

Equality Commission

FOR NORTHERN IRELAND

**Equality Commission response to the Department of
Social Development's review into the role and
regulation of the private rented sector**

February 2016

Review of the Role and Regulation of the Private Rented Sector

Role of the Private Rented Sector

We want to make the Private Rented Sector a more attractive housing sector where people choose to live. We are asking for your views on issues impacting the private rented sector. Your views will help shape future policy proposals. Thank you for taking the time to complete these questions

1. Please select from the list below the title that best represents you

| | | | | | |
|-------------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| Landlord | <input type="radio"/> | Tenant | <input type="radio"/> | Letting Agent | <input type="radio"/> |
| Landlord Representative | <input type="radio"/> | Tenant Representative | <input type="radio"/> | Estate Agent | <input type="radio"/> |
| Council Representative | <input type="radio"/> | Housing Professional | <input type="radio"/> | Other Government | <input type="radio"/> |
| MLA | <input type="radio"/> | NIHE | <input type="radio"/> | Department | <input type="radio"/> |
| Voluntary Organisation | <input type="radio"/> | NDPB | X | Member of the Public | <input type="radio"/> |

Introduction

The Commission welcomes this important review and the opportunity to respond to it. We hope that research we have commissioned and our draft Statement on Key Inequalities in Housing, which will be released imminently, will be of assistance in this process.

Housing is a fundamental matter in people's lives – affordability, security and access can determine the future health and well-being of both adults and children. Tenants need to be empowered and protected, and greater regulation of the private rented sector presents an opportunity to do this.

The private rented sector more than doubled between 2001/02 and 2013/14, both in terms of its share of Northern Ireland's housing stock and the proportion of people living in the sector¹. This growth seems likely to continue, and therefore greater regulation is, in our view, appropriate.

¹ DSD (2014) *Northern Ireland Housing Statistics 2013/14*

2. Do you agree that further support should be available to tenants living in the private rented sector?

Yes

No

Please provide your reasons

Appropriate information sources on securing and sustaining tenancies are essential. We welcome the steps that have been taken to do so to date, but note that 49% of respondents to a 2012 survey² stated that they did not know where to go for information about rights as a tenant. We suggest that this figure is potentially higher among particular Section 75 groups, such as minority ethnic groups whose English literacy and knowledge of the Northern Ireland housing system may be lower than the general population. The information sources could include for example, in relation to availability of the disabled facilities grant to the private rented sector. This demand led grant aimed to make 1300 awards in 2014/15, but fell short by almost 100. It is a substantial grant pool, which totalled £10.9m last year.

Affordability is a pressing issue, and appropriate supports, advice and information for those affected are essential. 57% of private rented sector tenants are in receipt of housing benefit, compared to 79% of social housing tenants. A gap may remain between housing benefit and the rent. This gap may be met by the discretionary housing payment, but this is not guaranteed. Nearly a third of lone parents, a predominantly female group, lives in the private rented sector according to the Census 2011. This is the tenure with the highest proportion of children living in relative poverty after housing costs, three times greater than in the social housing sector³.

The 2012 change to the housing benefit system meaning that those aged 25-34 are only entitled to the shared accommodation rate has had an impact. It has been reported⁴ that, since tenants are responsible for making up any shortfall between their local housing allowance and the cost of private rent many private landlords are less willing to let to this age group than did so previously.

We note that the *Living in the private rented sector* research found that 88% of respondents were very satisfied or satisfied with the services provided by their landlord. 91% stated they were on good terms. The suggested areas for consideration above do not seek to detract from these positive relationships, but rather seek to address issues within the system.

² NIHE / UU (June 2014) [Living in the Private Rented Sector – the experiences of tenants](#)

³ DSD (2013) *Family Resources Survey 2011/12*

⁴ Beatty (2014) [Monitoring the impact of recent measures affecting housing benefit and local housing allowances in the private rented sector in Northern Ireland: final report](#)

3. Do you agree that further support should be available to landlords operating in the private rented sector?

Yes

No

Please provide your reasons

Figures from the Landlord Registration Scheme, which has a 90% compliance rate, state that the average number of properties is 2.24, with 67% having one or two properties. Only 7% have five or more. Most are therefore small-scale landlords.

There is growing reliance on the private rented sector to meet demand previously serviced by the social housing sector with its diverse range of tenants. Small-scale landlords may lack experience or feel they lack competence to service the needs of tenant with, for example, particular disabilities. Support for landlords to be able to provide accommodation to the full range of Section 75 groups is important. The Equality Commission provides advice to service providers, and extensive guidance can be found in the Employers and Service Providers section of our website at www.equalityni.org. We also provide training and an advice line for service providers.

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Supply and Investment

4. Do you agree that the private rented sector should play a role in bridging the identified shortage in housing supply?

Yes

No

Please provide your reasons

The strain on housing supply in terms of current social housing availability and accessibility of owner occupation would seem to make the private rented sector's role in bridging housing supply necessary at this time.

In light of this reliance, we continue⁵ to call for the adoption of the Lifetime Homes standard, alongside wheelchair standard housing in the private rented sector, as this

⁵ ECNI (2012) [Response to Facing the Future: NI Housing Strategy 2012/2017 DSD](#) at paragraphs 5.7 -5.14, 6.3-6.4

will increase choice and provide access to improved quality of life, particularly for those with disabilities.

We note that reliance on the private rented sector requires consideration by the Department of how it can meet the needs of groups experiencing particular difficulties in accessing the social housing sector, such as single males, and those seeking housing in high demand areas.

5. Would it be appropriate for Government to incentivise growth and investment in the private rented sector?

Yes

No

Please provide your reasons

No response

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Housing and Tenancy Management

6. The Department should consider making changes to the Landlord Registration Scheme. Do you agree?

Yes

No

Please provide your reasons

No response

7. The Department should consider making changes to the Tenancy Deposit Scheme. Do you agree?

Yes

No

Please provide your reasons

No response

8. Is licensing of landlords needed in Northern Ireland?

Yes

No

Please provide your reasons

We note that the Northern Ireland Assembly called on the Minister to introduce a licensing scheme in 2013. We highlight the potential benefits of increased regulation in the form of: greater protection for tenants; improvements in property management and standards; and professionalisation of the sector.

In noting the potential drawbacks to landlords, such as additional costs, we suggest that the Department draws on learning from other jurisdictions on how to minimise them.

9. Is Landlord Accreditation needed in Northern Ireland?

Yes

No

Please provide your reasons

Please see response at question 8 above.

10. Do you think the private rented sector needs to be further professionalised?

X Yes

No

Please provide your reasons

Please see our earlier responses.

11. Are there other amendments to the Private Tenancies Order that should be considered?

Yes

No

Please provide your reasons

No response.

12. Is further regulation of the private rented sector necessary?

Yes

No

Please provide your reasons

Please see our response at question 8 above.

13. Do you agree that longer term tenancies are a good thing?

Yes

No

Please provide your reasons

It would appear that longer term tenancies are desired by both landlords and tenants.

In the *Living in the Private Rented Sector* report⁶, 27% of respondents had been in their tenancy for five years or more. This provides greater security and stability. They are particularly important for children who may otherwise find their education and social networks disrupted due to moves much more frequently than peers living in the social or owner occupied housing sectors. This disruption may have a significant impact, particularly where gaps in tenancies occur, with families left with no option but to 'sofa surf' until a new tenancy is in place.

14. Are the current notice to quit periods appropriate?

Yes

No

Please provide your reasons

No response

⁶ See footnote 2 above

15. Is the current eviction process fit for purpose?

Yes

No

Please provide your reasons

No response

16. Is overcrowding an issue in the private rented sector in Northern Ireland?

Yes

No

Please provide your reasons

The 2011 Census⁷ found that minority ethnic groups (Irish Travellers, Asian, Black and Other ethnic groups) were twice as likely as the general population to experience overcrowding when living in the private rented sector. The Commission reiterates⁸ its recommendation that the needs of migrants and BME communities are assessed fully, including relevant research into the potential for overcrowding.

17. Do you agree that the regulation of letting agents needs to be addressed?

X Yes

No

Please provide your reasons

The Housing Rights Service's mystery shopper exercise on upfront fees in the private rented sector⁹ provides evidence of the potential for a lack of consistency and transparency among letting agents. It raised, for example, the possibility of both landlords and potential tenants being charged for the same service.

Some Section 75 groups, such as those from minority ethnic groups or young people, who lack experience of the private rental sector or knowledge of their rights, may face additional risk of treatment such as that identified in the mystery shopper

⁷ [Table DC2403NI](#)

⁸ See footnote 5 above, at paragraph 6.20

⁹ Housing Rights Service (May 2013) [The hidden costs of renting in Northern Ireland](#)

report.

We therefore agree that the issue of regulation of letting agents is one that should be addressed.

18. Do you agree there should be an alternative means to resolving disputes other than small claims court action?

Yes

No

Please provide your reasons

No response

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Property Standards

19. Do you agree that it is important to enforce minimum property standards in the private rented sector?

X Yes

No

Please provide your reasons

Firstly, we note the widespread concern that exists that the current standard of fitness is not sufficiently rigorous or informative, and falls far short of the risk-based standard adopted in Great Britain.

Secondly, we note that: the highest levels of unfitness at that standard are within the over 75s population¹⁰; the tenure with the highest levels of unfitness is the private rented sector¹¹; and of those living in non-decent homes, those aged 60 or older accounted for nearly half¹²; and, those aged 60 years or older who lived in the

¹⁰ DSD (2009) House Condition Survey

¹¹ DSD (2011) House Condition Survey

¹² DSD (2011) House Condition Survey

private rented sector were twice as likely to live in non decent housing that those of the same age in social housing¹³.

We agree with the question and highlight our concerns that the current standard may mask the actual quality of homes in which particular groups are residing.

20. In relation to fitness what specific areas warrant further improvement and what means should be used to drive improvement. (i.e. through regulation or some form of non-regulatory route such as guidance)?

No response.

21. Should the current system of applying rent control to unfit properties built before 1945 be extended to include other private rented property?

Yes

No

Please provide your reasons

No response.

22. Should consideration be given to introducing standards similar to those in place in other parts of the UK around requirements to install additional safety measures, such as smoke alarms and carbon monoxide detectors, and requiring periodic electrical inspections?

Yes

No

Please provide your reasons

No response.

¹³ DSD (2009) House Condition Survey

23. Should consideration be given to requiring a minimum standard of energy efficiency for all private rented properties as in England and Wales?

Yes

No

Please provide your reasons

The 2011 House Condition Survey found that fuel poverty was more likely to be experienced by those aged 60 and over. We further note that the private rented sector is the tenure with the highest proportion of children living in relative poverty after housing costs, three times greater than in the social housing sector¹⁴. We note that 39% of grants under the Warm Homes Scheme were made to the private rented sector, and that this may have impacted on these figures. A minimum standard of energy efficiency would provide a guarantee of a basic standard and clear information to prospective tenants to assist in their choice of accommodation.

¹⁴ DSD (2013) *Family Resources Survey 2011/12*

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Contact Details

24. Are there any other comments you would like to make?

No

25. If you wish to be kept up to date with progress on the review please give your name and contact details

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|---------------|--|
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