

Priorities for the Senedd's Local Government and Housing Committee

Response from PropertyMark

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Background

1. PropertyMark is the leading professional body for estate and letting agents, commercial agents, inventory providers, auctioneers and valuers, comprising nearly 17,500 members across the UK. We are member-led, with a Board which is made up of practising 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.

Summary

2. As we emerge from the COVID-19 pandemic PropertyMark believes there are four broad, interlinked priority areas that should be considered by the Senedd's Local Government and Housing Committee during the next 12 months.
 - Strengthening data for housing and policy making
 - Supporting the private rented sector after Covid-19
 - Maximising use of existing supply
 - Investigating the merits of a Housing Court or Tribunal for Wales

Below, we set out each of these priorities in turn, including why they are important areas for the Committee to include in its workplan for the next 12 months.

Question: What are the key priority areas that should be considered during the next 12 months, including the impact of COVID and recovery from the pandemic?

Strengthening data for housing and policy making

3. PropertyMark believes that the Local Government and Housing Committee should consider ways to strengthen data for robust policymaking and the merits of introducing a Welsh Housing Survey. This is important because strong foundations for smart policy making depend on being informed by reliable data and evidence, which can also help inform a review of what does and does not work. As evidenced through the recent legislative process for Welsh housing bills, many of the perceptions formed by actors are influenced by anecdotal evidence. That is because there is no extensive, independent, recurring, government-commissioned research that seeks to measure a range of indicators, upon which all can agree and rely. The Housing Conditions Evidence Programme¹ and National Survey for Wales² marked a good start to collect information on the state of housing in Wales but does not go nearly far enough in

¹ Welsh Government, 2018, Housing Conditions Evidence Programme: <https://gov.wales/housing-conditions-evidence-programme-0>

² Welsh Government, 2021, National Survey for Wales: <https://gov.wales/national-survey-wales>

capturing other important information. Furthermore, the English Housing Survey³ has been in operation since 1967 and collects information about people’s housing circumstances and the condition and energy efficiency of housing. A Welsh Housing Survey could also collect a wealth of information such as the levels of satisfaction among social renters, and the percentage of owner-occupied homes that are under-occupied. Housing plays a vital role in people’s lives and property standards, the role of agents and the actions of landlords and tenants, as well as home buyers and sellers, needs to be better captured in order to ensure policymakers have an accurate view of the industry and ultimately make the right decisions. Accurate data, statistics, and evidence are vital for good policy making, and we urge the Local Government and Housing Committee to prioritise investigating how the Welsh Government can strengthen data for housing policy development.

Supporting the private rented sector after Covid-19

4. Propertymark believes that the Local Government and Housing Committee should examine the long-term consequences of the Covid-19 outbreak on the future of the private rented sector. The private rented sector plays a significant role in providing homes for people in Wales, with almost 205,000 dwellings, housing 14 per cent of households across the country.⁴ In recent years the private rented sector has become the only viable option for a growing number of households unable to access social housing and for whom ownership is not an option, a trend that is set to continue.⁵ Furthermore, letting agents have worked hard to support landlords and tenants and manage tenancies safely throughout the public health crisis. The Committee should look at the impact of existing measures to support the private rented sector, including the Tenancy Saver Loan Scheme,⁶ the decision to raise the Land Transaction Tax surcharge on the purchase of an additional residential property such as buy-to-let property,⁷ as well as the impact of welfare policies designed to provide support towards housing costs for people on lower incomes - most notably the freeze to Local Housing Allowance rates and the pending removal of the £20 uplift to Universal Credit.⁸ Further legislative change will be introduced through the Renting Homes (Wales) Act 2016⁹ as well as anticipated new energy efficiency targets for private rented property.¹⁰ Therefore, it is important that the Committee examine how government, at all levels, can mitigate the economic and social impact of Covid-19 on the private rented sector and develop policies to ensure the sector remains a viable housing option for tenants, landlords and letting agents.

3 Ministry of Housing, Communities and Local Government, 2021, English Housing Survey: <https://www.gov.uk/government/collections/english-housing-survey>

4 Welsh Government, 2020, Dwelling Stock Estimates for Wales: www.gov.wales/sites/default/files/statistics-and-research/2020-09/dwelling-stock-estimates-31-march-2020-828.pdf.

5 WLGA, 2021: <https://www.wlga.wales/private-sector-housing>

6 Welsh Government, 2021, Apply for a loan to help pay your rent arrears due to coronavirus: <https://gov.wales/apply-loan-help-pay-your-rent-arrears-due-coronavirus>

7 Welsh Government, 2020, Changes to the rates and bands of Land Transaction Tax: <https://gov.wales/changes-rates-and-bands-land-transaction-tax-december-2020>

8 HM Treasury, 2021, Budget 2021: What you need to know: <https://www.gov.uk/government/news/budget-2021-what-you-need-to-know>

9 The National Archives, 2021, Renting Homes (Wales) Act 2016: <https://www.legislation.gov.uk/anaw/2016/1/contents/enacted?lang=en>

10 Department for Business, Energy & Industrial Strategy, 2020, Improving the energy performance of privately rented homes: <https://www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes>

Maximising use of existing supply

5. Propertymark believes that the Local Government and Housing Committee should scrutinise the Welsh Government's approach to maximising use of existing housing supply and assess the impact of Covid-19 on estimates of housing need, considering factors such as costs, quality, design, and the role of housing in community life. To this end, recent data shows that the average sale price of a new build property in the UK was 37 per cent higher than the average price of an existing dwelling, illustrating the need to look at policies that support existing homeowners to move.¹¹ The Welsh Labour Government has set out plans to deliver 20,000 new low carbon social homes for rent¹², but to bolster supply in the private rented sector and for owner-occupiers as well as the anticipated housing needs of older people, additional schemes can help. Furthermore, Welsh Government figures show that in January 2017 there were 25,725 long term empty properties in Wales and four years later this figure has only reduced by 24 with figures showing 25,701 long term empty homes in January 2021.¹³ Additionally, there is very limited understanding of how many second homes are being let out in the long-term rental market versus numbers in the short term/holiday letting industry. To this end, the Committee should look at existing policies and examine where further supply can be maximised, including getting more empty homes back into use, whether Help to Buy should be extended to the second-hand homes market, how to increase the number of homes available for elderly people, encouraging downsizing and the development of a reliable second homes typology to help inform the robust development of policies intended to minimise the impact of second home ownership in Wales.

Investigating the merits of a Housing Court or Tribunal for Wales

6. As highlighted by the Welsh Parliament's Legislation, Justice and Constitution Committee and its report on the Report on the Renting Homes (Amendment) (Wales) Bill in October 2020, we believe the Local Government and Housing Committee should examine the need for a dedicated housing court or tribunal in Wales.¹⁴ With the introduction of the Renting Homes (Wales) (Amendment) Act 2021¹⁵ bringing greater security for tenants, it is imperative that landlords have adequate access to justice in instances of repossession to prevent them from exiting the sector. Furthermore, the court system is very likely to see an increase in workload and in the long-term potential delays to court proceedings must be avoided. To rectify timing and consistency issues currently faced in the court system, as well as the increasing statutory divergence resulting from devolution from the tenancy regime in England, we believe that the Committee should investigate the merits of a housing court or tribunal for Wales. The current court processes are slow and inconsistent. Without effective court processes, the changes to the eviction process in Wales will not be workable.

11 ONS, 2021, UK House Price Index June 2021: www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/june2021

12 Welsh Labour, 2021, Senedd Election Manifesto, Chapter 9. Our Homes, Communities and Councils: <https://movingforward.wales/our-homes-communities-and-councils.html>

13 StatsWales, 2021, Chargeable empty and second homes, by local authority: <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Council-Tax/Dwellings/chargeableemptyandsecondhomesbylocalauthority>

14 Senedd Cymru, 2020, Report on the Renting Homes (Amendment) (Wales) Bill: <https://senedd.wales/laid%20documents/cr-ld13553/cr-ld13553-e.pdf>

15 Senedd Cymru, 2020, Renting Homes (Amendment) (Wales) Act 2021: <https://business.senedd.wales/mglIssueHistoryHome.aspx?lId=27569>