

The Senedd's Local Government, Housing and Planning Committee Priorities Consultation

Response from Propertymark

September 2026

Background

1. Propertymark is the UK's leading professional body for estate and letting agents, property inventory service providers, commercial agents, auctioneers and valuers, comprising over 19,000 members representing over 12,800 branches. We are member-led with a Board which is made up of practicing agents, and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.¹

Introduction

2. The Local Government, Housing and Planning Committee has been set up by the Senedd to look at policy and legislation, and to hold the Welsh Government to account on issues relevant to its remit². To help inform its planning, the Committee is seeking views from people and organisations on the top three issues they believe it should prioritise in the Seventh Senedd.

Questions – feedback from Propertymark

What do you consider to be the three most important issues the Committee should prioritise during the Seventh Senedd?

3. The three most important issues the Committee should prioritise during the Seventh Senedd are:
 - **Firstly, increasing housing supply must remain the overriding priority.** Wales requires more homes across all tenures to meet current and future demand. Planning policy and housing regulation should support investment and development while ensuring that legislative changes do not unintentionally reduce the supply of homes available to rent or buy. A well-functioning housing market depends on sufficient supply, and this should underpin future policy decisions.
 - **Secondly, creating a sustainable and well-regulated private rented sector is essential.** Propertymark supports high standards and effective regulation, but policy should be proportionate, evidence-led, and developed in partnership with the sector. The cumulative impact of regulation on landlords, letting agents, and tenants should be carefully assessed to ensure reforms improve standards without reducing housing availability or increasing costs for consumers.

¹ <https://www.propertymark.co.uk/>

² <https://senedd.wales/committees/local-government-housing-and-planning-committee>

- **Thirdly, promoting professionalism and consumer confidence should remain a priority.** Qualified and regulated property professionals play a vital role in delivering high standards of service and supporting compliance. Continued investment in professional qualifications, ongoing training, and robust enforcement against rogue operators will help protect consumers while raising standards across the housing sector.

What is your highest priority (Priority 1)

4. We think that increasing the supply of homes across all tenures should be the Committee's highest priority during the Seventh Senedd. A sufficient supply of housing is fundamental to improving affordability, increasing consumer choice, reducing homelessness and ensuring that people can access homes that meet their needs.
5. Evidence from the Welsh Government demonstrates that housing need is not currently being met. The Welsh Government's latest estimates identify an existing unmet need of 9,400 homes and conclude that Wales requires around 8,700 additional homes each year over the next five years to meet demand. However, only 4,631 new homes were completed in 2024–25, highlighting a significant gap between the number of homes needed and those being delivered³. In addition, Rent Smart Wales registration data also indicates that landlord registrations in many Welsh local authority areas remain below previous peak levels⁴. While Rent Smart Wales advises that registration data should not be interpreted as a direct measure of the size of the private rented sector, the trends demonstrate the importance of monitoring landlord participation and understanding the cumulative impact of housing policy on investment and the availability of privately rented homes.
6. The Committee should therefore prioritise scrutinising Welsh Government policies to support the delivery of new homes through a more efficient and effective planning system, encourage investment across all housing tenures, and remove barriers that constrain housing development. It is also important to consider the cumulative impact of legislative and regulatory changes on housing supply. While we support measures that improve standards and protect consumers, and believe that regulation should be proportionate, evidence-based and designed to avoid discouraging investment in the private rented sector, which plays a vital role in meeting housing demand.
7. We think a balanced approach that supports sustainable housing delivery alongside high standards and effective consumer protection will help create a more resilient housing market that meets the needs of communities across Wales. Increasing housing supply should therefore be the foundation upon which wider housing, planning and local government policy is developed during the Seventh Senedd.

³ [Chief Statistician's update: new estimates of additional housing need in Wales | Digital and Data Blog](#)

⁴ [Evaluation of Rent Smart Wales: final report, 2025](#)

Please explain why this should be a priority for the Committee (Priority 1)

8. As we have already outlined, focusing on policies that increase housing supply should be the Committee's highest priority because it is fundamental to improving affordability, increasing consumer choice and ensuring that people can access homes that meet their needs. We think addressing this gap requires policies that encourage investment, accelerate development and support all housing tenures.
9. The Committee should recommend prioritising measures that stimulate investment in the housing market rather than introduce policies that risk constraining supply. Propertymark does not support the introduction of rent controls in Wales. Evidence from Scotland, together with wider international research, indicates that rent controls can reduce the supply of privately rented homes, discourage investment, reduce property standards over time and ultimately restrict tenant choice. Propertymark's evidence to the Senedd has consistently highlighted that improving affordability is best achieved by increasing housing supply rather than capping rents. Research commissioned by Propertymark also found that 95% of letting agents in Wales believe rent controls would reduce the supply of privately rented homes.
10. Alongside avoiding measures that could deter investment, the Welsh Government should adopt a more pro-growth approach to property taxation. We recommend reviewing Land Transaction Tax (LTT), including reducing the higher rates payable on additional residential properties, to encourage investment in the private rented sector and increase the availability of homes to rent. We think taxation should support, rather than discourage, responsible landlords who provide much-needed housing across Wales.
11. The Committee should also recognise the role that welfare plays in housing affordability. Local Housing Allowance (LHA) rates no longer reflect market rents in many parts of Wales, leaving many households with a shortfall between their housing support and the rent they are required to pay. The Welsh Government should continue to press the UK Government to permanently restore LHA rates to at least the 30th percentile of local market rents. If this is not forthcoming, the Welsh Government should consider options to provide additional financial support to help bridge affordability gaps for low-income households as the Scottish Government has done, which cost around £8m but is likely to have saved the Scottish Government in the cost of homelessness and other indirect costs.
12. We think that by taking these measures together, increasing housing supply, adopting a tax system that encourages investment, avoiding policies that reduce confidence in the private rented sector, and improving the adequacy of housing support would help create a more sustainable housing market that delivers better outcomes for tenants, landlords and communities across Wales.

What is your second highest priority (Priority 2)

13. The Committee should ensure that future housing regulation is proportionate, evidence-based and developed in partnership with the sector. While high standards and effective consumer protection are essential, the cumulative impact of regulation should be carefully assessed to avoid discouraging investment or reducing the supply of privately rented homes. A stable and sustainable private rented sector is critical to meeting housing demand and supporting those who are unable or choose not to buy a home.

Please explain why this should be a priority for the Committee (Priority 2)

14. The Committee should prioritise ensuring that the private rented sector remains sustainable following a period of significant legislative change. The implementation of the Renting Homes (Wales) Act 2016⁵ represented the biggest change to housing law in Wales for decades, and the sector is still adapting to its requirements. Fundamentally, we think there should be a pause on further significant legislative changes to allow time for the impact of existing reforms to be properly assessed, for guidance to be embedded, and for landlords, agents and tenants to understand their rights and responsibilities. A stable regulatory environment will help maintain confidence, support investment and avoid further reducing the supply of privately rented homes at a time when housing need remains high. We also think that future reforms should be evidence-led, proportionate and focused on improving outcomes rather than adding further complexity to a sector already undergoing substantial change.

Propertymark research with property agents in Wales

15. We ran a small focus group of ten property agent businesses in Wales to discuss some of the proposals that the Welsh Government are considering as part of their proposed rental reforms over the first eighteen months of the Seventh Senedd. The biggest concern from participants was the proposal to end Section 173 possession notices. The prospect of rent controls, energy efficiency measures and landlords leaving the sector due to rising and additional costs:
 - **Concerns over proposals to prohibit rental bidding** - During the election campaign for the Seventh Senedd, some political parties proposed provisions which were included in the UK Government's Renters' Rights Act as part of rental reform in England. One of these proposed measures to be introduced in Wales was prohibiting rental bidding in Wales. In essence this would mean that landlords and agents would have to advertise a rental value for property and they would be prohibited from going above the advertised price.
 - Half of the focus group participants told us that over the last 12 months they had not experienced tenants being offered above the advertised rent. Three participants said it occurred occasionally and two said it very rarely happened. All participants believed that it was not really a significant issue in Wales overall. However, when tenants do on rare occasions pay above the advertised rent, around 50% of the time this is due to the

⁵ <https://www.legislation.gov.uk/anaw/2016/1/contents>



tenant offering to pay above the advertised rent. Very rarely was this a consequence of the landlord or agent requesting higher rents. Generally, the comments during the discussion were that this never happens and that they (as agents) never request above the rental value. It was also felt that following the provisions of the Renters Rights Act was inappropriate for Wales because this was to solve issues in places like London and large English cities where rental bidding could impact tenants on a far greater scale than in Wales.

- Participating agents told us that on the rare occasions when tenants are willing to pay above the advertised rental value, this was because of multiple suitable applicants or from pressures over the disparity between supply and the demand of suitable privately rented property. However, most participants told us that if rental bidding was banned as part of rental reforms, then it would have little to no impact on their business. Half of participants also believe that a ban would have no impact on landlord practices and behaviour.
- **Avoid rent controls in Wales** - all participants present at the focus group said there would be some negative impact on their businesses and landlords if rent controls were introduced. The possible impact included landlords increasing rents, landlords selling properties or being more careful who they let to while some participants warned that some landlords will exit the market altogether. Agents also told us that only a small proportion of the landlords they were working with over the last twelve months had actually increased their rents. When landlords do increase their rents, the main reasons were due to increased mortgage costs, while less common reasons included increased costs and compliance costs.
- **Concerns over proposals to end no fault evictions** - six agents said that occasionally their landlords relied on using a Section 173 notice to regain possession in the last three years. The others suggested that landlords rarely or never used it which suggests that landlords are either keeping tenancies going or relying on grounds-based approach. The reasons sighted for using a Section 173 included if the landlord wanted to sell, move into the property themselves, if anti-social behaviour was committed or if there were serious rent arrears. Some comments from agents included:

'Landlords only exited in 2022 only because the mess made with the last bout of rental charges that drove rents up. If things change again, they will do the same.'

'A lot of landlords are leaving the PRS as they feel that it favours the tenant and no thought is given to landlords.'

'Most of our landlords do not increase (rent) by more than £25 per year. There are very few landlords that ask for a big increase.'



If Section 173 possession notices were removed, all participants believed landlords would leave the sector. 7 felt this would be in significant numbers and 3 felt a smaller number would leave.

- **A balanced approach is needed when looking at proposals to support renting with pets** – seven participants said that around 25 to 50% of their landlords' allowed pets. Two said up to 75% allowed pets and one participant said most if not all of their landlords allowed pets. This shows that landlords of Propertymark members in Wales are already willing to be flexible with pets. The overall main concern of landlords according to participants was property damage with others mentioning cleaning costs and previous bad experiences.
- **The cost of meeting new energy efficiency targets** - four participants said that their biggest barriers to decarbonising their property was the lack of availability of grants, three said the upfront costs and two said difficulties with the age or type of property they had. There were concerns that many landlords do not want energy efficiency measures such as air source or ground source heat pumps and concerns over the quality of installation. There were also concerns over specific older properties in areas such as the South Wales Valleys and the cost to get them to standard. Most participants believed that it would cost between £5,000 to £10,000 to get their property to standard. However, some participants believed it would cost over £10,000 and one believed that some of their stock would cost in advance of £20,000. Generally, it was believed that increasing the EPC rating for the private rented sector under the Minimum Energy Efficiency Standards (MEES) could lead to landlords selling properties, increasing rents or exiting the market altogether.⁶
- **Landlords leaving the private rented sector** - most participants told us that compared to the last three years, the number of landlords as part of their portfolio had decreased and that around 5% to 10% of their landlords had sold properties.

What is your third priority (Priority 3)

16. The Committee should prioritise raising standards across the housing sector by supporting professionalism, effective enforcement and consumer protection. Clearly qualified and regulated property professionals play a vital role in delivering high standards of service and ensuring compliance with housing legislation. Rent Smart Wales has an important role in supporting landlord and agent registration, training and compliance, and its effectiveness should be supported through continued engagement with the sector. We think the Rent Smart Wales regime has been a good start in raising standards. However, we support continued investment in skills, professional qualifications, training and robust action against rogue

⁶ Under the UK Government's Warm Homes Plan private rented homes in England and Wales must reach Energy Performance Certificate (EPC) Band C by 1 October 2030.

operators, which we think will help improve consumer confidence and create a fairer, more transparent housing market.

Please explain why this should be a priority for the Committee (Priority 3)

17. We think that Rent Smart Wales has provided a positive foundation for improving standards within the private rented sector by introducing a registration and licensing framework for landlords and agents. However, the Committee should consider how the system can be strengthened further to deliver greater professionalism, transparency and consumer confidence.
18. We also think that Wales should introduce a more robust qualification requirement for property agents, similar to the approach adopted in Scotland, where agents must meet higher competency requirements through recognised qualifications and training (SCQF Level 6 or above equivalent to Level 3 in the UK qualification framework⁷.) Professional qualifications help ensure agents have the necessary knowledge of housing law, compliance and consumer protection. Propertymark research has highlighted the benefits of professional standards in Scotland, with agents reporting that qualifications improve confidence, competence and the quality of service provided to consumers.
19. Rent Smart Wales should also be subject to greater transparency, scrutiny and accountability. Propertymark's review response to the evaluation of Rent Smart Wales⁸, highlighted the need for Rent Smart Wales to operate against a clear strategic plan, with measurable objectives, improved reporting and greater visibility around its performance and enforcement activity. A more transparent approach would help demonstrate effectiveness and build confidence among landlords, agents and tenants. We would also recommend that RSW is more periodically reviewed and scrutinised by the committee on a regular basis rather than ad-hoc reviews.
20. Finally, we think that alongside improving standards and professionalism, enforcement must be strengthened to ensure that poor practice and non-compliance are effectively addressed. A well-regulated housing sector depends not only on appropriate requirements for responsible professionals but also on effective action against those who fail to meet the required standards. Strengthening qualifications, transparency and enforcement would help create a fairer and more trusted private rented sector in Wales.

Are there any other comments you would like to make about the Committee's priorities, its future work programme, or how it carries out its work?

⁷ [Training and qualifications - Scottish Letting Agent Register](#)

⁸ [Rent-Smart-Wales-review-Response-from-Propertymark.pdf](#)

21. Propertymark thinks that the Committee's priorities and future work programme should be underpinned by robust, reliable and up-to-date evidence. Decisions on housing policy have significant impacts on landlords, agents, tenants, homeowners and communities, and it is essential that policy interventions are based on a clear understanding of the challenges facing the housing market.
22. To support this, the Welsh Government should establish a comprehensive Welsh Housing Survey. At present, Wales lacks the same level of detailed housing data available in England through the English Housing Survey⁹, which provides valuable insight into housing conditions, energy efficiency, tenure trends, affordability, household circumstances and consumer experiences. This evidence base helps inform policy development, evaluate the impact of interventions and identify emerging challenges.
23. A Welsh Housing Survey, designed to align closely with the English Housing Survey methodology, would allow meaningful comparisons between Wales and England while recognising the distinct characteristics of the Welsh housing market. It would provide a stronger evidence base for decisions on areas such as housing supply, regulation, energy efficiency, affordability and standards within the private rented sector. We also think that improving data collection and transparency should be a key part of the Committee's future work programme. Better evidence would support more effective scrutiny, help assess the impact of legislation and ensure that future housing policies deliver positive outcomes for consumers and the wider housing market.

Anything else?

24. Propertymark would also encourage the Committee to consider the recommendations set out in our Senedd Manifesto¹⁰, which outlines key priorities for creating a housing system that is sustainable, professional and responsive to the needs of consumers across Wales.
25. We would also welcome the opportunity to support the Committee's work in any way we can, including providing further evidence, sharing insight from our members across Wales and giving oral evidence to the Committee where appropriate. Propertymark represents a broad network of property professionals who work directly with landlords, tenants, buyers and sellers, and we believe this practical experience can help inform effective, evidence-based housing policy.

⁹ [English Housing Survey - GOV.UK](https://gov.uk)

¹⁰ [Senedd 2026: Our priorities for Wales' housing future | Propertymark](#)