

Private Rented Sector

October 2024



The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

An electronic copy of this document can be found on the Senedd website:
www.senedd.wales/SeneddHousing

Copies of this document can also be obtained in accessible formats including Braille, large print, audio or hard copy from:

Local Government and Housing Committee
Welsh Parliament
Cardiff Bay
CF99 1SN

Tel: **0300 200 6565**

Email: **SeneddHousing@senedd.wales**

Twitter: **[@SeneddLGHousing](https://twitter.com/SeneddLGHousing)**

© Senedd Commission Copyright 2024

The text of this document may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading or derogatory context. The material must be acknowledged as copyright of the Senedd Commission and the title of the document specified.

Private Rented Sector

October 2024



About the Committee

The Committee was established on 23 June 2021. Its remit can be found at:
www.senedd.wales/SeneddHousing

Current Committee membership:



**Committee Chair:
John Griffiths MS**
Welsh Labour



James Evans MS
Welsh Conservatives



Lesley Griffiths MS
Welsh Labour



Siân Gwenllïan MS
Plaid Cymru



Altaf Hussain MS
Welsh Conservatives



Lee Waters MS
Welsh Labour

The following Members attended as substitutes during this inquiry:



Janet Finch-Saunders MS
Welsh Conservatives

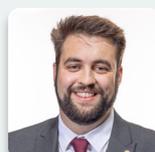


Mabon ap Gwynfor MS
Plaid Cymru

The following Members were also members of the Committee during this inquiry:



Jayne Bryant MS
Welsh Labour



Luke Fletcher MS
Plaid Cymru



Joel James MS
Welsh Conservatives



Sam Rowlands MS
Welsh Conservatives



Jack Sargeant MS
Welsh Labour



Carolyn Thomas MS
Welsh Labour

Contents

Chair’s foreword	7
Recommendations and conclusions	8
Introduction	11
Evidence gathering	11
1. Legislative and policy context and vision	13
Key legislation.....	13
Policy and vision	13
Our view.....	16
2. Supply, quality and affordability	17
Supply.....	17
Data	17
Landlord exit.....	18
Build-to-rent	18
Impact on different groups.....	20
Quality.....	23
Data and tenants’ experiences.....	23
Impact of the <i>Renting Homes (Wales) Act 2016</i> (“the 2016 Act”) on conditions	24
Energy efficiency.....	26
Welsh Housing Quality Standard	27
‘Property MOTs’	28
No-fault evictions.....	29
Affordability.....	31
Data and tenants’ experiences.....	31
Low income renters and local housing allowance.....	32

Addressing affordability issues.....	33
Our view	36
Supply.....	36
Quality.....	38
Affordability.....	40
3. Challenges facing landlords.....	41
Regulatory change and uncertainty.....	41
Tax changes and increased costs.....	42
Our view	43
4. Partnership working between social and private landlords ...	45
Tenants with support needs.....	45
Communication.....	46
Leasing Scheme Wales	46
‘Rent rescue’ (acquisitions to prevent homelessness)	48
Duty to review tenants at risk of homelessness.....	49
PRS landlords receiving Housing Support Grant (“HSG”).....	50
Other forms of social-private partnership working.....	52
Our view	52
5. Barriers to accessing the private rented sector.....	55
Discrimination.....	55
Renters (Reform) Bill Legislative Consent Memorandum.....	57
Financial barriers for young people, key workers and vulnerable groups	59
No pets policies	61
Proposals for legislative change.....	64

Our view	66
6. Regulation of the PRS	71
Local authority enforcement	71
Enforcement capacity and resources.....	72
Rent Smart Wales.....	74
Proposals for change	76
Our view	78
7. Data on the PRS	81
Size and make-up of the PRS.....	81
Welsh Housing Survey	83
Data on rents.....	85
Other data requests.....	86
Our view	87
List of oral evidence sessions	89
List of written evidence	91
Additional information	92

Chair's foreword

Having a safe place to call home, whether rented or owned, is an important part of ensuring that people can live happy, healthy and fulfilling lives. We know that owning their own home is currently out of the reach of many and with demand for social housing exceeding supply, the private rented sector plays a crucial role in providing homes for an increasing number of people.

The private rented sector has to work for everyone – tenants and landlords. Landlords need to have confidence that their role is valued and tenants need the security and assurance of knowing that they have a stable home which is affordable and of good quality.

This report which focuses on the private rented sector is part of a series of inquiries this Committee has undertaken as part of our over-arching priority of the delivery and availability of appropriate housing in Wales. I believe that the recommendations we've made in this report can contribute to making sure that the private rented sector meets the needs of all those who rent or own the properties.

I would like to thank everyone who has contributed to this inquiry.

John Griffiths MS

Chair, Local Government and Housing Committee

Recommendations and conclusions

Recommendation 1. We recommend that the Welsh Government publishes by October 2025 a concise statement outlining its vision for the role of the private rented sector in the short and longer terms in meeting housing need in Wales, and outlines how it will use the statement to provide focus for Welsh Government policy, legislation and spending. Page 16

Recommendation 2. The Welsh Government should work with stakeholders to put in place training and education for landlords and tenants on the grants and support available through the rapid response adaptations programme.Page 37

Recommendation 3. We recommend that the Welsh Government considers how a register of accessible accommodation available to rent privately could be introduced. This should include whether the register for accessible social housing properties proposed the Welsh Government’s White Paper could be extended to private sector properties.....Page 37

Recommendation 4. The Welsh Government, in its response to our report, should set out clear timescales and milestones for the reviews referred to in the commitment in the Welsh Housing Quality Standard to extend the Standard to other housing types and tenures. This should include details of when reviews will take place, what such reviews will consider, and how decisions will be taken on whether and when to extend the Standard to the private rented sector..... Page 38

Recommendation 5. The Welsh Government should work with Rent Smart Wales to develop a property MOT for fitness for human habitation for use as part of the licensing regime. The Welsh Government should, in its response to our report, commit to providing us with annual progress updates on the development and implementation of the MOT, including whether it will be ready in sufficient time for use in the next landlord registration cycle (due to begin in late 2026).
..... Page 38

Recommendation 6. The Welsh Government should explore the feasibility of enabling tenants who are subject to no-fault evictions to retain the last two months’ rent of their tenancy as compensation for the financial and wellbeing impact of a forced move, and write to us by April 2025 to set out its conclusions.
..... Page 40

Recommendation 7. The Welsh Government should outline what steps are being taken to ensure that the remaining five local authorities become part of the Leasing Scheme Wales. This should include timescales by when the Welsh

Government intends that all 22 local authorities will be part of the Scheme, and, if any local authority indicates that it does not intend to participate, details of the reasons and the alternative arrangements that local authority will put in place to achieve the equivalent ends.....Page 53

Recommendation 8. The Welsh Government should review how many private sector landlords receive Housing Support Grant for tenants who have support needs, and take steps to review and promote examples of good practice within the sector.Page 54

Recommendation 10. The Welsh Government should regulate to address the financial and bureaucratic barriers that tenants may face when they apply for a home, such as guarantor requirements, and requirements for multiple months' rent in advance. Page 67

Recommendation 11. The Welsh Government must urgently outline how it intends to extend tenants' rights to have a pet in to contracts, including whether it will bring forward legislation to end this discrimination..... Page 69

Recommendation 12. The Welsh Government should set out how it will work with local government to increase local authority inspection capacity to improve housing standards in the private rented sector, including actions to address long-term recruitment shortages in environmental health. Page 79

Recommendation 13. The Welsh Government should explore the use and effectiveness of local authorities' compulsory purchase powers as a means of discouraging persistent bad practice by landlords, with a view to encouraging their wider use if considered effective. This should include consideration of the legal advice available to local authorities and the progress made in establishing a regional or national source of legal expertise to advise on compulsory purchase powers. Page 79

Conclusion 1. The Welsh Government should, as part of its White Paper on Housing Adequacy and Fair Rents, take account of the oral and written evidence presented to us in response to our inquiry on the Private Rented Sector as it develops its proposals and makes decisions on the next policy and legislative steps. Page 16

Conclusion 2. We intend to write to the Welsh Government to request that, once sufficient evidence is available, the appropriate Cabinet Secretary provides an update to the Senedd outlining the impact of the measures that have been put in

place to discourage landlords from transferring properties to the holiday lets markets..... Page 36

Conclusion 3. We believe that the Welsh Government should explore the feasibility of developing a statutory ratings scheme for letting agents to encourage improvements in housing standards and inform tenants' choices.....Page 80

Conclusion 4. In light of the concerns raised with the reliability of the data held by Rent Smart Wales, the Welsh Government should not depend on the accuracy of this data providing an up to date picture of the private rented sector in Wales. Page 87

Conclusion 5. We recognise the benefits of introducing a household conditions survey in improving the data available on the housing stock in Wales. We therefore welcome the commitment by the Welsh Government to undertake scoping work on this during the 2024-25 financial year, and would be grateful for an update from the Cabinet Secretary once this scoping work has been completed..... Page 87

Conclusion 6. We believe that the Welsh Government should provide an update on its plans relating to collecting PRS rent data, and whether there could be a role for Rent Smart Wales in this..... Page 88

Introduction

- 1.** One of the Committee’s agreed overarching priorities for the Sixth Senedd is to consider the delivery and availability of appropriate housing in Wales. On 14 December 2022, we agreed to undertake a number of inquiries focusing on housing provision across different sectors.
- 2.** On 23 March 2023, we agreed the following terms of reference for an inquiry into the private rented sector (“the PRS”):
 - The supply, quality and affordability of accommodation in the private rented sector;
 - The challenges currently facing private sector landlords;
 - The opportunities for greater partnership working between social and private landlords;
 - Barriers to accessing the PRS including challenges facing young people and people with pets;
 - How effectively the PRS is regulated; and
 - The availability of data on the PRS and how it can be improved.

Evidence gathering

- 3.** We gathered written evidence and held oral evidence sessions with stakeholders. A public consultation was launched on 30 March and closed on 19 June 2023. We received 30 responses to the consultation.
- 4.** Due to legislative commitments, we were unable to hear oral evidence until spring 2024. We heard oral evidence from stakeholders on 29 February, 6 March and 13 March and from Julie James MS, the then Cabinet Secretary for Housing, Local Government and Planning (“the then Cabinet Secretary”), on 24 April.
- 5.** We held two focus groups with landlords and tenants on 22 March 2024 to hear about their lived experiences. The Senedd’s Outreach Team held a further online session with tenants on our behalf. Six landlords and thirteen tenants participated in the focus groups. A summary of our engagement work can be found on our website.¹

¹ Local Government and Housing Committee, Summary of engagement activity, 24 April 2024

6. We are grateful to everyone who took part in the inquiry. Details of all evidence gathered can be found in the Annex to this report.

1. Legislative and policy context and vision

Key legislation

7. Part 1 of the *Housing (Wales) Act 2014* (“the 2014 Act”) established a mandatory registration and licensing scheme for private landlords and letting agents in Wales. Licensed landlords and agents must pass a fit and proper person test and undertake mandatory training. The scheme is administered by Rent Smart Wales. As of May 2024 there are more than 103,000 landlords registered under the scheme, letting out 215,000 properties, and more than 47,000 managing agents and landlords have licences.

8. On 15 May 2019 the *Renting Homes (Fees etc.)(Wales) Act 2019* (“the 2019 Act”) came into force. The 2019 Act regulated fees to tenants from letting agents, prohibiting all charges apart from rent, security deposit, a week’s holding deposit and default payments.

9. On 1 December 2022 the *Renting Homes (Wales) Act 2016* (“the 2016 Act”) and the *Renting Homes (Wales) (Amendment) Act 2021* (“the 2021 Act”) came into force. For private landlords and tenants the 2016 Act established a new default occupation contract known as the standard contract. Landlords had until 1 June 2023 to issue new written statements for all converted contracts. Also from 1 June 2023, the 2021 Act increased the minimum period of notice that must be given by a landlord to end a standard contract under a so-called ‘no-fault’ eviction from two months to six.

Policy and vision

10. The Welsh Government’s Ending Homelessness Action Plan includes a commitment to increase housing capacity in the PRS and ensure reduction of barriers for people experiencing homelessness who need to access PRS housing.

11. The Welsh Government’s June 2023 Green Paper on Fair Rents and Affordability said that the Welsh Government’s vision is that:

“Every person in Wales should be able to obtain a safe, and affordable home that meets their needs for the different stages in their lives.”²

² Welsh Government, Welsh Government Green Paper: A Call for Evidence on securing a path towards Adequate Housing – including Fair Rents and Affordability, June 2023, paragraph 1.1

12. On 9 November 2023, the then Minister for Climate Change told us that the PRS was “completely essential” within the context of meeting diverse housing needs, adding that without it:

“we wouldn’t be able to house 20-odd percent of our population.”³

13. Despite this, a clear theme throughout our inquiry has been concern about whether the Welsh Government’s policy, vision and strategy for the PRS is sufficiently clear. Issues raised included:

- A sense that the growth in the PRS over the last 25 years, including a ‘drift’ towards the PRS providing homes for people with support needs, may be more the result of accident than intentional strategic or policy choices.⁴
- Uncertainty about how the Welsh Government would define a “thriving private rented sector”⁵, and about the role the Welsh Government wants the PRS to have in meeting housing needs in the short and longer terms, including its preferred ratio between PRS and social housing.⁶
- Uncertainty about whether, in the longer term, the Welsh Government wants to improve the PRS or reduce reliance on it.⁷ We heard calls for reduced reliance on the PRS in the longer term⁸, and for a focus on a “smaller, more secure, more professional and higher quality” PRS.⁹

³ Local Government and Housing Committee, Record of Proceedings, 9 November 2023, paragraph 10; Local Government and Housing Committee, PRS 29, Shelter Cymru

⁴ For example, Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 10, 124 and 164

⁵ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 22

⁶ For example, Local Government and Housing Committee, PRS 05, Tai Pawb; Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 15; Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraphs 3, 6, 10 and 12; Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 117 and 209

⁷ For example, Local Government and Housing Committee, PRS 27, Housing Expert Panel; Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 117

⁸ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 149

⁹ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 125

- The length of time between the passing and implementation of the 2016 Act, and whether this indicated lessons needed to be learned about the impact of the process on the clarity of policy vision.¹⁰
- Whether it is appropriate for so many people with support needs to be housed in the PRS¹¹, and the extent to which there is sufficient understanding of how the PRS affects different groups, including people who have experienced domestic abuse or groups who may be marginalised or excluded.¹²

14. We heard calls, including from TPAS Cymru¹³, Paragon Bank¹⁴ and Shelter Cymru¹⁵, for the Welsh Government to develop an integrated vision for the whole housing sector. This was echoed by the Chartered Institute of Housing Cymru (“CIH Cymru”), which highlighted the interlinked nature of different parts of the housing sector.¹⁶

15. The then Cabinet Secretary told us that while the Welsh Government did not have “a particular vision for how large the sector should be”, it wanted to see “a viable private sector that works in harmony with all of the other sectors in the housing market” in order to “provide warm, affordable, decent homes for people in compliance with the Renting Homes (Wales) Act 2016”. Referring to the June 2023 Green Paper consultation on adequate housing and fair rents, she said that she expected to publish a White Paper in summer 2024 to explore these issues further.¹⁷ The Cabinet Secretary for Housing and Local Government told us on 10 October that the White Paper would be published by the end of October 2024.¹⁸

¹⁰ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 212

¹¹ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 161

¹² Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraphs 17-18

¹³ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 20

¹⁴ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 214

¹⁵ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 123

¹⁶ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 17

¹⁷ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 4

¹⁸ Local Government and Housing Committee, Record of Proceedings, 10 October 2024, paragraph 86

Our view

16. While the PRS will not be the appropriate housing option for everyone, its growth in recent years demonstrates its increasing significance and importance in helping to meet housing need and ensuring a mix of tenures.

17. We share the concerns we have heard that there is not yet sufficient clarity about the Welsh Government's overarching vision for the PRS as part of overall housing provision in the short or longer term.

18. However, while greater clarity about the Welsh Government's vision for the PRS and its role within the broader housing sector would be beneficial. At this stage, we believe requisite clarity could be achieved through the publication by the Welsh Government of a concise statement outlining its vision for the PRS in the short and longer terms. In addition to bringing clarity and certainty to the wider sector, such a statement could also provide a focus for the development and implementation of Welsh Government policy, legislation and spending.

Recommendation 1. We recommend that the Welsh Government publishes by October 2025 a concise statement outlining its vision for the role of the private rented sector in the short and longer terms in meeting housing need in Wales, and outlines how it will use the statement to provide focus for Welsh Government policy, legislation and spending.

Conclusion 1. The Welsh Government should, as part of its White Paper on Housing Adequacy and Fair Rents, take account of the oral and written evidence presented to us in response to our inquiry on the Private Rented Sector as it develops its proposals and makes decisions on the next policy and legislative steps.

2. Supply, quality and affordability

Supply

Data

19. The Welsh Government’s [dwelling stock estimates](#) give 200,100 as the number of privately rented dwellings in Wales on 31 March 2023, comprising 14 per cent of the total housing stock. [Rent Smart Wales](#) reports a higher number of dwellings: 215,943 as of August 2024. Welsh Government [data for 2022-23](#) state that there were 14,434 known houses in multiple occupation (“HMOs”) and an estimated total of 18,252 HMOs.

20. The [2021 Census](#) counted 230,825 households privately renting in Wales, representing 17 per cent of all households. This was an increase from the [2011 Census](#), in which PRS tenants accounted for 14 per cent of all households, and a further increase from the [2001 Census](#) in which PRS tenants accounted for 7 per cent of households. However, CIH Cymru questioned whether the 2021 Census data are still current, since they predate the effects of cost-of-living pressures and the implementation of the 2016 Act.¹⁹

21. There is broad consensus that housing supply across all tenures, particularly the social rented sector, needs to be increased to rebalance supply and demand. Noting that presently there are people in the PRS who would qualify for social housing, but who cannot access it due to a lack of supply, Coastal Housing Association (“CHA”) told us that rebalancing the market would require “massive investment in social housing.”²⁰

22. Many contributors to our work raised the issue of high demand for a limited supply of privately rented homes. The Welsh Local Government Association (“WLGA”) said that:

“despite the long-term growth of the private rented sector overall, many Councils are reporting that there has recently been a marked reduction in the numbers of homes in the sector being available to those in housing need.”²¹

¹⁹ Local Government and House Committee, PRS 10, Chartered Institute of Housing Cymru (CIH)

²⁰ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 29

²¹ Local Government and House Committee, PRS 26, Welsh Local Government Association

Landlord exit

23. The National Residential Landlords Association (“NRLA”) cited a member survey which found that while 73 per cent of member landlords reported an increase in tenant demand in the last quarter of 2022, four in ten said they planned to reduce the number of properties they let.²² Paragon Bank, a provider of buy-to-let mortgages, attributed landlords’ decisions to exit the sector in part to “previous policy decisions and tax changes”, compounded in some parts of Wales by “the growing popularity of short term lets and significant student populations.”²³

24. The WLGA said that a “significant number” of authorities had reported increased demand from homelessness due to “substantial increases” in no-fault evictions, driven by a number of factors including landlords wishing to exit the market. According to local authorities, landlords regularly cite the 2016 Act as a reason to sell, alongside mortgage cost increases, tax changes, perceived over-regulation, uncertainty over future energy efficiency requirements, and retirement prompting realisation of capital assets.²⁴

25. Statistics from the Ministry of Justice confirm that Wales has seen elevated possession rates in the PRS over the last two years. During 2022, courts in Wales dealt with the highest number of possession claims in the Welsh private rented sector since court records began in 1999. Claims remained at higher than historical levels during 2023, with 991 private landlord possession claims and a further 1,315 accelerated claims. The quarterly data shows a reduction in accelerated claims over the course of 2023, from 591 in January to March 2023 to 99 in January to March 2024. There was a much smaller reduction in private landlord possession claims, which were at 238 in January to March 2023 and 227 in January to March 2024. There are no definitive figures to confirm whether or not elevated evictions and associated property sales have had an impact on the size of the sector.

Build-to-rent

26. Supply in the PRS comes primarily from landlords obtaining existing properties, but Wales has also seen examples of institutional investment funding purpose-built PRS accommodation.

²² Local Government and Housing Committee, PRS 08, National Residential Landlords Association

²³ Local Government and Housing Committee, PRS 11, Paragon Bank

²⁴ Local Government and Housing Committee, PRS 26, Welsh Local Government Association

27. The previous UK Government introduced several initiatives in recent years to encourage the PRS to contribute a net increase of homes to the overall stock. However, CIH Cymru told us that it was not clear whether the Welsh Government similarly sees build-to-rent as part of the solution. They questioned whether there were sufficient incentives available to potential investors in the PRS.²⁵

28. Henry Dawson, Lecturer in Housing and Health at Cardiff Metropolitan University and a member of the Housing Expert Panel, said build-to-rent was making a contribution to housing supply in Wales, but that there were issues in terms of the uncertainty involved in such schemes, especially given the scale of investment required.²⁶ Representatives of landlords described build-to-rent as part of the broader solution for increasing supply, but cautioned that the “premium price tag” means such homes are more suited to higher-income tenants.²⁷ Mr Dawson agreed that the focus is frequently on “high-expense properties” for young professionals rather than longer-term family accommodation.²⁸ However, Care and Repair Cymru suggested that if greater consideration was given to accessible housing needs within these projects, it could help to ensure that new homes are adaptable to meeting changing needs.²⁹

29. Dr Tom Simcock of the University of Huddersfield told us that in the USA some build-to-rent investors were looking to divest and/or increase rents.³⁰ Mr Dawson suggested that there could be a role for the Welsh Government in de-risking investments by underwriting pre-build costs or guaranteeing that schemes would proceed.³¹

30. The then Cabinet Secretary acknowledged that there are less build-to-rent schemes in Wales than in England. She said that they often include associated services such as gyms, noting that this could be attractive to young professionals in places like Cardiff. She agreed that this tenure could be appropriate where it meets local needs. However, she explained that the Welsh Government did not

²⁵ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraphs 33-34

²⁶ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraphs 187 and 191

²⁷ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 227

²⁸ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 191

²⁹ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 246

³⁰ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 76

³¹ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 193

intend to incentivise build-to-rent or prioritise it over other measures to increase housing supply on the basis that:

“most of the people in crisis are not in the market for that kind of rental property.”³²

Impact on different groups

31. There was consensus that the impact of the imbalance in supply and demand is nuanced, affecting particular groups and communities in different ways. For example:

- Focus group participants told us shortages of housing in rural areas mean that “people are often priced out of their communities.”³³
- Disabled people are particularly affected by a shortage of accessible homes.³⁴ This is exacerbated by a lack of awareness among tenants and landlords about the potential for grants such as the Disabled Facilities Grant to assist with adaptations.³⁵
- ‘Generation rent’ i.e. people who are living long-term within the PRS and who are increasingly entering retirement while paying market rents (and may then require state support with their housing costs).³⁶ Care and Repair Cymru said the average age of its PRS clients was 71, but that it had worked with private tenants aged up to 100.³⁷
- Students, for whom a “shrinking rental market and growing demand is seeing increased competition amongst would-be tenants” is leading to higher rents and pushing young people into substandard living conditions.³⁸ The National Union of Students Wales (“NUS Wales”) told us about students deferring university places due to a lack of suitable accommodation, and about barriers facing students who may find it difficult to provide a UK homeowner guarantor and who may therefore

³² Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraphs 21-22

³³ Local Government and Housing Committee, Summary of engagement activity, 24 April 2024, paragraph 31

³⁴ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 25

³⁵ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraphs 212-214

³⁶ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraphs 179-180

³⁷ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 150

³⁸ Local Government and Housing Committee, PRS 07, NUS Wales

find themselves having to take out large loans in order to pay six months' rent in advance.³⁹ Focus group participants acknowledged the increasing supply of "luxury student accommodation" in Cardiff, but said such accommodation was often unaffordable.⁴⁰

- Refugees, who are given 28 days to leave their government accommodation once their right to remain in the UK is granted. Tai Pawb said that refugees face additional barriers accessing the PRS due to a lack of credit history, employment history or savings, meaning that homelessness is a greater risk.⁴¹

32. The then Cabinet Secretary acknowledged that there can be particular issues for specific groups. In respect of students, she told us that the Welsh Government had had discussions with universities and relevant local authorities, but admitted:

"Actually, I have not been terribly successful at this, but I plan to have another go."

33. She said that the Welsh Government had tried to persuade local authority planning departments to use powers to enforce standards for purpose-built PRS student accommodation to enable it to be repurposed for other tenants. Highlighting the economic and other benefits of students for cities, she explained that universities are "building their own tied student accommodation as fast as they can go as well," and that the Welsh Government is pressing local authorities to recognise this in their planning policies. The then Cabinet Secretary said that she was working with the then Cabinet Secretary for Finance, Constitution and Cabinet Office on potential levers regarding the council tax exemption for students. She concluded:

"In the end, it's about having a sustainable city with a huge mix of tenures in it, all of which are multipurpose and all of which are sustainable into the long term, so they're fit for human habitation, they have the right space standards, they have the right facilities and so on. And so, trying to persuade the local authorities that they should adhere to those standards for all types of housing, even where it's specialist, is one of the main

³⁹ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 72-73

⁴⁰ Local Government and Housing Committee, Summary of engagement activity, 24 April 2024, paragraph 30

⁴¹ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraphs 113-114

things that we're trying to persuade them of—I have to say, I can't say with any particular success so far.”⁴²

Accessible homes and adaptations

34. Tai Pawb said that broader challenges in accessing PRS homes were compounded for disabled people, who typically lack information about which properties are accessible and can struggle to find properties that are suitable. They highlighted research into people's experiences of homelessness, saying that “in some cases, this led to accidents in unsafe accommodation while in others, it meant suitable homes could not be found”.

35. Propertymark suggested that a better understanding of the housing stock across the social rented sector and the PRS, such as a database specifying the property type and any adaptations, would help local authorities to identify better and quicker solutions for vulnerable people.

36. Disabled people can face difficulties installing adaptations in PRS properties. A 2018 report from the EHRC found there was a reluctance among disabled people to ask private landlords for adaptations, due to a lack of knowledge about funding and the process involved, confusion over responsibilities, and a fear of being seen as a ‘problem’ tenant.

37. This was echoed by Care and Repair Cymru, who told us that people were often reluctant to request adaptations because they feared that if the landlord perceived that they had declining health then that would identify them as an income risk and lead to a retaliatory eviction. They said that compelling landlords to accept adaptations would have unintended consequences but there is a need to positively raise awareness of their benefits, which could be achieved through mandatory training.

38. Care and Repair Cymru explained that a disabled facilities grant (‘DFG’) is accessible to landlords and the cost does not need to be repaid. However, they highlighted that one challenge of using DFGs to adapt PRS properties is ensuring that tenants warranting the DFG actually see the benefit, citing one case study in which the landlord promptly put the property up for sale and evicted the tenant on completion of the grant work.

39. We heard that Care and Repair Cymru and Tai Pawb were creating a training programme for landlords on adaptations, including informing them about grant

⁴² Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraphs 24-26

availability and DFG access. They suggested that there was also a real opportunity for an education piece for landlords and tenants on the grants and support available through the rapid response adaptations programme.

Quality

Data and tenants' experiences

40. The most recent Welsh Government data on housing conditions comes from the 2017-18 Welsh Housing Conditions Survey, which assessed that 76 per cent of PRS homes were free from category 1 hazards under the Housing Health and Safety Rating System ("HHSRS"). The same survey found that 42 per cent of PRS homes had adequate energy performance, defined as a SAP rating of 65 or above.

41. Respondents to our written consultation described issues with the quality of accommodation, focusing mainly on cold and damp. Shelter Cymru referred to "increased concern in our case load" about damp and disrepair over the previous 12 months, and suggested that this could be linked to heightened concerns among tenants as a result of publicity surrounding the death of Awaab Ishak in December 2020.⁴³

42. Citizens Advice Cymru cited results of an online survey carried out in February 2023 which included 484 unweighted responses from private tenants in Wales. The survey found that:

- 28 per cent of private tenants in Wales felt unable to heat their home to a comfortable temperature;
- 70 per cent had experienced cold, damp or mould in their home;
- Renters living in a home rated EPC D or below were 73 per cent more likely to have experienced damp.⁴⁴

43. This was reflected in the oral evidence we heard, including examples provided by CHA of cases in which families were living in unsafe homes with category 1 hazards, but were unwilling to move out because the only alternative was B&B accommodation.⁴⁵ Shelter Cymru told us that of the 4,500 private renters it had engaged with in 2023, 24 per cent had cited damp and disrepair as an issue. They described tenant awareness of their rights, concerns about

⁴³ Local Government and Housing Committee, PRS 29, Shelter Cymru

⁴⁴ Local Government and Housing Committee, PRS 03, Citizens Advice Cymru

⁴⁵ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 41

retaliatory eviction, and enforcement as barriers, adding that caseworkers found “significant delays” getting environmental health involved.⁴⁶

44. While some of the tenants who took part in our focus groups shared examples of positive tenant/landlord relationships, many spoke either explicitly or implicitly about poor or negative relationships or communication.⁴⁷ Concerns about housing quality were shared by tenants and landlords, including:

- Tenants living in properties in a state of disrepair, experiencing a lack of responsiveness from landlords when problems arise, or fearing raising issues in case of retaliatory actions such as eviction or rent increases.
- Landlords whose tenants had failed to maintain properties to a reasonable standard or deliberately caused damage following receipt of an eviction notice.⁴⁸

45. Paragon Bank told us that 12.7 per cent of applications for lending in Wales were declined, and a third of these were declined due to condition, often because of damp or category 1 hazards in the properties. They added, however, that between 2006 and 2022 the proportion of “non-decent” properties in the PRS had reduced from 46.7 per cent to 21.1 per cent.⁴⁹

Impact of the *Renting Homes (Wales) Act 2016* (“the 2016 Act”) on conditions

46. The 2016 Act created new duties on private landlords to ensure the homes they let are fit for human habitation. As well as preventing the 29 hazards under the HHSRS this also includes installing carbon monoxide detectors and mains-wired smoke alarms, and providing Electrical Condition Reports and Gas Safety Certificates. The 2016 Act also created a new possession defence for retaliatory eviction, meaning that a court may refuse to make a possession order if it believes that the landlord issued notice in order to avoid having to act on a contract-holder’s request to carry out repairs.

47. Shelter Cymru said they had not seen any retaliatory eviction cases come to trial because the majority of cases had been settled out of court. They told us that tenants did not generally want to remain in the properties because of poor

⁴⁶ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 145

⁴⁷ Local Government and Housing Committee, Summary of engagement activity, 24 April 2024, paragraph 13

⁴⁸ Local Government and Housing Committee, Summary of engagement activity, 24 April 2024, paragraphs 15-20

⁴⁹ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 235

conditions and poor relationships with landlords, and so most were choosing to settle with some agreement on compensation or clearing arrears.⁵⁰

48. Rent Smart Wales told us that the change had been “massive”, with around 35,000 people completing training on the 2016 Act in the last two years. They said that smoke alarms, carbon monoxide detectors and electrical certification were now “probably in place for the vast majority of the sector”. Despite these successes, they acknowledged that it was an ongoing process as some landlords and tenants were still “confused” or “struggling to come to terms with the changes.”⁵¹

49. The views expressed by tenant and landlord participants in our focus groups about Rent Smart Wales were generally positive, although some felt that it needed “more teeth and resources” to ensure that it was more than a paperwork exercise and we heard that fear of retaliatory eviction is still preventing some tenants from asking for repairs.⁵² CIH Cymru told us that while its working assumption was that Rent Smart Wales should improve professionalisation and standards among letting agents and landlords, there was not yet any evidence of a causal link between Rent Smart Wales’ work and better outcomes for tenants.⁵³

50. Rent Smart Wales acknowledged such concerns, and said that they and local authorities had developed resources, including communication templates, to help tenants to report repair needs in ways that would make it easier for them to exercise their rights under the 2016 Act regarding retaliatory evictions if required.⁵⁴

51. The then Cabinet Secretary told us that court data showed that the number of evictions had “dropped very substantially, after a peak”, which she said suggested that the protections in the 2016 Act, including a rebalancing of power between tenants and landlords, were bedding in.⁵⁵

⁵⁰ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 186

⁵¹ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraphs 253-254

⁵² Local Government and Housing Committee, Summary of engagement activity, 24 April 2024, paragraph 37

⁵³ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 70

⁵⁴ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 257

⁵⁵ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 257

Energy efficiency

52. The Housing Expert Panel pointed to “a growing divide” between the energy efficiency of social rented and private rented housing, made worse by the fact that private landlords can struggle to find appropriate and affordable decarbonisation solutions. The Panel stated that “much of the sector is of good quality and managed well,” but that:

“there is a small core of landlords/agents who do the minimum they can get away with to maximise their return. These tend to have a significant portfolio”⁵⁶

53. Generation Rent similarly described energy efficiency as “a significant factor” in Wales, and cited [ONS data](#) indicating that in March 2022, PRS homes in Wales had “the joint worst energy efficiency at a regional level—a median rating of 63 along with Yorkshire”.⁵⁷ Care and Repair Cymru said that across its clients there were more older people in homes rated EPC G than EPC A. It added that such clients faced choices between excessive energy bills, raising issues with their landlords despite fears of retaliatory actions, or potentially moving away from established support networks to find new accommodation.⁵⁸

54. CIH Cymru cited [research](#) by its Tyfi Tai Project which concluded that bringing Wales’s PRS stock up to EPC C by 2035 will cost £846 million, and that “currently there is an 89% shortfall in funding.”⁵⁹ Paragon Bank acknowledged the need to raise energy performance standards, but told us that between 2021 and 2024 the percentage of PRS properties in England rated A to C had increased from 20.1 per cent to 44.9 per cent, adding that equivalent data were not available for Wales.⁶⁰

55. In September 2023 the then UK Prime Minister announced that plans to require new PRS properties to have an EPC C rating by 2025 and require all rental properties to meet that standard by 2028 would not be taken forward.⁶¹

⁵⁶ Local Government and Housing Committee, PRS 27, Housing Expert Panel

⁵⁷ Local Government and Housing Committee, PRS 25, Generation Rent

⁵⁸ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraphs 182-183

⁵⁹ Local Government and House Committee, PRS 10, Chartered Institute of Housing Cymru (CIH)

⁶⁰ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 266 and 268

⁶¹ UK Government, [Speech: PM speech on Net Zero](#), 20 September 2023

56. We heard mixed views on this decision. Generation Rent⁶² described it as “reckless”, and called for the Welsh Government to press the UK Government to raise the minimum standard, whereas Propertymark’s⁶³ preference was that when new standards were put in place they should reflect a tailored approach for different property types rather than a standardised EPC C across the whole PRS.

57. The then Cabinet Secretary said the Welsh Government’s expectation had been that the UK Government would put energy efficiency standards in place, and that she was “not entirely certain” about the reasons for the change in approach. She confirmed that she would continue to press the UK Government on EPC targets. She added that, in the meantime, the Welsh Government was trying to incentivise increasing standards through the Leasing Scheme Wales, the obligations placed on landlords by the 2016 Act, and the ability of tenants and landlords to take up existing Welsh Government energy efficiency schemes such as the Warm Homes Scheme.⁶⁴

Welsh Housing Quality Standard

58. The Welsh Housing Quality Standard (“WHQS”) applies to social rented housing owned by housing associations and local authorities. Its aim is to improve and maintain the quality of social homes in Wales by putting in place requirements relating, for example, to a home’s state of repair, safety and security, affordability to heat and environmental impact, how up to date key facilities are, its comfort and promotion of wellbeing, and the suitability and attractiveness of its garden and outside space. The Welsh Government has also stated its intention to propose additional rules relating to “social landlords’ response to damp, mould and other hazards.”⁶⁵

59. The WHQS does not apply to the PRS. Several contributors called for the WHQS or a similar standard to be implemented in the PRS. Dr Edith England of Cardiff Metropolitan University queried:

“If we’ve decided that this is what an adequate house looks like and that’s the basis of creating a set of regulations in the social housing sector, then why would we not also apply that to the

⁶² Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 44

⁶³ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 267

⁶⁴ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraphs 32, 45 and 47

⁶⁵ Welsh Government, [Welsh housing quality standard](#) [accessed 20 June 2024]

private rented sector? Why would that group of Welsh people be entitled to less good quality protection and housing?”⁶⁶

60. Care and Repair Cymru said that more robust standards could improve tenants’ confidence, but acknowledged that smaller landlords may struggle with implementing them.⁶⁷

61. Age Cymru⁶⁸ suggested it would be helpful to know more about the Welsh Government’s intended timescales in respect of the commitment in the WHQS guidance that:

“In time, it is anticipated that the Standard will apply to other types and tenures of housing, and this will be kept under regular review.”⁶⁹

62. A Welsh Government official described the WHQS to us as “a mammoth task” for the social housing sector, and said that Welsh Government wanted to learn from the rollout to social housing before considering how it could be applied in other tenures.⁷⁰ The then Cabinet Secretary told us that there had been no discussions about extending the WHQS to the PRS, adding “we don’t have a timeline for when that might happen”.⁷¹

‘Property MOTs’

63. Several witnesses suggested tools that could be used to raise the quality of homes brought into the PRS. The Joseph Rowntree Foundation⁷² highlighted an idea for a ‘property MOT’ proposed in 2018 by a report produced by the University of York’s Centre for Housing Policy⁷³ on the contribution and potential of the PRS. This would require a landlord to have a survey done before bringing a property to market for the first time, followed by periodic recertification. The Joseph Rowntree Foundation suggested that the recertification could be done on a self-audit basis.

⁶⁶ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 51

⁶⁷ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraphs 193-195

⁶⁸ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 221

⁶⁹ Welsh Government, [The Welsh Housing Quality Standard 2023: maintaining and improving social housing in Wales](#), April 2024, page 7

⁷⁰ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 49

⁷¹ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraphs 32 and 48

⁷² Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 148

⁷³ Rugg, J and Rhodes, D, [The evolving private rented sector: its contribution and potential](#), 2018

Paragon Bank supported the idea of a property MOT, provided it was done appropriately.⁷⁴ Rent Smart Wales said that a self-audit for fitness for human habitation could be built into the landlord registration process (the next cycle of which is expected to begin in late 2026).⁷⁵

64. When asked about the proposal, in the form either of a compulsory survey before a landlord puts a property on the market or ongoing self-audits, the then Cabinet Secretary said she was “happy to explore” a property MOT. She said that the Rent Smart Wales training for landlords and self-certifying fitness for human habitation requirements already “sort of” fulfilled this function. She acknowledged that there was insufficient resource for all homes to be checked independently, but said that in addition to spot-checks issues may also be highlighted through tenant complaints.⁷⁶

No-fault evictions

65. Evidence from England suggests that increasing supply in the PRS does not necessarily bring about improvements in quality of properties or security of tenure.⁷⁷ Generation Rent suggested that this was a result of the in-built power imbalance between tenants and landlords in the absence of regulation to improve security of tenure.⁷⁸

66. Several witnesses, including Shelter Cymru⁷⁹, Acorn⁸⁰, and Generation Rent⁸¹, argued for the Welsh Government to put an end to no-fault evictions. TPAS Cymru highlighted the impact of such evictions:

“Tenants in the PRS are still feeling vulnerable to eviction, still having to find new homes in short periods of time because landlords are selling their homes, which is in their right, but what about that tenant with children trying to find a suitable

⁷⁴ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 238

⁷⁵ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 294

⁷⁶ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraphs 52 and 54

⁷⁷ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 141

⁷⁸ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 30

⁷⁹ Local Government and Housing Committee, PRS 29, Shelter Cymru

⁸⁰ Local Government and Housing Committee, PRS 21, Acorn

⁸¹ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 28

home. What about the cost implication of moving in a time of uncertainty and a cost-of-living crisis.”⁸²

67. We heard a suggestion from Generation Rent, that in the absence of a ban on no-fault evictions, 2 months relocation relief should be available for tenants who are evicted on a no-fault ground(s), such as waiving of the final two months’ rent. They explained:

“We estimate that the average move cost—for an unwanted move for tenants—is about £1,700, so being able to have the final two months of your notice period waived, in terms of the rent from the landlord, would be enormously helpful to prevent homelessness.”⁸³

68. The NRLA was opposed to ending no-fault evictions, saying that it would lead to more landlords evicting on the basis of the grounds available to them, for example for the purpose of selling with vacant possession.⁸⁴

69. The then Cabinet Secretary told the Legislation, Justice and Constitution Committee on 11 March 2024 that human rights considerations under Article 1 of Protocol 1 to the European Convention on Human Rights meant that a ban on no-fault evictions would contravene the Act. She added that any attempt to do so would necessitate the creation of new no-fault grounds to enable landlords to sell with vacant possession or live in the property themselves.⁸⁵

70. In evidence to us in April 2024, the then Cabinet Secretary described debates on this issue as “infuriating” on the basis that no-fault evictions are still possible across the UK as there continue to be:

“large numbers of grounds on which a landlord in England and Scotland can take possession of the house that are no-fault evictions.”

71. She argued that the broader protections for tenants, such as the six-month no-fault notice period, were actually greater in Wales. Adding that the Welsh Government intended to bring forward homelessness legislation to align notice

⁸² Local Government and Housing Committee, 18 April 2024, [Paper 6 - Additional information from TPAS.Cymru](#)

⁸³ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 89

⁸⁴ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 311

⁸⁵ Legislation, Justice and Constitution Committee, Record of Proceedings, 11 March 2024, paragraph 71

periods and local authority housing duties, she indicated that the Welsh Government would keep the impact of the 2016 Act on evictions under review. She concluded:

“If we find, after a couple of years of the renting homes Act, that that’s not having the effect we wanted, then certainly we’d be looking to see what else we can do. But so far, the eviction numbers are dropping rapidly, and we hope that it is having the effect we wanted.”⁸⁶

Affordability

Data and tenants’ experiences

72. According to ONS data published in October 2023, private rental prices paid by tenants in Wales rose by 6.9 per cent in the 12 months to September 2023. This is a higher increase than in Scotland (6.0 per cent) and England (5.6 per cent). The ONS analysed housing affordability and found that the median monthly rent in Wales for 2021-22 represented 23.4 per cent of the median gross income of private renting households. However for people on the lowest income (bottom 25 per cent of the income distribution) the cheapest dwellings (at the bottom 25 per cent of the price distribution) represented 31.9 per cent of income. In a June 2023 report for the Welsh Government, Alma Economics said this means that:

“for lower-income households, even low rents were above the ideal affordability threshold of 30% of their income.”⁸⁷

73. The ONS rental data are based on figures collated by Rent Officers Wales. The accuracy of this data has been questioned by some stakeholders, such as the Bevan Foundation⁸⁸, as data collated from property listings sites show higher increases than the Rent Officers Wales data. For example, Paragon Bank cited data from Zoopla showing a 10.3 per cent annual increase in prices in Wales.⁸⁹ Dr Bob Smith of Cardiff University observed that this suggests new market rents are increasing more quickly than rents in existing tenancies.⁹⁰

74. The costs of renting in the PRS were raised by tenants who participated in our focus groups, the majority of whom said it was “increasingly challenging,

⁸⁶ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraphs 64-67

⁸⁷ Alma Economics, Data mapping and visualisation on the housing rental market in Wales, 2023, paragraph 2.3

⁸⁸ Local Government and Housing Committee, PRS 18, The Bevan Foundation

⁸⁹ Local Government and Housing Committee, PRS 11, Paragon Bank

⁹⁰ Local Government and Housing Committee, PRS 13, Dr Bob Smith

particularly against the backdrop of the rising cost of living". Some said that in addition to rent increases, they faced "unreasonable conditions of payment" such as bidding wars between tenants, payment of up to 12 months' rent in advance or high-level guarantor requirements.⁹¹

Low income renters and local housing allowance

75. Dr Tom Simcock described the welfare system as "a major barrier to accessing the private rented sector for low-income renters." He cited the introduction of Universal Credit, the Shared Accommodation Rate ("SAR"), and the freeze to Local Housing Allowance ("LHA") as factors reducing landlords' likelihood of letting to tenants who are benefit claimants.⁹² Dr Edith England told us that her research had identified particular gaps in the adequacy of LHA rates for two- and three- bedroom properties in Wales.⁹³

76. Dr Simcock suggested that consideration should be given to whether the solution is to find ways to make LHA (and other low income benefits) work in the context of the PRS or to increase the social housing stock to meet low income tenants' needs in that way.⁹⁴

77. Shelter Cymru cited a survey of landlords in Wales which found that 37 per cent said that they do not, or would prefer not to, let to people who claim benefits. The survey found that some landlords stated that they would be more likely to let to tenants claiming benefits if there were certain changes to the benefits system, such as housing costs being paid directly to the landlord, benefits paid in advance rather than in arrears, and an uplift in LHA.⁹⁵

78. Benefits are a reserved matter. LHA rates were frozen in 2021-22, and remained so until the Chancellor's announcement in the 2023 Autumn Statement that LHA would be raised in April 2024 to the 30th percentile of local market rents.⁹⁶ The LHA rates applicable in Wales in 2024-25 will be based on data collated by Rent Officers Wales over the 12 months to the end of September 2023.⁹⁷

⁹¹ Local Government and Housing Committee, Summary of engagement activity, 24 April 2024, paragraphs 8-11

⁹² Local Government and Housing Committee, PRS 28, Dr Tom Simcock

⁹³ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 35

⁹⁴ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 39

⁹⁵ Local Government and Housing Committee, PRS 29, Shelter Cymru

⁹⁶ UK Government, [Policy paper: Autumn Statement 2023](#), 30 November 2023

⁹⁷ Welsh Government, [Guidance: Local Housing Allowance \(LHA\) rates from April 2024 to March 2025](#), January 2024

79. CIH Cymru described the 2024-25 LHA uplift as “one of the big mechanisms” for bringing PRS homes into the response to the lack of social housing supply, but emphasised that it is not clear what will happen to LHA rates after 2024-25, or what impact rates will have on the wider PRS market and rents.⁹⁸

80. The then Cabinet Secretary agreed that the impact of the uplift was “dramatic”, and said that she was pressing the UK Government to confirm whether the uplift would be a one-off, or whether LHA would continue to increase in line with inflation.⁹⁹

Addressing affordability issues

81. Many witnesses were concerned about the impact of high rents on tenants. Care and Repair Cymru and Age Cymru noted particular issues facing older people on fixed incomes.¹⁰⁰ Generation Rent highlighted the “cost of renting crisis” faced by other low income earners and referred to their own research looking at teaching assistants, hairdressers, kitchen assistants, pharmacy assistants, receptionists, cleaners, first-year nurses, delivery drivers, sales assistants and chefs, which showed “enormous affordability issues for key workers across the whole of Wales”, including in half of the 22 local authority areas there were no one-bed flats that would be affordable for a teaching assistant”. They urged the Welsh Government to:

“urgently move forward to slam the brakes on these costs by regulating rents.”¹⁰¹

Rent regulation

82. The 2016 Act established a fundamental contract term that rent increases in periodic standard contracts may only take place once a year, with contract-holders receiving two months’ notice of an increase.¹⁰² The Act does not regulate the size of increases, and it removed the ability of new contract-holders to apply

⁹⁸ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 27

⁹⁹ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 18

¹⁰⁰ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraphs 150 and 153

¹⁰¹ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 75-76

¹⁰² [Renting Homes \(Wales\) Act 2016, section 123](#)

to the Rent Assessment Committee to challenge above-market rent increases. This ability has been preserved for holders of converted contracts.¹⁰³

83. In June 2023, the Welsh Government launched a Green Paper call for evidence on housing adequacy and fair rents. The consultation sought views on the definition of ‘fair rent’ and the applicability of different models of rent regulation.¹⁰⁴

84. The views expressed to us on rent regulation were mixed. Crisis called for “rent stabilisation linked to an inflationary measure” such as average wage growth, but were opposed to hard rent controls that freeze rents completely.¹⁰⁵ Similarly, Generation Rent supported restricting rent rises in tenancy by wage growth and one other measure, such as consumer price index inflation.¹⁰⁶

85. Acorn UK Renters Union supported the Government placing “absolute limits” on the ability to raise rents, subject to periodic review, adding:

“There are other models as well that tie you to things like standards, efficiency, floor space, which we support with some reservations, because you don’t want there to be a trade-off between affordability and quality.”¹⁰⁷

86. The NRLA said that any form of rent regulation would have unintended consequences, and cited a survey of landlords in England and Wales in which between 22 and 38 per cent said they would reduce their portfolio or leave the market, depending on the type of regulation introduced.¹⁰⁸ Shelter Cymru¹⁰⁹, Tai Pawb¹¹⁰ and Crisis¹¹¹ also expressed caution about unintended consequences. Dr Bob Smith warned that rent regulation “is not necessarily a cheap option” as it

¹⁰³ Welsh Government, [Written Statement: Implementation of the Renting Homes \(Wales\) Act 2016: further Subordinate Legislation](#), July 2022

¹⁰⁴ Welsh Government, [Green Paper: A Call for Evidence on securing a path towards Adequate Housing – including Fair Rents and Affordability](#), June 2023

¹⁰⁵ Local Government and Housing Committee, PRS 15, Crisis

¹⁰⁶ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 62

¹⁰⁷ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 60

¹⁰⁸ Local Government and Housing Committee, PRS 08, National Residential Landlords Association

¹⁰⁹ Local Government and Housing Committee, PRS 29, Shelter Cymru

¹¹⁰ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 64

¹¹¹ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 156

would require careful monitoring and evaluation to avoid any unintended consequences.¹¹²

87. While acknowledging the legitimate concerns about the “distorting effects of policy”, the Joseph Rowntree Foundation said:

“We’re starting from quite a broken market, and the reason rent control is discussed is because of that dysfunction, and that should give us more confidence to be interventionist, whether it’s down the route of rent control or other policy approaches.”¹¹³

88. Propertymark referred to the experiences of its members in Scotland where a temporary ban on rent increases¹¹⁴ has been implemented (the ban on rent increases ceased on 1 April 2024) and suggested that the cap was “forcing landlords to put up rents between tenancies to cover any future cost implications”, or else leave the sector altogether.¹¹⁵

89. Echoing concerns that rent controls may lead to landlords leaving the sector, Dr Tom Simcock suggested that any interventions need to be targeted, based on reliable data, and take account of other interventions such as increasing the supply of properties.¹¹⁶

90. CIH Cymru discouraged the introduction of rent controls given the current supply issues but said arguments could be made for short term interventions at a hyperlocal level:

“But if there were any intervention, I think our view would be that it has to be linked to that relationship between income and affordability, so that the lowest 25 percentile of income related to the affordability of rent.”¹¹⁷

91. Reflecting on the rent control measures implemented in Scotland, the then Cabinet Secretary said “the evidence is that it’s not having the desired effect” but will be monitored closely for a longer time period. She told us that the Scottish proposals and other international examples would be referred to in the

¹¹² Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 112

¹¹³ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 161

¹¹⁴ Scottish Government, [Renters’ rights](#) [accessed on 27 June 2024]

¹¹⁵ Local Government and Housing Committee, PRS 01, Propertymark

¹¹⁶ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 124

¹¹⁷ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 62

forthcoming White Paper on housing adequacy and fair rents as part of the Welsh Government's exploration of "what works to get affordable rents into the sector."

Our view

Supply

92. We agree that one of the most effective ways to alleviate the issues we have heard about in the PRS would be to increase the social housing supply. We note the then Cabinet Secretary's evidence on this point, and look forward to exploring these matters further in our forthcoming report on the social housing supply.¹¹⁸

93. Our report on second homes highlighted the problem of private landlords moving their properties over to the short-term lets market rather than providing longer term homes for rent. We welcome the Welsh Government's actions to discourage landlords from transferring properties to the holiday lets market and we would like to be updated with evidence of the impacts this work has had on the supply of privately rented homes.

Conclusion 2. We intend to write to the Welsh Government to request that, once sufficient evidence is available, the appropriate Cabinet Secretary provides an update to the Senedd outlining the impact of the measures that have been put in place to discourage landlords from transferring properties to the holiday lets markets.

94. We note that while build-to-rent may have a contribution to make in Wales, it may be unlikely to be financially viable outside the Cardiff and Swansea areas. We welcome the clarity provided by the then Cabinet Secretary in respect of the Welsh Government's position on not incentivising build-to-rent in the PRS.

95. We recognise that different people will have different needs from private rented accommodation, and there can be challenges in ensuring that such needs are met. For example, we are concerned by the evidence we heard that not all landlords are supportive of the home adaptations that may be required by older people. While we understand that there may be initial costs or practical issues that need to be overcome, and we recognise that there may be gaps in landlords' awareness of the potential to secure grants to assist with these challenges, such adaptations may not only be of benefit to the current tenants. Once adaptations have been put in place, the property could become more attractive to, and suitable for, other potential older tenants in future. It is clear that an increasing number of people are continuing to live in privately rented accommodation for

¹¹⁸ More information about our inquiry into the social housing supply is available on our [website](#).

longer and this trend is likely to continue as affordability issues prevent younger people from buying homes and demand for social housing is higher than supply.

96. We welcome the creation by Care and Repair Cymru and Tai Pawb of a training programme for landlords on adaptations and awareness of grant availability and DFG access. We support their call for an education piece for landlords and tenants on the grants and support available through the rapid response adaptations programme.

Recommendation 2. The Welsh Government should work with stakeholders to put in place training and education for landlords and tenants on the grants and support available through the rapid response adaptations programme.

97. It is crucial that the PRS can meet the needs of a wide range of people, including people with families, elderly and disabled people. We note the suggestion from PropertyMark that a better understanding of PRS stock is needed in order to identify properties suitable for people with specific needs and where there are shortages. We note that the Welsh Government's White Paper on Ending Homelessness in Wales includes a proposal to require local authorities to maintain accessible housing registers.¹¹⁹ We welcome this proposal, although we note that most registers currently only cover social housing properties. Subject to consideration of the feasibility, we believe that including PRS properties could support landlords to access a ready sub-market of tenants who require housing adaptations.

Recommendation 3. We recommend that the Welsh Government considers how a register of accessible accommodation available to rent privately could be introduced. This should include whether the register for accessible social housing properties proposed in the Welsh Government's White Paper could be extended to private sector properties.

98. In relation to students, we welcome the then Cabinet Secretary's candour that her engagement with universities and local authorities with universities in their areas has not yet yielded the outcomes she is looking for. We support her aims and her approach in this regard, and urge all stakeholders to work together to address the issues students are experiencing with the accessibility and quality of PRS accommodation.

¹¹⁹ Welsh Government, [Consultation on the White Paper on Ending Homelessness in Wales](#), October 2023

Quality

99. It is clear from the evidence that housing quality in the PRS continues to be an issue. While we understand that the 2016 Act is bedding in, it is concerning that tenants are still worried about retaliatory measures such as eviction or rent increases if they raise concerns.

100. We note the commitment in the WHQS to keep under review the potential for it to be extended to other housing types and tenures, and the expectation that the WHQS will be applied more broadly in due course.¹²⁰ We understand the potential scale of extending the WHQS to the PRS, and the need to ensure that lessons are learned from its rollout in the social housing sector. Nevertheless, we agree with Dr England¹²¹ that it is difficult to justify why people living in PRS homes should be any less entitled to quality housing than people living in social housing. To that end, we support the extension of the WHQS to the PRS, and want to see clarity about when and how the commitment in the WHQS will be given effect.

Recommendation 4. The Welsh Government, in its response to our report, should set out clear timescales and milestones for the reviews referred to in the commitment in the Welsh Housing Quality Standard to extend the Standard to other housing types and tenures. This should include details of when reviews will take place, what such reviews will consider, and how decisions will be taken on whether and when to extend the Standard to the private rented sector.

101. We recognise the former Cabinet Secretary's view that the requirements in the 2016 Act regarding landlord self-certification on fitness for human habitation requirements should encourage landlords to examine the condition of the homes they rent out. However, we agree with witnesses that a property MOT for fitness for human habitation would require landlords to pay closer attention to conditions and would give tenants additional assurance, especially if it were built into future cycles of the landlord licensing regime. This tool could potentially require independent verification from a qualified professional at initial use, to ensure it is an accurate reflection of property conditions.

Recommendation 5. The Welsh Government should work with Rent Smart Wales to develop a property MOT for fitness for human habitation for use as part of the licensing regime. The Welsh Government should, in its response to our

¹²⁰ Welsh Government, [The Welsh Housing Quality Standard 2023: maintaining and improving social housing in Wales](#), April 2024, page 7

¹²¹ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 51

report, commit to providing us with annual progress updates on the development and implementation of the MOT, including whether it will be ready in sufficient time for use in the next landlord registration cycle (due to begin in late 2026).

102. We are aware that reforms to the eviction process have taken place in Scotland, and were proposed in England via the Renters (Reform) Bill, which fell when the UK Parliament was prorogued prior to the July 2024 UK general election. We note that, in Wales, the issue of no-fault evictions and the subsequent impact on tenants who are evicted in this way, continues to be a matter of debate. It is concerning that, despite the 2016 Act, tenants continue to be reluctant to ask landlords for repairs for fear of retaliatory eviction, and that local authorities report increases in people experiencing homelessness as a result of landlords evicting in order to sell.

103. However, we also note the then Cabinet Secretary's evidence about the practical barriers to fully ending no-fault evictions without contravening human rights legislation, and her view that the impact on the tenant is the same whether or not an eviction is 'no-fault' or on specified grounds such as a landlord living in a property themselves or selling with vacant possession.

104. We note that the UK Government's Renters' Rights Bill, introduced on 11 September 2024, proposes to end the no-fault possession ground in England and replace it with new grounds. We believe the Welsh Government should closely monitor the situation in England and Scotland and should commit to ensuring that if Wales is the only British nation to retain the no-fault ground, this does not mean tenants in Wales are worse off. In the meantime, we believe that a pragmatic approach is to put in place measures to protect tenants as much as possible from homelessness when possessions occur. To this end, we welcome the requirement for no-fault evictions in Wales to have a six-month notice period, and the approach taken by some local authorities and social landlords of purchasing PRS properties with tenants in situ; this not only prevents homelessness for tenants but also brings properties into the social housing stock.¹²² It is also positive that the Welsh Government is working with Rent Smart Wales to provide a route for landlords to make local authorities aware when a tenancy is at risk as this will enable early prevention work to take place. However, we also see merit in the approach suggested by Generation Rent for financial compensation for tenants who have to move through no fault of their own by allowing them to retain the last two months' rent as compensation for the financial and wellbeing impacts of a forced move. Such a step could help to

¹²² We explore so-called 'rent rescue' further in chapter 4.

prevent homelessness and reduce local authority spend on deposits and rent in advance.

Recommendation 6. The Welsh Government should explore the feasibility of enabling tenants who are subject to no-fault evictions to retain the last two months' rent of their tenancy as compensation for the financial and wellbeing impact of a forced move, and write to us by April 2025 to set out its conclusions.

Affordability

105. Especially in the context of the cost-of-living crisis we are concerned by the evidence we heard from tenants and other stakeholders about rising rents, including extreme rent rises in some cases. While younger people are adversely affected by the affordability issues, it is concerning to hear how widespread these difficulties are, including for key workers across a range of professions who need to live close to the communities they serve. It is clear that there are ongoing issues relating to the affordability of private rented accommodation, with tenants and potential tenants experiencing barriers such as deposits and requirements for guarantors. We welcome the 2024-25 uplift in the LHA, although we share the concerns and frustrations of the former Cabinet Secretary and others that it remains unclear what will happen to the LHA rate from 2025-26 onwards.

106. We have heard some calls for contract holders to have the right to challenge extreme rent increases. We note the evidence from the then Cabinet Secretary that the inclusion of a rent increase term in new tenancy agreements limits the extent to which the former Rent Assessment Committee model would continue to be appropriate.¹²³ Nevertheless, we are concerned that although the rent increase term limits the frequency of increases to one per year, it does not limit the size of increases. We believe that consideration should be given to putting in place an effective mechanism by which tenants may challenge above-market rent rises.

107. We note that the forthcoming White Paper on adequate housing and fair rents is now due to be published in autumn 2024, and welcome the former Cabinet Secretary's indication that the Welsh Government will explore the Scottish rent control proposals and other international examples of rent regulation. The White Paper will also provide a valuable opportunity to test the views of the sector and stakeholders on other potential steps such as whether mandatory landlord insurance could be an appropriate alternative to tenancy deposits.

¹²³ Local Government and Housing Committee, Record of Proceedings, 24 April 2024 paragraph 83

3. Challenges facing landlords

Regulatory change and uncertainty

108. There was broad consensus among stakeholders that landlords have faced challenges in understanding and complying with recent regulatory changes, particularly new requirements introduced through the 2016 Act. Some, including Propertymark, indicated that the complexity of the regulatory changes was driving landlord exits from the PRS, especially for smaller landlords.¹²⁴ Landlords who took part in our focus groups agreed that the need to keep up with legislative changes was contributing to some landlords leaving the PRS, with consequences for the level of supply in what was described as:

“an already depleted market.”¹²⁵

109. The NRLA highlighted a lack of clear guidance for landlords, citing as an example the requirement to issue converted contracts for pre-existing tenancies. It said that without clear guidance there was a higher likelihood that landlords will be penalised for providing an incomplete or incorrect written statement.¹²⁶ The Royal Institution of Chartered Surveyors (“RICS”) Cymru agreed that clearer communication would have been beneficial in that case, but said that landlords had found the processes relatively easy to follow once the initial burden of converted contracts had been overcome.¹²⁷

110. We heard that landlords are also concerned by the uncertainty over further regulatory changes, including discussions about rent regulation.¹²⁸ The UK Government’s decision not to proceed with the changes to energy efficiency targets was also raised. The NRLA said that landlords had already made progress in improving energy efficiency, but argued that more support was needed. Both the NRLA¹²⁹ and Propertymark¹³⁰ called for grants and loans to be offered through the Development Bank of Wales for landlords who face prohibitive costs in making energy efficiency improvements.

¹²⁴ Local Government and Housing Committee, PRS 01, Propertymark

¹²⁵ Local Government and Housing Committee, Summary of engagement activity, 24 April 2024, paragraph 25

¹²⁶ Local Government and Housing Committee, PRS 08, National Residential Landlords Association

¹²⁷ Local Government and Housing Committee, PRS 22, Royal Institution of Chartered Surveyors

¹²⁸ For example, Local Government and Housing Committee, PRS 01, Propertymark and Local Government and Housing Committee, PRS 01, Paragon Bank

¹²⁹ Local Government and Housing Committee, PRS 08, National Residential Landlords Association

¹³⁰ Local Government and Housing Committee, PRS 01, Propertymark

111. The NRLA suggested “a period of calm” before any further regulatory changes. It called for better communication between the Welsh Government and the PRS, and cited issues with the 2016 Act including the risks to a landlord of penalties for issuing an incorrect contract and tenants’ difficulty understanding the written contracts. They claimed that the model contract on the Welsh Government website “contradicts the Act”.¹³¹

Tax changes and increased costs

112. The NRLA expressed concern about rising costs for landlords, highlighting the growing costs of buy-to-let mortgages in particular and stating that “landlords would need to increase rental incomes by around 20% to offset the projected rise in buy-to-let mortgage costs”.¹³² Propertymark also raised costs to landlords, stating that one of the biggest challenges for landlords had been the phasing out of relief for finance costs on residential properties, such as mortgage interest. They suggested this was contributing to landlords exiting the market and called on the UK Government to reverse the change.¹³³

113. Dr Tom Simcock cited research by the UK Collaborative Centre for Housing Evidence (“CaCHE”) which found that non-price regulation tends to have little effect on PRS supply, but rather that the key question is whether “the finances stack up”.¹³⁴ Dr Simcock said that landlords’ decisions to invest have been affected by rising mortgage rates and the restriction of mortgage interest tax relief.¹³⁵

114. The higher rate of Land Transaction Tax (“LTT”) in Wales is not as high as the 6 per cent that applies in Scotland, but still means landlords pay nearly £10,000 in tax on a £215,000 property. A number of contributors said that changes to taxation had contributed to a shrinking of the PRS market.¹³⁶ Several, including the NRLA¹³⁷, called for changes to the higher rate of LTT to encourage the supply of PRS homes, either by reducing the rates charged or exempting landlords who are purchasing additional homes for long-term let. Propertymark similarly called

¹³¹ Local Government and Housing Committee, PRS 08, National Residential Landlords Association and Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 269

¹³² Local Government and Housing Committee, PRS 08, National Residential Landlords Association (NRLA)

¹³³ Local Government and Housing Committee, PRS 01, Propertymark

¹³⁴ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 57

¹³⁵ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 58

¹³⁶ For example, Local Government and House Committee, PRS 10, Chartered Institute of Housing Cymru (CIH) and Local Government and Housing Committee, PRS 11, Paragon Bank

¹³⁷ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 221

for a review into all taxes affecting private landlords and the PRS, and, in particular, a reduction of the LTT.¹³⁸ Dr Simcock agreed that the Welsh Government could stimulate PRS investment through lower taxes, for example on the LTT, which could potentially apply only to new build homes, to avoid landlords competing with would-be homeowners.¹³⁹

115. When asked whether LTT is charged at a fair level to landlords, and whether taxation changes could increase landlord investment, the then Cabinet Secretary told us that while LTT was in the then Cabinet Secretary for Finance, the Constitution and Cabinet Office’s portfolio, it had been discussed. She said that the higher rate for additional properties formed part of the Welsh Government’s approach to “regularise the preponderance of second homes and holiday lets in various parts of Wales”. She said that the Welsh Government was consulting on LTT reliefs, including a question aimed at the PRS. She added that the Welsh Government as a whole was taking steps to incentivise landlords to move from the tourist market into the PRS, including the registration and licensing scheme for tourist accommodation and the tourist levy. She concluded:

“It’s a very complex set of levers that we have to try and increase the supply in areas where there’s a very serious shortage.”¹⁴⁰

Our view

116. We recognise the extent of regulatory change to the PRS in recent years, and the consequent impact on landlords. We also acknowledge the potential impact of uncertainty on landlords’ decisions about whether to continue within the PRS. It is vital that the implementation of legislative changes is accompanied by clear guidance and support, and that there is ongoing dialogue with the Welsh Government about any further changes. The short and longer term vision statement for the PRS that we have recommended the Welsh Government should publish would also be beneficial in providing clarity on the Welsh Government’s aspirations and intentions.

117. We acknowledge the evidence from the then Cabinet Secretary about the steps the Welsh Government is taking and considering to encourage landlords to move from short term rentals in the tourism sector into the PRS.

¹³⁸ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 219

¹³⁹ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 77

¹⁴⁰ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraphs 86-89

118. We note the calls for review of the LTT as it applies to PRS landlords, and the potential for reductions in the higher rate to incentivise growth in the PRS. However, we also note the interconnectedness and complexity of the taxation landscape as it applies across the wider housing sector, including in respect of first time buyers, second homes, the PRS and the tourism sector. The Welsh Government's consultation on potential changes to LTT reliefs¹⁴¹ closed in May 2024, and we would encourage the Welsh Government to consider the evidence we have heard during our inquiry when it considers its next steps.

¹⁴¹ Welsh Government, [Public consultation on land transaction tax reliefs](#), April 2024

4. Partnership working between social and private landlords

Tenants with support needs

119. The NRLA told us that because of historical under-investment in social housing, private landlords have to provide support to tenants who “should be living in social housing”, with consequences for the incentivisation of landlord investment.¹⁴² Shelter Cymru said that most landlords only own one property and are not well placed to identify support needs, or large enough to have working relationships with support providers or to exercise restraint over seeking possession.¹⁴³

120. We heard from Crisis that there is a willingness from some landlords to accommodate people who have been homeless or who may have support needs, and they suggested a role for Rent Smart Wales in providing training, support and advice, adding that funding for Housing Support Grant played a “massive role”.¹⁴⁴

121. The Housing Expert Panel said that some tenants can be “tricky to deal with” and may be the cause of antisocial activity. It stated that there is limited support for landlords and agents to assist them to manage the situation, and added that “there is no legal obligation placed on the landlord to effectively manage/report antisocial behaviour”.¹⁴⁵ CIH Cymru agreed that landlords often do not know where to go if a tenant has support needs and requires some extra help. They recommended that the Welsh Government provides appropriate signposting for landlords.¹⁴⁶

122. Henry Dawson discussed the use of the PRS as a long-term accommodation solution for vulnerable people and the reduction in support services from charities, the third sector and local government due to progressive reductions in funding. He suggested that:

“if something gives a reluctance for landlords to provide accommodation for people in those positions, then certainly it's

¹⁴² Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 261

¹⁴³ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 175

¹⁴⁴ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 167

¹⁴⁵ Local Government and Housing Committee, PRS 27, Housing Expert Panel

¹⁴⁶ Local Government and House Committee, PRS 10, Chartered Institute of Housing Cymru (CIH)

the added concern of having to deal with the tenant's issues over claiming benefit support, or, if they've got a more chaotic lifestyle, managing some of that themselves, or managing aspects of the tenant's behaviour—medication for instance, or disabilities.”¹⁴⁷

Communication

123. Throughout our inquiry we have heard about a range of different models of partnership working between Welsh Government, local authorities, the social housing sector and private landlords.

124. Propertymark emphasised the role of communication between local authorities and the PRS in providing the right foundations for effective partnership working. They said that the majority of local authorities were holding landlord forums, but that greater clarity was needed by local authorities about the social and PRS housing stocks in their areas in order to meet vulnerable people’s needs.¹⁴⁸

Leasing Scheme Wales

125. Dr Edith England said that lower levels of regulation in the PRS compared to the social housing sector meant that PRS tenants had “less good quality accommodation”. Dr England told us that leasing schemes which provided protected periods during which local authorities paid landlords or landlords were paid at the local housing allowance rate could help provide greater security of tenure for tenants, including vulnerable groups.¹⁴⁹

126. Leasing Scheme Wales is a Welsh Government-backed scheme which offers a full housing management service and guaranteed rental income for 5-20 years, with rents restricted to the local LHA rate. The Welsh Government has stated an ambition that by the end of year 5 (2026) each local authority will have leased 1 per cent of its PRS through the Scheme (approximately 2,000 properties in total). The Scheme operates alongside similar local leasing schemes run by local authorities or social landlords. 15 local authorities participated in 2022, two more joined in 2023, and a further four have expressed interest and been encouraged to join during 2024. By end of March 2023, 105 properties had been brought into the

¹⁴⁷ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 162

¹⁴⁸ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 280-281

¹⁴⁹ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraphs 28-29

Scheme, and the Welsh Government anticipated in April 2024 that the total would be over 200 by the end of March 2024. The Welsh Government's paper notes its plan to undertake a national publicity programme to promote the Scheme.¹⁵⁰

127. Witnesses were broadly positive about the Scheme and wanted to see it scaled up. Propertymark recommended that local authorities increase landlord incentives through grants, loans or council tax rebates to encourage more to let to people at risk of homelessness, stating that this type of support is increasingly used by London authorities.¹⁵¹ In follow-up correspondence the NRLA recommended creating shorter-term leases of three years; topping up the rent above LHA; and eliminating the management fee.¹⁵² However, we also heard concerns about the potential constraining effect of uncertainty about the LHA rate beyond 2024-25 on the success of the Scheme. The NRLA said that uncertainty about the LHA rate for the duration of the full five-year period could make it unattractive for landlords to participate.¹⁵³ Rent Smart Wales suggested that increases in the LHA could encourage more landlords to participate.¹⁵⁴

128. The then Cabinet Secretary said the Scheme helped facilitate greater security of tenure for tenants while providing reliable income for landlords throughout the period, as well as assistance in improving properties' energy efficiency ratings.¹⁵⁵ She said that she was keen to ensure that the remaining local authorities sign up to the Scheme, describing this as "very high on my agenda".¹⁵⁶ Her official told us that the Welsh Government hoped to "really ramp up in terms of bringing on properties this financial year" through promotion of the Scheme to landlords.¹⁵⁷

129. The then Cabinet Secretary acknowledged that there was scope to streamline the application process¹⁵⁸, but said that the "main barrier" to the Scheme was the previous freeze on the LHA, followed by uncertainty about what will happen after 2024-25. She added that, even with the 2024-25 uplift, LHA was

¹⁵⁰ Local Government and Housing Committee, 24 April 2024, [paper 1.- Welsh Government](#)

¹⁵¹ Local Government and Housing Committee, PRS 01, Propertymark

¹⁵² Local Government and Housing Committee, 18 April 2024, [Paper 13.- Additional information from the National Residential Landlords Association](#)

¹⁵³ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 278

¹⁵⁴ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 197

¹⁵⁵ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 7

¹⁵⁶ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 18

¹⁵⁷ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 16

¹⁵⁸ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 15

only at the 30th percentile of average rent, compared with the 50th percentile when it was first introduced.¹⁵⁹

‘Rent rescue’ (acquisitions to prevent homelessness)

130. Social landlords and councils without their own housing stock are able to acquire stock from private landlords who are selling up in order to leave the sector. The WLGA stated:

*“there are numerous examples of this happening in Wales currently. Sometimes with individual properties, but also with larger property portfolios.”*¹⁶⁰

131. The then Cabinet Secretary acknowledged that while there are examples of rent rescue, it is not yet happening consistently across Wales.¹⁶¹ She told us that the anticipated homelessness Bill would be an opportunity to address allocations policy and incentives for registered social landlords in order to improve consistency.¹⁶²

132. Cymorth Cymru recommended that the Welsh Government and local authorities should work together to increase rent rescue as a homelessness prevention intervention.¹⁶³ Shelter Cymru¹⁶⁴ and the Bevan Foundation¹⁶⁵ were similarly positive about social landlords acquiring PRS properties as a homelessness prevention measure, and said there were opportunities to develop this further.

133. Coastal Housing Association said the Transitional Accommodation Capital Programme (“TACP”) had been “exceptional”, enabling social landlords to acquire 936 homes in TACP’s first year including many formerly lost under Right to Buy. They noted, however, that the one-year budget cycle was a problem as the life cycle of development is much longer than the budget cycle, adding that TACP funding needs to be sufficient to fund refurbishment as well as purchase, citing an

¹⁵⁹ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 13

¹⁶⁰ Local Government and Housing Committee, PRS 26, Welsh Local Government Association

¹⁶¹ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 70

¹⁶² Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 72

¹⁶³ Local Government and Housing Committee, PRS24, Cymorth Cymru

¹⁶⁴ Local Government and Housing Committee, PRS 29, Shelter Cymru

¹⁶⁵ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 179

example whereby two former PRS properties cost £150,000 to bring up to WHQS.¹⁶⁶

134. This reflects the view of Community Housing Cymru, expressed in a [briefing note](#) which states that acquisitions can:

“pose additional challenges, due to the nature of the PRS stock being older and generally in poorer condition and thus requiring more investment to meet WHQS requirements. Nonetheless, investment in acquisitions of this type by social landlords can prevent an overall reduction in rental supply and may help prevent occupants presenting as homeless and adding to the already significant temporary accommodation pressures.”¹⁶⁷

135. In our 2023 report on homelessness, we recommended that the Welsh Government explored opportunities for further funding for temporary and transitional accommodation, and evaluated the effectiveness of current funding, including the TACP.¹⁶⁸ The Welsh Government accepted this recommendation, stating that the TACP would be reviewed during 2024-25.¹⁶⁹ When asked for an update on the review, the then Cabinet Secretary said that expressions of interest requested during the second year of the programme had “exceeded the budget available by a really quite scary amount”, adding that “it’s clearly a very popular programme and people want to be part of it”.¹⁷⁰ Her official said that partners particularly welcomed the flexibility of the programme. The official added that as there is no separate budget line for the TACP, consideration needed to be given to identifying resources from within existing budgets to fund the third year of the programme.¹⁷¹

Duty to review tenants at risk of homelessness

136. Crisis noted that the Welsh Government had not taken forward a recommendation from the Expert Review Panel that landlords should be placed under a duty to refer tenants at risk of homelessness to the local authority. They said this recommendation would be of equal benefit to landlords, tenants and

¹⁶⁶ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraphs 77-81

¹⁶⁷ Community Housing Cymru, [Acquisitions – briefing note](#)

¹⁶⁸ Local Government and Housing Committee, [Homelessness](#), March 2023, Recommendation 3

¹⁶⁹ Welsh Government, [Written response by the Welsh Government to the report of the Local Government and Housing Committee – Homelessness](#), May 2023

¹⁷⁰ Local Government and Housing Committee, Record of Proceedings, paragraphs 95 and 97

¹⁷¹ Local Government and Housing Committee, Record of Proceedings, paragraph 98

local authorities and said it was a “real shame that it hasn’t carried through”.¹⁷² Tai Pawb said that landlords involved in their Caerphilly project had been positive about this proposal.¹⁷³

137. The NRLA said that such a duty could be beneficial provided it could be done with minimal bureaucracy and cost to the landlord, and provided local authorities were resourced to take action on the referrals.¹⁷⁴ However, in follow-up correspondence, PropertyMark said it welcomed that the Welsh Government had not taken the duty forward as its view was that letting agents may struggle to identify when a tenant was at risk of homelessness.¹⁷⁵

138. The then Cabinet Secretary said that the Welsh Government was proposing applying the referral duty to organisations and bodies, not to individual professions or private citizens i.e. PRS landlords. She added that the White Paper “set out a practice to improve the ability of landlords to make local authorities aware of tenancies at risk, so that’s where we’re going with it.” She explained that the intention was to ensure that Rent Smart Wales-registered landlords provide notification when a tenancy may be at risk, whether as a result of landlord possession or issues such as rent arrears or antisocial behaviour. She said this would enable the appropriate services to provide support and assistance.¹⁷⁶

PRS landlords receiving Housing Support Grant (“HSG”)

139. Some private landlords specialise in letting to tenants who have support needs or who have experienced homelessness, with rents at or near LHA level, although there are no figures available on how many landlords across Wales are operating in this way.

140. During the course of our work we visited an example of this approach, White House Supported Living in Newport.

Case study: Whitehouse Supported Living, Newport

Sally White is a private landlord who owns and manages three houses of multiple occupation (HMOs), working with her daughter Siobhan Anderson.

¹⁷² Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 168-169

¹⁷³ Local Government and Housing Committee, PRS 05, Tai Pawb

¹⁷⁴ Local Government and Housing Committee, 18 April 2024, [Paper 13 - Additional information from the National Residential Landlords Association](#)

¹⁷⁵ Local Government and Housing Committee, 18 April 2024, [Paper 9 - Additional information from PropertyMark](#)

¹⁷⁶ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 103

Sally and Siobhan provide accommodation to people who have previously experienced homelessness or who have support needs. Newport Council provides tenants with support services, funded via Housing Support Grant, and refers new tenants to Sally and Siobhan.

The three homes accommodate 17 tenants in total, with each tenant receiving seven hours of support per week. All tenants have standard tenancy contracts and are able to stay as long as they wish, some having lived there for more than 10 years. Each tenant pays rent at Local Housing Allowance plus a top-up, which tenants pay through their benefits (in most cases Personal Independence Payment (PIP)). The top-up pays for all food and bills. Tenants eat together in the dining room and share a living room, kitchen, and garden.

One tenant told a Committee representative that *“If it wasn’t for this place I don’t think I’d be alive today.”*

Sally and Siobhan have been operating the business in Newport for more than 20 years. They feel there should be better recognition of landlords like them who are working in cooperation with local authorities to provide stable, supported homes to people who are vulnerable. They find that as private landlords they don’t have the same access to grants or funding as social landlords and charities that are providing similar services. They also feel quite isolated and are not aware of many other private landlords providing similar services across Wales.

141. The WLGA described the HSG as “a key tool for housing providers and for support agencies” for providing additional support to tenants who need it. They said that while the right framework and methodologies were in place, it would be important to ensure that there was sufficient investment in the HSG to avoid losing housing providers who might otherwise be able to support tenants with specific needs.¹⁷⁷ The Bevan Foundation acknowledged that working with PRS landlords through the HSG may be appropriate in the short term, but said that parallel investment was needed to ensure that social housing solutions are available in the longer term.¹⁷⁸

142. When asked whether more needed to be done to ensure PRS landlords could refer tenants to HSG services, the then Cabinet Secretary said that HSG was “tenure neutral” and that its function was “to prevent homelessness and to

¹⁷⁷ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 213

¹⁷⁸ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 165

support people to make sure that they can maintain their accommodation of whatever tenure it is.” She explained that the Welsh Government asked local authorities and Rent Smart Wales to promote awareness of HSG across stakeholders, including the PRS, as well as supporting Rent Smart Wales and Shelter Cymru to provide assistance and advice for landlords and tenants who may need it.¹⁷⁹

Other forms of social-private partnership working

143. We also heard about other forms of social-private partnership working, including:

- **Social lettings agencies:** some local authorities and social landlords in Wales run social lettings agencies, which let and manage properties on behalf of private landlords.
- **Social landlords with PRS portfolios:** some English housing associations and local authorities have PRS portfolios, using them to cross-subsidise their affordable housing provision. There is less evidence of this happening in Wales. CIH Cymru recognised the potential for PRS portfolios to provide finance to cross-subsidise landlords’ social housing portfolios, but noted that this gives rise to questions to the way in which the PRS properties draw services such as repair services away from the social housing stock, and the levels at which the PRS properties’ rent is set.¹⁸⁰ CHA agreed that diversified portfolios can work when pursued at scale, but said they can also create complexity and divert focus from housing associations’ primary social objectives.¹⁸¹

Our view

144. We support Leasing Scheme Wales, and want to see it succeed. We have previously recommended that the Welsh Government should review and amend the Scheme to make it more attractive to landlords, and raise awareness of the Scheme among letting and estate agents.¹⁸² We recognise that the previous freeze followed by uncertainty about the LHA rate has affected take-up, and welcome the Welsh Government’s plans for a national publicity campaign. However, we are not yet persuaded that all possible actions have been taken to learn lessons from

¹⁷⁹ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 91

¹⁸⁰ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 93

¹⁸¹ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 106

¹⁸² Local Government and Housing Committee, [Homelessness](#), March 2023, Recommendation 18

the experience of people who have participated in the Scheme to date by capturing and analysing their feedback, or to identify and tackle any remaining barriers to participation.

145. We note that 17 local authorities are already part of the Scheme, and a further four have expressed interest in participating. It is not clear to us what the status of the final local authority is, but our view is that efforts must be made to ensure that it is brought on board with the Scheme. In order to streamline and optimise the Scheme, it may also be beneficial to consider identifying a Wales-lead local authority.

Recommendation 7. The Welsh Government should outline what steps are being taken to ensure that the remaining five local authorities become part of the Leasing Scheme Wales. This should include timescales by when the Welsh Government intends that all 22 local authorities will be part of the Scheme, and, if any local authority indicates that it does not intend to participate, details of the reasons and the alternative arrangements that local authority will put in place to achieve the equivalent ends.

146. It is positive that some local authorities and social landlords are engaging in rent rescue through the acquisition of PRS properties with tenants in situ. This approach brings properties into the social housing stock and, more importantly, prevents the tenants from experiencing homelessness. We would like to see this practice supported and funded so that it happens more consistently across Wales. We note the then Cabinet Secretary's evidence that provisions in the anticipated homelessness Bill will facilitate greater consistency in rent rescue, and look forward to scrutinising the provisions in due course. We will be returning to the question of funding for acquisitions in our inquiry on social housing supply.

147. We note the evidence from the then Cabinet Secretary that the number of expressions of interest received by the Welsh Government to Transitional Accommodation Capital Programme has exceeded the budget, and that despite support for the Programme, concerns were raised around its short funding cycle. We will explore this further in our forthcoming work on social housing supply, including any recommendations we could potentially make.

148. The range of social-private partnership working models that we have heard about in the course of our work is encouraging, and demonstrates that the PRS can work effectively for tenants with support needs provided that the right support is in place. However, we note that landlords whose tenants have particular support needs may be uncertain about where to access information and guidance to help them manage the situation effectively. We believe there is

more that the Welsh Government could do to provide signposting to sources of information and guidance.

149. However, we also agree that while models such as receipt of HSG by PRS landlords can be effective in providing stable, supported homes to people with support needs—as we saw for ourselves at White House Supported Living in Newport—it cannot and should not replace proper investment in social housing. In addition, in the absence of data, it is difficult to assess how widespread good practice may be, and what sort of contribution it may be making to meeting housing needs.

Recommendation 8. The Welsh Government should review how many private sector landlords receive Housing Support Grant for tenants who have support needs, and take steps to review and promote examples of good practice within the sector.

5. Barriers to accessing the private rented sector

Contributors highlighted a number of barriers to accessing the PRS including minimum income requirements, credit checks, homeowner guarantors, employer references, requiring more than one month's deposit or rent in advance, having pets, and having a criminal record.

Discrimination

150. Shelter Cymru's written evidence stated that increased demand meant that landlords tended to have multiple potential tenants for a property, and therefore have the option of choosing who they are willing to let to. Their previous research found that some landlords in Wales are reluctant to let to particular groups, including homeless people, those moving from supported housing, and people claiming benefits. A small proportion said they would not let to people based on their race, age, marital status or sexual orientation.¹⁸³

151. The NRLA suggested that PRS discrimination is linked to supply, since landlords will inevitably choose 'the best person' for the tenancy. They explained:

*"If you were a landlord and you had 10 tenants put in front of you as possible contract holders, you'll choose the best one for you, so you may well use an element of discrimination in who you choose."*¹⁸⁴

152. This was echoed by a number of landlords participating in our focus groups who told us that decisions on tenant selection are not rooted in discrimination but rather, long-term business viability.¹⁸⁵ Propertymark told that even if adverts were prohibited from stating 'no DSS' there would still be a credit check.

¹⁸³ Local Government and Housing Committee, PRS 29, Shelter Cymru

¹⁸⁴ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 307

¹⁸⁵ Local Government and Housing Committee, Summary of engagement activity, 24 April 2024, paragraph 23

"It's not going to change the credit check, so they're going to do the credit check, and the affordability, the economy of that individual, is going to come back."¹⁸⁶

153. In its Anti-racist Wales Action Plan the Welsh Government committed to creating a PRS Action Plan to improve the equality of the sector, to include strengthening the support to those on lower incomes to access affordable and longer term tenancies and the development of anti-racism and anti-hate crime training for landlords and agents.¹⁸⁷

154. Discrimination faced by single parents was raised as an issue by Jessica Hanshaw who responded to our consultation. Ms Hanshaw outlined her experience of seeking rental accommodation, which included adverts stating "A pet/A child may be considered". She told us that the explanation given for being unsuccessful in securing a particular property was that "the landlord would not accept tenants who were 1 adult with children." Ms Hanshaw noted that this was "essentially excluding single parents completely".¹⁸⁸

155. Addressing the barriers faced by disabled people, Dr Josie Henley of Cardiff University explained that social housing is often build in an estate, which is less suitable for disabled tenants who would benefit from the access to facilities and transport within the city centre. Furthermore, she told us that a vast number of people do not meet the very high threshold for support and securing a place in social housing, for example, due to outstanding assessment/diagnosis and deteriorating conditions such as dementia. She said PRS tenants with disabilities are also more likely to need tenancy support, such as those with autism who may, for example, find it difficult to make a phone call, fill in a form or report a repair.¹⁸⁹

156. Participants in our focus groups acknowledged that individuals leading chaotic lives or those with complex needs may not have identification documents, a bank account or the necessary skill and/or capacity to maintain a tenancy without appropriate support services in place. However, some landlords and tenants were eager to emphasise that it is unjust to vilify all private landlords when there are so many who support their tenants directly and indirectly via local authority-provided tenancy support.¹⁹⁰

¹⁸⁶ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 308

¹⁸⁷ Welsh Government, [Anti-Racist Wales Action Plan](#), July 2022

¹⁸⁸ Local Government and Housing Committee, PRS 30, Jessica Hanshaw

¹⁸⁹ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraphs 81 and 84

¹⁹⁰ Local Government and Housing Committee, Summary of engagement activity, 24 April 2024, paragraph 24

157. Dr Edith England said those experiencing domestic abuse may end up in rent arrears or with anti-social behaviour orders which hinders them from securing a property. She called for the support available to those making a homelessness application to be extended to anyone who has experienced abuse.¹⁹¹

158. Ben Leonard of Acorn UK Renters Union suggested introducing a number of reforms to address income discrimination, including banning bidding wars, capping rent upfront demands at one month, and limiting guarantor demands alongside expanding bond guarantee schemes.¹⁹²

159. Crisis also highlighted guarantors and large deposits as big financial barriers and suggested exploring “whether there's more that could be done at the local authority side in terms of looking at having insurance policies and linking with more rent guarantee schemes”.¹⁹³

Renters (Reform) Bill Legislative Consent Memorandum

160. The Renters (Reform) Bill, introduced in the House of Commons on 17 May 2023, sought to make it an offence for a landlord or person acting or purporting to act on a landlord’s behalf from discriminating in relation to occupation contracts for people with children and those claiming benefits.¹⁹⁴ The Welsh Government laid a Legislative Consent Memorandum (‘LCM’) on 30 January 2024 to allow similar provisions for Wales to be included in the Bill.¹⁹⁵

161. The Renters (Reform) Bill LCM was welcomed by Tai Pawb, who referred to a survey by Shelter Cymru which found that:

“37 per cent of landlords in Wales say they do not, or prefer not, to let to tenants on benefits. And I think it was something like the equivalent of 75,000 tenants across Wales that have reported discrimination when they tried to find their current homes. So this is a significant issue.”¹⁹⁶

¹⁹¹ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 93

¹⁹² Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 78

¹⁹³ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 202

¹⁹⁴ UK Government, [Renters \(Reform\) Bill](#)

¹⁹⁵ Welsh Government, [Legislative Consent Memorandum, Renters \(Reform\) Bill](#)

¹⁹⁶ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 120

162. When asked whether the Welsh Government had a ‘plan B’ to tackle landlord discrimination if the Renters (Reform) Bill was not passed ahead of a general election being called, the then Cabinet Secretary said she was nervous that its progress would be timed out. She added:

“we’ll have to see how far we get with it, and then there are a number of things that we may or may not be able to incorporate into our programme; it’s very difficult to do. We have a homelessness Bill and we have a building maintenance Bill []But, in all honesty, we’ve got two years left of the legislative programme, and the possibility of bringing a large Bill through to replicate this is slim to none.”¹⁹⁷

163. On 22 May 2024 it was announced that a UK General Election would take place on 4 July 2024. The Renters (Reform) Bill failed to complete its passage through UK Parliament before the prorogue of Parliament on 24 May 2024 and its dissolution on 30 May 2024. This meant that the Bill would make no further progress and the Senedd’s consent process was no longer engaged.

164. In a Cabinet Statement of 6 June 2024, the then Cabinet Secretary stated:

“The ban on these discriminatory practices would have applied to Wales, and I am considering options on how we can achieve this policy aim. I will update members further on this in due course.”¹⁹⁸

165. The UK Government’s *Renters’ Rights Bill* was published and received its first reading on 11 September 2024. It takes forward the proposal in the earlier Renters’ Reform Bill to replace no-fault evictions in England with new grounds which would have four-month notice periods. The Bill also proposes a new Decent Homes Standard to apply across social and private rented housing; banning rent bidding; new civil penalties to help local authorities tackle illegal evictions; giving tenants the right to request a pet; and a new ombudsman to resolve disputes. The proposals from the previous Bill to ban discrimination are also included. The Welsh Government laid a LCM in relation to the Renters’ Rights Bill on 26 September, which we will consider and report on in due course.

¹⁹⁷ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraphs 114-115

¹⁹⁸ Welsh Government, Written Statement: Leasehold and Freehold Reform Act and the Renters (Reform) Bill, 6 June 2024

Financial barriers for young people, key workers and vulnerable groups

166. We heard from NUS Wales that a number of students cannot afford to live in purpose built student accommodation, often leaving them struggling to find accommodation:

“There’s a very specific demographic of student who can afford to live in those, and often there are still students who are really struggling to find accommodation, just because of the affordability of those blocks. They’re all licensed by private companies and there doesn’t seem to be any way, at the moment, to regulate the prices that those blocks are charging, and for a number of years, those were lying vacant. That’s not the case at the moment, as there’s been an increased pressure on institutions to bring in more students to balance the books, but the average student on a maintenance package from the UK cannot afford to live in that accommodation.”¹⁹⁹

167. Aside from general issues of affordability, responses pointed to some specific financial barriers that make it difficult for younger people and vulnerable groups to access the PRS.

168. We heard from NUS Cymru that the practice of requiring a UK-based guarantor was a significant barrier for international students, those estranged from their families, and care leavers.²⁰⁰

169. Cymorth Cymru also highlighted the experiences of care leavers, saying that they may not be able to pass financial and pre-tenancy checks required by some landlords.²⁰¹ Crisis noted that excessive requirements presented significant barriers for low-income households and other groups at risk of homelessness.²⁰²

170. Acorn UK Renters Union suggested that measures such as “banning bidding wars” so that properties should have to be rented at the price they are advertised as, “capping rent upfront demands” to one month and “limiting guarantor

¹⁹⁹ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 37

²⁰⁰ Local Government and Housing Committee, PRS 07, NUS Cymru

²⁰¹ Local Government and Housing Committee, PRS 24, Cymorth Cymru

²⁰² Local Government and Housing Committee, PRS 15, Crisis

demands alongside expanding bond guarantee schemes” could assist in alleviating some of the affordability barriers.²⁰³

171. The Welsh Refugee Council said that evidence brought forward by refugees suggested incidents of discrimination by landlords. It also argued that some requirements, such as a UK-based guarantor or pre-tenancy credit checks, meant that refugees “compete at a disadvantage within the saturated private rented market.” It highlighted the risks for refugees who are unable to find a place to live within the 28-day notice period before being required to leave Home Office accommodation.²⁰⁴ Tai Pawb previously conducted a focus group of refugees and found that all participants had experienced homelessness after failing to secure accommodation within the 28-day period.²⁰⁵

172. Tai Pawb told us barriers could be greater for people newly granted refugee status, and suggested that the Welsh Government should assist with specific support such as guarantor schemes.²⁰⁶

173. We also heard suggestions for other measures to address rent affordability, including:

- Consideration of mandatory landlord insurance in place of tenancy deposits;
- A state-backed guarantor scheme for tenants who do not have property-owning or wealthy family members;
- Consideration of the impact of the removal by the 2016 Act of the right of tenants whose contracts have been entered into since it came into force to challenge above-market rent rises via the Rent Assessment Committee.

174. The then Cabinet Secretary confirmed that the forthcoming White Paper would “properly consult on views right across the piece on how best to control things like deposit amounts and rental increases”. She acknowledged that affordability barriers can particularly affect low-income renters, and added that the Welsh Government had “enabled councils across Wales to provide guarantees for people” who have a deposit but are not in a position to provide a guarantor. Referring to the high costs of homelessness, she said that the Welsh Government

²⁰³ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 78

²⁰⁴ Local Government and Housing Committee, PRS 14, Welsh Refugee Council

²⁰⁵ Local Government and Housing Committee, PRS 05, Tai Pawb

²⁰⁶ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraphs 113-114

was also looking at a range of other interventions including rent relief, loans and enabling assistance from credit unions. She noted that there are arrangements in place in the social housing sector to prevent eviction into homelessness. She said that this was more challenging in the PRS, but that:

“we are helping the councils to step up to that, because, as I say, as soon as that person becomes homeless, the human cost of that is horrendous, but the financial cost of it is also horrendous.”²⁰⁷

No pets policies

175. The Renting Homes (Wales) Act 2016 does not include the ability to keep pets as a fundamental or supplementary term in tenancy contracts. This ability may be included as an additional term, subject to mutual agreement between the landlord and contract-holder and subject to the fairness requirements set out in the Consumer Rights Act 2015. Unlike fundamental or supplementary terms, additional terms are not included in the Welsh Government’s model written statements.

176. We heard from several stakeholders about the high number of rental properties advertised with ‘no pet’ clauses as a condition of rental and the impact this is having on pet owners in securing accommodation. The Dogs Trust cited research which found that more than half of households in Wales have a pet but less than 8 per cent of PRS properties are advertised as pet friendly.

177. Dr Simcock referred to research he was leading to explore the financial impact of pet ownership in rental properties commissioned by Battersea Dogs and Cats Home. The research identifies that pet owners face many obstacles to finding accommodation in the PRS, including a lack of available options, prejudice against tenants with pets, and higher costs when renting. His written evidence referred to research which shows that certain groups are more susceptible to the barrier of pet ownership, including “lower income groups, African-American pet owners, and individuals trying to escape domestic violence and homelessness”.²⁰⁸

178. Other contributors also referred to the impact of no pet policies on disabled groups. Tai Pawb noted that people with guide dogs may face additional

²⁰⁷ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 79

²⁰⁸ Local Government and Housing Committee, PRS 28, Dr Tom Simcock

complications when finding somewhere to rent.²⁰⁹ Dr Josie Henley also highlighted the importance of assistance animals for some private tenants with autism.²¹⁰

179. Crisis said many of its members have faced significant trauma and told us about a woman who opted to sleep in her car rather than go into accommodation without her dog, who had been her only companion through a difficult period in her life.²¹¹ The difficult decision taken by people to stay with their pet rather than take up accommodation was echoed by Dogs Trust, who added:

“if the Welsh Government is committed to ensuring that homelessness is rare, brief and unrepeatable, this is a repeatable form of causing homelessness, which is very much of concern to us.”²¹²

180. While acknowledging that pet policies are a contentious issue in both the social housing sector and the PRS, Coastal Housing Association said allowing residents to have pets in their homes “supports them living a good life according to their expectations and ambitions”.²¹³

181. In September 2022, the then Minister for Climate Change told us:

“you can't have a no-pet clause; you have to have a reasonable arrangement. So, if a tenant asks for a pet, to be allowed a pet as part of their rental agreement, the landlord has to treat that reasonably. You can't just autocratically say, 'You can't have a pet.' But there might be circumstances in which the landlord would be right to ask for a higher bond or increased cleaning costs at the end of a contract, for example, but they are under an obligation to reasonably consider that request.”²¹⁴

²⁰⁹ Local Government and Housing Committee, PRS 05, Tai Pawb

²¹⁰ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraphs 86 and 88

²¹¹ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 202

²¹² Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 331

²¹³ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 116

²¹⁴ Local Government and Housing Committee, Record of Proceedings, 29 September 2022, paragraph 49

182. The RSPCA challenged the Welsh Government’s position that pets are not an issue for landlords or tenants,²¹⁵ and along with the Dogs Trust and Cats Protection, told us that a lack of pet-friendly homes in the PRS was a common reason for people surrendering their pets to rehoming centres.²¹⁶ Dogs Trust indicated that 10 per cent of the animals relinquished to its rehoming centres in Bridgend and Cardiff were due to their owner’s change in accommodation or tenancy agreement while Cats Protection told us:

“Our evidence is that one cat every four days is relinquished just in Wales because of issues relating to housing, and by that I mean landlords refusing a pet. And tenants’ inability to find pet-friendly accommodation is in the top four reasons for relinquishment.”²¹⁷

183. We heard from the NRLA that landlords “are not anti-pet, they’re anti-risk, and pets provide a risk to the integrity of the property when the tenant leaves”.²¹⁸

184. Conversely, Dr Tom Simcock found that landlords’ fears of property damage by pets are often misplaced, with the majority of evidence suggesting that pets do not cause significant costs to landlords or rental properties.²¹⁹

185. This was echoed by pet charities. Cats Protection cited its joint YouGov poll with the Dogs Trust in 2021 which surveyed landlords who allow pets, found that 73 per cent reported no issues, and recent research by Battersea Dogs and Cats Home which similarly found that 76 per cent of landlords reported no damage at the end of tenancies.²²⁰ Battersea Dogs and Cats Home also referred to its UK-wide survey²²¹ of private renters which found that only 3 per cent of dog owners reported that their dog had ever damaged property.²²²

186. Although Dogs Trust acknowledged that pets sometimes cause damage, they suggested that existing deposits would cover most damage. They also suggested that damage by tenants was greater than from pets, citing recent

²¹⁵ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 334

²¹⁶ Local Government and Housing Committee, PRS 16, RSPCA Cymru and PRS 04, Dogs Trust

²¹⁷ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 335

²¹⁸ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 289

²¹⁹ Local Government and Housing Committee, PRS 28, Dr Tom Simcock

²²⁰ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 324

²²¹ Battersea Dogs and Cats Home, [Pet friendly properties: The private rented sector](#)

²²² Local Government and Housing Committee, PRS 20, Battersea Dogs and Cats Home

NRLA research which shows that damage by tenants is 29 per cent.²²³ The RSPCA added that recent Battersea Dogs and Cats Home research showed that the average cost of pet-related damage was £300 per tenancy, compared to an average of £775 for non-pet-related damage per tenancy.²²⁴

187. Dr Simcock highlighted the benefits of pet-friendly tenancies:

“We’ve done a cost-benefit analysis and landlords can make more money in terms of renting to pet owners, because they offer longer tenancies, because they want to stay there for longer, and there are lower maintenance issues and less administrative work because of that longer tenancy.”²²⁵

Proposals for legislative change

188. The RSPCA told us the current laws disincentivising ‘no pets’ policies were not effective and called for the 2016 Act to make pets a legal default in tenancy contracts, unless there is reasonable cause not to, for example concerns for animal welfare. They argued that the 2016 Act has made little difference in practice as landlords could already authorise permission for pets and the Consumer Rights Act 2015 is intended to forbid unfair terms in contracts.²²⁶

189. They also highlighted the additional deposit required to cover potential damage caused by pets at the end of the tenancy created a financial barrier for pet owners, adding:

“it’s also unclear whether there is a set limit on the additional amount, as under the Renting Homes (Wales) Act, it states that a slightly higher deposit may be requested. But then, what is ‘slightly higher’—is it £100, £200 and so forth?”²²⁷

190. Cats Protection agreed that the pet clause should be moved into the standard terms within the model tenancy agreement, and suggested that the Welsh Government and Rent Smart Wales should also undertake a myth-busting

²²³ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 337

²²⁴ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 338

²²⁵ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 126

²²⁶ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 340-342 and 359

²²⁷ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 323

campaign with landlords.²²⁸ This was supported by the Dogs Trust, who added that the Welsh Government could also improve data collection on the number of pet-friendly properties to assist in developing and delivering the right policy interventions.²²⁹

191. The NRLA argued that if allowing pets became mandatory for landlords, measures would be needed to prevent landlords having to pay for damage at the end of a tenancy, such as more flexible deposit amounts, or making pet insurance a tenancy requirement.²³⁰

192. Propertymark felt it was positive that the Renting Homes (Fees etc.) (Wales) Act 2019 did not cap deposits as this enabled landlords to charge a pet premium. We heard about the work they have undertaken with agents and produced extensive guidance to “move to a position of ‘pets considered’ when advertising a property”. While acknowledging that blanket bans on pets are bad for business, they said “policy makers have got to recognise there may be a legitimate reason why a pet’s not suitable”. Furthermore, they suggested that the 2019 Act would need to be amended to allow pet insurance to be charged to tenants as a permitted payment.²³¹

193. Though it has since failed to complete its passage in the UK Parliament, the Renters (Reform) Bill included provisions to give tenants the right to request a pet in their property, which the landlord must consider and could not reasonably refuse. However, these provisions applied to England only.²³²

194. The proposals in the Renters (Reform) Bill around pets were broadly welcomed by pet charities.²³³ Cats Protection expressed concerns that the obligation to consider and not unreasonably refuse a request did not extend to the superior landlord as the overall freeholder, and felt the proposed 42 day timeframe for considering requests was too long.²³⁴ The RSPCA highlighted that the proposed legislation included the creation of a private renters’ ombudsman and would offer a free independent service to determine whether landlords were

²²⁸ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 360

²²⁹ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 361

²³⁰ Local Government and Housing Committee, PRS 08, National Residential Landlords Association

²³¹ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 283-285

²³² UK Government, [Renters \(Reform\) Bill](#)

²³³ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 348, 351 and 353

²³⁴ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 349-350

unreasonably refusing requests.²³⁵ They suggested that guidance would also be needed on what would be considered as unreasonably withholding consent.²³⁶

195. Under the Renters (Reform) Bill proposals, landlords would be able to require insurance from their tenants which the RSPCA said would be preferable to a deposit, since you could pay monthly rather than having to find a lump sum up front.²³⁷ However, the Dogs Trust questioned whether additional insurance is needed since the standard deposit should cover it.²³⁸

196. We asked why the Welsh Government did not seek the extension of provisions for pets in the Renters (Reform) Bill to Wales, the then Cabinet Secretary told us there was no opportunity to do so:

“An offer was made to us to be involved in the no-benefits-claimants and no-children exclusions, and so we’ve accepted that offer. We weren’t given a kind of smorgasbord of what we would like or not in the Bill. And we’ve got statutory guidance in place, as you know, that landlords can’t unreasonably refuse the right to have a pet and so on. I’m, actually, really interested in knowing whether we can extend that.”²³⁹

197. The then Cabinet Secretary indicated her willingness to work with the Committee on how to extend pet rights to contracts and finding the “right contract clauses that allows the right kind of pet”.²⁴⁰ The Cabinet Secretary for Housing and Local Government told us that the Welsh Government’s White Paper on housing adequacy and fair rents would include proposals relating to tenants’ rights to keep pets.²⁴¹

Our view

198. We are very concerned by the discrimination faced by some people in their attempts to secure accommodation in the private rented sector. We appreciate

²³⁵ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 351

²³⁶ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 354

²³⁷ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 352

²³⁸ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 353

²³⁹ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 108

²⁴⁰ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 109

²⁴¹ Local Government and Housing Committee, Record of Proceedings, 10 October 2024, paragraphs 107 and 109

that, depending on their circumstances, social housing will be more appropriate for some people, however the private rented sector should be available to everyone who needs to use it.

199. We acknowledge that low availability of PRS properties results in multiple people applying for each tenancy, which inevitably leads to landlords choosing their preferred tenant. The increased demand for PRS properties is fuelled by a shortage of properties in the social housing sector, which we will explore further in our forthcoming report on Social Housing Supply.

200. We are aware that the Anti-racist Wales Action Plan published by the Welsh Government in July 2022 includes a commitment to develop by December 2023 a PRS Action Plan aimed at improving the equality of the sector, with anti-racism at its core. However, as the development of such a plan was not referred to by the then Cabinet Secretary, we believe that it would be useful for the Welsh Government to provide an update to us on a PRS Action Plan and whether it has been developed and implemented.

Recommendation 9. The Welsh Government should provide an update on the PRS Action Plan it committed to the development of in its Anti-racist Wales Action Plan of July 2022. An update should be provided by December 2024.

201. We recognise that upfront requirements such as providing rent in advance and guarantor requirements pose a significant barrier to many people wishing to secure a home in the PRS. We recognise that the Welsh Government has taken steps to improve upfront affordability by banning most forms of letting fee in the Renting Homes (Fees etc.) (Wales) Act 2019. However we remain concerned by the evidence we heard on inability of certain groups, such as care leavers and people from other countries to meet guarantor demands, thereby making it more difficult for them to secure PRS accommodation. We note the suggestions made by some stakeholders that there should be fewer financial and bureaucratic demands in order to secure and maintain a home in the PRS sector.

Recommendation 10. The Welsh Government should regulate to address the financial and bureaucratic barriers that tenants may face when they apply for a home, such as guarantor requirements, and requirements for multiple months' rent in advance.

202. Prior to the UK General Election in July 2024 we considered a Legislative Consent Memorandum in relation to the Renters (Reform) Bill. In our report we noted our support for the policy objectives of the Bill relating to prohibiting discriminatory practices by landlords and agents in relation to occupation

contracts against persons who would have children live with or visit them or who are benefits claimants. We emphasised that preventing people who have children live with or visit them or people who are benefit claimants from applying to rent properties is clear discrimination, and we welcomed the commitment to ending such practices.

203. Our report noted the rationale set out by the Welsh Government for using a UK Parliament Bill to make these legislative changes to Wales, and acknowledged the benefits of being able to make these legislative changes quickly. We noted the Welsh Government's belief that the LCM route would be more expedient than bringing forward Senedd legislation and also the then Cabinet Secretary's comments in relation to the Welsh Government's resources and capacity to bring forward its own Bill. However, we also noted our concerns and the disadvantages around relying on another Parliament to legislate on behalf of Wales, in particular we were mindful of delays to the Bill's progression and the potential of the Bill not being passed ahead of the next UK General Election.

204. We are aware that the new UK Government has published its Renters' Rights Bill which includes the proposals from the previous Bill to ban discrimination for tenants on benefits and/or with children. The Bill also includes a wide regulation making power that empowers Welsh Ministers, if they deem it necessary, to bring forward further measures to safeguard tenants from discrimination in the future. The Welsh Government published its LCM for the Bill on 26 September. We will consider these issues further as part of our scrutiny of the LCM and report separately.

205. We were very concerned to hear that high numbers of properties are advertised as not allowing pets. We understand that having to relinquish a pet in order to move in to a new property can be very traumatic and feel strongly that tenants should not be put into such a situation. The evidence has demonstrated that discrimination by landlords against people with pets is real and needs to be addressed. We understand that some properties will be unsuitable for larger animals, however we believe that as long as a property is suitable, tenants should not be prevented from having pets. While we recognise landlords' fears of property damage by pets, we heard compelling evidence to demonstrate that damage is often less than anticipated and that landlords can make more money in terms of renting to pet owners as they are likely to stay in a property longer. We also note the various options around pet insurance and flexible deposits in order to provide greater assurances to landlords. We are therefore united in our view that landlords and agents should not be able to discriminate by including 'no pets' clauses in standard contracts without good reason.

206. We note that, had the Renters (Reform) Bill been taken forward in the UK Government's wash-up of outstanding legislation prior to the UK General Election, it would have provided tenants in England with the right to request a pet in their property, which the landlord had to consider and could not reasonably refuse. We noted our disappointment in our report on the LCM that the Welsh Government was not offered the opportunity to request that the provisions preventing discrimination against people with pets also be extended to Wales and saw this as a missed opportunity. We note that the provisions to give tenants the right to request permission to keep a pet have been included in UK Government's Renters' Rights Bill. We welcome the former Cabinet Secretary's willingness to work with us to consider how to extend pet rights to contracts.

207. We acknowledge that prohibiting pets is an optional 'additional term' under section 28 of the 2016 Act. Nevertheless, we believe the silence on pets in the model written statements of contract²⁴² is compounding the presumption against permitting pets. We understand that amending the Renting Homes (Wales) Act 2016 to enable pets to be a fundamental term of occupational contracts would require primary legislation, which the Welsh Government is now unlikely to bring forward ahead of the next Senedd election. While we acknowledge that a supplementary term could be added through secondary legislation, we note though that although it would become a default term in the model contracts, supplementary terms can be taken out of contracts as they are optional. We therefore believe that the Welsh Government should provide an update on how it intends to consider how to extend pet rights in to contracts, including whether it will bring forward legislation to end this discrimination. We welcome the Cabinet Secretary's assurance that the White Paper on Housing Adequacy and Fair Rents will include relevant proposals.

208. Though our preference is to address the barriers faced by pet owners through legislative means, we recognise that it may not be possible to do so within the remaining Senedd term. We will discuss with the Welsh Government whether it would be appropriate to work with the UK Government to use the LCM process to extend the provisions relating to pets in the Renters' Rights Bill to also apply in Wales.

Recommendation 11. The Welsh Government must urgently outline how it intends to extend tenants' rights to have a pet in to contracts, including whether it will bring forward legislation to end this discrimination.

²⁴² [Renting Homes \(Model Written Statements of Contract\) \(Wales\) Regulations 2022](#)

209. It is clear from the evidence received that many landlords do not recognise the benefits of renting their properties to pet owners, despite the work of stakeholders to promote and raise awareness. Until legislative change can happen, In the interim, we agree with pet charities that the Welsh Government, through Rent Smart Wales, should undertake a myth-busting campaign with landlords to eliminate discrimination against pet owners.

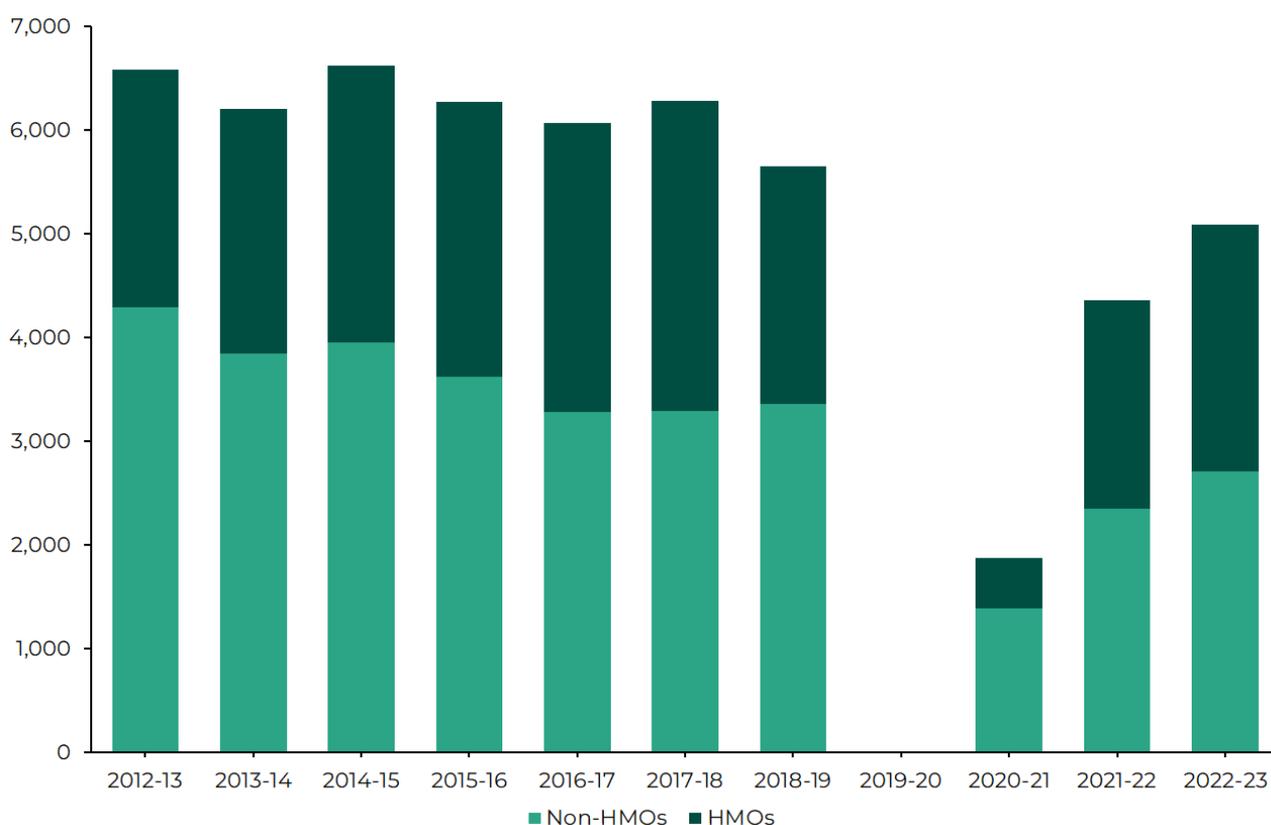
6. Regulation of the PRS

Local authority enforcement

210. The primary legislation governing health and safety in privately rented homes is the Housing Act 2004. This Act introduced the Housing Health and Safety Rating System (HHSRS), which is a tool to evaluate the safety of homes. The HHSRS evaluates 29 categories of hazard, which also form the basis of the 29 matters and circumstances under the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022.

211. Figure 1 shows the number of assessments carried out by local authorities under the HHSRS between 2012-13 and 2022-23. It shows that local authorities carried out 5,093 assessments under the HHSRS in 2022-23 across all tenures. This number is a 17 per cent increase on the previous year although 10 per cent lower than in 2018-19.²⁴³ No data was returned for 2019-20.

Figure 1: Assessments under the Housing Health and Safety Rating System



212. There is no published information on prosecutions undertaken by local authorities. The Welsh Government's figures state that there were 1,006 cases in

²⁴³ StatsWales, [Assessments and resolved hazards by area, type of assessment and dwelling](#)

2022-23 where Category 1 hazards were resolved as a result of local authority action. This is 25 per cent lower than the 1,352 Category 1 hazards resolved in 2018-19.²⁴⁴

Enforcement capacity and resources

213. A number of contributors commented on local authority resources to undertake enforcement activities. Propertymark viewed the legislation to safeguard high standards in the PRS as sufficient, but said the difficulties rest with the ability and capacity of local authorities to enforce these standards. It also expressed concern that the number of inspections carried out by local authorities had been falling.²⁴⁵ Dr Bob Smith similarly questioned whether local authorities had adequate resources and capacity to enforce compliance, and also cited research which found that “philosophies, policies and operational practices” could differ between local authorities.²⁴⁶ The capacity pressures in local authority environmental health departments were also raised by Shelter Cymru, who told us that this can lead to significant delays in engaging with Shelter Cymru caseworkers on enforcement issues.²⁴⁷

214. Henry Dawson attributed the reduction in inspections to long-term recruitment shortages in environmental health in England, Wales and Northern Ireland, and told us:

“There’s a lot of work being done to try to make the profession more attractive to potential applicants, but, in England, the apprenticeship model has been the main solution for driving the recruitment of new staff into the sector, and at the moment we have no level 6, no degree-level apprenticeship for environmental health staff.”²⁴⁸

215. As well as emphasising the need for greater investment in the environmental health teams, Tai Pawb called for support and investment in tenants’ groups to hold bad practice to account.²⁴⁹

²⁴⁴ StatsWales, [Assessments and resolved hazards by area, type of assessment and dwelling](#)

²⁴⁵ Local Government and Housing Committee, PRS 01, Propertymark

²⁴⁶ Local Government and Housing Committee, PRS 13, Dr Bob Smith

²⁴⁷ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 145

²⁴⁸ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 260

²⁴⁹ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 36

216. The WLGA stated that “capacity is severely limited”, with formal enforcement action and prosecution only taking place when advice and assistance is unsuccessful.²⁵⁰

217. Recognising the limited resources available to local authorities, the Housing Expert Panel made a number of suggestions to improve the tools available where enforcement is needed, including:

- More use of civil sanctions;
- Allowing tenants to take action with rent stopping or rent repayment orders without a conviction (where the offence is provable);
- Reviewing illegal eviction and harassment legislation;
- Introducing a statutory ‘scores on the doors’ ratings scheme for letting agents;
- Giving local authorities the power to take over management of any PRS dwelling on an interim or longer-term basis, as is currently the case for HMOs and empty properties.²⁵¹

218. The Housing Expert Panel said the law does not give local authorities enough power to exclude persistently non-compliant landlords from the market. They explained that licence withdrawal only lasts as long as the conviction is unspent, and does not prevent the landlord from exercising informal influence over their management of that property in the meantime. The Panel recommended introducing a series of civil penalties, similar to those already in place in England, that can be levied by local authorities instead of prosecution. The Panel also suggested that “Banning Orders which permanently removes that rogue landlord from involvement in the market and winds up their property portfolio” could be an effective solution to address landlords who are persistently non-compliant.²⁵²

219. The then Cabinet Secretary told us the complaints-driven enforcement approach is necessary due to the lack of resources available to administer a proactive inspection regime.²⁵³

²⁵⁰ Local Government and Housing Committee, PRS 26, Welsh Local Government Association

²⁵¹ Local Government and Housing Committee, PRS 27, Housing Expert Panel

²⁵² Local Government and Housing Committee, PRS 27, Housing Expert Panel

²⁵³ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 121

220. When asked whether local authorities have enough power to prevent rogue landlords from renting poor quality properties, the then Cabinet Secretary said:

“where somebody has been convicted of a range of offences and those convictions are unspent, then they have to use an agent that's properly qualified and fit for purpose and so on. They can have their licence application refused or revoked in those circumstances, and so they have to use a managing agent of some sort. ... The local authority could, in fact, actually compulsorily purchase a property in certain circumstances, and, as I said before, we have for a long time since enabled local authorities to buy properties that are tenanted in various circumstances. So, all of those other levers are also available, but we can't prohibit somebody from owning a property.”²⁵⁴

Rent Smart Wales

221. Under Part 1 of the Housing (Wales) Act 2014, all private landlords and letting agents operating in Wales must be registered and, if they are undertaking property management activities, be licensed. Managing landlords and agents must pass a fit and proper person test and undertake mandatory training. Rent Smart Wales is the central licensing authority that enforces Part 1 of the 2014 Act and manages the registration and licensing processes.

222. Rent Smart Wales was previously evaluated in 2018 and the Welsh Government has commissioned a further review. In our [report on the Welsh Government's draft budget for 2023-24](#), we asked the Welsh Government to share the findings when available, and encouraged the Welsh Government to consider, as part of the review, whether Rent Smart Wales could do less, as well as more.

223. Written evidence from the Welsh Government confirmed that RH Global has been appointed to undertake an evaluation of Rent Smart Wales, with its findings expected “in Summer 2024”. The paper also outlines a phased evaluation of the 2016 Act over three years (ending in July 2025), being undertaken by Opinion Research Services.

224. According to its enforcement dashboard, Rent Smart Wales has issued 1,901 fixed penalty notices and completed 239 prosecutions to date.²⁵⁵

²⁵⁴ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 123

²⁵⁵ Rent Smart Wales, Enforcement Dashboard [accessed on 27 June 2024]

225. In terms of capturing people operating outside the regulatory system, Rent Smart Wales told us that it has nine enforcement officers investigating complaints received via a range of different agencies, as well as working with local authorities to seek information about housing benefits and council tax claimants.

226. We heard that Rent Smart Wales considers a range of approaches to encourage compliance before taking a decision to revoke a landlord's licence:

"If we get complaints from tenants, we investigate them, we provide advice and assistance to landlords about how they get better. We occasionally have a representations meeting with a landlord and lay it all on the line for them, and sometimes that actually works, and they change their behaviour."²⁵⁶

227. We also heard that Rent Smart Wales audits commercial agents with a property portfolio of 20 or more properties and provides them with a rating between 'urgent action needed' and 'best practice'. Rent Smart Wales suggested that it has:

"all the building blocks in place already within Rent Smart Wales for, effectively, a scores on the doors. You might argue that we could just go ahead and do it because we've also got the public register. In a sense, if we were to have a freedom of information request, we may have to provide that information in any event. So, could we actually put that information on the public register as it stands at the moment? But I would argue it's not the right way to go, because, if you look at the food hygiene rating system, for example, it's enshrined in law, and there is a proper appeal process that comes with that that gives the business a bit more security about the outcome, if you like."²⁵⁷

228. PropertyMark was supportive of a statutory rating scheme for letting agents in principle, but said care would be needed with the scoring methodology.²⁵⁸

229. Cymorth Cymru expressed a view that Rent Smart Wales is good at identifying good landlords but fails to "deal with bad landlords". Its members

²⁵⁶ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 276

²⁵⁷ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 283

²⁵⁸ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 300

questioned the effectiveness of Rent Smart Wales “without the capacity to conduct rigorous checks or respond robustly to complaints”.²⁵⁹

230. The NRLA highlighted that Rent Smart Wales was unable to service its phone lines for a period during 2022, which meant tenants and landlords were unable to access support during that time. It called for Rent Smart Wales to be assessed by Audit Wales to establish whether it is meeting its objectives and to advise on improvements, as well as establishing a Scrutiny Board to provide oversight.²⁶⁰

231. Crisis drew our attention to a large number of scams advertising illegitimate properties to obtain holding deposits and suggested that addressing the issue should form part of the Rent Smart Wales evaluation.²⁶¹

232. Propertymark expressed the view that one day of training to become a property agent is insufficient and that it “would prefer more of a qualification and that ongoing continued professional development”. They also suggested that there should be greater scrutiny of Rent Smart Wales, potentially with annual reporting to a Senedd Committee, and greater financial transparency around use of the income raised from licensing.²⁶²

Proposals for change

233. A number of contributors suggested ways in which the regulation of the PRS could be improved. TPAS Cymru told us that it is often contacted by private renters unable to get advice elsewhere and called on the Welsh Government to be more proactive in helping renters to understand their rights.²⁶³

234. Acorn UK Renters Union said its members are often reluctant to report issues to environmental health or Rent Smart Wales:

“I think if we really want to improve quality, and we want to turn tenants into part of the enforcement structure—they could be big allies here, but they’re too frightened, often, to deal with issues around quality, and we need to address that.”²⁶⁴

²⁵⁹ Local Government and Housing Committee, PRS 24, Cymorth Cymru

²⁶⁰ Local Government and Housing Committee, PRS 08, National Residential Landlords Association

²⁶¹ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 189

²⁶² Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 297

²⁶³ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 56

²⁶⁴ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 34

235. This was echoed by Shelter Cymru who explained that the lack of tenure security dissuades tenants from taking enforcement action, despite the retaliatory eviction provisions in the 2016 Act.²⁶⁵ Some tenants taking part in our focus groups also told us they were apprehensive of raising the poor condition of their property with their landlord for fear of retaliatory action such as eviction or a rent increase.²⁶⁶

236. Generation Rent said greater use of rent repayment orders is needed to incentivise landlords to take positive action, and also pressed for the establishment of an ombudsman for private landlords to resolve disputes.²⁶⁷ Referring to proposals to establish a PRS Landlord Ombudsman in the UK Government's Renters (Reform) Bill, Propertymark also thought a requirement for landlords to have redress would be "a good thing".²⁶⁸

237. Dr Edith England's research highlighted that people do not understand the PRS regulation and enforcement regime and emphasised the need for a robust enforcement system:

*"If you look at Scotland, for example, they've got first-tier tribunals that can hear cases and that can mediate to an extent in cases around rising rents, disrepair, landlords entering properties and so on. I really think that having something like that would be really, really beneficial in Wales, because I think that is one of the reasons why it's hard to enforce even the regulations that we've got."*²⁶⁹

238. Dr Tom Simcock referred to work he had undertaken with the Joseph Rowntree Foundation and Scottish Government which recommended addressing the power imbalances between tenant and landlord by:

"shifting from a culture of enforcement, where action must be taken against a landlord or the tenant has to raise a complaint,

²⁶⁵ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 145

²⁶⁶ Local Government and Housing Committee, Summary of engagement activity, 24 April 2024, paragraph 18

²⁶⁷ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 95 and 97-98

²⁶⁸ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 304

²⁶⁹ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 135

to a culture of compliance, where the duty is on the landlord to demonstrate that they're delivering good-quality housing."²⁷⁰

239. As mentioned in chapter 5, had the UK Government's Renters (Reform) Bill proceeded, it sought to make it an offence for a landlord or person acting or purporting to act on a landlord's behalf from discriminating in relation to occupation contracts for people with children and those claiming benefits.²⁷¹ One key difference was that the Bill would have provided that enforcement in Wales was via the criminal law, rather than via civil penalties as in England. The LCM stated that:

*"this is to ensure consistency with existing Welsh legislation, i.e. the Renting Homes (Wales) (Fees etc.) (Wales) Act 2019".*²⁷²

240. The Renters (Reform) Bill LCM was welcomed by Rent Smart Wales, who said criminal sanctions were preferable in this case as they could evidence the need to revoke a licence.²⁷³

241. Henry Dawson told us that additional enforcement resources would be vital. He questioned whether the law would be enforced frequently in practice but said he felt it would lead to a general sector-wide improvement. On the issue of enforcement via criminal rather than civil law, he highlighted that any revenue generated through civil penalty notices could be used to fund further activities to promote the improvement of the PRS, whereas criminal prosecutions would lead to a net loss to the department.²⁷⁴

Our view

242. It is clear from the evidence presented to us that the limited resources available to undertake enforcement activities remains a key challenge to protecting standards in the PRS. We recognise that the number of inspections carried out by local authorities has risen in the last year, although we remain concerned that numbers are still lower than before the pandemic. We believe the Welsh Government should consider ways to increase local authority inspection capacity and address long-term recruitment shortages in environmental health.

²⁷⁰ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 136

²⁷¹ UK Government, [Renters \(Reform\) Bill](#)

²⁷² Welsh Government, [Legislative Consent Memorandum, Renters \(Reform\) Bill](#)

²⁷³ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraphs 238 and 245

²⁷⁴ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraphs 246-248

Recommendation 12. The Welsh Government should set out how it will work with local government to increase local authority inspection capacity to improve housing standards in the private rented sector, including actions to address long-term recruitment shortages in environmental health.

243. We are aware that provisions in the previous Renters (Reform) Bill would have been enforced through criminal law rather than through civil penalties as in England, and that this is consistent with the enforcement of wider housing legislation in Wales. As we noted in our report on the LCM, the enforcement of such provisions would be crucial in ensuring that these discriminatory practices are brought to an end, however this could have proven to be challenging given that local authorities' resources are continually being stretched. Should the Welsh Government decide to pursue a similar approach in future, it will be crucial to consider local authorities' resources in order to take enforcement action. Prosecution action is resource intensive and time consuming, which could impact the effectiveness of such legislation. Engagement with the sector will be crucial to ensure that their ability to enforce is given proper consideration.

244. In terms of the powers available to local authorities to deal with rogue landlords, we note the former Cabinet Secretary's comments on their ability to compulsorily purchase properties in various circumstances. We note that the Welsh Government's Register of Compulsory Purchase Orders shows that, between 2011-21, 26 CPOs were made for housing, mainly for empty properties. We believe there could be merit in exploring the use of these powers and their effectiveness in tackling persistent rogue behaviour by landlords, with a view to encouraging wider use if considered effective.

245. We recognise from previous work undertaken on empty properties that local authority lawyers can sometimes be cautious about using the compulsory purchase powers available to them, perhaps due to their insufficient knowledge and experience of the various pieces of legislation. We refer to the recommendation made by our predecessor Committee in 2019 that the Welsh Government, Welsh Local Government Association and local authorities explore and identify the most effective way of establishing a regional or national source of legal expertise for housing teams to access.

Recommendation 13. The Welsh Government should explore the use and effectiveness of local authorities' compulsory purchase powers as a means of discouraging persistent bad practice by landlords, with a view to encouraging their wider use if considered effective. This should include consideration of the legal advice available to local authorities and the progress made in establishing a

regional or national source of legal expertise to advise on compulsory purchase powers.

246. We support the suggestions made by the Expert Housing Group and Rent Smart Wales for a statutory ‘scores on the doors’ ratings scheme for letting agents, and note that the current audit and rating of commercial agents with a portfolio of 20 or more properties by Rent Smart Wales provides the groundwork for the development of such a scheme.

Conclusion 3. We believe that the Welsh Government should explore the feasibility of developing a statutory ratings scheme for letting agents to encourage improvements in housing standards and inform tenants’ choices.

7. Data on the PRS

247. In our report on homelessness, we recommended that the Welsh Government should take the following actions aimed at improving PRS data:

- The Welsh Government should take action to improve data on the private rented sector. This should include setting out what data could be collected, how the data could be collected and an update on plans previously discussed to take forward a business case for a Welsh Housing Survey.
- The Welsh Government should ensure that Rent Smart Wales collects data on the number of private landlords leaving the sector and their reasons for doing so. This data should be published regularly.
- The Welsh Government should explore a role for Rent Smart Wales in improving the data on private rented sector rents and report its findings to the Committee.²⁷⁵

248. The Welsh Government accepted our recommendations, committed to strengthening PRS data and asked Rent Smart Wales to develop a data dashboard for publication on its website. Dr Bob Smith told us he believes that progress is being made, pointing to the data dashboard on the Rent Smart Wales website as an improvement in the availability of information.²⁷⁶ The Welsh Government also indicated that considerations for improving data would be included in the Green Paper on housing adequacy and fair rents.²⁷⁷

Size and make-up of the PRS

249. Despite some progress, several contributors highlighted the need for better overall data about the size and make-up of the sector. Dr Smith noted the absence of data on the make-up of landlords, such as accidental or professional landlords, makes it challenging to assess what influences their decisions “to invest or disinvest from the sector”.²⁷⁸

²⁷⁵ Local Government and Housing Committee, [Homelessness](#), March 2023

²⁷⁶ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 149

²⁷⁷ [Welsh Government response to the Local Government and Housing Committee’s report on Homelessness](#)

²⁷⁸ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 64

250. CIH Cymru told us that the difficulties with the Rent Smart Wales data is that it does not always portray an accurate, up to date picture given that landlords are only required to register every five years:

“at any given point, it doesn't tell us about what the churn is, in terms of landlords leaving the sector. So, the latest figures, officially, show the PRS sector has increased. But, actually, that's not what our anecdotal evidence tells us. [] I can give examples of big, multi-portfolio landlords pulling out en masse in certain towns and cities across Wales. But that's not indicated in the data, because it's only set every five years, so that doesn't tell us what's happening.”²⁷⁹

251. Dr Edith England also questioned the reliability of Rent Smart Wales data in light of landlords failing to deregister,²⁸⁰ despite this being a licence requirement.

252. The Bevan Foundation argued that there is limited data to determine whether the PRS is shrinking. In the absence of robust data, it recommended using Rent Smart Wales data cautiously, as it may not always keep close track of how landlord numbers change over time.²⁸¹

253. Generation Rent told us of a response they received from Rent Smart Wales to a Freedom of Information request, noting:

“Rent Smart Wales said, and I quote, they have no estimate of the number of landlords with rental properties in Wales that are non-compliant with that register.”

254. They suggested that Rent Smart Wales or the Welsh Government should explain why and whether they can remedy that.²⁸²

255. While Rent Smart Wales acknowledged there is a limit to its data, they advised that the next renewal period would provide an opportunity to review the information captured on the registration form and suggested that consideration could be given to:

²⁷⁹ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 131

²⁸⁰ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 150

²⁸¹ Local Government and Housing Committee, PRS 18, The Bevan Foundation

²⁸² Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 96

“capturing some property-specific data—so, for example, gas safety certification, electrical safety certification, maybe something around a statement of fitness for human habitation or an MOT kind of proposal. ... The benefit of doing something like that is that it's self-certification, but it takes less resource and potentially reduces the burden on local authorities for inspection. If it were to be done on the Rent Smart Wales website, then what you effectively have as a result is a management dashboard for the landlord to use to help them manage their portfolio, so there's a bit of an opportunity there.”²⁸³

Welsh Housing Survey

256. Many contributors reiterated calls for a Welsh housing survey.²⁸⁴

Propertymark told us the national survey for Wales and the housing conditions evidence programme are inadequate, adding:

“The methodology behind the English housing survey is questionnaires in a physical survey, so it is quite robust. But it's not just info we want on the private rented sector, as I think Richard was alluding to—it's owner-occupiers, vacant dwellings, mortgages, first-time buyers, energy efficiency, wellness, even, and that type of thing, damp and mould, and obviously how the fitness for human habitation element of the renting homes Act has come in and is working.”²⁸⁵

257. Henry Dawson called for a housing conditions survey with area-by-area detail and also highlighted the potential for data linkage with other datasets such as on deprivation, crime, and health, to build a valuable information source. He said if there was greater buy-in at Welsh Government level, a data linkage initiative could create a more “data-driven policy environment”.²⁸⁶ Care and Repair Cymru also called for more work on data linkage.²⁸⁷

²⁸³ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraphs 293-294

²⁸⁴ Local Government and Housing Committee, PRS 05, Tai Pawb; PRS 08, National Residential Landlords Association; PRS 12, The Wallich; PRS 22, Royal Institution of Chartered Surveyors

²⁸⁵ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 272

²⁸⁶ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraphs 290-291

²⁸⁷ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraph 269

258. We heard from Paragon Bank that a regular Welsh housing survey would:

“give more confidence to lenders to help support whatever the size and shape of those tenures need to be.”²⁸⁸

259. Dr Tom Simcock suggested that as well as commissioning a regular survey, the Welsh Government should work with local authorities to ensure that local administrative data on the PRS is made available through secure routes such as the Administrative Data Research UK programme, for academic research purposes.²⁸⁹ This was echoed by Dr Bob Smith, who acknowledged the progress Rent Smart Wales has made in the availability of information via its data dashboard, but suggested that the Welsh Government, Rent Smart Wales and academics could work collaboratively to make “much more of the administrative data that is collected”.²⁹⁰

260. In our report on adequate housing in July 2023, we recommended that the Welsh Government should “give further consideration to the merits of introducing an annual housing survey”.²⁹¹ The Welsh Government accepted this recommendation and advised us that a business case for an annual survey on housing and housing conditions would be developed by the end of 2023.²⁹² However in oral evidence the then Cabinet Secretary told us that an annual conditions survey would be too expensive.

261. While the then Cabinet Secretary “absolutely agreed” that a sound evidence base and a full understanding of the housing market is needed, she told us:

“Just to be absolutely clear, we have no intention of doing an annual housing survey. The resource to do that would be extraordinary, and I'm not even sure that the amount of change each year would be worth the resource necessary. The most recent Welsh housing condition survey was done in 2017-18, and we inspected 2,500 or so properties across Wales over a nine-month period. The whole work programme was over five years and it cost £2 million, so it's quite a resource-intensive thing. But we link up with all of the other data sources that we

²⁸⁸ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 215-216

²⁸⁹ Local Government and Housing Committee, PRS 28, Dr Tom Simcock

²⁹⁰ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 149

²⁹¹ Local Government and Housing Committee report: [The Right to Adequate Housing](#), Recommendation 10, July 2023

²⁹² [Welsh Government response to the Local Government and Housing Committee's report on the Right to Adequate Housing](#)

have, and, actually, as part of the Welsh housing quality standard, we've asked all of the social landlords in Wales to do a housing stock survey over three years ... so that's 230,000-odd social homes, and we have a number of other data sources that we link up to do that. But I think, frankly, with the sheer resource-intensive nature of an annual survey, there's an opportunity cost associated with that and it's hard to justify, I think, given the likely change, on an annual rolling basis, in the data."²⁹³

262. Subsequently, the current Cabinet Secretary for Housing and Local Government told us that the Welsh Government has committed to scoping a five-year housing survey in more depth during 2024-25 to “ensure a value-for-money approach”.²⁹⁴

Data on rents

263. Calls were made to improve the data collection by Rent Officers Wales. The Bevan Foundation highlighted that the data would affect levels of Local Housing Allowance that households in Wales could claim and called for a requirement on landlords to share with the Welsh Government or Rent Smart Wales how much they charge for rent.²⁹⁵

264. Generation Rent and Acorn UK Renters Union also called for data on actual rents to gain a clearer picture of affordability across the country, with Acorn UK stating:

“we'd like to see data on rents for each local authority ward captured at least annually, along with data on average incomes and other affordability factors as well, such as non-rent housing costs to really get an idea of the affordability of housing, not just looking at household income versus rent but other costs as well. And also looking at data on individual incomes as well as household incomes, because the current measure of generally looking only at household income leaves

²⁹³ Local Government and Housing Committee, Record of Proceedings, 24 April 2024, paragraph 125

²⁹⁴ Local Government and Housing Committee, Record of Proceedings, 18 September 2024, paragraph 16

²⁹⁵ Local Government and Housing Committee, PRS 18, The Bevan Foundation

*single people at a disadvantage, including, obviously, single parents.*²⁹⁶

265. The Welsh Government's written evidence referred to some of the challenges that Rent Officers Wales are facing in being able to collect timely, geographically relevant, and adequate data on rents in Wales, as set out in its Green Paper on Fair Rents. The evidence also noted the "significant engagement" in response to the question in the Green Paper on whether there should be a mandatory requirement to provide rent data. The paper indicated that it would be considered further in the White Paper later this year.²⁹⁷

Other data requests

266. Generation Rent appealed for the collection of deposit dispute information to enable the Welsh Government to take action against landlords routinely abusing the deposit process, as well as informing tenants' choices.²⁹⁸

267. Calls were made to reinstate WHO12 data on the relationship between the PRS and homelessness.²⁹⁹ Since the evidence sessions, the Welsh Government has now published [data for 2023-24](#) on reasons for households becoming homeless.

268. We heard that the way in which data is collected also creates challenges. Paragon Bank suggested that changes in demographics, such as an ageing population and increases in students and single dwellers, required a more strategic approach to data collection "across all tenures, rather than specifically looking at social, private and owner-occupied".³⁰⁰ Care and Repair Cymru also called for more work on data linkage and referred to difficulties in analysing data on older people:

"older people, like any other group of people, are not homogenous, so grouping everybody that is older into '65 plus'

²⁹⁶ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraphs 104 and 106

²⁹⁷ Local Government and Housing Committee, 24 April 2024, [Paper 1 - Welsh Government](#)

²⁹⁸ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 104

²⁹⁹ Local Government and Housing Committee, Record of Proceedings, 29 February 2024, paragraph 154 and 6 March 2024, paragraph 132

³⁰⁰ Local Government and Housing Committee, Record of Proceedings, 13 March 2024, paragraph 214

*does make drilling down into specific issues a bit more challenging.*³⁰¹

Our view

269. We note the calls from many contributors to improve the quality and amount of data collected on the PRS in Wales, which is regularly drawn to our attention. While we acknowledge that richer data collection may attract additional costs, robust data is essential to understanding the Welsh housing market, informing Welsh Government policy interventions, and may lead to improved outcomes and more effective spending decisions.

270. We note the differing views on the size of the PRS and the concerns raised about the reliability of Rent Smart Wales data as landlords do not routinely deregister when they sell their property and leave the sector. As noted in our report on homelessness, it is clear that action is needed to address the discrepancy in order to gain a more accurate understanding of the size of the sector in Wales. We refer back to our previous recommendation that Rent Smart Wales should collect data on the number of private landlords leaving the sector and their reasons for doing so and that this data should be published regularly. It is disappointing that, over two years since the publication of our report on homelessness, stakeholders continue to raise concerns around the accuracy of the data available.

Conclusion 4. In light of the concerns raised with the reliability of the data held by Rent Smart Wales, the Welsh Government should not depend on the accuracy of this data providing an up to date picture of the private rented sector in Wales.

271. We were disappointed to hear that, since accepting our recommendation on considering the merits of introducing an annual housing and housing conditions survey and agreeing to develop a business case by the end of 2024, the former Cabinet Secretary was clear that she did not intend to pursue such a survey. However, we were heartened to hear from the current Cabinet Secretary that scoping work for a 5 year housing conditions survey is being undertaken within the 2024-25 financial year and a better understanding of the costs involved with different options expected by April 2025.

Conclusion 5. We recognise the benefits of introducing a household conditions survey in improving the data available on the housing stock in Wales. We therefore welcome the commitment by the Welsh Government to undertake

³⁰¹ Local Government and Housing Committee, Record of Proceedings, 6 March 2024, paragraphs 268-269

scoping work on this during the 2024-25 financial year, and would be grateful for an update from the Cabinet Secretary once this scoping work has been completed.

272. We reiterate our previous calls for the collection of PRS rent data and note the Welsh Government's written evidence that significant engagement has taken place on whether there should be a mandatory requirement to provide rent data in the Green Paper, with further consideration expected in the forthcoming White Paper.

Conclusion 6. We believe that the Welsh Government should provide an update on its plans relating to collecting PRS rent data, and whether there could be a role for Rent Smart Wales in this.

List of oral evidence sessions

The following witnesses provided oral evidence to the committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed on the Committee's [website](#).

Date	Name and Organisation
29 February 2024	<p>Dr Tom Simcock, University of Huddersfield</p> <p>Dr Bob Smith, Cardiff University</p> <p>Dr Edith England, Cardiff Metropolitan University</p> <p>Dr Josie Henley, Cardiff University</p> <p>Jim McKirdle, Housing Policy Officer, Welsh Local Government Association</p> <p>Bethan Jones, Operational Manager, Rent Smart Wales</p> <p>Henry Dawson, Lecturer in Housing and Health, Cardiff Metropolitan University and Housing Expert Panel</p>
6 March 2024	<p>Matthew Dicks, Director, Chartered Institute of Housing Cymru</p> <p>David Rowlands, Policy Manager, Tai Pawb</p> <p>Serena Jones, Executive Director of Operations, Coastal Housing Association</p> <p>Becky Ricketts, Policy and Research Officer, Care and Repair Cymru</p> <p>Ceri Cryer, Policy Adviser, Age Cymru</p>
13 March 2024	<p>Ben Leonard, Senior Remote Organiser and Policy and Research Officer, Acorn UK Renters Union</p> <p>Ben Twomey, Chief Executive, Generation Rent</p>

Date	Name and Organisation
	<p>Elizabeth Taylor, Engagement and Policy Officer, TPAS Cymru</p> <p>Orla Tarn, President, NUS Wales</p> <p>JJ Costello, Head of Housing Services, Shelter Cymru</p> <p>Debbie Thomas, Head of Policy and Communications, Crisis</p> <p>Steffan Evans, Head of Policy (Poverty), Bevan Foundation</p> <p>Darren Baxter-Clow, Principal Policy Adviser, Joseph Rowntree Foundation</p> <p>Steven Bletsoe, Wales Operations Manager, National Residential Landlords Association</p> <p>Timothy Douglas, Head of Policy and Campaigns, Propertymark</p> <p>Richard Rowntree, Managing Director, Paragon Bank</p> <p>James Hickman, Head of Outreach Projects, Dogs Trust</p> <p>Billie-Jade Thomas, Senior Public Affairs Manager, RSPCA</p> <p>Annabel Berdy, Senior Advocacy and Government Relations Officer, Cats Protection</p>
24 April 2024	<p>Julie James MS, Cabinet Secretary for Housing, Local Government and Planning</p> <p>Sarah Rhodes, Deputy Director, Housing Policy, Welsh Government</p> <p>Gareth Baglow, Senior Private Sector Housing Policy Manager, Welsh Government</p>

List of written evidence

The following people and organisations provided written evidence to the Committee. All consultation responses and additional written information can be viewed on the Committee's [website](#).

Reference	Organisation
PRS 01	Propertymark
PRS 02	PayProp
PRS 03	Citizens Advice Cymru
PRS 04	Dogs Trust
PRS 05	Tai Pawb
PRS 06	Blue Cross
PRS 07	NUS Wales
PRS 08	National Residential Landlords Association (NRLA)
PRS 09	Rhondda Cynon Taf County Borough Council
PRS 10	Chartered Institute of Housing Cymru (CIH)
PRS 11	Paragon Bank
PRS 12	The Wallich
PRS 13	Dr Bob Smith
PRS 14	Welsh Refugee Council
PRS 15	Crisis
PRS 16	RSPCA Cymru
PRS 17	Isle of Anglesey County Council
PRS 18	The Bevan Foundation
PRS 19	Cats Protection
PRS 20	Battersea Dogs & Cats Home
PRS 21	Acorn
PRS 22	Royal Institution of Chartered Surveyors (RICS)

Reference	Organisation
PRS 23	Dr Edith England and Dr Josie Henley
PRS 24	Cymorth Cymru
PRS 25	Generation Rent
PRS 26	Welsh Local Government Housing Association (WLGA)
PRS 27	Housing Expert Panel
PRS 28	Dr Tom Simcock
PRS 29	Shelter Cymru
PRS 30	Jessica Hanshaw

Additional information

Title	Date
Additional information - Dr Edith England and Dr Josie Henley	13 March 2024
Additional information - Dr Tom Simcock	18 April 2024
Additional information - TPAS Cymru	18 April 2024
Additional information - Community Housing Cymru	18 April 2024
Additional information - Crisis	18 April 2024
Additional information - Dogs Trust	18 April 2024
Additional information - Generation Rent	18 April 2024
Additional information - Paragon Bank	18 April 2024
Additional information - Community Housing Cymru	18 April 2024
Additional information - Propertymark	18 April 2024
Additional information - Acorn	18 April 2024
Additional information - National Residential Landlords Association	18 April 2024
Additional information - Community Housing Cymru	18 April 2024
Additional information - National Residential Landlords Association	5 June 2024