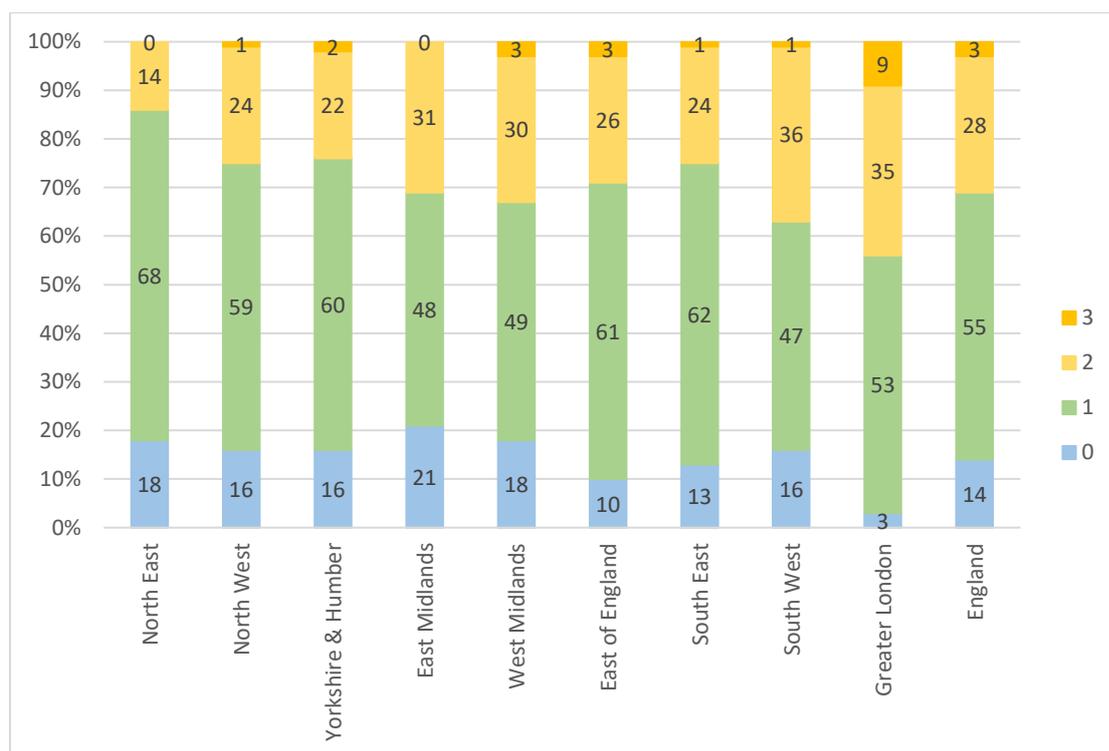
**Chart 5.2: Number of problems experienced by the vulnerable households in each tenure**



### Incidence of harm, by region

Chart 5.3 shows the extent to which the vulnerable households in the PRS experienced any of the three problems within each region. Greater London was notable in that almost all vulnerable PRS households in the region experienced at least one of the three problems (97 per cent). The region also had the highest level of vulnerable households with multiple problems (44 per cent), defining it as a region of households with multiple vulnerabilities experiencing multiple problems. The North West region, in contrast, had the lowest level of multiple problems experienced by the vulnerable PRS households.

**Chart 5.3: Number of problems experienced by vulnerable households in the PRS**



### Impact on disposable income

It is essential to understand the enhanced incidence of AHC poverty, to give an understanding of the differential experiences of low-income tenants in the PRS. Table 5.2 shows disposable net household income after housing costs have been deducted (that is, private and social rents, and mortgage interest payments for owners buying with a mortgage or loan). The AHC figures are equivalised incomes, and they have been inflated from 2012 and 2013 to July 2018 prices.

The table shows that households living in the private rented in the bottom one third of incomes on average had the lowest equivalised AHC net incomes, of £182 per week. The comparable figure for social rented tenants was £223 per week, and for owner occupiers it was £280 per week. These income figures reduce within each of the three tenures for those households in the bottom one third of incomes experiencing any of the three problems. For such households in the social rented sector the net disposable income figure reduced to £189 per week, for the owner occupiers it reduced to £221 per week, and for the private tenants it reduced to £164 per week - amounts which would need to cover the housing-related costs of water rates and the other utilities, in addition to other household essentials.

**Table 5.2: Disposable average weekly income**

Table 5.2: Disposable average weekly income				
Income band and tenure		Disposable income <sup>1</sup> (£pwk)	Whether any of the three problems	Disposable income <sup>1</sup> (£pwk)
Bottom 1/3 <sup>2</sup>	Owner occupied	280	Problem	221
			No problem	312
	Social rented	223	Problem	189
			No problem	273
	Private rented	182	Problem	164
			No problem	269
All	240	Problem	194	
		No problem	288	
Upper 2/3 <sup>3</sup>	Owner occupied	602	Problem	549
			No problem	616
	Social rented	396	Problem	377
			No problem	403
	Private rented	448	Problem	395
			No problem	474
All	551	Problem	497	
		No problem	570	
All incomes	Owner occupied	512	Problem	373
			No problem	555
	Social rented	276	Problem	328
			No problem	276
	Private rented	312	Problem	207
			No problem	431
All	421	Problem	239	
		No problem	495	

Source: analysis of EHS 2012 & 2013

<sup>1</sup> Equivalised median AHC weekly income, inflated to July 2018. Housing costs deducted to give the AHC figure comprise the rent for private and social tenants, and the mortgage interest payments for owners buying with a mortgage or loan. <sup>2</sup> Bottom one third of equivalised BHC incomes. <sup>3</sup> Upper two thirds of equivalised BHC incomes.

## Conclusion

This chapter has summarised analysis of the incidence of harm across the vulnerable groups that have been identified. Experience of harms differs across tenures, and across geographies. AHC poverty is the issue that affects most private renters in the bottom one third of incomes. Property conditions are similarly non-compliant across both income categories, and the incidence of households in accommodation with fewer bedrooms than required by the bedroom standard affects a small minority. There is substantial regional variation in the experience of multiple harms, although the 'mix' of harms is likely to differ in each location. Households in the bottom one third income bracket, and experiencing the

three harms highlighted in this report have a disposable income that is notably lower than equivalent households in either social rented housing or owner occupation.

## 6. Conclusions

This report has focussed on the experiences of tenants in the PRS with incomes in the bottom one third bracket. These are households that are least capable economically of evading problems that can be associated with private renting, including insecurity, affordability and poor property conditions. A number of groups have vulnerabilities in addition to economic exclusion, and which mean that harm from these problems will be intensified. This final chapter draws together key conclusions from the report, and includes some additional commentary from the three appendix tables which collate a selection of overview statistics.

### Characterising vulnerability

In the bottom one third income group, tenure is distributed differently, as might be expected. The SRS is the largest 'low-income' tenure, but 38 per cent of households in the PRS are within the bottom income one third of all households in England. Much of this report underlines an understanding that the PRS is accommodating a large percentage of households whose circumstances would be materially improved – in terms of poverty and housing conditions – if they lived in the social rented sector. This group includes households with babies and infants, where the impacts of a poor start – in damp, unsafe and cold housing – are likely to carry lifelong health impacts.

There were some differences within the PRS in terms of whether households were or were not in the bottom one third of incomes and affected by any of the problems. Younger households were disproportionately affected: 20 per cent of the vulnerable households had a HRP aged from 16 to 24, compared with ten per cent amongst the remaining PRS households (Table A1). In contrast, households with a HRP aged from 25 to 34 were less likely to have been vulnerable than not (26 per cent compared with 42 per cent).

The vulnerable households in the bottom income one third had a working HRP half as often as within the rest of the PRS (43 per cent were in full or part-time work compared with 86 per cent of other HRPs). Almost all households with an unemployed HRP were vulnerable, and the great majority of households with a HRP classified as 'other inactive' (which includes those who were looking after the home or caring for someone) were vulnerable.

### Quantifying harm

Tenants living in the PRS were most likely to be experiencing at least one harm. This was the case for 86 per cent within the bottom one third of incomes. By comparison, 64 per cent of social renters and 46 per cent of owners in the bottom third income group were experiencing one of the harms identified. In total, this figure of 86 per cent amongst the bottom end of the PRS equates to 33 per cent of the entire sector.

The figure for social housing is higher, given the greater size of this group within the bottom one third of incomes, and its higher proportion of households falling into

disabled/sickness categories. Twelve per cent of owner occupiers experiences at least one of the specified harms. The incidence of harm was highest within the Greater London region, where 97 per cent of PRS households in the vulnerable categories experienced at least one harm.

## Mediated tenancies

The PRS is a market where there is a clear concern to mitigate risk for investors at an individual, business or institutional level. Social housing has a remit to meet the needs of households that would not necessarily thrive in the open housing market, either because of a lack of income or because of the particular demographic and health characteristics of those households. However, it is evidently the case that many of those sorts of household rent privately. Such households are facing higher levels of insecurity as a consequence of reliance on benefit and higher levels of property disrepair. This situation is likely to worsen as the number of vulnerable households reliant on the PRS increases.

Although it is difficult to quantify using the measures adapted here, the relationship between vulnerability and temporary accommodation is particularly strong. In many areas local authorities are placing the most vulnerable households in the most problematic part of a problematic housing market. Social housing providers are themselves exacerbating this trend, in implementing allocation measures that actively preclude households with multiple vulnerabilities.<sup>94</sup> Households falling into rent arrears in the social sector will be materially worse off in the private rented sector, with less disposable income to resolve accrued debt. Tenants in some types of mediated tenancy are in a demonstrably worse position as a consequence, and may have been better off securing PRS accommodation independently.

## Financial precarity

Questions asked in the EHS relating to aspects of financial precarity underline key differences between the vulnerable households and the households in the non-vulnerable category (Table A3). Vulnerable households in the PRS find it difficult to keep warm: 28 per cent disagreed with the statement, 'can you normally keep comfortably warm in your living room'. The proportion disagreeing with the statement was 18 per cent amongst the other PRS households. Forty-six per cent of the vulnerable households found it fairly or very difficult to meet their heating/fuel costs, compared with 22 per cent of other private renters.

In terms of rental payments, the vulnerable private tenants (who were not currently in arrears) had been in rent arrears over the past year four times as frequently as amongst the rest of the sector. Currently, seven per cent of vulnerable renters were in rent arrears, compared with three per cent amongst the other PRS households. Nineteen per cent of the

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<sup>94</sup> Rowe, S. and Wagstaff, T. (2017) *Moving On: Improving Access to Housing for Single Homeless People in England*, London: Crisis, 44ff.

vulnerable households had some savings, compared with 44 per cent amongst the other PRS households.

## Satisfaction

It is difficult to interpret evidence around tenant satisfaction with the tenure. Despite their differing experiences, the vulnerable and non-vulnerable households in the PRS did not express widely differing levels of satisfaction either with the private rented tenure as a good way of occupying a home, or with the housing services provided by their landlord: similar proportions of both groups expressed satisfaction or dissatisfaction (Table A1). Likewise, levels of overall satisfaction with the accommodation, and satisfaction with the repair and maintenance of the home, were broadly the same amongst the two groups of private tenants (Table A2).

It is important to consider such information, however. High levels of satisfaction might be considered adequate evidence that, overall, tenants are reasonably happy with their lot in the private rented sector. However, the findings in this report bring into question the value of subjective measures of satisfaction, since it is unclear the extent to which tenant satisfaction may be based on low expectations of what might be secured within the PRS.<sup>95</sup> Similarities in satisfaction levels between the two groups of private tenants underline the importance of using more objective measures to identify and quantify vulnerability within the PRS.

## An Evolving PRS

This report is a companion to the authors' *An Evolving Private Rented Sector: Its Contribution and Potential*, which has made substantive recommendations that relate to regulation of the PRS, and the potential of the PRS to meet the needs of tenants who might otherwise be living in social housing. This report indicates that the PRS accommodates a large minority of households in the lowest income bracket, and whose household characteristics place them at enhanced risk of harm. It is possible, then, to conclude that the PRS cannot currently be regarded as an adequate proxy tenure for social housing. This is particularly the case given the increased financial disadvantage experienced by tenants in the PRS compared with similar households living in social housing. Put simply, living in the PRS means that households already struggling have to struggle even harder. Living in the PRS means that households on the lowest incomes have less disposable income, and are much more likely to be living with a Category 1 health hazard than similar households living in social housing.

*An Evolving Private Rented Sector* makes strong recommendations regarding the regulation of property conditions in the PRS. The strength of these recommendations is based largely on qualitative evidence of the impacts of health hazards in PRS properties evidenced in many of the reports referred to here. A period of renting privately is part of most peoples'

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<sup>95</sup> Ipsos MORI (2018) *Private Renters' Customer Journeys*, London: Which?, 33.

housing biographies. Twenty per cent of PRS households contain newborn babies and toddlers, a higher proportion than the other two tenures, and there are concerns relating to health impacts of damp and poorly insulated properties on the very young, particularly when the length of time lived in private renting might become more protracted.

## Conclusion

This report has undertaken the task of attempting to establish the incidence of vulnerability in the PRS. In taking a quantitative approach, the analysis has perforce concentrated on those elements of vulnerability that are readily and robustly quantifiable, using existing datasets. The research has followed a review of largely qualitative documentation on the experiences of tenants in the PRS, and a broad understanding of how the sector operates, as guided by the larger Review accompanying this report. It is not appropriate to conclude that all renters are in some sense vulnerable, simply as a consequence of their status as renters.

This report has focussed on households on the bottom one third of incomes, which comprises 38 per cent of private renting households. At this bottom end of the sector, tenants are spilt into two near identical halves of benefit dependent and non-benefit dependent households. The PRS houses a substantial proportion of the youngest families, and – increasingly – babies and infants, which may be more susceptible to the long-term impacts of poor housing conditions. A failure to meet the DHS is not markedly more common for tenants in the bottom third income group. It can therefore be concluded that improvements in income, and a shift upwards into the top two-thirds income group, will mean that many families may still remain living in a non-DHS compliant property.

The report has drawn very broad inferences, and because there is insufficient data to allow robust analysis has been unable to explore the circumstances of groups whose experiences are known to be far worse than average, including households in temporary accommodation, and migrants.

The report estimates that 33 per cent of all private renters fall into at least one of the vulnerable category groups, and experience at least one of the three measurable harms. This proportion equates to around 1.4 million private renting households (in 2012 & 2013). A high proportion of renters fall into multiple vulnerability categories, and experience more than one of the three forms of harm. These harms amount to a considerable degree of precarity, in enhancing the risk of arrears and eviction, and poor health outcomes. The report questions the value of regarding the PRS as an adequate proxy for social housing, and endorses the strong stance on regulation published in the companion review, *An Evolving Private Rented Sector*.

## Appendix: Tables

**Table A1: Household and HRP characteristics of vulnerable households in the PRS**

Table A1: Household and HRP characteristics of vulnerable households in the PRS				
Household & HRP characteristics		Private rented households (%)		
		Vulnerable low income groups <sup>1</sup>	Other PRS households <sup>2</sup>	All PRS
Household type	Single	27	24	25
	Couples	14	34	26
	Couples + children	28	18	22
	Lone parents	18	9	13
	Other	13	16	14
HRP age	16-24	20	10	13
	25-34	26	42	36
	35-44	22	21	22
	45-54	19	14	15
	55-64	8	7	7
	65+	6	7	7
HRP economic status	FT working	31	77	60
	PT working	12	9	10
	Retired	8	6	7
	Unemployed	18	1	7
	FT education	10	2	5
	Other inactive	22	5	11
Length of residence at current address	<1 year	36	33	34
	1 to <2 years	18	23	21
	2 to <3 years	14	12	13
	3 to <5 years	12	15	14
	5 to <10 years	12	11	11
	10+ years	9	7	9
Previous tenure	PRS	66	66	66
	Owner occupation	8	14	12
	Social rented	10	5	7
	Parental home/other	16	15	15
Satisfaction with tenure <sup>3</sup>	Strongly agree	20	15	17
	Tend to agree	35	36	36
	Neither	23	24	24
	Tend to disagree	14	19	17
	Strongly disagree	8	7	7
Satisfaction with serviced provided by landlord <sup>4</sup>	Very satisfied	34	37	37
	Fairly satisfied	31	33	32
	Neither	15	15	15
	Fairly dissatisfied	11	8	9
	Very dissatisfied	10	7	8

<sup>1</sup> The six groups of vulnerable households in the PRS in the bottom one third of BHC equivalised incomes and experiencing one or more of the three harms. <sup>2</sup> All other PRS households that are not within those specified under note 1. <sup>3</sup> The EHS asked: Taking everything into account, to what extent do you personally agree that being a private renter [or other tenures as applicable] is a good way of occupying a home? <sup>4</sup> The EHS asked: Taking everything into account, how satisfied are you with the housing services provided by your landlord?

Source: Analysis of EHS datafiles 2012 & 2013.

**Table A2: Property characteristics of vulnerable households in the PRS**

Table A2: Property characteristics of vulnerable households in the PRS				
Property characteristics		Private rented households (%)		
		Vulnerable low income groups <sup>1</sup>	Other PRS households <sup>2</sup>	All PRS
Broad area type	Urban centres	41	33	35
	Suburban residential	49	54	53
	Rural	11	14	13
Year of dwelling construction	Pre 1919	38	30	32
	1919-1944	15	15	15
	1945-1964	12	10	11
	1965-1984	18	20	20
	1985+	17	24	22
Presence of smoke alarm	Yes	86	92	90
	No	14	8	10
Property type	Terraced house	43	30	35
	Semi-detached house	14	16	16
	Detached/bungalow	8	11	11
	Converted flat	13	12	12
	Purpose built flat	22	30	27
Extent of double glazing	None	8	12	10
	Less than half	6	5	5
	More than half	14	9	10
	Complete	73	74	74
Window and door security	Secure	72	76	75
	Not fully secure	28	24	25
Satisfaction with accommodation	Very satisfied	37	41	40
	Fairly satisfied	40	43	42
	Neither	7	6	6
	Fairly dissatisfied	10	8	8
	Very dissatisfied	6	3	3
Satisfaction with repairs & maintenance <sup>3</sup>	Very satisfied	33	37	37
	Fairly satisfied	29	30	29
	Neither	13	13	13
	Fairly dissatisfied	13	12	13
	Very dissatisfied	11	8	9
Area satisfaction	Very satisfied	48	57	54
	Fairly satisfied	36	31	33
	Neither	6	5	5
	Fairly dissatisfied	5	5	5
	Very dissatisfied	5	2	3

<sup>1</sup> The six groups of vulnerable households in the PRS in the bottom one third of BHC equivalised incomes and experiencing one or more of the three harms. <sup>2</sup> All other PRS households that are not within those specified under note <sup>1</sup>. <sup>3</sup> The EHS asked: Overall, how satisfied or dissatisfied are you with the way your agent/your landlord repairs and maintains your home?

Source: Analysis of EHS datafiles 2012 & 2013.

**Table A3: Financial characteristics of vulnerable households in the PRS**

Table A3: Financial characteristics of vulnerable households in the PRS				
Financial characteristics		Private rented households (%)		
		Vulnerable low income groups <sup>1</sup> (%)	Other PRS households <sup>2</sup> (%)	All PRS (%)
If can keep warm <sup>3</sup>	Yes	72	82	79
	No	28	18	21
	Total	100	100	100
How easy to meet heating/fuel costs	Very easy	9	21	16
	Fairly easy	25	37	34
	Neither	21	19	20
	Fairly difficult	29	17	21
	Very difficult	17	5	9
	Total	100	100	100
Ease of paying the rent	Very easy	10	23	19
	Fairly easy	41	52	49
	Fairly difficult	31	20	24
	Very difficult	18	5	9
	Total	100	100	100
If up to date with rent	Yes	93	97	96
	No	7	3	4
	Total	100	100	100
If arrears over last year <sup>4</sup>	Yes	12	3	6
	No	88	97	94
	Total	100	100	100
If any savings	Yes	19	44	34
	No	81	56	66
	Total	100	100	100
BHC and AHC poverty status	Not BHC: In AHC	45	0	19
	Not BHC: Not AHC	11	100	66
	In BHC: In AHC	43	0	14
	In BHC: Not AHC	1	0	1
	Total	100	100	100

<sup>1</sup> The six groups of vulnerable households in the PRS in the bottom one third of BHC equivalised incomes and experiencing one or more of the three harms. <sup>2</sup> All other PRS households that are not within those specified under note <sup>1</sup>. <sup>3</sup> The EHS asked: During the cold winter weather, can you normally keep comfortably warm in your living room? <sup>4</sup> This question was asked of respondents who were not in current rent arrears.

Source: Analysis of EHS datafiles 2012 & 2013.

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