



Bristol's big housing conversation



Bristol Living Rent Commission

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The commission



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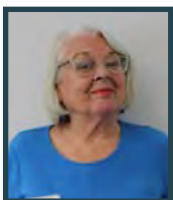
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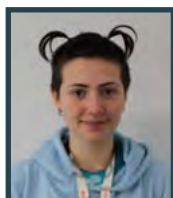
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Commission members



Commissioners, Council Officers, and the Mayor of Bristol outside City Hall following the final meeting of the Living Rent Commission.

Left to right: Cllr Tom Renhard, Nikki Knowles, Professor Alex Marsh, Mayor Marvin Rees, Judith Brown, Kate Bower, Ruth Day, Alfie Thomas, Izzy Russell, Allan Macleod, Alison Rush, Angelique Retief

Foreword

Bristol faces a housing crisis.

The cost of renting privately in the city is increasing significantly, with the average private rent growing by 12.9% annually. These spiralling costs mean housing is becoming increasingly unaffordable, pushing many people further away from their place of work, family, support networks, and the services they need. This has a major impact on our community, as there are over 134,000 people currently renting privately in Bristol. This represents almost one-third of the population.

Average house prices in Bristol are currently extremely high compared with average earnings. Our 'housing affordability ratio' is 11.9:1, which means that the average house price is almost 12 times the average salary. This is higher than the affordability ratio for Great Britain as a whole (which is 9.9:1). It is much higher than for any other English Core City.

At the same time, there remains huge pressure on the city's social housing. We have more than 19,000 households on the social housing waiting list, along with over 1,200 households living in temporary accommodation.

Lack of access to housing, the cost of renting, tenant security, and poor experiences of living in private rented properties are all key issues that need to be tackled. This is why the "Bristol Living Rent Commission" was launched.

The commission's key aim has been to explore measures to improve affordability in the private rented sector, while understanding the diverse potential impacts of rent regulation - including on housing availability, quality and maintenance.

There are no simple solutions to a crisis of this scale and the commission has provided an opportunity to bring partnership-focused organisations together to explore the issues facing renters, with an evidence base to help us develop an approach that works for Bristol.

This has been done in line with our One City

Approach and builds on the renters' summit that took place on 2 March, 2022. The commission has gathered evidence on the challenges we face and on potential solutions. We have sought to ensure that a wide range of people are heard, including listening to the lived experience of citizens. The views of people in Bristol regarding the desirability of rent control policies, as a response to our housing challenges, have come across very clearly.

We would like to thank everyone who has contributed to this research, with special thanks to the commissioners who have provided their insight, experience, and patience. There have been considerable differences in opinion and approaches, but it has been uplifting to work with people who all share the aim of improving life in Bristol and engaging with the complexities of shaping policy in a modern city facing competing challenges.

Before starting this work, we knew that the powers required to deliver a fully accessible rental market in Bristol did not yet reside with the council. The commission's recommendations reflect that the powers to regulate the market must come from central government, so the council will continue to work with Westminster to develop policy. Our recommendations also reflect the need to continue the constructive dialogue with renters and other stakeholders in the private rented sector to achieve our goal of delivering meaningful and lasting positive change for the sector, enabling Bristol to become a Living Rent City.

Councillor Tom Renhard



(Cabinet Member for Housing Delivery and Homes, Bristol City Council)



Professor Alex Marsh

(School for Policy Studies University of Bristol)

Recommendations

The commission believes that the problems in our housing system ripple out and have negative effects on almost every other aspect of people’s lives, society, and our economy.

The commission proposes that Bristol City Council (BCC), in collaboration with other interested stakeholders, engage central government in a dialogue about:

- (i) the case for a national system of rent control.
- (ii) the possibility of devolving powers to city level to control rents.

This dialogue would be enhanced, and given greater focus, once recommendations one to three of this report have been implemented.

The commission is making a series of recommendations directed at improving standards and the experience of private renting.

For the council to address the affordability and quality challenges facing private renting in Bristol, there needs to be a supportive national policy context. The commission therefore recommends specific actions at national level.

Rent control

1 BCC should recognise that there is substantial popular support for rent control in the city as a response to affordability problems, although there are also concerns about negative impacts. Further work should be undertaken to take forward the proposals explored in this report and seek a coalition of support for a more specific policy design. This work should be in collaboration with sector stakeholders and ensure that tenants’ views are integral to the process. We sought views on four example policy designs (see chapter five). We suggest that our example policy B - which involved initial rents being based on a property’s characteristics, increases within tenancies being

fixed at a maximum annual percentage, and changes between tenancies being regulated by their relation to the current market average - could form a potentially fruitful starting point for this discussion. We anticipate that it could also be appropriate to open up a range of further policy designs for detailed consideration.

2 Proposals for a rent control policy should include an assessment of how rent control fits within the broader housing policy portfolio. Decisions about future policy direction should be made based on the portfolio of policies available, rather than on rent control in isolation. Great care is needed when proceeding in the direction of rent control.

3 In parallel with the recommendations above, a communications strategy to address policy risk should be developed. Talk of “rent control” without providing any detail of what that would mean can lead to negative side effects when sector actors, particularly landlords, assume the worst. Yet, it appears that support for our example policy that proposed the hardest, most interventionist form of rent control was not broad-based. Regulation that is primarily aimed at stabilising the market and curbing excesses do not necessarily undermine the business models of responsible landlords. So communicating about proposed policy design can be extremely important.

4 The Council should consider whether it is desirable to advocate for a rent freeze as a short-term crisis measure. Such a freeze is currently in operation in Scotland and city leaders elsewhere in England have called for similar measures. Commissioners from the tenant community, and a proportion of tenants responding to our survey, were strongly supportive of this approach. Such a freeze would have significant implications for the housing market.

Key to colour-coded pie charts:

Next to each recommendation is a pie chart to show how commissioners voted for it.



Agree



Abstain



Disagree

Improving standards and experiences in private renting

The commission makes a range of further recommendations aimed at improving private renting in our city. These focus on improving standards, tenants' experiences, and accessibility of private renting.

Management and standards



5 The commission endorses the council's firm policy stance against poor property and management standards in private renting. This approach should be reinforced and extended. The council should review how it communicates its work in this area including its strategies, associated enforcement action, and licensing work - to make sure that the effectiveness of the approach is fully appreciated by those who are affected by it.



6 Review whether the balance between informal and formal enforcement action on poor property standards is striking the right balance. There are concerns that the use of informal action exposes tenants to the risk of retaliatory eviction. We note the motion to Full Council in January 2023 which highlights the greater use of formal improvement notices to address property condition. This approach could provide tenants with greater protection.



7 Embrace the potential of a regulatory regime that is more collaborative and networked. Explore more fully the role that organisations in the private and not-for-profit sector can play in the effective regulation of private renting, in partnership with the council, particularly through improving the flow of information and timely identification of issues.



8 The commission recognises the council's commitment to tackling discrimination in the private rented sector. To move this agenda forward effectively it is important to ensure that responsibilities within the organisation are clearly allocated and accountability mechanisms are clear. The development of local strategies and action plans for tackling discrimination would benefit from the formal involvement from renters and organisations that work with them as part of a co-production process. While national government has signalled an intention to legislate to address discrimination, this process is moving slowly and it is important to maintain momentum locally.



9 We note that the recent motion to Full Council condemned the practice of bidding wars: that is, landlords or letting agents increasing rental income by requiring prospective tenants to compete against each other to bid above advertised rents. We commend the council's aspiration to identify mechanisms to end this practice. We note that an initial step would be for the council to signal its intent by sending a clear public message condemning the practice via its formal communication channels.



10 Take steps, working with industry bodies and other stakeholders, to raise the performance of poorer quality letting agents to the standard of the best.



11 The expansion of area-based and selective licensing could be part of a firm stance towards improving standards. Demonstrating the effectiveness of existing uses of this policy approach should be integral to any future expansion.



12 BCC should ensure that the fees and administrative processes associated with licensing schemes are no more of a burden on landlords than necessary.

Better information and understanding

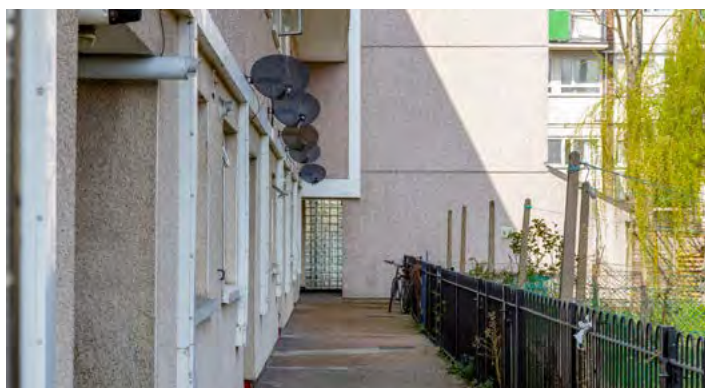
13 Review the way that information about the private rented sector is currently shared. This includes information on rights, obligations, and sources of help and support for both tenants and landlords. Map out which organisations are sharing information, with whom and when. Explore the potential for new collaborations to ensure accurate and timely information is reaching more of those who need it.

14 Review the content and form of information being shared. The review should cover the accessibility and comprehensibility of the information. It should consider whether new media or formats present opportunities to communicate the message more effectively. It should explore whether there is learning about what works that can be shared more effectively between information providers.

15 Produce locally tailored versions of national documentation to ensure that Bristol's landlords and tenants are clear on its relevance to them.

16 Set up a single, easily discoverable location online for presenting the range of relevant information for landlords, tenants and letting agents.

17 Review the data on the private rented sector that is routinely collected. Evaluate the benefits and costs of collecting additional information – for example, on rents and tenant incomes – to enhance understanding of how the housing affordability situation is evolving.



Supply and tenure of rental properties

18 BCC should continue to do all it can to increase the supply of new social housing. It should continue to make the case to central government regarding the pressing need for more funding for social housing and the need to ensure that the welfare benefit system takes sufficient account of actual rents to ensure that housing costs are affordable.

19 BCC should review administrative processes associated with planning and development control to ensure that they are as streamlined and efficient as possible.

20 Enhance support for diverse, innovative community-led initiatives to develop new housing. This could include reviewing land made available to community-led organisations through the public land disposal programme; advocating for the involvement of community-led organisations in private sector-led developments; or supporting appropriately-tailored organisational capacity building to bring development sites forward.

21 Ensure that there is clarity over the way that the city's universities' strategies are having an impact upon, and will further impact in future, the housing market. Initiate timely action, such as accelerating approvals for the development of purpose-built accommodation in appropriate locations, to mitigate any side effects.

22 The council should seek to ensure that new purpose-built student accommodation is as affordable as possible and available to students in all years. Consideration of this issue should be integrated into the current local plan review process.

23 Examine in more detail the evidence on the impact of short-term lets like AirBnB, second homes, and holiday lets on urban housing markets and, specifically, the effectiveness of strategies that have sought to regulate these subsectors.

National action



24 Central government should fully implement the Renters Reform Agenda, including the abolition of section 21 no-fault evictions, action to combat discrimination against lower income households, and ensuring that the court system has sufficient capacity. Action to raise the standard of service provided by poorer performing letting agents is also required.



25 Ensure that the benefit system properly recognises actual housing costs. This would imply significant increases to benefits. Restoring Local Housing Allowance rates to the 30th percentile of local market rents would be an important initial move in this direction.



26 Ensure that student incomes are sufficient to afford typical rent levels by increasing the student maintenance loan to recognize rising costs.



27 Ensure that local authorities have the resources to underpin their private rented sector activities. Central government sees local authority enforcement activities as key to improving quality in the sector, so sufficient resources must be available to allow these functions to be carried out effectively.



28 The decision to remove various tax reliefs has made being a small scale private landlord a less attractive proposition. Reversing these decisions could have a significant positive impact on market supply.



29 Central government should recognise that the solution to our current housing challenges will not be achieved through reliance on the private rented sector alone. Investment in increasing the supply of social housing is integral to the solution. There is broad agreement on this point across all the stakeholder groups in the private rented sector. Stakeholders in the housing policy community have proposed a range of additional measures that have the potential to facilitate the delivery of more social housing. These merit serious consideration.



Executive summary

Tenants' experiences of private renting in Bristol

To build a picture of the current issues facing tenants, the commission drew on discussions at commission meetings, a tenant experience survey and written evidence received. The experiences faced by tenants are broken down into key areas of focus.

Rent changes

Outside of London, the cost of private renting in Bristol has accelerated at a faster rate than most UK housing markets. In Bristol, 29% of households rent their accommodation from a private landlord. This makes the city the largest private rental market in the South West. According to the tenant experience survey, which received a total of 720 responses, four in ten respondents have seen their rent increase in the last 12 months, with male respondents (62%), those between 25 and 34 years old (60%) and those from a minority ethnic background (69%) most likely to have experienced a rent increase. While most experienced annual rent increases, 19% of respondents said their rent had increased twice in 12 months, while 16% indicated they had experienced three or more increases during that period. The commission was concerned to find that seven in ten respondents were not aware how often their landlord was legally allowed to raise their rent, highlighting a failure to properly advise tenants on their rights and deter landlords from inappropriately frequent rent increases.

The commission's survey invited those renting in Bristol to comment on how private renting had changed in the city over the last five years. A clear majority of these respondents reported that the situation had worsened and highlighted a lack of suitable properties. The most prominent concern voiced was the increase in rent – which meant respondents were often struggling. To avoid this cost, some respondents said they had considered

leaving the city and commuting back in for work. Others felt trapped in accommodation that was unsuitable because they were unable to save to purchase a property, or to move to another property in the rented sector. One tenant told the commission that “5 years ago I paid £400 plus bills and now £625 plus bills. My public sector salary has not kept up”.

Rent burdens

Accelerating rents create additional burdens on tenants whenever household incomes are not increasing at the same rate. The commission's research found that half of our survey respondents faced a rent burden which accounted for at least 40% of their income. More than three out of ten faced a burden of over 50%. Younger renters are particularly affected, with half of respondents in the 18-24 category facing rental burdens of 50% or more, demonstrating significant rental barriers for young people looking to live in the city. One tenant commented that due to rent burdens, “people that have lived in the city their whole life are being forced out”. Other tenants told the commission that they see the existing situation worsening unless something is done to limit increasing costs.

Financial pressures and insecurity

Tenants considered searching for accommodation in Bristol in today's rental market to be anxiety-inducing. Private renting fails to provide security. The testimonies received by the commission convey a sense of urgency, frustration and sometimes despair amongst tenants and would-be tenants. One such response read “rent has skyrocketed and now [it] has become impossible to afford and save anything. [I am] paying way more than mortgage rates and can't save enough to change the situation and personally I earn alright”. Lack of availability and affordability

results in more overcrowding in shared housing and induces frequent “bidding wars” to secure rental properties. Other survey respondents highlighted issues associated with the lack of security: it had “distressing” and “huge” impacts on mental health and meant, for example, that young people are not able to start families. One respondent in the 25-34 age category went as far as to say that the difficulties in the rental market meant they would “warn anyone away from moving here”; another said they would “dissuade friends from moving here” due to pressures originating from extortionate rental costs, lack of availability, and eviction rates.

Evictions, repairs, and landlord-tenant problems

The limited security of tenure available to private renters means that fear of eviction is pervasive. More than one tenant responding to the survey expressed their concerns about insecurity and shared their worry about becoming homeless.

Landlord-tenant issues were also common. Two-thirds of survey respondents told the commission that they had experienced “problems” with their landlord or letting agent in the last five years. Younger respondents were more likely to experience these problems and those with a disability were considerably more likely to have faced issues. The most common area of conflict was around repairs and/or maintenance. Although most repairs were fixed, they were more likely to have been fixed following tenants chasing their landlord - rather than being fixed promptly. In a third of such cases, the landlord had not fixed the problem even though they had, in the tenant’s view, sufficient time to do so.

Mould, damp, and plumbing were the most common property issues faced by tenants renting privately in Bristol. Tenants gave multiple examples of landlord inaction when a problem

needed addressing. One such example was from a tenant who had reported a bedroom leaking water from outside - causing the carpet and flooring to rot, and mould to develop on the curtains. The landlord in question reportedly took no action - which resulted in the tenant “continuously spend[ing] money on temporary insulation and weather-proofing solutions as well as heating to make the room habitable in cold or wet weather”.

This frustration with landlords and repairs was a common theme. We can break it down into: getting the letting agency or landlord to acknowledge the request for repairs; requests being met with a lack of response; some contractors and/or landlords entering the property without prior notice; and worry about raising a repair issue for fear of retaliatory eviction. While relatively few survey respondents had direct experience of retaliatory eviction – that is, landlords evicting them rather than fixing the problem that the tenants had reported - it doesn’t need to happen frequently for it to have a significant effect on tenants’ willingness to report repairs and get landlords to comply with their obligations.

Overall, 84% of respondents told the commission that they had reported problems with the condition of a property to a landlord or agent. In 10% of cases where a property issue was reported, the landlord or letting agent increased the rent after resolving the issue.

Although some respondents were pleased that the Deposit Protection Scheme is a legal requirement, sometimes its implementation did not resolve issues entirely. More than one tenant argued that deposit schemes are an improvement but raised concerns that such schemes favour landlords and agencies. For some tenants, an increase in activism and awareness of the situation in Bristol were seen as positive developments over the past five years.

Private renting in Bristol: current issues and causes

Lack of affordability and inadequate financial resources

Two of the most prominent issues facing the Bristol rental market are rent increases and the cost of rent relative to income. Rent is rising disproportionately compared to household income, whether the tenant is working, retired, a student, or in receipt of welfare benefits.

High rents present a particular challenge for those in low-income households, a challenge which is made worse by the inadequacy of the financial support available to those tenants through the welfare system. This issue has two components. One, current Local Housing Allowance rates do not reflect the reality of private sector rents. Two, the overall benefit cap means housing support can be further reduced. Broader economic challenges surrounding inflation and the national cost of living crisis have compounded the problems facing lower income households.

Poor living conditions

Poor living conditions and disrepair are recurring issues in the data collected and the accounts offered by tenants. Poor living conditions

affect quality of life, health, and wellbeing. The poor energy efficiency of many private rented properties represents an additional financial burden. Tenants provided evidence that landlords were not always responsive – failing to maintain properties and deal with problems in a timely manner. Cases of inaction are common in the city. Threats of (and actual) retaliatory eviction using a section 21 notice in response to tenants asking for issues to be fixed have been reported. These issues have been reported in other recent research studies examining private renting nationally.

Inequalities in access and discrimination

Over a quarter of those taking on a new tenancy in the last 12 months stated that to secure a property they had been put in a position where they were required to compete with other people to pay more than the advertised rent. Half of survey respondents (48%) experienced the additional financial burden of paying rent in advance, separate from any deposit, just to secure a property. One tenant told the commission that they felt “pressured to offer more rent per month than what they [landlord/agent] were asking for and to apply before seeing a property”.





Some tenants said that the lack of available and/or affordable properties led to experiencing forms of discrimination – groups included in this were single parents, people receiving welfare benefits or not working full-time, the self-employed, single people over the age of 35 and, generally, unrelated tenants or those who do not want to share with others. A broad range of stakeholders recognised that there are inequalities in access to the private rented sector. Discrimination can be based on age, sex, race, disability, gender, sexual orientation, gender reassignment, pregnancy, type of employment, or type and level of income. Discrimination can be compounded when households fall into more than one of these groups. It can be direct or indirect. Those from black and minority ethnic communities can suffer disproportionately from discrimination. Discrimination towards those on low-incomes takes the form of obstacles such as the requirement to provide detail on projected income, employment checks, deposits, up-front payments, and guarantors. Those on welfare benefits face additional barriers. About a third of private renters in Bristol claim benefits. A significant proportion of households in the sector are facing the risk of discrimination.

Landlords in the city can choose who they deem most suitable to rent their property. Landlords will

typically pick those that earn the most and possess a good credit score because they are perceived as offering greater security. For those that are perceived higher risk, landlords have been known to demand (at least) six months' rent up front to secure a property. This system favours those who can draw on financial assistance from family or friends.

Overall, the rental market in this current form results in unaffordable rents and increased social segregation. This is having a profound impact on the cultural and social fabric of the city.

The council has publicly committed to stamping out discrimination in the private rented sector. This commitment has recently been renewed. Delivering on this commitment is a key task.

Lack of private rental supply

A key problem identified by the commission is an increasing shortfall in the supply of private rental properties relative to demand. The commission highlighted several factors that exacerbate this lack of supply. What is happening to private renting cannot be understood without also understanding the situation in the home ownership and social housing sectors. The lack of affordability in the home ownership sector coupled with the lack of supply in the social housing sector increases the pressure on the private rented sector.

From the perspective of landlords, a number are reported to be reducing their portfolio, exiting the market, or switching to the holiday let market. The factors driving this appear to be market factors, tax treatment, administrative requirement and regulatory restrictions, problems with institutions/ processes that support housing market functioning, and forthcoming policy changes – notably the prospect of section 21 evictions being banned. Some of these factors have been in operation for some time. However, rule changes have altered their effect on the market. For example, national changes in the definition of Houses in Multiple Occupation mean that more properties fall within the licensing scheme. While some of the changes cited by landlords may have improved the tenant experience, from the landlord perspective they have made the sector less attractive. As a result, landlords are voicing concern that they do not feel incentivised to enter or stay in the private rented sector.

Changes in demand

A trend that has been accelerated by the pandemic and the ability for some people to work remotely has been those on higher wages moving to Bristol and commuting once or twice a week to their workplace, which is often London. This can boost the short-term let market, with sites such as Airbnb being used as people search for

stopgap accommodation in the city while they look for properties. The growth strategies of the city's universities have also resulted in significant increases in demand as the student population has grown. The student market is intensely competitive and some students are unable to find somewhere to live in Bristol. Consequently they end up having to commute from places such as Bath, Chepstow, or Newport. Landlords in this submarket know that they are going to be able to let properties relatively easily, which reduces the pressure to deliver quality.

Due to increased demand, gentrification has become a growing issue, notably in certain parts of the city such as Easton and St Pauls. As people move into these areas, we are seeing members of the established community pushed out.

Reduced generosity of the welfare system

A substantial minority of households require financial assistance from the welfare system to be able to afford private rented accommodation and the system is becoming progressively less effective in this role over time. Local Housing Allowance (LHA) rates are low in comparison to the realities of rent in Bristol. As a result, people are forced to make up the difference to meet their rent. As the gap between rent and LHA rates increases, more people find it a challenge to bridge – increasing the risk of homelessness.



Improving affordability for private renters

The commission aimed to explore the idea of rent control and collect a range of local views about rent control as a response to affordability problems. It also invited views on other approaches to dealing with high rents. Currently, BCC does not possess the power to introduce rent control. The work of the commission will help shape the way the council approaches future discussions with national government.

The views shared with the commission led to an understanding that a “fair and affordable” rent is related to renters’ incomes, landlords’ returns, and the state of housing stock. The term “fair and affordable” can be broken down into several components that are required to ensure a certain standard of living: adequate housing to ensure health, wellbeing, and personal development. Renters should be able to afford a property appropriate to their circumstances. For example, a single person affording a one-bedroom flat and families affording a house with sufficient bedrooms. Another component of “fair” is the landlord, who should be able to make a “reasonable” income – but not to the detriment of tenants. A good landlord should ensure decent, safe homes without disrepair. Repairs should be carried out in a reasonable time and all problems addressed without negative consequences for the tenants. The commission believes as a broad indicator of affordability, people should not be paying more than 30% of their income on their rent. Considering this definition, many rents in Bristol currently cannot be classified as affordable. Rents are outstripping wages, student incomes, and welfare benefits. If rents that are affordable to tenants are not considered by landlords to offer a “reasonable” income then that can present a major policy challenge. Prioritising affordability will have implications for private rental housing supply that would need to be managed.

The term rent control can be used to mean any policy that applies legal regulations to influence private rents. However, rent control policies can vary greatly – with different designs and objectives. Some rent control policies aim to stop rents rising too quickly. These policies aim to



stop affordability problems getting worse and accelerating at a fast rate. Other policies might focus on fixing rents at their existing level – but still not reducing rent. A complete freeze, fixing rent to its current value, is typically seen as the hardest form of rent control. A rent control mechanism that seeks to reduce rents would be harder still. A softer form of rent control would be a policy that sets a limit on the maximum amount the rent can increase each year. The softest form of rent control will only control rent during a tenancy and once a tenant moves the landlord is able to relet the property at the market rate. A harder version of this approach would see the policy continue to apply while the property is empty, meaning the rent of the next tenant cannot be increased by more than the maximum rent increase set by the policy.



The commission's discussions highlighted a key distinction between rent reduction and rent stabilisation. Rent stabilisation would not reduce rent levels, even if it slowed the rate at which affordability problems were increasing. Commissioners from the tenant community argued that the cost of renting in Bristol is so high, compared to the rest of the country, and to local wages, that a system that leads to rent reductions is essential.

The commission conducted a second survey which asked people to give their views on rent control and asked them to rate four example policy designs and select their preferred model. The survey responses pointed clearly to the conclusion that a substantial majority were in favour of rent control in some form. Four out of five respondents stated that they considered rent control to be desirable, a further 6% stated that it "depends", and 13% stated that they did not think rent control was a desirable policy. Many of those in favour of rent controls focused on rents being too high or rising too fast. Those against rent control focused on negative side effects such as the impact on housing supply. When we analyse the data by respondents' perspective on private renting then we see that support for rent control among tenants was even higher (94%).

The groups where a majority did not think rent control would be desirable were private landlords and property professionals, a group including estate agents and surveyors.

Regarding the aim of the policy, both stopping large rent increases and reducing overall rent levels had the support of a majority of respondents. Stopping large rent increases had somewhat more support amongst respondents than reducing overall rent levels. The idea of setting rents relative to people's incomes split the survey respondents. A quarter of those who did not see rent control as desirable indicated that, of these possible aims, policy should focus on stopping large rent increases.

The predominant view among respondents was that rent control in Bristol should aim to be comprehensive in scope – applied to the whole private rented sector. More than nine out of ten private renters favoured this approach. The second most frequently preferred approach was one that adopts the most limited coverage – controlling the rents of only some properties in some areas of Bristol. The preferences of private landlords and property professionals were significantly different from those of other groups. They are the only two groups where less than half of the members supported a comprehensive approach.

Most respondents favoured a rent control system that regulated rents between tenancies as well as within tenancies. More than nine out of ten tenants favoured a system where rents were controlled between tenancies, whereas two thirds of landlords preferred a system where control only operated within tenancies.

The final element of our rent control survey aimed to explore respondents' views on four example rent control policies. The four example policies covered a mix of principles and harder and softer approaches to regulating rents. While the examples covered different principles, they could not cover every principle that those designing a rent control policy might like to consider.

The example policies were as follows:

- **Policy A:** Private rents should be frozen at their current levels, but landlords can apply to increase rents to reflect spending on property improvements.
- **Policy B:** Initial private rents are set on the basis of a property's characteristics and can be increased by no more than 5% per year during a tenancy. Rent increases between tenancies cannot result in a rent more than 10% above the current market average.
- **Policy C:** Private rents are set at 30% of the tenant's income at the start of the tenancy and can be increased each year during the tenancy by the annual rate of wage inflation.
- **Policy D:** Landlords are free to set their rents at market rates at the start of a tenancy, but rents cannot be increased by more than 3% each year during a tenancy.



Respondents were asked to state how much they agreed with each of the four approaches. They were then asked the question: “overall, if you had to choose one of these four policies to implement which one would you choose?”. More than a third of those who see rent control as desirable did not agree with policy A, which is the hardest form of rent control among these examples. This suggests that many of those who support control would not be looking for an extremely stringent system. However, this part of our survey did not address the question of whether survey respondents had different preferences for the short-term and the long-term: for example, an approach that implemented policy A in the short-term as a crisis intervention, while a more sophisticated policy was designed for the longer-term.

When considering the choices made by respondents with different views on the desirability of rent control, the groups hold different preferences. Four in ten of those who see rent control as desirable selected policy C, with a further three in ten supporting policy B. Very few of this group supported policy D. In contrast, two-thirds of those who did not think rent control desirable supported policy D, which was the softest version of rent control offered. The group of respondents who were more cautious in their view of rent control – answering ‘it depends’ – had a completely different profile of response, most frequently favouring policy B.

Policy B was not the most popular option for any group but it was the second most popular policy for every group. This suggests to the commission that if rent control were to be pursued as a policy, then it might be possible to bring together a coalition of support for a policy for Bristol by building on a discussion of policy B.

Members of the commission held the view that any rent control measures need to be complemented by reform to the welfare system and a significant programme of social house building.

Improving experience and accessibility

The diverse evidence presented to the commission indicated that there are several areas where action could be taken to improve the experience of living in private rented accommodation in Bristol.

BCC currently engages broadly with the private rented sector. It implements the mandatory licensing scheme for Houses in Multiple Occupation. It has powers to create area-based and selective licensing schemes and it has used this power repeatedly to address poor standards in specific neighbourhoods. The council is the enforcing body in areas such as property standards and protection from eviction. It has a robust policy of using available powers to tackle poor landlord behaviour and poor property quality. It is one of the most active local authorities in the country in terms of placing landlords on the national rogue landlord database. The council is active in supporting tenants to obtain rent repayment orders. It liaises with both landlords and tenants to inform them about rights and obligations and policy changes affecting the sector. However,

while the council is active in this area – there are limits to what it can achieve.

The commission notes that legal protection from retaliatory eviction is associated with the use of formal enforcement approaches but not with informal approaches to seeking landlord compliance with their legal obligations. The recent motion to Full Council highlighted the need to consider more frequent use of formal improvement notices to deal with poor property quality. This is a position that the commission endorses.

The commission believes improving the distribution and circulation of information within the housing sector would be beneficial. This includes information on tenants' rights and obligations; landlords' rights and obligations; sources of support should a tenant or landlord encounter difficulty; local authority powers and, importantly, their limitation; and, what to watch out for to avoid scams operating in the sector. To increase accessibility, greater provision in the most



frequently used additional languages should be considered. Providing information in alternative forms, such as infographics, could help create more engaging communications but also make information accessible to those with lower levels of literacy.

The commission has also identified local partnerships and collaborations that could be set up or expanded. There are limits to the council's capacity to reach those in the city who would most benefit from support. Other organisations may already be in touch with the relevant groups, whether in relation to housing or non-housing issues. Organisations in the voluntary and charitable sectors may find it easier than the council to engage with certain communities. Collaborations open the possibility of getting accurate and authoritative information to more people.

From the commission's discussions it was felt that there were two "quick wins" available through localising information. These were, first, the BCC website having a local version of what is on offer on the government's website – written using language that everyone can understand, and, second, local universities providing a guide on tenants' rights for all new, and existing students.

Licensing schemes attracted discussion within the commission and in written evidence. Some landlords dismissed licensing as no more than a money-making scheme for the council. Others argued that the scheme is not working well and is actually distorting the market. For mandatory schemes like HMO licensing, decisions that are perceived as having negative impacts on the market are often thought to come from the council despite being national rule changes. From the tenant perspective, there was considerable emphasis placed on holding landlords to account. In this context, licensing was seen as a key

mechanism. It means that the burden of dealing with problems does not fall on tenants, who can feel in a vulnerable position.

There was a broad endorsement of the government's Renters' Reform Agenda. Proposals to deal with discrimination against households receiving benefits were welcome. The removal of s.21 evictions was seen as essential for stabilising housing circumstances and improving the security of tenants. Loss of a private tenancy is a major contributor to homelessness. Some argued that although the renters reform agenda is positive, central government could go further and faster.

Despite this, landlord representatives were keen to emphasize that court processes are already slow and problematic. If s.21 evictions are removed and landlords are expected to make a case in court whenever an eviction is sought then, unless court processes are improved, the system may implode.

Overall, many of the routes to improving the relationship tenants' have with the private rented sector require local authorities, possibly in collaboration with others, to engage in more activities. The council and other stakeholders are willing to do more to improve tenants' lives but that can only happen with the support of adequate resources. In terms of national policy, it is vital that there is an appreciation of this point and a willingness to ensure the budgets are available to underpin the necessary activities.



Conclusion

In the last ten years, housing in Bristol has become increasingly unaffordable.

The Bristol Living Rent Commission concluded that private renting in the city faces a serious access, affordability and security of tenure crisis, which is impacting the wellbeing and quality of life for people in Bristol and playing a major role in creating homelessness.

With demand substantially outstripping supply and rents continuing to rise, access and affordability continue to be a serious challenge. This is a challenge not only for those on lower incomes. Indeed, a large majority of tenants responding to the commission considered that the situation has deteriorated significantly over the last five years.

Lack of affordability and access to private renting are issues that have negative consequences for Bristol as a whole. The existing situation is destabilising communities, pricing lower income households out of neighbourhoods, disrupting the creative and cultural life of the city, and resulting in talented people leaving in search of more security elsewhere.

The housing challenge in Bristol has been compounded recently by the national cost-of-living crisis. Some households' finances are almost completely used up trying to keep a roof over their head and keeping themselves warm and fed. Many tenants feel they are in a precarious situation and some feared the prospect of becoming homeless.

Rent control

The commission found substantial support for rent control of some kind, with differing views. The majority of private tenants; representatives of community and voluntary sector organisations that work with private tenants, considered rent control to be desirable. In contrast, landlords and market intermediaries, such as surveyors and estate agents, were more likely not to find rent control desirable.

While support for rent control was widespread, there were concerns about it having potentially negative impacts. These concerns were common among landlords, letting agents, investors and a few tenants. Some indicated that their view on rent control was influenced by whether it was a national or a local system. They preferred a national system, which maintained a level playing field, rather than the city going it alone.

The design of a rent control policy is crucial to the effects it has on the housing market. Our survey respondents indicated that the most important side effects to mitigate were: avoiding discrimination; reducing housing quality; and reducing housing availability. On the basis of the evidence collected from stakeholders, it appears that it could be possible to develop a rent control system that has a reasonably broad base of support across the city. Such a system could build on the principles embedded in our policy B, as described in section three.



The impact of rent control depends on how it fits with other policies, including policy relating to the supply of social housing and the welfare benefits system. For rent control to be effective a holistic approach to reform is necessary. Proceeding with rent control without complementary change in these other policy areas would present a different profile of risks to proceeding with rent control when changes in these other policy areas are also possible.



Improving experience and accessibility

While local authorities play a key role in raising and enforcing standards, they are constrained by resources and the powers given to them. There is scope for enhancing the regulation of the sector by thinking about it as being delivered by a network of organisations working together.

The commission identified the accessibility of information for tenants as a key concern, particularly information on rights, responsibilities, and redress mechanisms. Information needs to be made more accessible.

Licensing as a way of raising standards and improving experience drew both positive and negative comments. If it can be shown to improve standards, then there is support for expanding the scope of licensing schemes. More can be done to promote the positive impacts of existing licensing schemes and the work of the council to enforce standards.

There is much more that can be done to improve the experience of tenants, but, as with rent control, it requires a supportive national policy framework. This includes the effective delivery of the Renters' Reform Agenda and providing local authorities with sufficient resource to tackle the scale of the problem.



Introduction

The housing challenge in Bristol

- 1.1** Bristol is the fastest growing among the UK core cities. Its population grew 10% between 2011 and 2021, from 428,234 to 472,400. It is a city where many households rent their homes. As of May 2022, there were 207,000 homes in Bristol: 29% were privately rented and 18% were for social rent. Bristol City Council owns 27,000 council homes. Just over half the city's homes are owner occupied. More than a quarter of households in the city – over 134,000 people - renting privately is substantially higher than the national average (20%).
- 1.2** For many people, Bristol is a vibrant and exciting place to live and work. We attract and retain people who want to enjoy the city's culture and who seek to benefit from its strong local economy. But we know this is not cost free. This growth has placed huge demands on our housing system.
- 1.3** Nationally, there are substantial levels of unmet housing need, including in the most acute form - street homelessness. There is a chronic lack of affordable housing. Over the last ten years the average house price in England and Wales increased by 67%. Bristol has experienced this increase especially sharply: house prices rose by 93%, around £161,000. In parallel, rents in the city have increased by 52% since 2011 whereas wages have only increased by 24% over the same period. The result is that many households carry a substantial financial burden to secure somewhere to live. Some tenants are paying more than they can afford for accommodation that falls short of minimum standards.
- 1.4** This has become a crisis which affects all parts of our city: from the direct impacts of living in damp or overcrowded accommodation to indirect consequences like reducing the availability of potential employees in key sectors. We can see the consequences physically in the increases in the number of vehicle dweller encampments, the gentrification and marginalisation of communities, or in more people sleeping rough. But it also has pervasive impacts that are less visible: the stress and mental health impacts of unstable or unaffordable rents and the way an increased turnover of residents can make established communities feel transient and less cohesive.
- 1.5** The Council and private developers continue to build homes, working towards ensuring that 2,000 homes are built in Bristol each year, with 1,000 of those being designated as affordable housing. During 2021/22, 2,563 new homes were built in Bristol and over 3,500 student units have been completed since 2006. But the crisis is so significant that this level of new supply is not sufficient. Bristol needs to urgently address housing affordability problems and make the right to adequate housing a reality for all. This is not something the council can do on its own.
- Internal BCC data, correct at time of research.
Available: [Bristol Key Facts 2022 - July 2022 update](#)

Context: the changing private rented sector

- 1.6** While the pressure on Bristol's housing system has been particularly intense, we have not been alone in wrestling with these challenges. And the role of private renting has increased substantially in many of England's cities. Over the last twenty years the private rented sector has doubled in size nationally.
- 1.7** The profile of both tenants and landlords has changed as a result. There are, for example, more families with children and more older people continuing to rent privately. Households are renting privately for longer, in part because of difficulties moving into home ownership or accessing social housing. Much private rented property is provided by individual landlords operating on a small scale, but there has also been an increase in institutional investment by large financial companies in the "build to rent" submarket.¹
- 1.8** Private renting has attracted increased policy attention because of concerns about rental affordability; the quality of property and management in parts of the market; and the limited security offered to tenants. There is a concern that these factors mean that tenants are not able to exercise their rights effectively. The covid pandemic has underlined the importance of adequate, secure and affordable housing as the foundation for building a good life.
- 1.9** Over the last decade policy towards private renting in the devolved administrations – Scotland, Wales and Northern Ireland – has changed considerably in the direction of greater regulation. In Scotland this has included increasingly substantial government interventions to control rents. Similarly, in Northern Ireland a law has been passed that allows government to regulate rent increases. In Wales there are active discussions about the desirability of rent control. These developments are mirrored in several other developed countries, with major cities such as Barcelona and Berlin having introduced or strengthened rent controls in recent years. But there has been more reluctance in England about changing policy towards private renting. There have been policy changes aimed at improving standards and dealing with the worst - so-called "rogue" - landlords, but successive governments have ruled out regulating rents.² England continues to have one of the most lightly regulated private rented sectors in Europe.³

The Bristol Living Rent Commission

1.10 The Mayor's 2021 manifesto included a pledge to make Bristol a "living rent city" and campaign for the power to introduce rent controls to make Bristol an affordable city. So, in 2022 the City Office formed a One City Living Rent Commission to explore what could make Bristol an affordable living rent city and to consider what powers the city could ask to be delegated from central Government to enable us to achieve this.

1.11 The Living Rent Commission is an important part of exploring long-term solutions and building a coalition of support which agrees the status quo is not acceptable, while acknowledging the potential unintended negative consequences of action.

1.12 As part of preparing for this work, the City Office supported a Renters Summit organised with the [Bristol Fair Renting Campaign](#) and ACORN. Almost 150 renters came together in March 2022, along with landlords and other Bristol residents, to share their experiences and discuss rent controls in the city, enforcement power and ways to tackle discrimination. This was important for exploring views, and as a result we wanted to seek further views from across the sector.

1.13 If we are to address Bristol's housing challenges effectively then the process of seeking long-term solutions needs to be inclusive. We therefore aimed to incorporate as many voices as possible within the Commission. To demonstrate the commitment to the One City approach to developing proposals inclusively and collaboratively the Commission was designed to allow contributions from diverse perspectives on private renting.

1.14 The Commission invited representatives of partner organisations that could provide insight into the breadth of experiences of private renting and were prepared to work together and listen to opposing views. The Commission was formed of sector experts, tenants, landlords and academics who investigated the issues identified, and heard testimony from other organisations, groups, and individuals with lived experience.

1.15 We were delighted to include the following organisations:

- Bristol Fair Renting Campaign
- Generation Rent
- Association of Residential Letting Agents/Propertymark
- ALL (Association of Local Landlords) Wessex
- Shelter
- Bristol Older People's Forum
- Ashley Community Housing
- Black South West Network
- UWE Student's Union
- UOB Student's Union
- We Can Make
- Trowers and Hamlins
- Brighter Places
- Savills

1.16 The Commission was co-chaired by Cllr Tom Renhard, Cabinet Member for Housing Delivery and Homes, and Professor Alex Marsh, School for Policy Studies, University of Bristol, and the UK Collaborative Centre for Housing Evidence.

The Commission's goals

1.17 The Commission set out to address the following five goals:

- To explore how to improve affordability of the Bristol private rental market
- To understand how introducing rent stabilisation might affect the private rental market in the city, including potential impact on housing quality and maintenance
- To make recommendations regarding which rent controls would be most appropriate and deliverable
- To explore what additional powers could improve the experience of renting in Bristol, eg. Landlords' database
- To examine how we could empower tenants' rights (information, transparency, complaints c.f. social housing tenants' rights) to improve affordability and quality.

The Commission's approach

1.18 The Commission brought together analytical data, expertise, input and lived experience testimony from several key city partners and representative groups, through multiple evidence sessions held over six months. Commissioners attended two preparatory meetings, five evidence sessions and two further wrap up discussions. The evidence sessions heard evidence from invited stakeholders and results from a novel analysis of secondary data on rents in the Bristol private rented sector, carried out by researchers at the School of Geographical Sciences, University of Bristol.

1.19 Commissioners contributed written evidence and contributed to the design of two surveys. These surveys received around 2,500 responses together, which helps to demonstrate the views of people across the city. The first survey focused on tenant experiences of private renting.⁴ The second survey gathered views on how to deal with affordability in the private rented sector, with a particular focus upon rent control. The results of these surveys are reported extensively below.

1.20 Housing and rents are emotive issues. Commissioners heard difficult stories and shared frank views with each other about the topic. This was done in a respectful and constructive way which remained focused on the topic.

The Commission's report

1.21 The Commission is a One City initiative. The Commission's process has been to consider the evidence and differences of opinion in Bristol regarding rents and potential types of controls and their effects. Its task was to draw on these deliberations to make recommendations designed to inform the Council's policymaking.

1.22 Our challenge is to develop recommendations which reflect all the views and perspectives represented on the Commission. Commissioners endorsed the open and inclusive process the report has been through. We believe we have arrived a nuanced position that reflects the complexity of the issues and the diversity of perspectives.

1.23 This report identifies a potential way forward and a range of actions that can be taken locally and nationally to improve private renting in the city. Cllr Renhard's Motion to the January 2023 meeting of Full Council secured the opportunity to take the report to a future council meeting to receive and debate these recommendations.⁵ Bristol City Council will now work to secure as much buy-in locally and nationally as possible.

1.24 The council administration will meanwhile consider the Commission's recommendations and produce a report to explain how appropriate recommendations will be adopted to Council policy.



Profiling the private rental market in Bristol

- 2.1** This chapter provides a profile of the Bristol housing market. It draws on a novel analysis that brings together quantitative data from different sources.
- 2.2** In summary, **renting in Bristol has gotten more expensive faster than most UK markets outside of London. At the same time, the cost of exiting the rental market has also become more expensive faster than most markets outside of London.** This means that Bristol is one of the most challenging cities in the UK for renters to live and transition to home ownership.
- 2.3** At the outset of our discussion it is important to understand the current state of the private rental sector in Bristol. This will help to understand the potential need for (and impacts of) rent stabilization policy for Bristol. The following analysis synthesizes public data from the 2021 Census conducted by the Office of National Statistics (“2021 Census data”) and a novel analysis of private rental property listings made on Zoopla from January 2018 to December 2020 (“the lettings data”) provided by the Urban Big Data Centre (UBDC) based at the University of Glasgow, which can be released by the UBDC on request.
- 2.4** **Bristol has an unusually large private rental market for its population.** According to 2021 Census data, 26% of Bristol residents rent their accommodation from a private landlord, while 18% are in social housing. The remainder own their home – either outright or buying with a mortgage - or pay no rent. This means that Bristol’s private rental market is the largest in the South West, with nearly fifty-thousand households renting privately, and is fifth-largest among lower-tier local authorities in England and Wales (behind Birmingham, Leeds, Manchester, and Liverpool).
- 2.5** **The average house price in Bristol is almost 10 times local average earnings.** From 2021 Census data, the Office of National Statistics notes this makes Bristol the least affordable city among the English “English Core Cities” outside of London. Thus, households face an unusually high financial barrier when attempting to “get on the property ladder.”
- 2.6** **As a result, rent setting practices in the private rented sector have come under scrutiny.** Common measures that landlords use to set rents, such as “rental yield,” are simple linear functions of the sale price of the property. These measures do not consider the property’s running costs or maintenance costs, local wages, a tenant’s ability to pay or whether tenants are able to pay for all other life essentials once they have paid for housing. Yield-style pricing strategies are “affordable” – in the sense of not imposing an ever-increasing burden on household finances over time - only when wages increase as fast as house prices, on average. This basically never happens over reasonable periods of analysis: house prices in Bristol have nearly doubled over the past decade while wages have remained constant. Indeed, year-on-year, the only period where wage growth outpaced house price growth was during the 2008 financial crisis. Thus, there is a risk that the metrics used by many landlords and property agencies to set rents will eventually result in unsustainable rent levels. **Indeed, it can be argued that existing rents, as described in the following points, have already reached a level that is socially unsustainable.**

2.7 The supply of properties listed to rent declined by nearly two thirds from 2018 to 2020. From the lettings data, the number of properties listed on the market declined by two thirds, even after adjusting for seasonal variation in the supply of private rented accommodation. This is shown in Figure 2.1. This decline in supply is not necessarily due to an increase in the average flat size, which remained stable between 2 and 3 bedrooms over the period and appears to have begun even before the COVID-19 pandemic slowed rental markets further. The lettings data in this analysis is unable to determine whether supply has continued to decline over 2021 and 2022, but a future update to this report will aim to determine whether this is the case, pending additional UBDC data.

2.8 Renting privately in Bristol has become much more expensive. We can measure this in two ways in the lettings data:

- a** *Median advertised rent increased by 25% from 2018 to 2020.* This reflects the change in “entry price” for private renting in Bristol across the period. It is significantly higher than the ~5% total growth in RPI or ~6% total growth in nominal wages over the same two-year period. Annualized, this is about a 12% per year increase in the typical rent in Bristol. Given public data on continued record rent increases in 2021 and 2022, this rate of increase has likely been sustained.
- b** *When a property gets re-listed on the market, its rent increases by about 6%.* This reflects the typical experience of Bristol tenants over the two year period. We estimate this using the rent advertised by listings for the same property in two different time periods. It usually takes about a year for a property in 2018 to re-enter the market, but this may be as short as 9 months or up to 18 months—if they re-enter at all. More technical detail on this point is provided in the methodological appendix to this chapter.

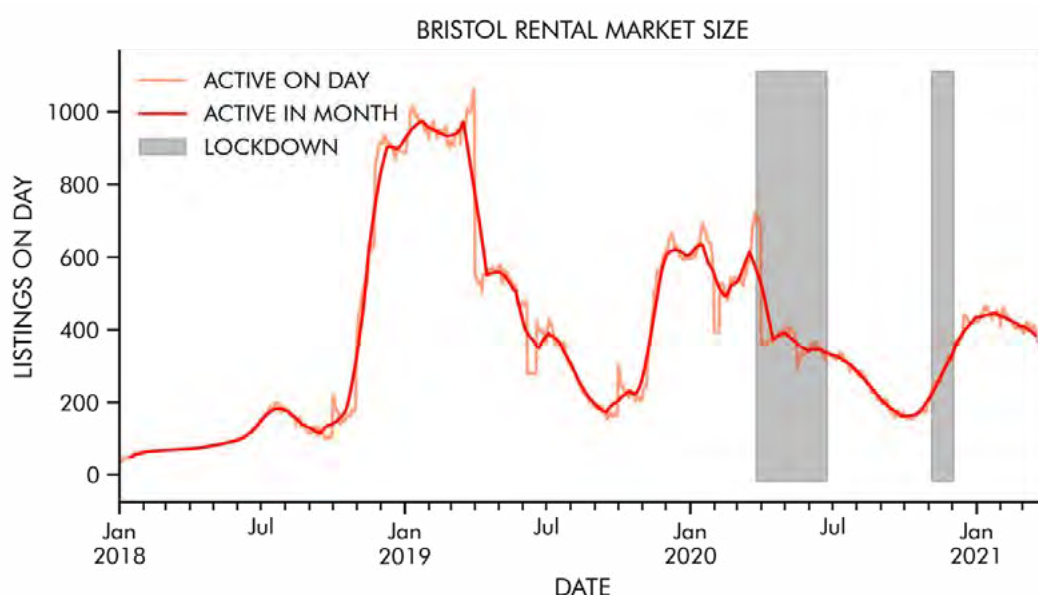


Figure 2.1: Listings active on each day since January 1, 2018. The seasonal fluctuation is very apparent, with January peaks, as is the decline due to COVID-19. Note that the peak after COVID-19 is still present, but muted.

2.9 Rent increases are greater in some wards than other wards. The geographical pattern of rent increases strongly depends on whether properties accept students as tenants (Figure 2.2). This is to be expected. But, rent increases differ across wards, which suggests place-based policy interventions like “selective licensing areas” could be repurposed for rent stabilization.⁶ The lack of affordable housing is exacerbated *in some neighbourhoods, for some people*, and policy to address affordable housing must recognise this.

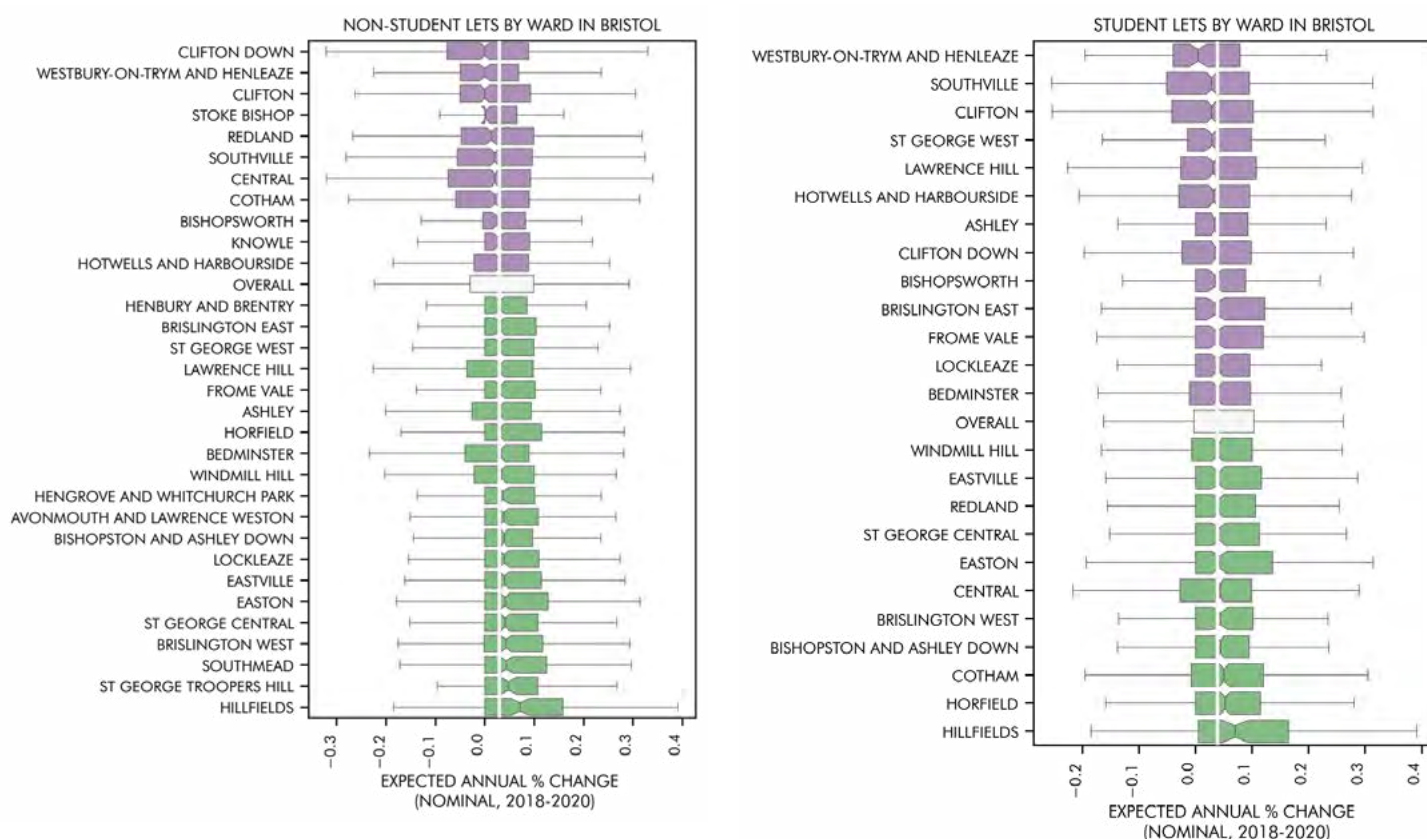


Figure 2.2: Boxplots of property matched rent increases across wards in Bristol. This reflects the observed change in property rents from 2018 when they hit the market again sometime before 2021. The “overall” estimate reflects all changes in Bristol.

2.10 Rents rose faster for cheaper properties.

Even after adjusting for flat size, rents for cheaper properties in 2018 grew between two and four times as fast as rents for more expensive properties, as shown in Figure 2.3. This hammers the lower end of the rental market harder, with cheap studios and one-bedroom flats experiencing well over 40% growth over the two-year period, as shown in Figure 2.4.

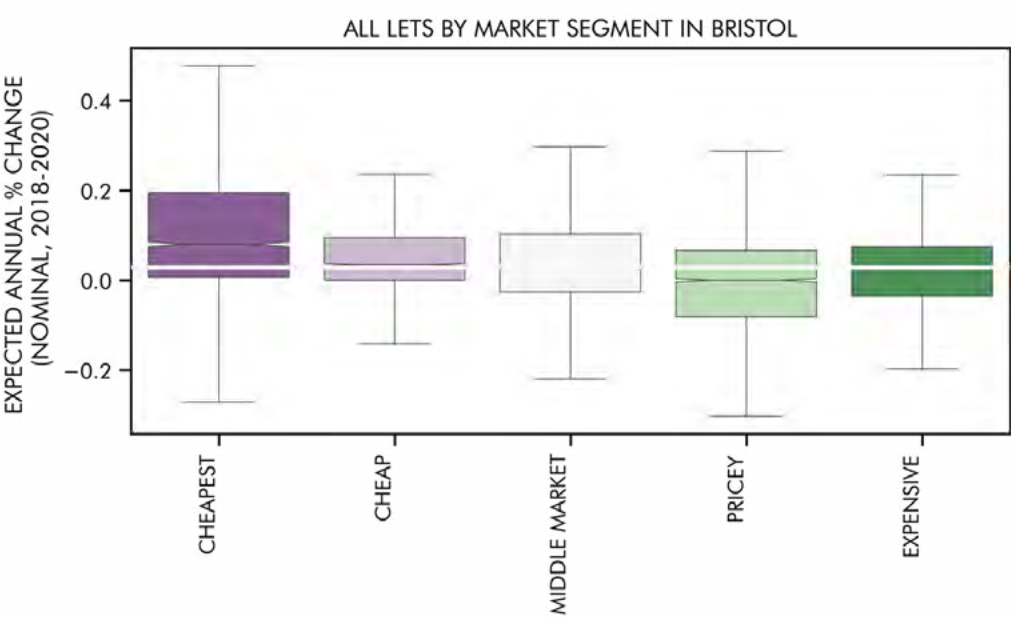


Figure 2.3: Rent increases (in percent) among matched listings for each market segment. This suggests that the cheapest properties in 2018 had much faster rent increases than the properties that were expensive in 2018.

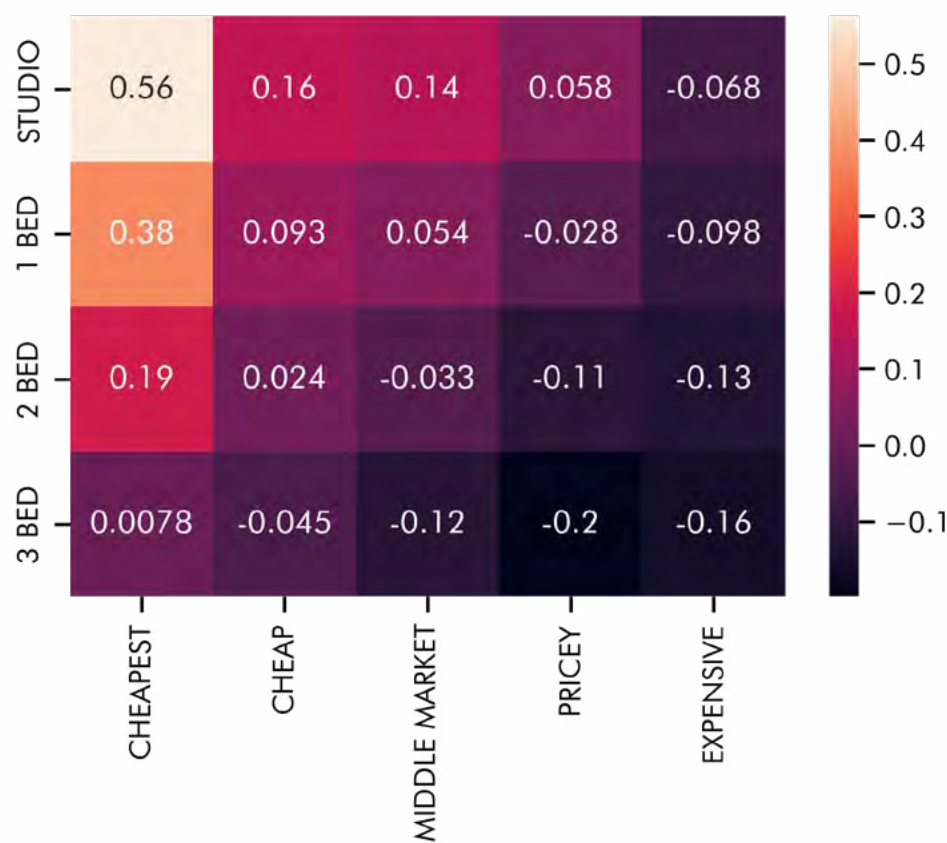


Figure 2.4: Median rent increase (in percent) for matched listings in each market segment, split by flat size. This suggests that the cheapest of studio properties matched across listings in our dataset experienced up to a 50% increase in price between 2018 and 2020. While this could be justified by a renovation or retrofitting, the systematic pattern is that the cheaper, smaller properties in 2018 tended to rise in rent much faster than those that started in 2018 as larger and more expensive properties.

Methodological Appendix: Matching properties over time

A2.1 The matching estimate compares the rent charged for a property (or a nearly identical one) at two points in time. The “aggregate” estimate simply compares the typical levels of rent across time—like the typical rent advertised in 2020 is 25% higher than that in 2018. Thus, the aggregate estimate provides a snapshot of what it would be like to *enter* the Bristol market at two different points in time, while the matching estimate seeks to measure the rent change that *existing tenants experience*: you’d have to pay 6% more rent to secure your home if it went back on the market.

A2.2 The matching estimate is optimistic for tenants: rent changes *within a tenancy* will generally be lower than those between tenancies since rent increases between tenancies are generally unregulated while *some* leases restrict the rate of rent increases within the tenancy. Further, a landlord is unlikely to reduce the rent they charge to a new tenant if a current tenant leaves, unless the landlord is unable to let the property. Given the declining supply, increasing rent, and consistent “time on market” of rental listings, this seems theoretically implausible, and very few listing pairs have *rent decreases* in the listings data. Therefore, we argue that our “matching” estimate reflects the typical Bristol resident’s experience of rent changes, since it corresponds to the premium a current tenant would have to pay to re-secure their existing accommodation on the open rental market. On the other hand, the “aggregate” estimate is best interpreted as the change in entry price to Bristol’s rental market. The difference between the two corresponds to the effect of the stock change over time, as properties enter and exit the market.

A2.3 For further detail about the matching technique, properties were matched over time using either an “exact” or “approximate” forward matching technique. The “exact” matching technique estimates the rent increase for a given property when it is let again on the open market. The “approximate” matching technique will instead estimate the rent increase between a given property and a property with the same specifications in nearly the same place. Thus, the “exact” technique reflects observed rent increases that a tenant would experience on the open market, while using exact and approximate techniques together will measure the rent increase that a tenant would experience if attempting to remain in the same hyper-local area. Again, this reflects a *distinct estimand* from the aggregate comparison of median rents over time, which measures the change in the price of entry to the Bristol private rental.

A2.4 For the “exact” technique, pairs of property listings were made by matching the address (down to the flat number, if provided) between an earlier “source” listing and a later “target” listing. The “source” listing is considered the first time we see the property on the private lettings market, and a “target” listing is the most recent listing made 90 days after the source listing was closed. For example, a source-target pair for a 2 Bedroom/2 Bathroom/1 Reception room at “Ground Floor Flat, 123 Blahem Road, BS0 8AL” would be a property that was let in on January 18th, 2018, and then re-let sometime after March 2018. The median listing pair is separated by 369 days, (about what would be expected if yearly tenancies were typical), with the 25th and

75th percentiles reflecting tenancies 9 or 18 months. A random sample of 200 pairs was successfully verified by hand with no clear issues. Over a quarter of the 48,000 listings (~11k) were able to be exactly matched in this way. Changing the order of the matching in time (i.e. matching from a later “source” listing to an earlier “target” listing) results in the same number of listing pairs, as expected.

A2.5 Among properties without an “exact” match, we constructed an “approximate” match if property had identical specifications (same number of bedrooms, bathrooms, and reception rooms) in the same postcode or within 200 meters, in that order. This reflects a reasonable substitution that the tenant of the source property might make to remain in basically the same part of town in the same kind of property. Another ~12k were able to be matched to properties within 200 meters that had identical specifications.

A2.6 Note that the “approximate” method can match one “target” listing to multiple “source” properties in the past. For example, imagine that there are five 2 Bedroom/2 Bathroom properties in BS0 8AL in 2018 but only two in 2020. Assume one of the source properties is matched exactly to a latter property. In this procedure, the remaining four source properties in 2018 are matched to the latter 2 target properties, and the rent charged is taken as the average of the matched properties. This matching is made even though one of the later two target listings is already matched exactly, because the “approximate” technique seeks to measure experience of a tenant trying to stay in a given hyper-local area.



Tenants' experiences of private renting in Bristol

3.1 Having provided a brief aggregate profile of the way rents have recently been moving in the Bristol private rental market in chapter 2, we now turn to examine tenants' experiences of the market. The discussion draws on our tenant experience survey and written evidence submitted to the Commission.



Who responded to our tenant experience survey?

3.2 We received a total of 720 responses to our survey. A small proportion of respondents did not supply the socio-demographic information that would allow us to include their responses in some of the analysis presented below.

3.3 We received responses from people across the age ranges: however, we received only 22 responses from those between 55-64 years old and only three responses were from people over 65. For the purposes of analysis we coded these responses into a group covering respondents 45 years and above. Similarly, respondents classified their sex using identities including non-binary, agender, or “other”, whereas five percent of respondents preferred not to classify themselves. Because the number of respondents in each of these categories was small, they have been grouped for the purposes of analysis.

3.4 Two thirds of our survey respondents were female and half were in the 25 to 34 years age group (Table 3.1). Two thirds of respondents were White (British) and a further 17% were White (Irish) or White (Other). The largest minority group were those with a mixed or multi-ethnic background (31 respondents), followed by those who were Asian/Asian (British) (25 respondents). Only ten respondents identified with the Black/African/Caribbean/Black (British) grouping. This suggests that non-white households, particularly those who identified as Black/African/Caribbean/Black (British), were somewhat under-represented in the sample. The results reported below need to be interpreted in that light. It is possible they understate the incidence of problems somewhat, given that many members of minority communities are likely to be living in parts of the private rented sector where quality issues are more prevalent. Some 14% (100) of respondents stated that they were disabled, with a further 25 indicated that they preferred not to answer this question.

Table 3.1

Who responded to our tenant experience survey? (All respondents)

Respondent Sex				
Age group	Female (%)	Male (%)	Other/Prefer not to say (%)	Total
18-24	9	11	18	10 (68)
25-34	57	46	49	53 (371)
35-44	23	30	24	25 (176)
45 or over	11	14	9	12 (80)

(NB: Columns may not sum to 100 due to rounding)

3.5 Our respondents were in diverse socio-economic positions. More than seven out of ten were in full time work and a further one in ten were in part time work. Full time study was the next most common status. A smaller number of respondents were studying part-time and combining this with part-time work; long-term sick or disabled; unemployed and/or looking for work; looking after home or acting as a carer; or retired. ‘Other’ economic positions that were identified including, for example, being an apprentice or working full-time and studying part-time.

3.6 Simplifying these results for the purposes of presentation we see that, not surprisingly, those studying full-time tended to be younger, those working full-time were more likely to be in the 25-34 age group, and those who were less directly connected to the labour market tended to be older (this latter group includes three respondents who were retired) (Table 3.2).

Table 3.2
Economic status by age group (All respondents)

Economic status	Age group				Total % (no)
	18-24	25-34	35-44	45 or over	
Full-time work	7	57	26	10	100 (512)
Part-time work	4	51	26	20	100 (81)
Full-time study	63	22	9	6	100 (32)
Long-term sick, UE, carer, plus*	3	27	45	24	100 (33)
Other**	15	62	13	10	100 (39)
Total % (no)	10	53	25	11	100 (697)

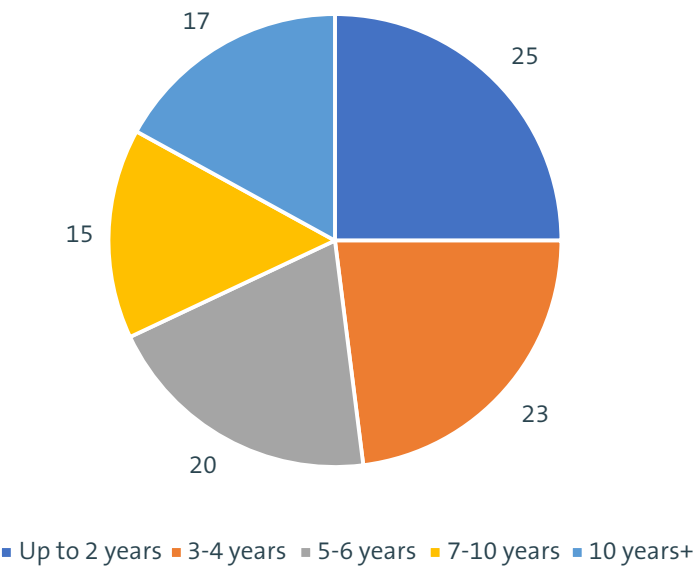
* = long-term sick/disabled; unemployed/looking for work; looking after home/full-time carer; retired.

**= other; part-time study; part-time study and part-time work

Renting in Bristol

3.7 A quarter of our survey respondents had been renting in Bristol for no more than two years (Figure 3.1), while 8% had been renting here for less than a year. In contrast, 17% had been renting for ten years or more. Overall, there was a relatively even spread of experience of renting in Bristol.

Figure 3.1
Length of time renting in Bristol
(%, All respondents, n = 713)



3.8 Two thirds of respondents rented from an individual private landlord, while 31% rented through a letting agent. Companies provided accommodation for 5% of respondents and only 2% were living with family or friends. Full-time students were more likely than those in work to be renting through a letting agent or company rather than from an individual. Similarly, 40% of respondents with a disability had secured their property through a letting agent compared to 30% of those without a disability.

3.9 Six out of ten respondents stated that they rented on an Assured Shorthold Tenancy. The next most common tenancy status was a periodic tenancy (7%, 52 respondents). A small proportion of respondents were on longer-term tenancies – either assured (3%; 25 respondents) or regulated/secure tenancies (6 respondents). Very few respondents were occupying their property on the less secure terms of a license agreement (1.5%, 11 respondents). Perhaps the most striking finding from the survey, however, is that nearly one in four respondents stated that they either didn’t know or were not sure what sort of agreement they had.

3.10 From the point of view of tenants having an accurate understanding of their rights this knowledge gap is highly significant. Those who rented from an individual landlord or, in particular, who provided an ‘other’ response (eg living with family or friends) were more likely to report that they didn’t know what sort of tenancy agreement they had.

Recent movers

3.11 Our survey sought to understand the current prevalence of a range of practices in the private rented sector so it was important to be able to identify renters who had recent experience of the market. Some 45% of our respondents had started a new tenancy in the last twelve months. The likelihood of having done so declined with age (Table 3.3). Correspondingly, those in full-time study (72%) or renting from a letting agent (54%) were more likely to have started a tenancy; the same was true for those with a disability (60%) and those from a mixed or multi-ethnic background (55%).

Table 3.3
Started a new tenancy in the last twelve months, by age group (All respondents)

Recently started tenancy?	Age group				Total % (no)
	18-24	25-34	35-44	45 or over	
No	26	52	64	72	55 (380)
Yes	74	48	36	28	45 (316)
Total % (no)	100 (68)	100 (373)	100 (177)	100 (79)	100 (696)



Rent changes

3.12 Very few respondents had seen their rent decrease over the previous 12 months, whereas four out of ten had seen their rent increase (Table 3.4). Tenants renting from an individual landlord were less likely to have experienced a rent increase than respondents with other types of landlord. Respondents who were male (62%), were between 25-34 years old (60%), or had a minority ethnic background (69%) were more likely than other respondents to have experienced a rent increase.

3.13 In more than seven out of ten cases where the rent had increased this was because the landlord had put the rent up. Moving to a new tenancy where the rent was higher therefore accounted for nearly a quarter of the cases.

3.14 Respondents whose landlord had increased their rent were asked how many times the rent had been raised in the last 12 months. In nearly two thirds of cases the rent had increased once in 12 months. But 19% of respondents reported that their rent had been increased twice and 16% of

respondents indicated they had experienced three or more increases during that period. Respondents aged between 35-44 years (23%) and 45 years or more (36%) were more likely than younger respondents to report having experienced three or more increases.

3.15 All respondents were asked if they knew how often their landlord was legally allowed to increase their rent. Fully seven out of ten stated that they did not. This knowledge gap should be a cause for concern, particularly in a high pressure housing market where landlords and letting agents have a strong incentive to raise the rent. Most of those who stated that they knew how often rent rises were legally allowed stated that it was annually or on renewal of a tenancy. A small number of tenants responded with statements such as “whenever they want” or “when agreed 24hrs notice” which, if nothing else, suggested a considerable degree of uncertainty about their living circumstances.

Table 3.4

Rent change in the last 12 months, by landlord type (All respondents)

Rent change	Landlord type				Total % (no)
	Individual	Letting agent	Company	Other	
Decreased	2	1	5	5	2
Increased	53	61	68	68	57
Stayed the same	45	38	26	26	42
Total % (no)	100 (434)	100 (222)	100 (38)	100 (19)	100 (713)

(NB: Columns may not sum 100 due to rounding)

Rent burden

3.16 Our survey sought information on tenants’ rental payments and the income they had left once they had paid the rent. The goal was to gain a sense of the rent burden they were bearing – the proportion of their income devoted to the rent. However, producing accurate estimates of any measure of housing affordability requires more - and more precise - information than could be collected in an online survey seeking information on a broad range of experiences. The key challenge is disentangling the effects of rental assistance (local housing allowance, universal credit) which creates a gap between the rent charged for a property and the amount of rent paid by the tenant out of their own pocket. Our estimates of rent burden should, therefore, be considered as at best a broad indication of the current situation. When the analysis focused only on respondents who stated they did not receive any rental assistance then estimated rent burdens were still high.

3.17 We estimate that overall more than half the respondents faced a rent burden of at least 40% of income (Figure 3.2). More than three out of ten respondents carried a rent burden of over 50%. Half the respondents in the 18-24 age group faced rental burdens of 50% of income or more. The 25-34 age group had the lowest proportion of renters facing very high rental burdens: this is in part because they were the group most likely to be working full-time. Even so, we estimate that one in four of this group of households were paying more than half their income on rent. Those who were not in work or full-time education were more likely to record high rental burdens.

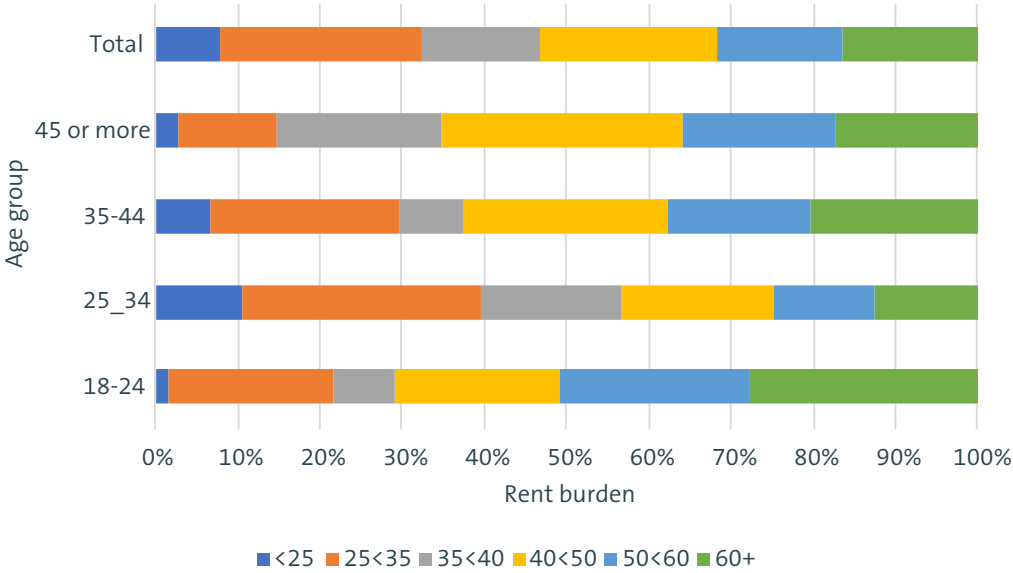


Figure 3.2
Profile of estimated rent burdens, by age group (All respondents)

3.18 The rental burden that households were facing was associated, perhaps not surprisingly, to their level of annual rent payments. Half of those paying less than £6,000 a year in rent (£500/month) had a rent burden below 35% (Table 3.5). In contrast, seven out of ten of those paying £12,000 or more in rent annually had a rent burden of at least 50%.

Table 3.5
Estimated rent burden by annual rent payments
(All respondents)

Rent Burden (%income)	Annual rent payments (£000s)						Total % (no)
	< 6 %	6<8 %	8<10 %	10<12 %	12<14 %	14+ %	
< 25	22	4	1	5	0	0	8
25<35	37	28	19	10	8	4	25
35<40	14	18	14	11	3	9	14
40<50	16	22	29	30	16	18	21
50<60	5	16	20	14	45	20	15
60+	6	13	16	30	29	49	17
Total % (no)	100 (190)	100 (246)	100 (93)	100 (63)	100 (38)	100 (55)	100 (685)

(NB: Columns may not sum 100 due to rounding)



Financial practices

3.19 The Commission received evidence during its early discussions about several practices that private renters are currently experiencing – around rent bidding, the treatment of deposits, or the payment of additional fees. The survey sought to gain an estimate of the extent to which those who had recently taken on a new tenancy had experience of these practices.

3.20 Over a quarter of those taking on a new tenancy in the last 12 months (28%) stated that a landlord or letting agent had put them in a situation where they had to compete with other tenants to pay more than the advertised rent in order to secure a property. This proportion was relatively consistent across types of household, although younger renters (40%, 18-24 years old) were more likely to have experienced this situation than the smaller number of older renters (18%, 45 years and over).

3.21 Almost all renters had paid a deposit (96%). Landlords are legally required to use a third-party deposit protection scheme to handle this money. So it is striking that only three quarters of these respondents (73%) stated with confidence that the money had been paid into such a scheme. One in ten respondents stated that the money had not been paid to a deposit protection scheme, but a larger proportion (13%, 43 respondents) did not know whether their deposit had been protected. Those that did not know their tenancy status (see section 3.2) also accounted for the majority reporting that their deposit was not protected or they did not know the status of their deposit. Four out of five tenants reporting their deposit was not protected were renting from individual landlords.

Respondents who were not in work or full-time education were more likely to report that their deposit had not been protected, while students in full-time education were more likely to state that they didn't know the status of their deposit. It would appear there is both an information and a compliance gap in some parts of the market.

3.22 Half of respondents (48%) taking on a new tenancy in the last 12 months paid rent in advance, separate from any deposit, to secure their property, while more than half (54%) reported paying a holding deposit. This was typically then either incorporated into the deposit once the tenancy commenced or deducted from the rent. One in ten respondents paid an additional fee.

3.23 Paying rent in advance and paying a holding deposit were more likely if renting through a letting agent (60% and 66% respectively) or if younger (18-24 year olds) or working or studying full-time. Most of the respondents asked to pay an additional fee were in full-time work (86%).

Evictions

3.24 A key characteristic of private renting in England is lack of tenure security. Most tenants hold assured shorthold tenancies which typically last six months. That doesn't mean that tenants necessarily move every six months, but many do move frequently and not out of choice. Lengths of residence can, however, be several years, but this is on the basis of repeatedly renewing contracts or relying on periodic tenancies that offer even less security. Assured shorthold tenancies can be terminated through so-called "no fault" s.21 evictions. These are perhaps better understood as evictions where there is no requirement to give a specific reason for terminating the tenancy. The availability of s.21 evictions means that a tenant can behave well, look after the property, and be up-to-date with their rent payments but that is no defence against eviction. In addition, as discussed further below, there is a long-standing and ongoing concern that s.21 allows landlords to engage in retaliatory eviction against tenants who seek to assert their rights.⁷ Across England the termination of a private tenancy is a leading cause of homelessness. The Government has committed to ending s.21 evictions as part of its Renters Reform Bill. But this is yet to be passed into law.

3.25 When thinking about how eviction operates in private renting it is helpful to distinguish between the legal basis upon which a landlord regains possession and the social process of doing so. What that means is that even if the legal basis of an eviction is s.21 the landlord may feel that, although it is not legally necessary, it is appropriate to explain or justify to their tenant why they are being evicted. This reason offered might

be a rationalisation or a pretext, rather than the real reason, but it can serve a variety of social purposes including softening the blow of eviction. Given the gap between the legal requirements and the operation of the social relation between landlord and tenant, tenants' experiences of eviction need to be interpreted with care.

3.26 Only 13% of our survey respondents reported that in the last five years they had been asked by one or more landlords to leave a property without being given a reason. In half of these cases the tenant stated it was a s.21 eviction, but one in five didn't know if that was the legal basis for the eviction. Older tenants were more likely to be evicted without a reason given (21%; 35-44 years old), as were those with a mixed or multi-ethnic background (28%), those who did not self-define as either male or female (26%), and those with a disability (23%).

3.27 A quarter of respondents had been asked to leave a property in the last five years with the landlord providing a reason. The groups experiencing this more frequently were again older households (35-44 years), those with a mixed or multi-ethnic background, and those who did not self-define as either male or female. More than a third of households working part-time or with an 'other' economic status had been asked to leave with a reason given. In contrast, only 7% of those studying full-time had experienced this.

3.28 The most frequent reason given for eviction was that the landlord was planning to sell the property. Other reasons provided by several respondents included that the landlord or a family member was going to move (back) into the property, the landlord was planning to refurbish, or the property was going to be relet at a higher rent. Proposals for reforming tenancy law include retaining several of these reasons as acceptable justifications for eviction. The level of evidence required to demonstrate that these plans are serious, rather than a pretext to remove the tenant, is a key question. If the landlord does not have to provide meaningful evidence of their intention to, for example, sell the property then that effectively neuters the aim of removing no-fault evictions.

3.29 We examined this issue from a different angle with a question about experience in the last five years of rent being increased in a way that affected the respondents’ ability to continue living in the property. A quarter of respondents reported that they had experienced this, but it had taken different forms. One in ten stated they had been evicted so the landlord could relet at a higher rent. This estimate can take no account of those who were evicted on a no-fault basis but their landlord did not disclose that the underlying purpose was to raise the rent. Some 6% of respondents stated that they had experience of a landlord increasing the rent specifically to get them to move out the property (Table 3.6). While it appears a relatively small proportion of tenants are affected by this practice in the present context, in a future context where s.21 no-fault evictions are no longer available the incentive for landlords to engage in this type of economic eviction increases.

Table 3.6
Experience of rent rises affecting ability to continue living in a property (All respondents)

Rent increase situation	Age group (%)				Total % (no)
	18-24	25-34	35-44	45 or over	
Yes – my landlord was happy for me to stay, but I couldn’t afford the higher rent and decided to move out	16	12	7	3	10
Yes – my landlord told me the rent was being increased to a level I couldn’t afford so I would have to move out	9	6	8	0	6
Yes – my landlord evicted me so that the property could be relet to someone else at a higher rent	7	10	12	5	10
No	65	66	71	81	69
Not applicable, not moved in last five years	4	7	3	11	6
Total % (no)	100 (68)	100 (373)	100 (177)	100 (79)	100 (696)

(NB: Columns may not sum 100 due to rounding)

3.30 Beyond the indirect impact of rent increases on ability to remain in the property, a more direct tactic would be for a landlord to issue a s.21 notice and use the prospect of eviction as a lever to implement a rent increase. While some survey respondents reported experiencing this tactic they represented a relatively small proportion of the sample. It appears a relatively ineffective tactic on the part of landlords because the tenants were more likely to move out or refuse to pay than to pay the increased rent required (Table 3.7).



Table 3.7

In the last five years experienced the use of a Section 21 eviction notice accompanied by requirement to pay higher rent or leave the property (All respondents; multi-response possible)

Experience of s21 eviction notice and outcome	% (no)
Yes – but in the end the landlord agreed not to increase the rent	0.1 (1)
Yes – and I paid the increased rent as asked	2 (15)
Yes – and I paid part of the increase asked for	0.6 (4)
Yes – but I could not afford to pay more and so I had to leave	3 (25)
Yes – but I refused to pay more so I moved out	2 (11)
No	93 (670)

Landlord-tenant problems

3.31 Two thirds of respondents reported that they had experienced problems with their landlord or letting agent during the last five years. Younger respondents were more likely to have encountered problems (Table 3.8) and those who declared a disability were considerably more likely to have experienced problems than those who had not (80% cf 65%).

3.32 The most common area of conflict was issues with repairs or maintenance (56%), with poor communications also experienced by half of respondents (51%). The landlord being unreachable (39%) and harassment (14%) were cited less frequently, while 17% indicated another source of conflict.

3.33 Younger tenants were more likely to report areas of conflict with a landlord or letting agent than older tenants (Figure 3.3). More than half of tenants 45 years and over had not experienced conflict, whereas for those 34 years and under this proportion was around a quarter. The survey allowed for multiple response for tenants who had experienced conflict in more than one area. Half of tenants under 35 years old indicated that they had encountered conflict in three or more of the five areas. The equivalent figure for those 45 and over was 13%.

Table 3.8
Experienced problems with landlord or letting agent, by age group (All respondents)

Experienced problems?	Age group				Total % (no)
	18-24	25-34	35-44	45 or over	
No	28	26	38	58	33
Yes	72	74	62	42	67
Total % (no)	100 (68)	100 (372)	100 (177)	100 (80)	100 (697)

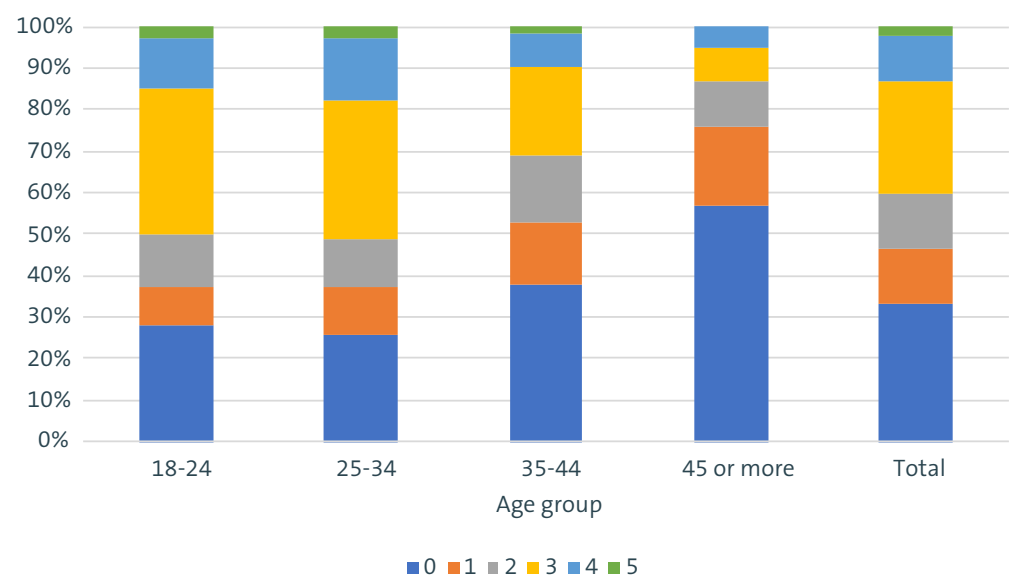


Figure 3.3
Number of areas of landlord-tenant conflict experienced, by age group (All Respondents)

3.34 Tenants provided differing levels of detail regarding the nature of conflicts they had experienced. One of the fuller comments gives an indication of the practices involved:

... all of the above, from multiple private landlords and letting agents over 6 years of renting in Bristol across 5 properties. Most recently, earlier this year and during our current contract, an employee of the letting agent managing the property illegally, with no prior warning and in direct violation of our tenancy agreement, let themselves into our home and took photos and notes of every room as part of an unannounced property inspection ... the agent ... admitted that there had been an internal breakdown in communication among their team ... They apologised but were resistant to our request that they remove the photos taken without our knowledge or consent from their record, and do the property inspection again when we had prior knowledge and time to prepare. We insisted that this be done, and they eventually agreed... In the same property, and also in the last year, we have reported that a door in our bedroom opening to the outside is leaking and causing the carpet and flooring underneath to rot, as well as causing mould to develop in the curtains. Over a period of 6 months the letting agent gathered quotes from repair companies, however the landlord has decided not to pursue repair work on the door, meaning we now have to live with growing mould and rot in our bedroom. The carpet around the door is turning black, is often wet to the touch, and the room sometimes smells strongly of decomposing material. The bedroom is significantly colder than other rooms due to the gap in the door's frame, and we are having to continuously spend money on temporary insulation and weather-proofing solutions as well as heating to make the room habitable in cold or wet weather. However the landlord and letting agent will take no further action to remedy this.



Repairs

3.35 Overall 84% of respondents had reported a problem with the condition of a property to a landlord or their agent. This is the proportion who reported a problem with condition, which doesn't capture those who have experienced problems but felt unable to report them.⁸ It is also possible that the survey does not fully capture the experience of those tenants who live in parts of the market where they are more likely to encounter poor conditions. The implication is that 84% may be an understatement. The most frequently reported problems were with damp/mould and plumbing issues (Table 3.9). In some cases these may have been related problems. One in five respondents reported an 'other' problem. Problems with non-insect infestation (rats, mice, pigeons) were common, as were issues with safety and security (e.g. broken locks, malfunctioning alarms), and broken or disconnected kitchen appliances.

3.36 Tenants across social groups and tenancy situations experienced problems with property condition. The pattern of experience differed for different problems. Table 3.9 indicates that some problems were more common for younger than older tenants, but that was not always the case. Problems were typically more frequently experienced by tenants reporting a disability; in relation to some problems a substantially higher proportion of disabled respondents had been affected. For some problems, those outside the labour market or education were more likely to have experienced the problem and for some problems incidence was higher among those who were from minority backgrounds or who didn't identify as either male or female.

Table 3.9

Property condition problem, by age group (%Experiencing; All respondents)

Property condition problem	Age group (%)				Total % (no)
	18-24	25-34	35-44	45 or over	
Damp/mould	53	59	48	40	54 (373)
Plumbing issues	40	49	46	42	46 (323)
Boiler breakdown	19	32	34	27	31 (214)
Continuous state of disrepair	35	28	23	15	26 (180)
Roof issues	21	24	29	17	24 (170)
Poor insulation	21	24	27	21	24 (169)
Other	25	20	16	25	20 (124)
Poor quality heating	21	18	16	10	17 (119)
Broken windows	16	19	15	6	16 (111)
Unsafe wiring	13	12	10	4	11 (75)
Insect infestation	6	11	10	5	10 (67)
Leaking radiators	9	5	8	1	5 (38)

3.37 While problems with condition arise in every property, particularly the older properties characteristic of much of the private rented sector, a key question is how – or whether – those problems are dealt with.

3.38 The majority of respondents who had reported a repair issue indicated that it had been fixed, although it was more likely to have been fixed following the tenant chasing rather than being fixed promptly (Table 3.10). We did not seek information on whether the tenant considered repair to be of lasting quality. In a third of cases the landlord had not fixed the problem even though they had had, in the tenant’s view, sufficient time to do so. Fewer than one in twenty tenants facing a repair issue had got the Council involved. We did not offer respondents the option to indicate that the Council had been involved but the problem was not resolved: this group is subsumed under the ‘Landlord hasn’t fixed the problem yet’. So the overall proportion of cases the Council had been involved in may have been higher. The issue of retaliatory eviction – tenants being evicted as a direct response to reporting a repair issue – is of considerable concern in the policy debate over private renting. The survey suggests that while there are tenants who have experienced this practice it had only affected a relatively small proportion of respondents.

3.39 A key element of the policy debate over private renting is the improvement of standards through “professionalisation”. That is, experience of the sector would be better if all landlords approached their role in a professional manner. As part of that debate there is an assumption that one route to greater professionalisation is for more private rented property to be managed by letting agents and companies that treat this as a business, rather than by “amateur” individual landlords. Table 3.10 suggests that there are not clear differences in experience around conducting repair work when renting from different types of landlord/agent. The experience of renting from a letting agent or company does not increase the likelihood that problems are fixed promptly. Indeed, it could be argued that, overall, tenants’ experiences are marginally worse than when renting from an individual landlord.

3.40 In 10% of cases where the tenant reported a property issue, dealing with the issue resulted in the landlord/letting agent increasing the rent. This increased to 20% among the small number of respondents in the ‘other’ landlord category.

Table 3.10

Response to a reported problem with property condition, by who property is rented from (All respondents)

Response to condition problem	Who property is rented from (%Agree)				Total % (no)
	Individual	Letting agent	Company	Other	
Landlord fixed the problem promptly	34	29	31	7	31 (189)
Landlord fixed the problem but I had to chase them	57	60	50	47	57 (344)
Landlord fixed the problem, but had to contact Council to talk to them	3	4	6	7	4 (24)
Landlord hasn’t fixed the problem yet	32	36	47	40	34 (207)
Landlord didn’t fix the problem and I was served with an eviction notice	3	4	6	7	4 (23)
Too soon to know what will happen	6	6	0	0	5 (33)

Respondents' qualitative comments

- 3.41** Our survey concluded by inviting respondents to comment on how private renting in Bristol had changed over the last five years. The survey highlights several issues. First, a clear majority of tenants report that the situation had worsened. A lack of properties suitable for their needs and a lack of affordable properties has been exacerbated by a highly competitive market. The most prominent concern was the significant increases in rent levels. Two thirds of respondents identified worsening affordability as a key issue. As a result, respondents often found themselves priced out of the market regardless of income. Some were thinking about - or planning on - leaving Bristol and commuting in for work. Others were feeling trapped in accommodation that was sometimes unsuitable because they are unable to save to purchase a property or move. Other related issues included the quality of properties (20% of respondents) or experience of discrimination or a poor relationship with their landlord(s) or agent(s) (10%). This represented a source of frustration for some respondents, particularly when it comes to the need for repairs and lack of communication identified in the previous subsection. A quarter of the qualitative comments made some reference to feeling a lack of security or to powerlessness. Finally, searching for or keeping accommodation created a lack of security and raised anxiety levels. It is detrimental to health and well-being. The testimonies and comments convey a sense of urgency, frustration and sometimes despair amongst tenants and would-be tenants.
- 3.42** Less than 10% of respondents identified aspects of private renting in Bristol that had improved in the last five years. When respondents did point to improvements, this most frequently concerned the removal of letting fees (4% of respondents), which lessened the financial burden of securing accommodation, or the use of deposit schemes removing a key source of dispute with landlords (1%). A small number of tenants identified the increase in the licensing of HMO properties which they felt had somewhat improved both the rights of tenants and the quality of the housing stock. Although not specifically asked to, respondents also made suggestions about what needed to be done to attempt to solve issues in the rental market in Bristol.
- 3.43** Overall, the picture that emerges from these survey responses is grim. The need for action to improve the experience of private renting is underlined. Below we provide a selection of comments we received to illustrate further the contemporary experience of renting in Bristol. We have sought to convey a flavour of the responses by including a broad range of comments. Even so this represents only a small sample of the large volume of comments received.

“Nothing has got better”

3.44 When asked if anything had got better in the last five year in the Bristol private rental market, most respondents answered with a straightforward unqualified “no” (about 45%, n=721). Of those who commented further (11%), the focus was on how things had not improved much or had got, or were getting, worse. Reasons mostly related to the level of affordability of rents, the difficulty and length of time needed to find a property to rent, which often caused stress, and the difficulty of finding suitable properties.

It's a shambles. I'm stuck in my flat as there's no other suitable options that wouldn't cost a fortune compared to my current rent.

(25-34, part-time work, part-time student)

Rent has skyrocketed and now has become impossible to afford and save anything paying way more than mortgage rates and can't save enough to change the situation and personally I earn alright.

(35-44, in full-time employment)

For those renting via estates agents, it now seems commonplace for there to be 'bidding wars' on RENT for properties, meaning that rents go up even more (sometimes by hundreds per month) and those with more money set the bar for everyone else, often making it financially impossible for the majority. We should not be made to compete in the way to meet our basic need of housing. The rental market is making it impossible for people to start families. People in their 20s and 30s, myself included, are prevented from being able to have children because they live in shared houses where you can't raise a child and it is impossible for a couple to find and afford a suitable flat for themselves enough to safely raise a family in. This is deeply distressing and has a huge impact on people's mental health.

(25-34, in fulltime employment)

Availability. Extortionate costs. Eviction rates. Everything has gotten worse. I would warn anyone away from moving here.

(25-34, in part-time employment and part-time study)

Cowboy landlords charging full market value for disgusting damp rooms. Houses with windows smashed, broken doors without locks.

(18-24, no details shared)

Some things have got better

3.45 Only 7% of respondents stated that some aspect of private renting had got better. The removal of agency fees, deposit protection, the unionisation of renters and licensing were highlighted as positive changes:

The ban on lettings fees introduced in 2019 did help in my opinion - though I am not sure how many people know about this.

(55-64, in full-time employment)

Among the positives, deposit protection schemes were welcome.

Deposit protection scheme means access to some of deposit after a fight.

(35-44, in part-time employment)

Deposit protection scheme is now a legal requirement; this is really reassuring as it restricts the landlords' ability to arbitrarily hang onto money.

(35-44, in part-time employment)

I do think the HMO license was a force for good, even though it led to our eviction since the landlord did not wish to purchase a license I think it has helped some negligent landlords be held to account.

(25-34, in fulltime employment)

3.46 However, sometimes the implementation of these improvements did not resolve problems entirely:

... deposit schemes are marginally better but still favour the landlords and agencies help them to make it a money making scheme. For example deducting money for actions that were never undertaken such as removal of safety locks fitted by police contractors and professional cleaners. They are just an excuse to take money from tenants.

(35-44, in full-time employment)

Even with DPS it's almost impossible to get deposits back. Landlords treat deposits as the cost of turnaround and more and more!

(45-54, in part-time employment)

3.47 Finally, more activism and greater awareness raising of the situation in Bristol were seen as a positive development:

I think there is beginning to be more awareness of renters rights and activism going on about the housing emergency and the challenges renters face.

(35-44, in full-time employment)

I think it's good that letting agents' administrative fees have been banned. I have come to learn more about protections for tenants, such as through deposit protection schemes, as well as lobbying groups such as Acorn - based on my experiences in the first few years of renting in Bristol through private landlords, I assumed there were essentially no protections for renters.

(25-34, in full-time employment)

Looking for somewhere to live in a highly competitive market

3.48 People are looking for somewhere to live which reflects their needs, including type, size, location and affordability. But finding somewhere to live depends on there being properties to apply for. A recurrent theme in the survey was not only a lack of housing supply, but also a lack of choice of type of properties available to suit people's needs and a lack of decent quality properties at affordable rent levels. Tenants with pets faced particularly constrained choices because many properties are advertised explicitly prohibiting the keeping of pets. Overall, decent homes are hard to come by and, as illustrated by the following comment, people are forced to make compromises "in every house you live in":

e.g. the rent is cheap but there is damp in the house, you have a nice communal area but your bedroom is small (or vice versa), you have to share with other strangers who don't care about the house either (the house is barely maintained) / sharing with strangers doesn't feel like a home, but it's luck of the draw wherever you go, I've seen slugs appear in my attic room bedroom / mouse in the kitchen.

(25-34, in full-time employment)

3.49 When the landlord gives tenants notice to move out, finding somewhere within the notice period often proves very difficult. At the same time, some respondents came across offers of 'extreme' and sometimes illegal rentals:

This city is insane - I recently saw a room going for £800 per month, which was in fact a summer house in the landlord's garden which they still intended to use "several times a week" ... Lack of available properties meant another friend was forced to accept a room without seeing it, only to discover on arrival that it was being sublet without the permission of the landlord, who worked below, and they had to keep the curtain closed and stay away from the window. I would dissuade friends from moving here.

(25-34, in fulltime employment)

I rented a 'room' that turned out to be a garage with an open stove/chimney put through the roof for heating. Landlord removed all radiators and rings off the cooker and glued the boiler 'off' to save on bills.

(18-24, no details shared)

Houses in Multiple Occupation

3.50 Houses of multiple occupation (HMOs) were often cited in the survey as one of the reasons for the reduced choice of housing on offer in the city. For some respondents, sharing with others who are neither relatives nor friends is not their preferred option but they cannot afford to rent on their own. HMOs are sometimes also seen as a source of problems, contributing to the increase in rents:

Prices are pushing people out of Bristol. Too many Contractors allowed to buy and convert tiny properties to HMOs. A rental cap has never been more needed, as well as stopping the 2.5x salary assurance to rent.

(35-44, in full-time employment)

3.51 Conversely, those who would like to be able to live together in a shared property are finding it difficult to find anywhere:

HMO regs are making [it] impossible for adults to share a house near the city centre - there are still many properties that are overcrowded, but now they're being run on the black market. And as a household of 3 adults is now an HMO, finding a home with friends near the city centre is impossible and those properties that exist outside of the HMO boundary are extortionate. People who have lived in the city for there (sic) whole life are being forced out. The regulations and licensing faced by landlords is so expensive that many are just acting illegally. More people are being forced out of their property because greedy landlords realise they can get more from others.

(35-44, in part-time employment and self-employed)

3.52 Some respondents reported the existence of “illegal” HMOs:

It used to be possible to rent in Bristol without being worried. Recently I lived in a house where I ended up breaching the contract and subletting so that I could live in a 3 bed house with 2 other adults. The letting agent knew I was there, but we felt as though there was an “understanding” that if we didn’t tell the council that it was an illegal HMO, then they wouldn’t throw us out. Some very botched repairs were done to the house, the landlady ... then tried to up the rent by 50% in one go. We negotiated a smaller increase, but we are all being forced to leave. My partner and I lucked out with an amazing room for cheap rent, but this is not usual. The remaining tenants are still looking and will probably be forced to live miles away from where they work.

(35-44, in part-time employment)



Affordability

3.53 Significant rent increases are causing affordability problem, leading to difficulties and degrees of hardship, including for people in employment. One respondent summarises the situation:

Trying to find somewhere to rent was a dreadful stressful experience. We often felt pressured to offer more rent per month than what they were asking for and to apply before seeing a property. There are very few properties available and the rent prices are extortionate. It generally feels like landlords and lettings agents are taking advantage of the rental crisis.

(25-34, in full-time employment)

3.54 Many respondents, including those in full-time work, often felt priced out of the Bristol market. They thought rent levels did not match people's income:

The cost of privately renting in the area we live is prohibitive now. We are a family of four with both adults working full-time but if we had to leave our current property we would struggle to pay the rent elsewhere. Rents for 3-bedroom houses here are now at least £1500 a month (38% of our household income). The LHA is well below this. People are talking about the crisis of the rise in interest rates meaning mortgages are going to increase to 27% of income but renters are being crippled and have very little choice. When we have tried to view other properties, agents don't return our calls at all. We have a dog and a cat and nobody will even consider pets elsewhere. We live in constant fear of being asked to leave here and becoming homeless.

(35-44, in fulltime employment)

I'm planning to buy a caravan or boat if my current house gets evicted. Also I have a full time job with the council it's not like I'm unemployed.

(25-34, in full-time employment)

Prices have increased beyond [a] reasonable amount. I'm a single woman living alone as a nurse with a good job and I struggle to make ends meet. My rent is nearly 50% of my wage without bills. There aren't cheaper options unless I enter a shared house.

(25-34, in full-time employment)

I worked really hard to get a better paid job so I could live on my own, I'm 34 and earn 32 grand before tax and I can't bear to pay the asking price for a semi decent flat. I would be working to rent and nothing else. I wouldn't be able to save or even do nice things because it would all go on having a roof over my head. It's nuts.

(25-34, in full-time employment)

Enormous competition means landlords can charge more for much lower quality spaces. Rent has gone up to an unaffordable cost, I struggle to have money for things like prescription glasses and new clothes because almost half my salary goes on rent and bills.

(25-34, in full-time employment)

The price of rent does not reflect the wages and opportunities in the city. I will be moving out of Bristol the next time I move as it's not worth pouring my money down the drain in rent.

(25-34, in full-time employment)

The cost of rent has gotten worse as time goes on and it is more difficult to afford somewhere to live (renting or otherwise) especially with the current income for the majority. I find myself with less money at the end of the month to spend on food and clothing and all that goes in-between due to the rent and utility bills taking up such a large portion of my paycheck. (Rent + utility = £800.00 + food = £150 so I am left with around £500.00 for the month to go on travel to work, petrol and anything else that I may want to do for the month).

(25-34, in full-time employment)

Getting a viewing is extremely difficult and can lead to discrimination and 'bidding wars'

3.55 The process of looking for a property, let alone one that is suitable and affordable, was often described as difficult, lengthy and stressful. Some potential tenants made the point that the lack of available and/or affordable properties led some to experience forms of discrimination. This affected single parents, people receiving welfare benefits or not working full-time or self-employed, single people over the age of 35 and older adults, and, generally, unrelated tenants or those who do not want to share with others. For these respondents it has become even more difficult to be considered by landlords and agencies and to get a viewing.

My current landlady just served us a section 21 and I am finding it impossible to even get viewings for rooms, agencies won't talk to me as my salary is too low (I work 4 days a week due to my disability), Spareroom and Facebook messages are not even being seen because there are so many people desperately looking and not enough rooms. I have not had a single landlord who has looked after the property promptly and been fair and reasonable to me.

(25-34, in part-time employment)

Fewer properties available, extortionate rental prices comparable to London (but without receiving London wages), less availability to view properties in person due to restrictive short notice viewing times (can't get time off work, and they know someone else will take the property so don't accommodate) having to view properties online with the excuse of Covid 19.

(35-44, in full-time employment)

At 37 I would like to rent my own place but the costs keep soaring. I have seen bedrooms in shared houses now advertised between 700-1200 pcm which makes me afraid for the future. It is incredibly difficult to get a decent room or an affordable one bed flat and this has got worse over 5 years with more competition and escalating prices. 5 years ago I paid 400 plus bills and now 625 plus bills. My public sector salary has not kept up. One bed flats have also increased and it is not uncommon for it to be around 1000 plus for a decent flat.

(35-44, in fulltime work)

I first moved to Bristol in 2013, left in 2017 and returned in 2021. On returning, the market was unbelievably competitive and agencies were very picky about earning capability. The options for a single person were extremely limited and the rental costs are extortionately high relative to what they were when I lived here previously.

(25-34, in part-time employment)

3.56 Bidding wars were mentioned many times. Respondents reported that potential tenants competing against each other for scarce properties has become normal in this competitive market. Some respondents believed that bidding is encouraged by letting agencies and by landlords who can afford to pick and choose who they wish to rent to:

Unbelievably expensive rent and rent increases without justification. There is a lack of affordable housing which leads to extreme competition with other potential tenants and bidding wars on rents due to greed from landlords.

(25-34, in part-time employment)

“Nowhere to call home”

3.57 A range of characteristics of private renting contribute to respondents feeling insecurity, helplessness and heightened anxiety. This is not only the lack of affordable properties, but also not daring to complain about repairs or other issues in case of triggering an eviction, living in properties in poor condition, the threat of possible or actual evictions, feeling trapped in the current property due to not being able to afford to move somewhere else or somewhere more suitable to needs. People who were having to move frequently and not stay anywhere for very long end up feeling deeply unsettled:

I have been evicted 3 times under section 21 while renting in Bristol for the past 4 years, can't find a place to call home, only 1 landlord gave a reason and it was due to him selling the flat. 2 others evicted me to increase rents by more than 500 pcm.

(18-24, in full-time employment)

I have had to move several times through no fault of my own, and this has made it feel impossible to put down roots in an area, which is a shame as I always try to get involved in the community.

(25-34, in part-time employment)

I've moved 3 times in 3 years due to unacceptable landlords.

(no details shared)

It's caused a big impact on my mental health. First rental in Bristol we left as landlord wanted to sell, took three months to find somewhere else, agreed to terrible joint tenancy out of desperation, this landlord even increased the rent the day he sent the tenancy to us to sign as they knew we had no other choice. After 12 month tenancy, given option to sign another 12 months fixed on joint tenancy - not able to leave within that time paying thousands of pounds. Or we can leave the property which we decided to because contract was so bad.

(25-34, in full-time employment)

It's getting worse - you don't want to complain in case they use it to put the rent up. You generally don't have any security.
(25-34, in full-time employment)

The Pandemic has put renters at a disadvantage. Landlords hold all the control and can do as they please as people don't want to lose their homes.
(25-34, in full-time employment)

I have had 11 houses in 4 years of renting due to the cost of renting. Instead, I and many others are having to rely on friends with spare rooms for short periods of time leading to unstable living situations.

(25-34, in full-time employment and part-time student)

3.58 Insecurity was also linked to worries about becoming homeless. In some cases this prospect was imminent:

Now potentially homeless again in a few weeks, struggling to find anything half decent or even get viewings. Very very stressful and gutting.
(25-34, in full-time employment)

I am really worried about my situation as a renter and the situation of other renters. The discrepancy in rights between home owners and renters causing growing divides in communities. The effect on the mental and physical health of renters who are living with the threat of homelessness and poor living conditions for years. It really is a diabolical situation and I can see it getting worse!
(35-44, in full-time employment)

I'm looking like I'll have a period of upcoming homelessness, hopefully can stay at friends but may have to leave Bristol
(35-44, in part-time employment)

It's awful, I was on the verge of homelessness before and dreading what will happen when my contract ends at my current place as my low salary won't be enough to qualify for another property nearby my work.
(25-34, in full-time employment)

Repairs

3.59 As noted in section 3.9, a recurrent issue was getting repairs done. There were three main issues. One was getting the letting agency or landlord to acknowledge the request for repairs. A request was sometimes met with a lack of response or a refusal to engage with the issue. Some contractors and landlords were also reported to enter the tenant's property without the required prior notice. Finally, some respondents reported being worried about raising a repair issue for fear of retaliation and being threatened with an eviction notice. The incidence of such retaliatory evictions does not have to be high for this fear to be justified and to have a disincentive effect on tenants.

When we moved in, we asked for certain fixes to be made (rotting window frames, gaps around window panes, non-opening windows, broken back door). The agent implied that we would be better off surrendering the tenancy in our first week rather than expecting them to fulfil their obligations.

(25-34, in full-time employment)

Landlords are beyond bad (from my experience and friend's experience). Lots of illegal behaviour such as no notification of building work or random people entering the property.

(18-24, full-time student)

The landlord receives the rent monthly on time. We are still waiting for the repairs to be done, 5 years on.

(45-54, Business owner)

Letting agents have always been resistant to making essential repairs in my experience renting over the past 17 years.

(35-44, in full-time employment)

Many, housing stock in bad repair, intimidation and visiting without notice.

(35-44, in part-time employment)

Renters are not able to hold landlords to account to get repairs done (due to the threat of rent increases and retaliatory eviction).

(35-44, in full-time employment)

3.60 When tenants' rights were mentioned in the survey, this could refer to tenants who are unaware of their rights. But, as several of these quotes illustrate, it also points to some landlords not respecting their tenants' rights. This has the effect of straining the tenants' relationship with the landlord (and their contractors) or their letting agent.

Private renting in Bristol: current issues and causes

4.1 In this chapter we draw on discussions at Commission meetings, our tenant experience survey, and written evidence submitted to provide a summary of the key issues currently facing private renters in Bristol. Contributors' experiences and evidence is associated with different submarkets within the private rented sector. Bringing them together allows us to piece together a more comprehensive picture of what is happening in the sector in Bristol. We then discuss views on the causes of the issues identified. We also note where there are outstanding questions and points of divergence.



Key issues facing private renters in Bristol

4.2 There is broad agreement about many of the key issues facing private renters:

- Rents are not affordable
- Inadequate financial resources
- Poor living conditions
- Inequalities in access and discrimination
- Not being allowed quiet enjoyment.

4.3 *Rents are not affordable:* The most prominent issue is high rents relative to incomes and repeated substantial rent increases. Rents have been rising disproportionately compared to household incomes, whether tenants are working, retired, students, or in receipt of welfare benefits. This lack of affordability is reported to have a range of consequences:

1. overcrowding;
2. increased experience of insecurity, which makes some people feel vulnerable (e.g., potential for scamming people);
3. rent increases used as a “tactic” to evict tenants and relet at higher rents
4. landlords can pick and choose who they rent to;
5. households feeling they have no choice but to bid against each other. Tenants find themselves trying to “outbidding” each other to gain the better properties or, in some cases, whatever is left. This may have the effect of pushing rents up further;
6. renters seeking smaller properties/moving away from friends and family;
7. adults being forced to share when they cannot afford to rent self-contained properties;
8. renters spending so much money on rent that they are unable to afford other essentials or save for the future;
9. households facing homeless and/or having to leave the city.

4.4 A lack of alternative affordable properties coupled with moving costs which are also unaffordable mean that it can be difficult for tenants to change or improve their situation.

4.5 *Inadequate financial resources:* High rents affect a broad range of the households in the private rented sector. But they present a particular challenge for low-income households. This includes students who face rising rents that are outstripping increases in maintenance loans. The challenge is compounded by the inadequacy of the financial support available to eligible tenants. This has two components. Firstly, current Local Housing Allowance (LHA) rates do not reflect the reality of private sector rents. Secondly, the overall benefit cap and the maximum LHA limit means housing support can be further reduced.

4.6 While LHA rates were linked to the 30th percentile of local market rents until 2016, lack of sufficient uprating in then means that a gap has opened up between the 30th percentile and LHA rates. This is illustrated for the year 2019/20 in Table 4.1. Benefit uprating was not keeping up with rising real costs before the arrival of higher inflation and the cost-of-living squeeze. These broader economic changes mean that the problems facing lower income households have increased.

4.7 *Poor living conditions:* Poor living conditions and disrepair – including to a level that results in a building being unsafe – are identified by diverse stakeholders as key issues. Poor living conditions affect tenants’ quality of life and their health and wellbeing.

- 4.8** There are related concerns about landlord responsiveness – tenants’ requests for repairs going unheard or ignored. When issues of condition or disrepair are raised by tenants they could be met with hostility by some landlords. There were reports of harassment and threatened or actual evictions using a s.21 notice in response to tenants seeking to get issues dealt with. Tenants can therefore be reluctant to report disrepair and poor conditions for fear of retaliation in the form of harassment, a rent increase, or being served with an eviction notice. These issues have also been documented in several recent research projects examining private renting nationally.⁹
- 4.9** The threat of so-called retaliatory eviction can influence the relations between landlord and tenant in different ways. Capturing its full effect is by no means straightforward. We can identify three distinct areas of influence, all of which are likely to be more important in local housing markets experiencing high demand:
- *Deterring problem reporting:* The fear of retaliatory eviction, with the subsequent need to find alternative accommodation, can deter tenants from reporting problems in the first place. This fear need not be well-aligned to the actual likelihood of retaliatory eviction. The tenant’s current landlord would not need to have made any such threats for the fear to operate: previous experience or knowledge of the experience of others would also affect decision making.
 - *Threats used to deter pursuit of a complaint:* If a tenant were to report a problem then the landlord can use the threat of serving a s.21 eviction to provide the tenant with an incentive not to press for the problem to be sorted out. If the tenant accepts living with the problem, rather than trying to enforce their right to a property of acceptable standard, in order to avoid having to find alternative accommodation then the eviction notice is not served.
 - *Actual eviction:* In some cases a tenant reporting a problem could lead directly to retaliatory eviction, without engaging the “threat” stage. But if the threat was not sufficient to dissuade a tenant from seeking to resolve the problem then that could lead to a s.21 eviction notice being served. From the landlord’s point of view this strategy is more viable in a high demand housing market because it will not be difficult to relet the property, even without fixing the problem.

Table 4.1

Weekly recorded rent levels and LHA rates by property size, Bristol (Broad Market Rental Area), 2019-20

Property size	Minimum Recorded Rent (£/week)	Maximum Recorded Rent (£/week)	Rent at 30th Percentile (£/week)	LHA rate
Shared accommodation	49.82	170.22	98.96	71.49
One bedroom	86.30	302.50	166.85	132.43
Two bedroom	88.60	437.26	195.62	160.73
Three bedroom	126.58	887.93	228.99	192.03
Four bedroom	180.66	724.93	310.68	257.09

(Source: Valuation Office Agency data)

4.10 *Inequalities in access and discrimination:* A broad range of stakeholders recognised that there are inequalities in access to the private rented sector. These are systematic in a way that constitutes discrimination. Such discrimination can be based on age, sex, gender, ethnicity, disability, type of employment, or type and level of income. Discrimination based on low- or uncertain income can play out through requirements to provide detail on projected incomes, employment checks, or up-front payments. Some private landlords only rent to certain types of people and avoid others when they think incomes might lack certainty. People receiving welfare benefits can find themselves facing additional barriers. This can include those who do not earn enough to afford housing without financial support, including part-time workers, self-employed and freelancers and even when in full-time employment. Sifting potential tenants on this basis represents welfare benefits discrimination and, given about a third of private renters in Bristol claim benefits, a significant proportion of households in the sector are at risk.

4.11 When landlords and agents receive a lot of applications for each property they can pick and choose their tenants. They can and will typically select the higher earning household with a good credit record because they are perceived to be lower risk. For tenants perceived as higher risk or lacking the expected credit history landlords can be asking for (at least) six months' rent in advance to secure a property. As well as those who are themselves financially better off, this favours households who can draw on assistance from family or friends.

4.12 Where the inability to access property in the city results in households having to move to the outskirts or beyond it can mean that their access to a range of opportunities in other domains – labour market, public services, amenities – is constrained and their transport costs increase.

4.13 There are further potential mechanisms of exclusion and discrimination that affect specific types of households. Accessing a property can be difficult for those, such as international students, who do not have a UK-based guarantor. There are private companies who will act as a guarantor but they require students to pay a substantial amount to provide this service. Trans people can find it uncomfortable renting if the system demands that the paperwork matches their gender at birth.

4.14 *Not being allowed quiet enjoyment:* Letting a property means allowing residents quiet enjoyment of that property for the period of their contract. There are requirements to give advanced notice of a visit or property inspection. However, some letting agents and/or landlords continue entering rental properties without giving the required notice. This intrudes on tenants' privacy and can reduce tenants' sense of security. There can also be concerns about inspections being unreasonably frequent.

4.15 Overall, an increasingly competitive private rented sector leads to unaffordable rents for many, increased social segregation, and the deterioration of the social and cultural fabric of the city. It increases the vulnerability of certain groups of current and prospective private tenants, particularly those as described further below. This has an impact on the health and wellbeing of tenants forced to live precariously in poor quality housing in need of repair.

Points of divergence

- 4.16** Landlords' use of the s.21 process tenants for retaliatory eviction was highlighted by tenants' groups. Some argue that it is increasingly common. However, not all stakeholders accepted that the practice was prevalent. Those from the landlord community were more sceptical. It is a practice that has in principle been banned (under the Deregulation Act 2015). However, that does not mean that it has been eradicated, as indicated by our tenant experience survey (see chapter 3). There are questions around tenants' knowledge of the legal protections available, the effectiveness of the procedures that need to be followed to secure the protections, and the mechanisms for their enforcement. Shortfalls in any of these areas can mean that retaliatory evictions continue to occur. It was also noted that the strategies adopted by the City Council to get landlords to comply with their obligations – in particular, the balance between formal and informal approaches - affect the extent to which the legal protections against retaliatory eviction operate (see chapter 6).
- 4.17** Where tenants already feel insecure the fear that they might experience retaliatory eviction is more relevant to their decision-making than the frequency with which such retaliatory evictions occur in practice. The fear of losing a tenancy militates against reporting problems to the landlord in the first place.
- 4.18** While there is near unanimous support for removing s.21 evictions among tenants and their representatives, stakeholders from the landlord community argued that policy change in this area needs to recognise specific exceptions. In particular, the ability of landlords to give notice to students so that they move out at the end of an academic year is crucial. The absence of s.21, or an equivalent mechanism, risks causing the market for student housing to cease to operate.¹⁰
- 4.19** The role of the courts was noted in relation to the link between eviction and property condition. Courts can take a more expansive interpretation of disrepair in eviction cases than the law strictly requires, by treating the presence of a Category 2 hazard as a reason for rejecting an application for eviction. Strictly in legal terms that qualification on the right to evict relates only to more serious Category 1 hazards. In theory, this increases landlords' incentive to ensure their properties are up to standard before they seek to use s.21.

4.20 There were different views around the condition of rental properties and the incidence of disrepair. There was agreement that licensing requirements had brought properties up to standard. The City Council was able to provide information indicating that area-based licensing schemes have had a positive impact on property condition in parts of the city (Table 4.2). Some Commissioners considered that as a result of licensing disrepair was no longer such a major issue. The more broadly shared view was that while this is the case for areas/types of property that are licensed, only a relatively small proportion of properties in the city have been subject to licensing. The landlords of the majority of properties haven't been touched by the same requirements to bring their properties into compliance. Condition and disrepair therefore continue to be pressing concerns.



Table 4.2

Area-based licensing in Bristol: illustrative data from completed schemes

Stapleton Road Selective and Additional Licensing Scheme (15th April 2013-14th April 2018)	Eastville and St George (wards) Selective and Additional Licensing Scheme (1st July 2016-30th June 2021)
<ul style="list-style-type: none"> • 1,207 properties were licensed. • 396 (33%) properties had at least one serious hazard resolved. • 845 (70%) required improvements to meet licensing conditions. • 665 formal and informal notices were served. • 10 landlords were prosecuted for 37 offences. • 204 referrals were made to other agencies and departments • A property closure due to prostitution, drug use and dealing, fire damage and disrepair, working with other agencies • Licensing team assisted with evidence for a conviction for human trafficking offences. 	<ul style="list-style-type: none"> • 3,316 licenses issued • 3,409 inspections were carried out, • 3,019 (88%) properties were improved to meet licensing standards • 4 prosecutions undertaken and 10 civil penalty notices issued, totalling more than £62,000. • 752 informal and formal notices were issued to resolve serious hazards; • 675 properties had fire safety improvements made

(Source: Bristol City Council)

Social groups particularly affected by these issues

- 4.21** There was consensus among Commissioners about which categories of the population in Bristol were the most affected by these issues. Broadly speaking, if the tenants that landlords are seeking are white British childless couples or single men who earn enough from employment to be financially independent then members of just about every other social group can find themselves at a disadvantage:
- minority groups, including Black and Minoritized communities
 - ♦ face discrimination, landlords might not want to let to people who don't have an anglophone name
 - ♦ experiences across communities will differ because they are differently positioned in the housing system and face different combinations of issues
 - ♦ can face barriers communicating with their landlord
 - ♦ likely to be disproportionately affected by risk of homelessness
 - single parents, usually women
 - ♦ might be claiming benefits
 - ♦ cannot find suitable accommodation that meets their needs
 - ♦ women might earn less than men and so struggle to compete in the housing market
 - ♦ can face the double burden of full-time work and extensive caring responsibilities; the location of home relative to other key locations (workplace, children's school(s)) can be crucial to being able to manage competing obligations.
 - children who live in unsuitable accommodation
 - ♦ affecting their welfare and education, physical and mental health
 - ♦ lack of security of tenure can mean moving away from school and community
 - ♦ often stuck in temporary accommodation that is unsuitable
 - people receiving welfare benefits
 - ♦ unable to afford most accommodation in Bristol
 - ♦ discrimination, advertising vacancies with a "no DSS" condition
 - people receiving local housing allowance
 - ♦ includes pensioners
 - ♦ LHA rates are not reflective of current market rents in Bristol
 - ♦ might need to stay in unsuitable temporary accommodation
 - ♦ risk of being moved/having to move to housing that is overcrowded or in severe disrepair
 - young people, especially those under the age of 35, who no longer get sufficient housing support to rent a self-contained property
 - students, including international students and postgraduate students, who are being pushed to live in out-of-town locations
 - ♦ particularly overseas students planning to come with their families who fail to find accommodation that's suitable and affordable; might return home; some might go for Airbnb because they cannot find anything else
 - ♦ face barriers such as lack of a UK-based guarantors or the requirement for upfront advance payments equivalent to several months' rent to secure a property
 - ♦ students from low-income families might no longer be able to afford living in Bristol; this means higher travel costs and experiencing segregation from their peers
 - ♦ similarly, due to chronic lack of supply of affordable student accommodation, some students now have no choice but to look further afield (e.g., Weston, Bath, Chepstow, Newport)
 - ♦ prospective tenants 'in tears'; landlords also get inappropriate offers (e.g., desperate person offering to rent half a bed with someone else)

- young professionals whose income is still not enough to afford accommodation in Bristol
 - ◆ cannot afford home ownership, therefore they have little option but to remain in the rental market
 - ◆ as the average rent is so high, particularly in first jobs post-qualification or graduation, they cannot afford to save money to buy their own home
- (larger) families
 - ◆ some landlords prefer to rent to couples without children
 - ◆ some families might only have one source of income (or two, but potentially lower) and find it hard to compete with couples with two incomes
- low-income earners (working or self-employed)
 - ◆ now face a much smaller housing 'pool' to choose from
- workers with less predictable incomes
 - ◆ those working self-employed or freelance
- carers
 - ◆ need to find accommodation suitable for their dependants, while facing affordability challenges because the time available to work, and therefore to earn, is constrained by caring responsibilities
- persons with disabilities
 - ◆ accessibility/suitability of available properties often an issue
- single adults
 - ◆ cannot afford to live alone anymore, so often have to live in HMOs
- sharers
 - ◆ unrelated individuals wanting to rent together can only do so if the landlord is licenced
- migrants
 - ◆ might struggle to pass Right to Rent checks
 - ◆ landlords refuse to let to migrants (even though this is not legal), including as a strategy to mitigate risks of sanction under the Right to Rent legislation.
 - ◆ potentially not allowed access to public funds
 - ◆ at high risk of experience poor and overcrowded conditions
 - ◆ face ongoing uncertainty produced by a volatile legal context (e.g. upcoming changes to immigration law through the Nationalities and Borders Act 2022)

4.22 Clearly, taken together this list of household types represents a broad spectrum of the population. We also need to recognize that many households will fall into more than one of these categories and as a consequence their disadvantage may be compounded.

4.23 The overall effect of this range of households being at a disadvantage in the housing market is that it drives spatial inequality and social segregation. Many households can only afford to live in certain areas of city, while the areas they can no longer access become gentrified.

4.24 Some stakeholders were concerned about specific social groups and the broader impact their marginalisation would have on the city. One such group is artists and creatives – if they are priced out of the city then not only will the creative sector suffer but one of the distinctive characteristics of the city will be undermined. This is an established aspect of gentrification processes: the features that make a place attractive in the first place are undermined by the process of different types of people moving there seeking those very features.

Change and its primary drivers over the last five years

4.25 The Commission identified five main areas as primary drivers for these changes in the private rented sector in Bristol.

Lack of private rental supply

4.26 A key cause of the problems identified was a persistent – and increasing – shortfall in the supply of private rental properties relative to demand. Several factors contribute to this relative lack of private rental supply.

4.27 From the landlord perspective, a significant number of landlords are, firstly, reducing their portfolio or exiting the market, or, secondly, switching to the holiday let market. The factors driving these strategies were identified as:

- Market factors:
 - ◆ Taking advantage of a good sales market
 - ◆ A shift towards more short lets as the tourism industry picks up post-pandemic
- Less favourable tax treatment:
 - ◆ Section 24 mortgage interest disallowance
 - ◆ Removal of wear and tear allowance
 - ◆ Increase in CGT burden
- Administrative requirement and regulatory restrictions:
 - ◆ Don't want to engage with/spend money on licensing requirements
 - ◆ Tenant Fees Act
 - ◆ Imposition of Right-to-Rent checks
 - ◆ Deposit protection schemes with penalties perceived to be excessive and arbitration perceived to be skewed towards the tenant
- Problems with institutions/processes that support housing market functioning:
 - ◆ Implosion of the court system making regaining possession now near impossible

- Forthcoming policy changes:
 - ◆ Prospect of removal of s.21 evictions
 - ◆ Tenancies will effectively become indefinite; landlords will be unable to regain possession except under very specific circumstances
 - ◆ Prospect of increasingly stringent energy performance certification and associated costs

4.28 Some of these factors have been in operation for some time. However, rule changes have altered their effect on the market. For example, national changes in the definition of an HMO mean that more properties fall within the licensing regime.

4.29 Some of the changes in the list above have improved tenant experience of renting, although the range of negative experiences identified in chapter 3 indicates that any such positive impact can be overwhelmed by other factors. In contrast, from the landlord perspective many of these changes have made the sector less attractive. To remain in the sector, landlords need a viable business model. The changes in the list above have reduced viability. The Buy to Let model is not being experienced as profitable in the way that it had been. For some, these contextual changes have reached the point where reduced participation in the market is the favoured strategy. More generally, landlords do not feel incentivised to enter or stay in the PRS.

4.30 A change is occurring in the profile of landlords. Many of the landlords exiting the market are the smaller and hobby-type landlords. This shift leaves room for larger landlords to take over through incorporation to avoid s.24 Tax. This is contributing to further professionalising the sector.

4.31 From the tenant perspective many of the changes listed in para 4.26 are not visible. As was apparent from some of the comments in our tenant experience survey, noted in chapter 3, some tenants are more likely to place the emphasis upon “greedy” landlords and letting agents taking advantage of housing shortage to increase their profits. From one perspective rent increases are justified, from the other perspective they are not. This divergence of opinion is thrown into stark relief by the rise in interest rates that occurred late in 2022. The costs of providing rented housing have undoubtedly increased for landlords who hold variable rate mortgages. How much of that increase in cost can or should be passed on to the tenant? In a market with relatively fixed supply where consumers have limited choice the answer might be that much of the cost can be passed on. But should it be? The alternative perspective is that landlords are investors who are risking their capital and if there is a negative development like an increase in mortgage rates then the landlord should absorb it rather than pass it on to the consumer. Suppliers would have to do that in a genuinely competitive market. If their business model didn’t allow them to absorb the additional costs then they should exit the market. As we noted above, exits of this type are being reported as happening in Bristol. If the properties also exit the sector, rather than being taken on by a landlord with a different business model, then the shortage of private rented supply could be reinforced.

Pressure on private rental supply because of the situation in other tenures

4.32 It is not possible to understand what is happening to private renting without recognising that it is interconnected with what is happening to access and affordability in the home ownership and social rental sectors. However, a detailed analysis of how these other housing sectors have been changing, and of the challenges they face, is beyond the scope of our report. Here we simply note some key points.

4.33 The rise in house prices means that younger people are now increasingly looking to – or are compelled to – rent for longer periods. Conversely, there has been a shift from HMOs to family houses, which are less costly to run, or the sale of the property back into owner occupation. This means that supply in certain submarkets is reduced further just as demand increases e.g., shortage of three-bedroom properties for people who wish to share together, such as new graduates in their first professional roles. The dynamics of this part of the housing market would benefit from further, more detailed investigation. There are several topics on which we would benefit from better evidence: the boundary between HMOs, single occupancy flats, and property conversions; households sharing out of necessity or preference; the impact of regulation and regulatory changes on landlord decision-making around conversion.

4.34 The longstanding and acute lack of social housing and the scarcity of homes at social rent levels means that more people have to seek accommodation in the private rented sector. Given the pressure on the social housing stock and the constraints on the new supply of social housing, the private rented sector plays a key role in accommodating households that would previously have been able to access social housing at lower rents. The overall stock of genuinely affordable housing of good quality is insufficient, but social housing is also experiencing a reduction in mobility and tenancy turnover, so the flow of vacancies in social housing has reduced.

Reduced turnover in the private rented sector

4.35 It appears that private rented sector tenants are staying put for longer. During the pandemic, it was not legally possible to move since this was deemed a health risk. This means that some people either postponed their planned move or rethought their priorities and plans. The lower level of 'churn' in the sector continued post-pandemic. Tenants are preferring to stay put, even if that is sometimes in poor quality accommodation, rather than re-enter a market they cannot afford. While there might be increased preference for staying put, that does not change the fact that tenants remain in a vulnerable position because of limited security of tenure.

Changes in demand

4.36 Renters on higher wages are moving to Bristol and commuting or taking advantage of remote working. Londoners are moving to Bristol because it's cheaper. They are used to higher rents and are more able to afford expensive rents. These households are frequently young professionals in their 30s. This is a trend that was accelerated by the pandemic. This inter-regional mobility can act as a boost to the short-term let market because some migrants are using Airbnb as a stopgap while they look for properties to purchase.

4.37 Growth strategies by the local universities have led to a significant increase in the student population in the city. This is accompanied by a much greater demand and strain on the supply of student accommodation. It has also led to high concentrations of students in certain areas of Bristol. In central wards, there is over 60% concentration of student accommodation. This has been accompanied by a rise in purpose-built student accommodation which attracts more affluent students. This type of accommodation is less accessible to students from low-income families because it is on average 25% more expensive than average HMOs. While there has been an expansion in purpose-built student accommodation in the city, if this hasn't kept pace with increasing student numbers then there are more students looking to the rest of the private rented sector for housing, potentially putting them in competition with other types of households seeking rented accommodation. The scarcity of accommodation is also pushing students to live quite some distance out of Bristol.

4.38 The population living in private renting is aging. When other tenures are inaccessible people rent privately for longer. This has implications for those of retirement age with low or lower income who will likely face financial hardship that will be exacerbated by rental increases, and compounded by rises in energy and other utility bills. This may increase the risk of homelessness among older tenants.

4.39 Certain parts of the city - notably St Pauls and Easton, which used to house a mainly low-income population from diverse backgrounds – are experiencing gentrification. Higher earners are moving in, possibly because they are now unable to access housing in other more expensive areas of Bristol. Rents have therefore now increased in these previously lower-income areas. This in turn can displace members of the established populations of these areas.

Reduced generosity of the welfare system

4.40 A substantial minority of households require financial assistance from the welfare system to be able to afford private rented accommodation. The welfare system is becoming progressively less effective in this role over time – both because benefit uprating has failed to keep pace with inflation and because central government made changes to the structure of the system that were intended to make it less generous.

4.41 Local Housing Allowance (LHA) rates are low in comparison to the realities of the rents in the private rental market in Bristol. This means that to afford to live in Bristol tenants are required to make up the difference from their own pocket to meet the full rent. As the gaps between rents and LHA rates get progressively bigger more households find them impossible to bridge.

4.42 Fixing an overall cap on welfare benefits ignores the reality of the cost of living and the impact of inflation. The fact that the Government lowered the benefit cap in 2016 worsened the problem for those on low income. The restrictions on housing benefit for the under 35s, which is limited to shared accommodation, changed the pattern of demand away from self-contained flats and towards HMOs.

4.43 These drivers were already operating before the Covid 19 pandemic and have remained post-pandemic. They have been made worse by the current housing and national financial situation. The experience of the pandemic itself was, however, instructive in demonstrating the difference that policy can make. The pandemic brought some temporary improvements: temporary uprating of LHA rates eased some acute affordability pressures, the number of rough sleepers was reduced to near zero as a result of measures to place them in temporary accommodation; a temporary ban on s.21 evictions reduced the precariousness of renting and the inflow into homelessness. However, these measures were all reversed post pandemic.

Points of divergence and outstanding questions

4.44 There is little dispute that second homes, holiday lets and Airbnb-type lets have an impact on the private rented market in Bristol, as they do in many other cities around the world.¹¹ There is, however, some debate regarding the size of the effect: do they represent a major influence on levels of private rental housing supply in Bristol? While some see the rise in these subsectors as making a substantial contribution to the dwindling of stock available for conventional private renting, others noted that the percentage of the housing stock accounted for by these alternative uses in Bristol appears not to be so significant when compared to national figures. They therefore felt this was not having a significant impact on the available private rented stock. More detailed research would need to be undertaken to shed further light on this point.

4.45 The destabilisation of existing communities and the displacement of current residents resulting in gentrification were recurrent concerns. But it isn't entirely clear what combination or balance of gentrification processes the city is experiencing. Is it primarily about internal mobility: people with more money moving from elsewhere in Bristol into areas previously inhabited by lower income households? Or is it primarily about people with non-local earnings – particularly London wages – moving to Bristol and pushing rents up because they can afford to pay and thereby push up market prices? Several distinct processes may be operating simultaneously and compounding the problem. Equally importantly, while gentrification processes can be highly visible, what is their overall contribution to the problems faced by the private rented sector? Again, further research would be needed to understand this fully.



Improving affordability for private renters

Introduction

5.1 This chapter starts by considering what is meant by a “fair and affordable” rent. It briefly reviews the range of policies that might be pursued to improve housing affordability and the nature of rent control policy. It then provides an overview of the Commission’s discussions and evidence received on rent control and on other policies and activities that could be pursued to improve affordability. It also presents an initial indication of the differential impact that introducing a version of rent control could have on rents across Bristol.

5.2 The Commission’s work is an exploration of rent control in order to understand the issues and the range of local views on the policy. The City Council does not currently have the power to introduce rent control. Central Government in Westminster would have to give the Council the power to do so, or decide to introduce a national scheme, as is happening in Scotland. The work of the Commission will help shape the way that the City Council approaches future discussion with the Westminster Government.



Defining a “fair and affordable” rent

- 5.3** The question of what constitutes a “fair and affordable” rent is a difficult one to answer adequately. The issue of assessing housing affordability is more complex than it first appears. However, some shared understandings regarding both the current situation in the rental market and broad indicators of (lack of) affordability emerged from Commission discussions and evidence submissions.
- 5.4** Adequate housing is vital for health, wellbeing and personal development. In a housing system that is fair households should be able to afford adequate housing. A single person should be able to afford a one-bedroom home. Families should be able to afford a home where everyone has sufficient space.
- 5.5** Affordable housing is needed to promote fairness, safety and security and can help address significant social disparities and open up access to opportunity.
- 5.6** Private renters should pay a fair rent for a good service. Landlords should be able to make a reasonable income, but not to detriment of their tenants. A good service means decent, safe homes without disrepair: if a problem occurs then repairs should be carried out in a reasonable time. A good service means problems should be addressed without the tenant facing negative consequences (e.g., higher rent, threats of eviction, eviction, harassment).
- 5.7** Rents in Bristol are currently not affordable for many living in private renting. They are outstripping local incomes, whether that is wages, student incomes, or welfare benefits. Renters can be paying half or more of their income on rent. As a broad indicator of affordability, people should not be paying more than 30% of their income on rent.
- 5.8** Hence, fair and affordable rents are related to renters’ incomes, landlords’ returns, and the state of city’s housing stock. Relating rents to incomes in a context where incomes are very unequal is a challenge. If affordability is judged on the basis of averages then individual households can be a long way from any average measure used.
- 5.9** Monitoring rental affordability and how this is changing over time requires better data than is currently routinely available. There is insufficient data on both actual rents and renters’ incomes.
- 5.10** There are also questions of principle that remain to be answered. These include: while there might be agreement that properties let at affordable rents should enable landlords to earn a “reasonable income”, what constitutes “reasonable”? Different stakeholders might well hold very different views. Is there scope for securing a greater level of agreement? If not then when a reasonable income for the landlord results in a rent that is higher than the rent that is affordable to the tenant which should take precedence? The policy target of making Bristol a “living rent” city implies that affordability would typically take precedence. Some landlords might well then view the resulting living rents as no longer representing a reasonable income. The implications of any reductions in rental housing supply that followed would then need to be managed.

Policies aimed at improving affordability

5.11 Governments around the world have used many different policies with the aim of improving housing affordability. Many of these policies do not directly target private renting. Policies can aim to increase the supply of affordable housing through: constructing non-market housing, such as council housing; providing landlords with subsidies to reduce the rents they need to charge to cover their costs; improving construction efficiency so it is cheaper to build new housing; or intervening in the land market to reduce the overall cost of new housing.¹² If policy increases the overall supply of housing then this indirectly affects the demand for private renting by allowing some households' housing needs to be met in other tenures.

5.12 Policies that aim more directly at private renting can influence prices – the rents landlords charge – or increase incomes – providing renters with additional money to help them pay market rents. Housing benefit and the Local Housing Allowance are examples of the second type of policy. Rent control or rent caps are direct examples of the first type of policy. Providing landlords with tax relief is an indirect example of the first type of policy.

5.13 The Commission was particularly interested in exploring views on the effectiveness of rent control as a mechanism for improving the affordability of private renting in Bristol. It also invited evidence and collected views on what other policies and activities at local and national level could help reduce housing costs.



What is rent control?

- 5.14** The Commission heard evidence from policy experts in local government and a think tank about some current thinking on the design of rent control policies. This included important areas of difference in policy design and issues relating to how rent control policies would be implemented.
- 5.15** Rent control is an area of policy that uses a lot of unfamiliar terms. This can be confusing. As well as “rent control” the terms “rent regulation”, “rent stabilisation” and “rent caps” are all used to mean policies that try to control rents in some way. Sometimes these terms are used to mean similar things, but they can also be referring to different things.
- 5.16** The term “rent control” can be used to mean any policy that applies legal regulations to influence private rents. But these policies can have different designs and aim to do different things.
- 5.17** Some rent control policies aim to stop rents rising too fast. These policies are not trying to improve the affordability by freezing or reducing existing rents. They are just trying to stop affordability problems getting worse as such a fast rate. Other rent control policies might fix rent levels at their current levels. The expectation is that the affordability of private renting will then improve over time because incomes grow.
- 5.18** One way to think about rent control is that there are harder and softer rent control policies:
- A “rent freeze” which fixes rents at their current values is often considered to be the hardest form of rent control. Sometimes a rent freeze might also allow rents to rise a controlled amount each year. Some people view “rent control” as meaning a rent freeze and any other policy to influence rents needs to have a different label. A rent control mechanism that opens up the possibility of enforcing rents reductions could be considered to be harder even than a rent freeze.
 - The softer form of rent control would be a policy that sets a limit on the maximum annual increase that a landlord can make to the rents of their properties. This can also be known as “rent stabilisation”.
- 5.19** The softest form of rent stabilisation only controls rents for current tenants. When that tenant moves out the landlord can relet the property at the market rent. Once the property is rented to a new tenant the rent stabilisation policy applies again. A harder version of rent stabilisation means the policy continues to apply while the property is empty. This means that the next tenant’s rent cannot be increased by more than the maximum rent increase set by the policy. This version of the policy is sometimes known as “rent regulation”.¹³
- 5.20** Beyond these broad points about types of rent control policy, there can be lots of detailed differences between policies. There are, however, only three main elements to the design of a rent control policy.¹⁴

5.21 First, how is the initial rent for a tenancy set?

The initial rent could be set at the market rent or it could be set on another basis. It might be linked to the market value of the property or to its characteristics (such as how many bedrooms it has or the quality of accommodation it offers). The rent could be linked to something unrelated to the property itself such as local average incomes or the income of the individual tenant living in it. Or the maximum level of rent increase allowed between one tenancy and the next could be fixed by the rent control policy. If that maximum is fixed at zero then we have a rent freeze.

5.22 Second, how are *rent increases during a tenancy* controlled? If no increases are allowed then again we have a rent freeze. But if increases are allowed then what should determine them? It could be a fixed percentage increase each year. Or it could be linked to a rate of inflation. That is, the rent increase allowed could be linked to the amount that other prices are changing. The rate of inflation used might be something to do with housing, such as the rate of increase of house prices locally. Or it could be that a different rate of inflation, such as the rate of increase of wages locally, might be considered the most relevant. It might be that rent increases are linked to changes in the landlord's actual costs of providing the housing.

5.23 Third, does the policy allow for *one-off adjustments* to the rent to take account of changes to the property? What sort of changes might these be? Examples might include the landlord building an extension or investing in much more energy efficient heating. Should the landlord be allowed to put the rent up to help pay for the cost of the investment and to reflect the fact that the housing is now providing the tenant with a better housing experience?

5.24 These differences in policy design are important because rent control policies that make different choices in each of these three areas will affect the housing market in different ways.



Do we know whether rent control is effective?

5.25 Views on whether rent control is a desirable policy response to lack of housing affordability are shaped, in large part, by views on whether it would be an effective response. That is, does it “work”? This question has been a source of extensive, and at times heated, debate.¹⁵

5.26 Rent control policies around the world have been studied for many years. A lot of research has focused on the USA, but there has also been research on cities like Berlin, Paris and Barcelona which have recently introduced or changed their rent control policy or, in contrast, on cities that have removed rent controls.

5.27 However, it is a more difficult than it might first appear to say with certainty whether rent control is effective or not. There are three main reasons for this:

- Rent control policies are adopted for different reasons and with different objectives. The criteria used to judge how well the policy performs will therefore differ. A policy might be successful in its own terms, but that doesn’t necessarily tell us whether it would deliver the policy outcomes that we are looking to achieve in another place at another time.
- The impact of rent control policy depends on the interaction between the detail of the rent control policy design (as discussed in section 5.4) and the housing market context in which the policy is adopted. If a policy is effective (or not) in one context we need to be careful in concluding that the same outcome would occur in a different context.

- Rent control policies do not exist in isolation but as part of a portfolio of policies. Often when rent control policies are introduced or removed other policies are changed at the same time. What the rest of the policy portfolio contains will influence the impact that a rent control policy has on the housing system and therefore whether it might be judged to be effective.

5.28 It is therefore difficult to assess rent control in isolation. Holistic evaluations of the policy are not common. A recent review of the economic literature on rent control noted that, in the light of the accumulated evidence from around the world, there is limited support among economists for a hard rent freeze as an effective policy, particularly over the long-term. But it argued that the available evidence could be used to make a case either in favour or against softer versions of rent control, depending on the context and analytical approach.

5.29 There is little disagreement that, as well as affecting rent levels, rent control policies can *in principle* have a range of unintended effects including:

- discouraging landlords from entering the market;
- increasing the rate of landlords leaving the market;
- reducing the availability of rented property;
- decreasing repairs and maintenance expenditures and hence housing quality;
- increasing discrimination against certain groups of tenants;
- increasing housing costs in non-regulated parts of the housing market;
- and reducing tenant mobility.

5.30 To the extent that rent control succeeds in suppressing rents below their market levels we would expect that overall demand for private rented property would increase, while additional supply would not necessarily be forthcoming because investor returns are capped. The net result of this, experienced in some cities with strong rent control, could be a level of excess demand for rental accommodation that is effectively structural because the system cannot adjust. To mitigate this outcome would require complementary measures such as an expansion of building additional new housing for private rent.

5.31 In contrast to the in principle arguments, there is disagreement among researchers about how substantial these unintended effects are in practice and, even if they are thought to be substantial, whether they are important or problematic (see Box 5.1). For example, while reducing tenant mobility might be viewed by some as negative, that assumes the level of mobility in an unregulated market is socially desirable. From a different perspective, a proportion of mobility is forced or involuntary and so policy changes that reduce mobility rates might be viewed positively.

Box 5.1 Are the unintended effects of rent control inevitably negative?

One of the major unintended effects of rent control policy that causes concern is that the policy will cause private landlords to leave the market because they consider controlled rents do not offer sufficient financial return.

If a landlord sells up then the property might be:

- bought by another private landlord with a different business model and continue to be part of private rental supply;
- bought by someone who wants to live in it so it leaves the private rental sector and becomes owner occupied;
- bought by a social housing landlord and turned into social housing, as happened on quite a large scale for housing associations in the 1970s;
- withdrawn from the market and holds it empty or turns it into an AirBnB property.

Some of these outcomes would be considered negative and are likely to make the problems of accessing and affording private rented housing even more difficult.

But some of these outcomes would not necessarily be considered negative from the perspective of the housing system as a whole, even if they reduced the role played by private renting.¹⁶

The final point is that some of the outcomes might be unachievable. In particular, the property could only be bought by a social landlord and turned into social housing if the funding is available to buy the property. While some housing is being repurchased in this way around the country – often councils buying ex-Right to Buy properties – councils or housing associations can only do so on a relatively small scale using their own funds. For this to be a significant option would require additional funding, most likely from central government.¹⁷

If this option were not available then that changes the likelihood of the other outcomes. That, in turn, is likely to influence our thinking on the desirability of rent control.

5.32 A further dimension of policy effectiveness relates to implementation. We can think about the design of rent control policy “on paper”, but we must also think about how it would be implemented and enforced in practice.

5.33 This could relate to rents and data requirements. Do we have the data needed to set rents and monitor what is happening in the sector? Who would be responsible for setting rents? One proposal the Commission heard about was that determining annual rent increases could be the responsibility of local administrative boards that sought to balance the interests of tenants and landlords.

5.34 A second set of implementation issues relate to compliance and enforcement. How would we know what proportion of rents are set at their controlled levels? What are the mechanisms for enforcing controlled rent levels and are they working? There is evidence that lack of compliance is an issue in some of the cities that currently operate rent control.

5.35 Do we know whether informal practices would emerge that would undermine the objective of the policy? In Britain before the 1980s, tenants could be charged “key money” to get access to a property – this was a way of getting around the rules in place at the time to regulate rents and for the landlord to “recoup” some of the money that couldn’t be charged as rent. If such practices are widespread then rent control exists in principle but not in practice.

5.36 How is the administration of the rent control system to be funded? Who would pay for it? We might have a robust policy on paper which is ineffective in practice because of implementation weaknesses. How do the complexities and costs of implementation compare to the benefits of the policy? For a system to be sustainable it needs to be relatively simple to implement and adequately funded.



Stakeholder views on rent control

Commission discussions

5.37 The Commission discussed rent control policy following presentations from policy and practice experts. The Commission was provided with an overview of current discussions in London regarding rent control. The Commission's discussions did not lead to a unanimous view on the desirability of adopting a rent control policy. While several Commissioners were strongly in favour of such a policy, others were more sceptical. Commissioners from the landlord community were more than sceptical: they started from the position that it was not the right policy response to the problem. There was some support for the proposal that rent control might be introduced locally on a pilot basis.¹⁸

5.38 The Commission's discussions highlighted a key distinction between rent reduction and rent stabilisation. Rent stabilisation would do nothing in the short term to reduce rents in Bristol, even if it slowed the rate at which affordability problems were increasing. If, however, rent increases are capped below wage inflation then affordability will improve over time. Several Commissioners highlighted that rents are so high in Bristol compared to the rest of the country, and to local wages, that a mechanism for rent reduction was necessary. Commissioners representing tenants argued forcefully that a rent freeze is urgently required as a short-term response to the situation, followed by a rent control mechanism that can act to reduce and then regulate rent levels.¹⁹

5.39 Developing effective rent control policy measures will take time, particularly if the aim is to avoid or mitigate potential negative unintended consequences of the type noted in para 5.29. This is a live part of discussions in London. The route to using a rent control mechanism to achieve a reduction in rents while fully mitigating negative consequences is unclear.

5.40 The Commission discussions underlined the importance of not viewing private renting in isolation. It is important to ensure affordability across the whole housing sector and to widen access to housing.

5.41 At the same time, the housing sector faces other challenges such as improving the energy efficiency of the existing housing stock and investing to reduce the carbon footprint of residential sector. These require significant investment. Some of the investment will need to come from government. But to the extent that it is funded from rents this might be made more difficult by a rent control policy unless it is very carefully designed.

5.42 The Commission reflected upon whether there is evidence of rent control being successful in other Western cities. It was noted that all systems bring challenges. Aspects of rent control might have worked in other cities, but there might always be unanticipated consequences. It is important to learn from these examples and develop measures tailored the local context and not simply import measures from elsewhere.

5.43 Vienna is one city which is considered to have a successful rent control system. But this is closely linked to significant investment by the government in social housing. When rent controls were first introduced landlords were exiting the market. This led to the investment in social housing. This raises the vital issue of the order in which decisions are made to mitigate negative impacts and achieve success.

5.44 Given that the ultimate driver of affordability problems is shortage of supply, which gives landlords greater leverage to increase rents, it is essential to be aware of potential effects of introducing rent control measures on supply. The recent Berlin rent control system, for example, exempted properties entering the sector in order not to discourage new supply, but this seems to have created a two-speed market. Can this type of outcome be avoided? This is the sort of issue that the London Private Rent Commission will be looking into in detail and any future discussions in Bristol would need to grapple with.

5.45 There was a strong view within the Commission that any rent control measures should be complemented by an expanded programme of social house building and reform of the welfare system to support tenants. This returns to the question of phasing and the order of decision making. It also raises the issue of where the power lies to adopt these complementary policies. Introducing rent control with complementary changes in these other areas will deliver one outcome. Introducing rent control without complementary changes in these other areas of policy will deliver a different outcome. What do we know in advance about whether these outcomes will be an improvement on the current situation?

5.46 It is challenging to put all the above points together, but thinking on these different issues needs to go hand in hand.



Written evidence received

5.47 Most of the written evidence received on the topic of rent control was from landlords, both private and social. The overarching theme of these submissions can be summarised as “don’t do it!”. A more nuanced position was: don’t act alone and do it locally. The position here was that any such scheme should only be introduced nationally via legislation. The written submissions showed little support for existing schemes of rent control that are being talked about. One key argument was that if rent controls were to be introduced then they would have to be accompanied by control of the landlord’s cost base. This point echoes the approach taken in the original rent control interventions during the First World War – the Increase of Rent and Mortgage Interest (War Restrictions) Act 1915 (emphasis added).



5.48 A major theme of the submissions was risk. This concept was deployed in several ways:

- Risk to reducing housing supply;
 - ♦ Some landlords, concerned about a reduced return on capital, might exit the sector reducing choice and supply, which, in turn, would increase rents
 - ♦ Some landlords, developers and investors might hesitate to enter the sector in Bristol and would consider other locations instead. Indeed, more than one submission was explicit that this would be their organisation’s approach if rent control were introduced locally.
- Risk of disinvestment or underinvestment in properties: some landlords might cut back on repairs or have no incentives to improve the quality of properties;
- Risk that young professionals would rent outside of the city and commuting costs and time will increase further.

5.49 The Commission received a written submission from one tenant organisation. This was supportive of a system of rent regulation, geared towards preventing landlords from pricing tenants out of their homes, but the organisation also favoured a system introduced nationally rather than locally. This would maintain a level playing field on policy. Abolition of s.21 no-fault evictions was seen as a necessary complement to introducing any form of rent control. Their submission noted that many landlords don’t increase rents every year and therefore many are likely to accept a system of rent stabilization.

5.50 We note that a part of the response to proposals for additional regulation, in housing as elsewhere, is typically for those subject to the regulation to state that this will have negative impacts upon levels of participation – in this case, landlords and investors will leave the sector and reduce supply. This is undoubtedly a real risk to be treated seriously, and it is recurrently identified in research on the private rented sector.²⁰ However, there is limited systematic evidence about the link between stated intentions before policy change and behaviour after the policy change. It may be that while policy change affects a landlord's business model they are still able to make an acceptable return in a new regulatory environment and decide to continue their business. Recent research in Australia has examined the impact of changes in residential tenancy law – rather than the introduction of rent control – and finds limited evidence that the changes had an impact on exits from the sector.²¹ While this might not apply in quite the same way to rent control, it indicates that pre-change debate over the impact of a policy is not an entirely certain guide to the impact on subsequent behaviour.

5.51 In addition, it would be appropriate to reflect on the risks associated with, and impacts of, continuing with the status quo alongside the risks associated with policy change.

Tenant experience survey

5.52 Respondents to our tenant experience survey (discussed in chapter 3) were not explicitly asked for views on what should happen to address the issues raised in the survey. However, some made spontaneous suggestions for action and most of those suggestions focused on the need to introduce some form of rent control:

... We need more assistance for those who are unemployed or on low wages. We need rental caps ... We need the TENANTS to be protected, not the landlords, who are already earning thousands every year while so many suffer in unliveable accommodation.

(35-44, in full-time employment)

There is a rental crisis in Bristol! Please bring in rent controls! It's really difficult to find somewhere affordable, safe and appropriate to live. Agents & landlords lie and are greedy.

(25-34, in full-time employment)

Introduce a rent cap!!! This cannot go on.

(25-34, in part-time employment)

Council needs to bring in rent control immediately.

(25-34, in full-time employment)

There should also be caps on what rent can be charged for different brackets of housing.

(25-34, in full-time employment)

It's really really difficult. There needs to be a cap on rent or at least some guidelines so that landlords don't have all the control and charge what they want.

(35-44, in full-time employment)

Survey analysis

5.53 The Commission's second survey invited people in Bristol to give their views on rent control. It started with questions of broad principle – was rent control desirable and what should it be aiming to do – and then went on to look at more detailed questions of design. It asked respondents to rate four example policy designs and select their preferred model. Finally, it gave respondents an opportunity to comment on what other policy and practice changes they thought would help housing affordability. We will consider the responses to these last questions in the next section.

5.54 The survey was intentionally designed to seek respondents' views on the design of rent control and that included hearing the views of those who start from the position that rent control was not a desirable policy. The aim was to try to capture how differences in respondents' starting premises carried through into thinking about policy design. Some of those who rejected rent control – often, but not exclusively, landlords - interpreted the survey design as implying that a decision to introduce rent control has already been taken and the survey was therefore biased. These respondents then declined to provide information for some of the questions because they were not offered the opportunity to repeat their view that they didn't see rent control as desirable. Their views about preferred policy design are therefore unknown.

5.55 Survey respondents were not restricted to individuals. Survey respondents were therefore asked to describe the perspective from which they were filling in the questionnaire. Were they a tenant, a landlord, a letting agent, a property professional, a voluntary sector organisation working with private renting, a citizen of Bristol without a direct connection to the private rented sector, or did they fit another description? The 'other' descriptions were analysed and many of them were recoded into one of the specified categories. The remaining 'other' category is diverse. It includes those who reported being both a tenant and a landlord simultaneously; city councillors; those who were homeless; and van dwellers.



Is rent control desirable?

5.56 The survey responses as a whole point clearly to the conclusion that a substantial majority were in favour of rent control. Some four out of five survey respondents stated that they considered rent control to be desirable. A further 6% stated that “it depends”. In contrast, only 13% of respondents stated that rent control was not desirable.

5.57 Respondents were given an opportunity to explain their position on the desirability of rent control. The responses provided a rich picture of people’s concerns:

- Many of those in favour of rent control focused on rents being too high, rising too fast, or stopping rents being “out of control”. Rents were characterised as ‘extortionate’, ‘ridiculous’, ‘unsustainable’ and ‘abusive’. There were also references to levels of disposable income after housing costs; people struggling with the cost of living and rents pushing people into poverty; adequate housing as a human right; people being priced out of the city; community stability; and the unscrupulous, profiteering or greedy behaviour of landlords and letting agents. Some had experience of rent control in another city and believed that it could work.
- Those who responded ‘it depends’ were typically cautious in committing to a view without more detail on the type of system under discussion. The concern was primarily with the disincentives rent control might create.
- Many of those who were against rent control focused on the negative side effects of such policies, particularly the impact on housing supply. Sometimes comment was made with some reference to experiences of rent control elsewhere or in the past. This group included tenants who were concerned that rent control would make their own lives harder rather than easier. There were respondents who felt that while in principle rent control seemed plausible the implementation challenges are so significant that the policy is unworkable in practice. There were landlords who on principle rejected the right of the state to control how much they charged in rent. Among those who saw rent control as undesirable there were many rather general statements that “the market” and “supply and demand” are the appropriate way to determine rent levels.

While these latter comments highlight the fundamental issue of how rents should be determined, it is the fact that the system currently relies on market forces but delivers outcomes that are socially problematic that has started this conversation. It would appear that the system is failing somewhere: the question is whether it is a market failure, a government failure, or a problem with adjustment lags. Simply leaving things as they currently are is untenable. Although that, in itself, does not imply the most effective response is to introduce rent control.

5.58 When the responses from different groups of stakeholders are examined then differences in their perspectives emerge clearly. Tenant respondents are almost unanimous in their support for rent control (Table 5.1). Support for the policy among voluntary and community organisations who work with private tenants was also strong. A similarly high proportion of interested Bristol citizens, who were not necessarily private tenants themselves, were strongly supportive of rent control. In contrast, landlords and market intermediaries – letting agents and property professionals – were much more likely to view rent control as undesirable. Self-defined property professionals were more negative about the policy than private landlords. In contrast, letting agents were, on balance, marginally positive about the desirability of rent control.

5.59 The substantial divergence in views between the different stakeholder groups means that in discussing the responses to subsequent survey questions we will, where necessary, draw out differences across these key characteristics of the survey respondents.



Table 5.1
Views on the desirability of rent control, by respondent perspective (all respondents)

Respondent perspective	Think rent control would be desirable?			Total % (no)
	Yes (%)	It depends (%)	No (%)	
Private tenant	94	4	2	100 (990)
Bristol citizen	85	5	10	100 (360)
Voluntary/ Community sector	83	10	8	100 (29)
Other	62	15	22	100 (40)
Letting agent	45	15	40	100 (20)
Private landlord	25	15	59	100 (197)
Property professionals	21	8	71	100 (38)
Total % (no)	81	6	13	100 (1674)

(Note: Rows may not sum to 100 due to rounding)

What should the broad shape of a rent control policy be?

5.60 Rent control policies can be adopted with different objectives and can be adopted over different timescales – either as a short-term intervention, attempting to deal with an issue perceived to be particularly acute, or as a longer-term intervention designed to influence the development and routine operation of the housing market.

5.61 Survey respondents were invited to give their views on three specific objectives for rent control and given the opportunity to provide any other objectives they envisaged the policy addressing (Table 5.2). Stopping large rent increases was somewhat more strongly supported as a policy objective than reducing overall rent levels. The idea of setting rents relative to people's incomes split the respondents. Those who were supportive of rent control in principle were not surprisingly more supportive of these objectives than those who didn't consider rent control desirable. Many of the latter group responded no to all the possible policy objectives as a way of indicating their opposition. Even so, a quarter of those who didn't see rent control as desirable indicated that of the possible objectives stopping large rent increases should be the aim.

5.62 Among the other possible policy objectives respondents identified one idea referred to by several respondents was to link rent control to property quality. That is, only properties which fell below an agreed standard would become subject to the rent control regime or controls would be less strict the better the quality of the property. Making this connection to property quality would give landlords an incentive to ensure that their property met relevant standards and that they therefore retaining freedom over setting rents. Systems of this type exist. In Brussels, for example, rent regulation is applied to properties that fall below a specified level of environmental performance. With this type of approach, the agreed quality standard would need to be higher than the legal minimum, otherwise there is a risk that using rent control in this way, rather than taking enforcement action, sends the signal that poor property standards are tolerated as long as landlords are willing to accept a financial penalty.

Table 5.2

Possible policy objectives for rent control, by views on desirability of rent control (all respondents)

Think rent control would be desirable?	Possible policy objectives		
	Stopping large rent increases (Yes%)	Reducing the overall level of rents (Yes%)	Setting rent levels related to people's incomes (Yes%)
Yes	80	78	61
It depends	56	31	20
No	25	1	6
Total	71	65	51

(Note: Rows may not sum to 100 due to rounding)

5.63 The proportion of survey respondents who considered rent control to be desirable primarily as a temporary short-term measure to deal with affordability during a housing crisis was negligible (Table 5.3). One in ten (12%) reaffirmed the point that rent control did not, in their view, have any role to play in addressing housing affordability in the short- or the long-term. Much more common was the view that rent control had a role to play in the longer term, with or without action in the short-term. Half of respondents focused upon managing the costs of renting in the long-term.

5.64 Rent controls can aim for more or less comprehensive coverage of private rented properties in a city. If coverage is not comprehensive – all properties in all parts of the city - then the policy can target only a proportion of properties – for example, only properties of certain types – or it can target properties in some areas rather than others – for example, focusing on areas where rents are rising particularly fast.

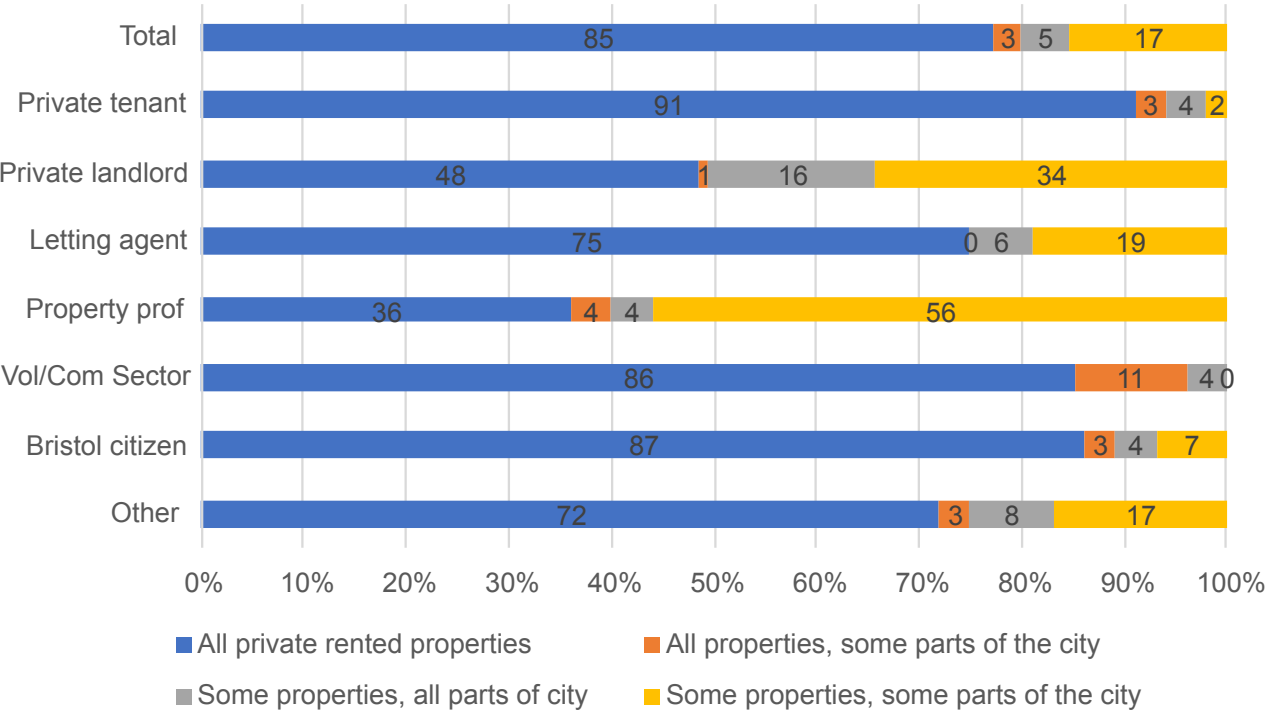
Table 5.3

Temporal orientation of rent control policy, by respondent perspective (all respondents)

A rent control policy ...	Respondents' perspective							Total % (no)
	Private tenant (%)	Private landlord (%)	Letting agent (%)	Property prof (%)	Vol/Com sector (%)	Bristol citizen (%)	Other (%)	
... should be designed as a long-term measure to manage the costs of renting	56	18	30	11	76	55	50	50
... can be both a short-term and a long-term measure, but the design would be different in each case	41	11	25	13	17	33	23	34
... has no role in addressing housing affordability in either the short or the long-term	2	53	25	71	3	9	20	12
... should be designed only as a temporary measure to deal with particular problems of affordability during a housing crisis	1	4	5	5	0	2	3	2
... is none of the above	0.3	14	15	0	3	1	5	3
Total n. (%)	993 (100)	196 (100)	20 (100)	38 (100)	29 (100)	363 (100)	40 (100)	1679 (100)

(Note: Columns may not sum to 100 due to rounding)

5.65 The predominant view among survey respondents is that a rent control system should aim to be comprehensive in scope (Fig 5.1). More than nine out of ten private renters favoured this approach. The second most frequently preferred approach is one that adopts the most limited coverage – some properties in some areas. We note that survey respondents were not offered the option of no properties in no areas – effectively no rent control – and this in part explains the higher level of non-response to this question. The preferences of private landlords and property professionals were significantly different from those of other groups. They are the only two groups where less than half the members supported a comprehensive approach, while more than a third supported an approach that aimed for the most limited coverage. It is possible that some were selecting this latter option in lieu of a ‘no properties in no areas’ option being available.



(Note: n = 1581; non-response from a proportion of respondents against rent control)

Figure 5.1
Preferred scope of rent control policy (all respondents)

What principles should a rent control policy be based on?

5.66 The majority of respondents favoured a rent control system that regulated rents between tenancies as well as within tenancies (Table 5.4). The responses were strongly related to the respondents' stance on the desirability of rent control. More than nine out of ten tenants favoured a system where rents were controlled between tenancies, whereas two thirds of landlords wanted to see a system where control only operated within tenancies.

5.67 Respondents were asked what sorts of changes to a property would justify a one-off rent increase under a rent control policy. The focus was on property improvements, which were distinguished from property maintenance. Half of respondents (49%) stated that one-off improvements never justified a rent increase. In contrast, 40% considered that installing energy efficiency measures would justify increasing the rent. A similar proportion (38%) thought that installing a more efficient heating system could be reflected in a change in the rent. Lower proportions of respondents supported rent increases for improvements like installing a new kitchen or bathroom (34%), rewiring and other major electrical work (21%), general refurbishment such as new flooring or decoration (26%). Some 15% of respondents indicated that an 'other' improvement would justify a rent increase, although a proportion of the responses were simply to state that the respondent didn't agree with rent control or to offer examples

of changes that had led to their rent being increased inappropriately. Where the answer related to improvement expenditure extensions/property enlargement or exterior improvements and upgrading were among the more frequent answers. Other improvements thought to justify rent increases included loft conversions, reroofing, landscaping, providing secure bike storage, or improvements related to disability access. Some cited things like replacing white goods as justifying a rent increase, which demonstrates that the boundary between improvement and maintenance is not always clear.

5.68 When the responses to this question were examined by the perspective of the respondent the pattern of response was consistent. The proportion of landlords, property professionals and letting agents viewing a particular type of investment as justifying a rent increase was in each case larger than the proportion of tenants, community/voluntary organisations, and interested citizens. Within that, letting agents were consistently rather less supportive of the idea than landlords and property professionals. To give one example, while 72% of landlords and 71% of property professionals thought that energy efficiency investment justified rent increases, for letting agents the proportion was 47%. This compares with 32% of tenants, 38% of voluntary/community sector respondents, and 40% of interested citizens.

Table 5.4

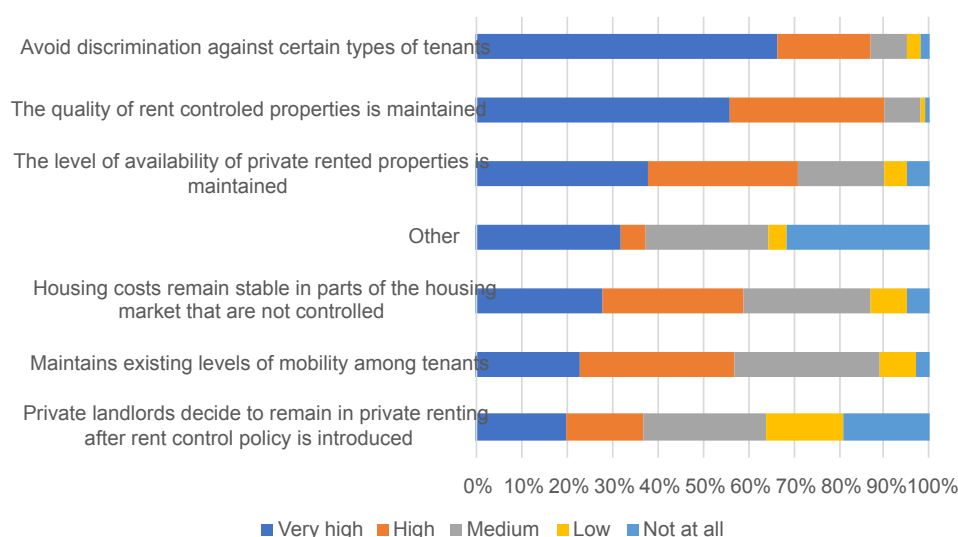
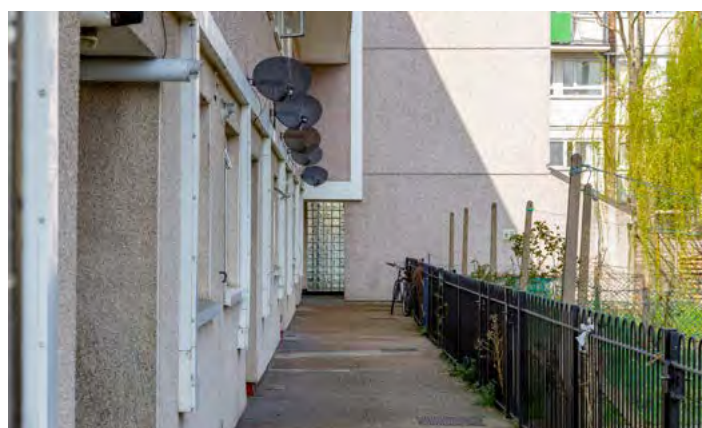
Rent control within and between tenancies (all respondents)

	Think rent control would be desirable?			Total
	Yes	It depends	No	
Control rents between as well as within the current tenancy	95	58	10	84
Control within the current tenancy only	5	42	90	16
Total % (no)	100 (1380)	100 (99)	100 (175)	100 (1654)

How important are the unintended effects of policy?

5.69 A range of possible unintended effects have been associated with rent control policies, as noted earlier. The issue of unintended effects can be thought of in two ways: in terms of detailed design or in terms of principle. On the one hand, rent control policies with different designs create different patterns of incentives or disincentives. A rent control policy that allows landlords to increase rents to reflect genuine improvement expenditure, for example, will have a different effect upon the quality of housing available in the market than one that does not allow this type of rental adjustment. On the other hand, if some market actors are more concerned about the principle of government intervention in the market than the detail of policy design then the introduction of any form of rent control policy – however well designed to mitigate disincentives - will have unintended effects. This second situation – which is sometimes captured in the term “political risk” – is reflected in some of the comments noted above. It is very hard to assess the magnitude of political risk.

5.70 Survey respondents were asked to rate how important they considered six possible side effects that had been identified during discussions in the Commission’s evidence sessions and in the academic literature on rent control (Fig 5.2). Two options were rated as very important by a majority of respondents; avoiding discrimination against certain types of tenants and maintaining the quality of rent controlled properties. On the other hand, only one in five respondents rated “private landlords decide to remain in private renting after rent control policy is introduced” as very important. A similar proportion considered this not at all important.



(Note: 20% of respondents did not offer a view on “other” unintended effects)

Fig 5.2
Importance of possible unintended effects of rent control policy (all respondents)

5.71 If we consider these responses by respondent perspective then there are substantially different patterns of response. Table 5.5 focuses on the proportion of each group ranking each side effect as very important. Differences regarding the importance of some of the side effects is apparent. For example, avoiding discrimination was very important to more than seven in ten tenants and respondents from the voluntary or community sector, but less than four in ten private landlords and property professionals. Conversely, only one in ten tenants considered keeping landlords in the sector was very important, whereas more than six in ten landlords, property professionals and letting agents viewed this as important.



Table 5.5

Possible unintended effects of rent control policy: Ranked as very high importance, by respondent perspective (all respondents)

	Respondents' perspective (%)							Total (%)
	Private tenant	Private landlord	Letting agent	Property prof	Vol/Com sector	Bristol citizen	Other	
Avoid discrimination against certain types of tenants	72	39	68	35	76	67	68	66
The quality of rent controlled properties is maintained	56	57	68	47	45	55	44	56
The level of availability of private rented properties is maintained	35	63	58	70	41	29	39	38
Other	26	51	67	43	50	29	60	31
Housing costs remain stable in parts of the housing market that are not controlled	28	27	47	21	41	27	22	28
Maintains existing levels of mobility among tenants	22	29	37	20	17	21	16	23
Private landlords decide to remain in private renting after rent control policy is introduced	10	66	61	65	17	15	23	20

5.72 It was possible for survey respondents to rate more than one of these unintended effects as very important. To encourage a clearer statement of priorities the survey asked respondents to identify which of these features is the most important, if they had to choose only one (Figure 5.3). Three responses dominated the sample. Avoiding discrimination was the most frequently chosen (34% of respondents). Both maintaining property quality and maintaining levels of availability were selected by more than one in five respondents. Only one in ten respondent indicated that keeping landlords in the sector after rent control was introduced was their top priority.

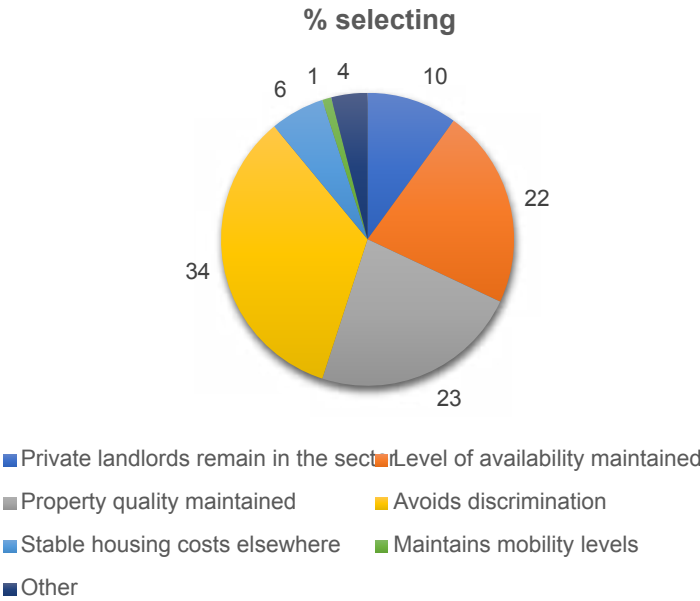


Figure 5.3
Percentage of respondents selecting each unintended effect as the most important (all respondents)



5.73 The answers to this question bring out differences in perspective more sharply. While a third of the sample identified avoiding discrimination as the most important issue this proportion increases to four in ten tenants and over half of the small group of respondents from the voluntary and community sector (Table 5.6). In contrast, only one in twenty landlords held the same view. The difference of opinion over the retention of private landlords in the sector is similarly stark: more than four in ten landlords and property professionals identify this as the most important issue, whereas only 3% of tenants agreed.

Table 5.6

Unintended effects of rent control policy identified as most importance, by respondent perspective (all respondents)

	Respondents' perspective (%)							Total (%)
	Private tenant	Private landlord	Letting agent	Property prof	Vol/Com sector	Bristol citizen	Other	
Avoid discrimination against certain types of tenants	39	5	26	8	52	36	46	34 (561)
The quality of rent controlled properties is maintained	25	13	16	17	10	26	10	23 (377)
The level of availability of private rented properties is maintained	22	29	16	25	14	20	15	22 (364)
Private landlords decide to remain in private renting after rent control policy is introduced	3	43	32	42	10	7	10	10 (170)
Housing costs remain stable in parts of the housing market that are not controlled	7	2	0	0	7	7	3	6 (99)
Other	3	7	11	6	7	4	15	4 (67)
Maintains existing levels of mobility among tenants	1	1	0	3	0	1	0	1 (13)
Total	978 (100)	194 (100)	19 (100)	36 (100)	29 (100)	356 (100)	39 (100)	1651 (100)

Alternative rent control policies

5.74 Having looked at the more detailed components of rent control, the final element of the survey aimed to explore respondents' views on four example rent control policies that combined broad principles in different ways. The aim was to get beyond talking about "rent control" policy and explore the balance of opinion on different approaches to rent control. The four example policies embedded a mix of principles and harder and softer approaches to regulating rents. While the examples embodied different principles they couldn't embody every principle we might like to explore; presenting too many examples or making each example policy too complicated would make the survey more difficult to complete. The approach is inevitably a compromise. There are many alternative combinations of principles that could also be explored.

5.75 If Bristol were to adopt a rent control policy in practice then it would most likely not be one of the example designs, as described below. It could be a hybrid drawn from these models. Our exercise gives only an initial indication of the profile of views regarding different policy designs.

5.76 The example policies are as follows:

- **Policy A:** Private rents should be frozen at their current levels, but landlords can apply to increase rents to reflect spending on property improvements.
- **Policy B:** Initial private rents are set on the basis of a property's characteristics and can be increased by no more than 5% per year during a tenancy. Rent increases between tenancies cannot result in a rent more than 10% above the current market average.
- **Policy C:** Private rents are set at 30% of the tenant's income at the start of the tenancy and can be increased each year during the tenancy by the annual rate of wage inflation.
- **Policy D:** Landlords are free to set their rents at market rates at the start of a tenancy, but rents cannot be increased by more than 3% each year during a tenancy.

5.77 The selection of a rent control policy is not only a matter of the design principles but also takes account of its requirements for successful implementation. These examples present different implementation challenges. In particular, the operation of the policies would imply rather different data and analytical requirements.

5.78 Respondents were asked to state how much they agreed with each of the four approaches. They were then asked the hypothetical question: overall, if you had to choose one of these four policies to implement, which one would you choose? The aim of this second question was to encourage respondents to give a clearer indication of their preferences between approaches. They were then offered an opportunity to comment on the example policies and their choice. Some did so in forthright terms.

5.79 The only option with which a majority of respondents agreed was policy B (Figure 5.4). Policies A and C attracted the strongest disagreement, but policy D was the option that attracted the most disagreement overall – 46% of respondents disagreed or strongly disagreed with it.

5.80 While Figure 5.4 gives us the overall profile of views on our example policies, we can explore further how different groups view each policy. When we consider groups with different views on the desirability of rent control we see that policies A and C draw almost no support from those who see rent control as undesirable, whereas three in ten of this group agree with policy D. In contrast, policy D is the least favoured by respondents who see rent control as desirable. A majority of this group agreed with policies B and C, with policy B being more strongly supported (64% agreement). Interestingly, more than a third of those who see rent control as desirable didn't agree with policy A, which is the hardest form of control. This suggests that many of those who support control would not be looking for an extremely stringent system. Whether there might be stronger support for a version of policy A in the short term followed by an alternative policy in the longer term cannot be determined with these data.

Fig 5.4
Views on four example alternative rent control policies
(all respondents)

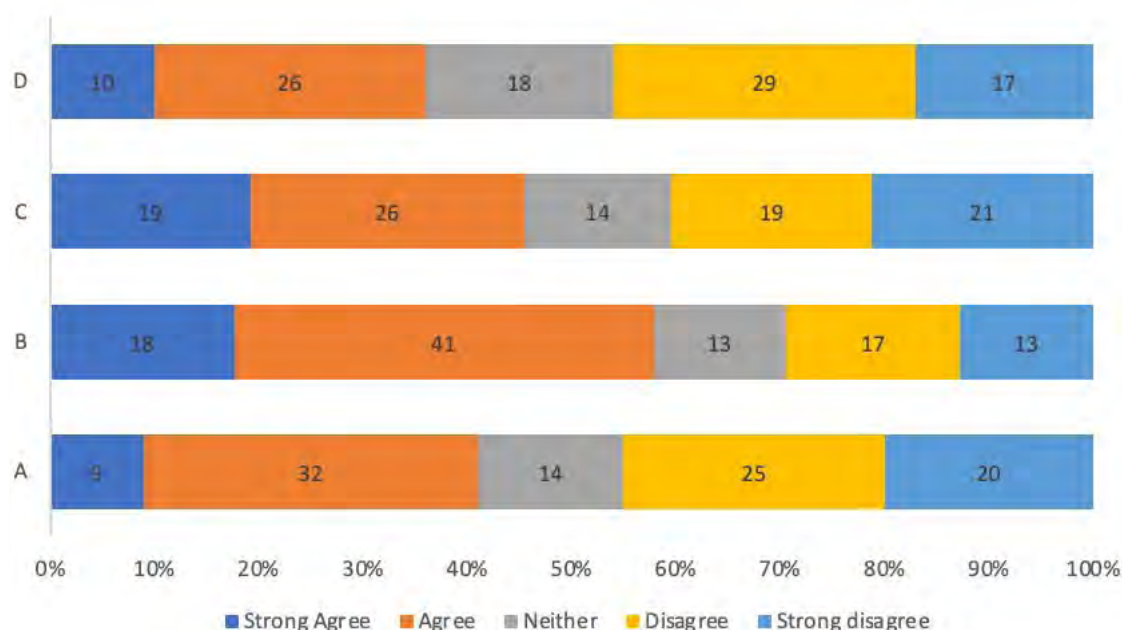


Table 5.7aViews on example **policy A**, by views on desirability of rent control (all respondents)

Rent control desirable?	Strongly agree (%)	Agree (%)	Neither agree nor disagree (%)	Disagree (%)	Strongly disagree (%)	n.
Yes	10	38	15	27	10	1365
It depends	4	21	18	26	30	99
No	1	4	5	13	77	219
Total	9	33	14	25	20	1683

Table 5.7bViews on example **policy B**, by views on desirability of rent control (all respondents)

Rent control desirable?	Strongly agree (%)	Agree (%)	Neither agree nor disagree (%)	Disagree (%)	Strongly disagree (%)	n.
Yes	20	44	13	17	5	1364
It depends	18	37	14	14	17	100
No	4	18	12	14	51	220
Total	18	40	13	17	12	1684

Table 5.7cViews on example **policy C**, by views on desirability of rent control (all respondents)

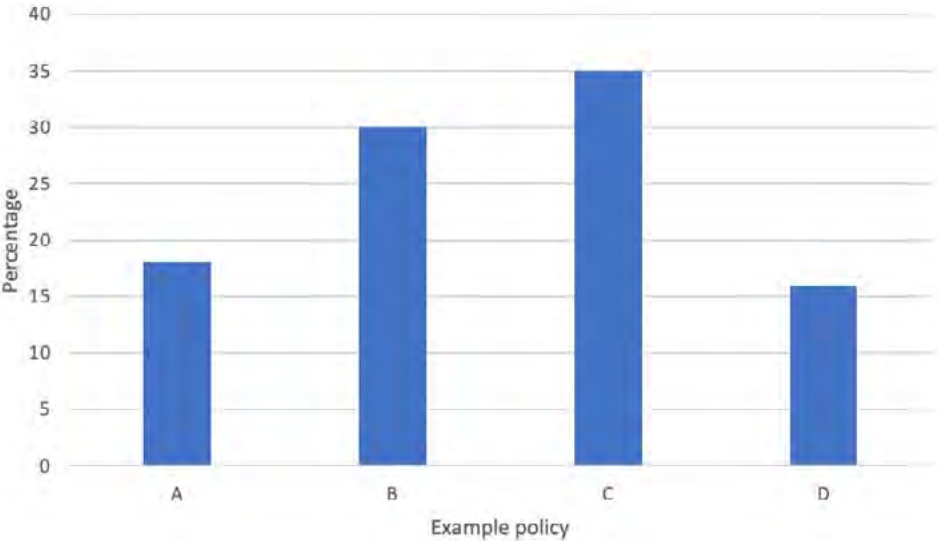
Rent control desirable?	Strongly agree (%)	Agree (%)	Neither agree nor disagree (%)	Disagree (%)	Strongly disagree (%)	n.
Yes	23	31	16	20	10	1372
It depends	2	16	11	25	45	99
No	2	2	3	11	81	219
Total	19	26	14	19	21	1690

Table 5.7dViews on example **policy D**, by views on desirability of rent control (all respondents)

Rent control desirable?	Strongly agree (%)	Agree (%)	Neither agree nor disagree (%)	Disagree (%)	Strongly disagree (%)	n.
Yes	9	27	18	32	14	1366
It depends	13	27	25	18	16	99
No	11	18	16	16	39	219
Total	10	26	18	29	17	1684

5.81 When pressed to select which of the example policies they would choose, if they had to choose one, the profile of response shifts somewhat. Policy C was the most frequently selected, with policy B not far behind (Figure 5.5). Support for policies A and D is considerably lower.

5.82 When we consider the choices made by respondents with different views on the desirability of rent control we see that the groups hold very different preferences (Figure 5.6). Four in ten of those who see rent control as desirable selected policy C, with a further three in ten supporting policy B. Very few of this group supported policy D. In contrast, fully two thirds of those who did not think rent control desirable supported policy D, which was the softest version of rent control being offered. The group of respondents who were more cautious in their view of rent control – answering ‘it depends’ – had a completely different profile of response, most frequently favouring policy B.



(n = 1,655)
Fig 5.5
 Preferred example alternative rent control policy (all respondents)

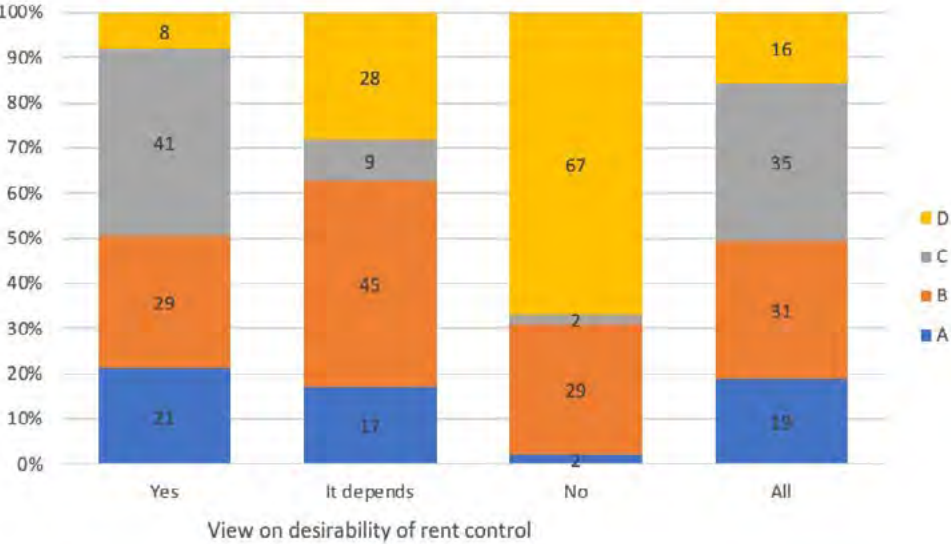


Fig 5.6
 Preferred alternative rent control policy, by view on desirability of rent control (all respondents)

5.83 When we look at views on our example policies among those with different perspectives on the private rented sector we again see some substantial differences of opinion. There is strong support among landlords, letting agents and property professionals for policy D, but limited support for this policy among other groups. In contrast, policy C – which ties rents to income – has broad support among tenants but support among landlords and intermediaries was minimal.

5.84 Responses relating to policy B are potentially perhaps the most interesting. It is not the most popular option for any single group. But it is the second most popular policy for every group. This suggests that if a rent control policy were to be pursued then it might be possible to build a coalition of support across perspectives for a policy designed around the principles embedded in example policy B: that is, initial rents set on the basis of a property's characteristics, increases within tenancies at a fixed maximum annual percentage, changes between tenancies regulated by their relation to the current market average. Plenty of further thought would need to go into the design for an effective real-world policy starting, perhaps, with closer

consideration of whether the specified percentages are considered the most appropriate ones. For example, reducing the average+10% regulation for rent increases between tenancies would increase rent convergence and slow the rate of upward drift in rents.

5.85 Respondents provided a range of comments on the example policies, including some extensive critique of one or more of them. Perhaps the strongest message from these comments was a concern that policy C would lead to discrimination against tenants on lower incomes. If rents are geared towards tenant incomes, rather than property characteristics, then it gives landlords a strong incentive to let properties to higher income households. Of course, in practice, it needn't be one principle or the other because a range of hybrid systems would be possible. But the key point – that we need to be alert to policy creating perverse incentives – still stands. We also received suggestions about alternative approaches including rent control systems based on the calculation of a rate of return on capital, or on local wages and wage inflation, or which linked rents not just to characteristics but to property quality.

Table 5.8

Preferred alternative rent control policy, by respondent perspective (all respondents)

Example policy	Private tenant	Private landlord	Letting agent	Property prof	Vol/Com sector	Bristol citizen	Other	Total (%)
Policy A	21	6	16	6	10	19	21	18
Policy B	29	40	21	36	31	30	24	30
Policy C	41	7	5	6	38	37	34	35
Policy D	9	47	58	52	21	14	21	16
Total n (%)	980 (100)	173 (100)	19 (100)	33 (100)	29 (100)	350 (100)	38 (100)	1622 (100)

Modelling policy impacts

5.86 Considering the rent control policies outlined in the survey, capping the absolute levels of rent or capping the rates of rent increase were both policies that were endorsed by a proportion of respondents. Data constraints mean we are not able to model the impact of the example policies discussed in the previous section. It is, however, possible to make some provisional estimates of the impact that one simple version of rent control policy could have on rents across the city using the data we analysed in chapter 2. We do so to give an initial illustration of the spatial distribution of the potential impact that this version of rent control policy could have.

5.87 City-wide limits on rent charged by property size would set a “ceiling” on private market rents akin to the way national Housing Benefit/LHA rates are differentiated by property size. These policies would likely have severe, differential impacts on different areas of the city due to the differences in housing stock and composition: peripheral areas of the city tend to have larger flats let at lower rents, while central areas of the city tend to have higher rents and smaller flats. Setting a single size-based maximum would artificially “flatten out” this pattern, severely constricting the rents in city centres while inflating those towards the city edge.

5.88 In contrast, setting city-wide limits on the maximum change in rent will stabilise the rental market in a slightly different fashion. This policy would cap the annualised change in rent that a landlord can charge when a property is let first on the private market, and then let on the private market again after a tenant ends their lease. We call this the “annualised between-tenancy” (ABT) change. We note, however, that the majority of our survey respondents supported control of rents both within and between tenancies (see Table 5.4). We consider a maximum cap on ABT change as a reference case for two reasons. First, available data only records rent when a property is listed on the public market. This gives us the ability to measure rent changes between tenancies, so we can model the potential impacts of an ABT cap. Changes within tenancies do not result in advertised rents on the open market so are harder to observe. Second, we argue that in principle the between-tenancy cap is likely to constrain the rent changes within a tenancy: tenants can refuse above-cap rent increases, knowing that the landlord cannot get more than this from a subsequent tenant.²² In contrast, tighter within-tenancy rent change caps could disincentivise tenant stability if a higher rent can be charged to a new tenant than to the current one. Thus, between-tenancy rent caps provides stability for tenants’ expected housing costs and landlord’s expected revenue over time, provides a useful measurable standard, and incentivises lifestyle stability for tenant and landlord.

5.89 Like a direct cap on rent levels, however, such a cap on rent in Bristol would have seriously different effects in different places. For example, over half of properties in Bedminster saw an annualised between tenancy rent increase (ABT increase) above 5% during the study period. This is shown in the second column of Table 5.9. In contrast, less than a third of properties saw above 5% ABT increases in Westbury-on-Trym and Henleaze Ward, the lowest in Bristol. Any ABT cap on between-tenancy rents, then, would affect different areas of the city differently. Table 5.9 also illustrates that this impact would vary substantially depending on the height of the cap: an ABT cap set at 5% would affect between a third and a half of properties in every ward, whereas in most wards fewer than one in ten properties would have been affected if the cap were set at 20%.

Table 5.9

Percentages of properties with Annualised Between-Tenancy (ABT) rent increases above specific rent increase caps by ward. For example, 11.2% of the 668 properties let in Horfield Ward saw an ABT increase of more than 20% between 2018 and 2020, while only 4.9% of the 410 properties let in Bishopston and Ashley Down Ward saw ABT increases that large over the same period.

Ward Name	>5% ABT	>10% ABT	>20% ABT	Total
Ashley	44.1	20.4	7.9	392
Avonmouth and Lawrence Weston	34.8	18.2	4.5	66
Bedminster	54.4	31.1	10.4	193
Bishopston and Ashley Down	44.9	20.2	4.9	410
Bishopsworth	40	26.7	13.3	30
Brislington East	46.4	29.8	8.3	84
Brislington West	42.7	27	11.2	89
Central	49.2	28.5	7.6	1186
Clifton	39.2	23.5	11.9	452
Clifton Down	35.5	20.8	9.3	453
Cotham	44.7	24.1	12.2	320
Easton	35.6	23.1	6.7	104
Eastville	37.1	20.3	8.4	143
Frome Vale	39	17.9	8.1	123
Henbury and Brentry	37.3	15.7	3.6	83
Hengrove and Whitchurch Park	46.2	23.1	3.8	26
Hillfields	37.7	26.4	7.5	53
Horfield	45.7	28.3	11.2	304
Hotwells and Harbourside	46.4	27.1	5.5	668
Knowle	36.4	15.2	6.1	66
Lawrence Hill	49.8	25.3	8.9	225
Lockleaze	40.3	21.8	8.4	119
Redland	41.8	25.3	9.2	249
St George Central	37.1	14.6	5.6	89
St George West	39.5	21.1	3.9	76
Southmead	47	25.3	7.2	83
Southville	47.3	22.9	9.6	332
Stoke Bishop	33.8	13.8	7.7	65
Westbury-on-Trym and Henleaze	32.4	18.6	6.9	102
Windmill Hill	45.1	27.4	8.8	113

Actions beyond rent control

5.90 In this section we provide an overview of the key suggestions for actions beyond rent control that were shared as part of the Commission's work. The most frequently identified area for action at the Commission meetings, through our surveys, and in evidence submissions was increasing housing supply. We start with this.

Enhancing housing supply

5.91 The need to increase the local supply of rental housing was widely advocated as the solution to affordability problems arising from an imbalance between supply and demand. There is broad-based support for increased housing supply in general, and the supply of genuinely affordable housing in particular. Many emphasized that this is fundamental if we are serious about tackling current affordability difficulties. Typically that was framed as the need to build more social housing, but there was also support for efforts to increase the supply of community-led housing including housing co-operatives. Bristol is already very active in this sector, exploring a range of innovative approaches to constructing and locating affordable housing, but is there more that can be done to further enhance and scale up these efforts? Stakeholders from institutional investor and landlord sector advocated the use of appropriate measures to encourage more landlords to enter the sector and create lets. While local efforts to boost affordable housing supply are welcome, Commissioners recognized that the size of the challenge means policy change at national level is also required.

5.92 Elements of the development process were identified as worthy of attention with the aim of improving performance. This could be about reviewing the process of planning approval to ensure it is as streamlined as possible. It could be more specifically about the process of converting properties to residential from other uses. Or it could be about maximizing the reuse of brownfield sites. There were also suggestions to improve either the density of development and/or its verticality: that is, allowing more taller buildings. Some suggestions we received in this area were broad statements of principle, but some were associated with direct experience of processes that were perceived as less effective or streamlined than they might have been.

5.93 Increasing the supply of affordable housing locally is not only about the construction of new housing. It can also be about the way the existing stock of housing is used. There is relatively wide support for addressing short-term lets, such as AirBnB, which remove properties from the supply of conventional private renting. This could involve registering and regulating, or otherwise controlling, the use of short-term lets. Elsewhere these types of properties are increasingly being regulated through the planning system or via licensing. Conversely, we could look for ways of encouraging and rewarding landlords for creating longer term lets and providing tenants with greater certainty. Clearly, when the proposed changes to tenancy law occur longer tenancies would in principle be the default rather than something to be encouraged. The focus might well then fall more urgently on the question of discouraging conversion to short-term lets. We might also consider whether more can be done to discourage owners from holding properties empty.

5.94 The impact of university students on the demand for housing in the city and the pressures this exerts on the private rented sector was a recurrent issue. Some were critical of university expansion and its impact on the city's housing market. Views differed on how this issue should be dealt with. What we draw from these comments is the argument that there is a need to think more strategically about the way the student market interacts with the rest of the housing system, and private renting in particular, and to understand the Universities' aspirations around student expansion in a way that allows for timely action on housing supply. There might also be opportunities to enhance the affordability of purpose-built student accommodation through the Local Plan process.

5.95 Thinking further about interactions and interconnections was not restricted to analysis within the housing market. We were also presented with arguments about the need to think more holistically about housing and the broader urban system. In particular, there could be ways of better connecting housing policy with transport and economic development policy that mean that residents have an increased range of plausible choices in terms of areas to live and work. This could increase accessibility and relieve pressures on already high pressure areas of the city. There is concern that in practice things are moving in the opposite direction eg. reductions in public transport frequency and reliability. The underlying more general point here is that key levers to influence the issue of housing affordability could lie somewhere other than within the housing system.

5.96 The idea of restricting multiple property ownership was one that attracted a degree of support among tenants responding to our rent control survey. Less dramatically, there were arguments about the desirability of progressive taxation on multiple property ownership to disincentivise people from building property portfolios. This would not necessarily increase housing supply but it could change its composition.

National policy actions

5.97 The national policy action that was advocated most frequently was change to the Local Housing Allowance so that it aligns better with local rent levels. Rents that are not fully covered by the allowance can discourage landlords from renting to people in receipt of benefits because of concerns that they might get into arrears. While affordability can be improved by reducing rents relative to incomes, it can also be improved by increasing incomes.

5.98 Increasing LHA rates is an action that could be undertaken quickly, if the political will is there. The effect this has on private renting was demonstrated during the covid pandemic when the temporary uplift in LHA rates relieved some of the pressure on the sector. Increasing LHA rates or the generosity of University Credit is an alternative to rent control available as a short-term measure. Most of the other solutions to improving affordability – such as building more social housing – might be important but they are not measures that will have an effect in the short-term. Some viewed increasing LHA as a short-term measure only, while longer-term solutions start to take effect.

5.99 Alternative routes to a similar destination proposed to the Commission were to increase the minimum wage and agree pay settlements with public sector work which recognise the way housing costs have moved. Each of these measures would raise incomes for different, albeit potentially overlapping, groups of people.

5.100 Another area in which national action could aid affordability would be increasing student incomes in recognition that increases in rents are outstripping the uprating of maintenance loans.

5.101 Landlords identified adverse changes to the taxation of private rented housing as a key negative influence on the decision to become or continue as a private landlord. Reversing these tax changes would strengthen the incentives to remain in the sector. From an affordability perspective, it could be argued that increasing tax allowances would mean landlords can achieve a given rate of return while charging a lower rent and therefore it would moderate upward pressure on rents. However, the strength of this indirect route to improving affordability is unclear. In a high pressure market it could simply result in higher profit margins and therefore fewer landlord exits from the market. Other respondents argued that government should work the tax system harder to incentivize landlords to invest in their properties or penalize them if they don't invest.

5.102 The support for building more social housing was widespread among our survey respondents and those who provided written evidence. Many saw the key to the problem as the council or housing associations building more genuinely affordable social housing. There appears less of an appreciation of the financial constraints on social landlords and the limits to what they can do when relying on their own resources. And the further we go down the route of mixed public-private funding for social housing the harder it is to deliver housing that is genuinely affordable to lower income households. This implies that substantially increased capital funding from central government is needed if social housing supply is going to have the effect of relieving pressure on private renting.

5.103 As we saw in chapter 3, a substantial proportion of tenants have recently experienced a bidding war against other prospective tenants. There was support among tenants for prohibiting this practice, which pushes up prices faster:

We need it to be illegal to offer over the asking price on rented accommodation.

(35-44, in full-time employment, TE survey)

I think there should be serious legal repercussions for people found to be offering above the asking price for rented property/ letting agents encouraging this practice/ landlords choosing tenants who offer above asking on rented property.

(25-34, in fulltime employment, TE survey)

5.104 One specific point raised by several respondents to our rent control survey related to the ability to exit from the private rented sector. The point was that many renters are paying more in rent for a property than they would have to pay to buy an equivalent property with a mortgage. One consequence of this is the difficulty it creates in saving for a deposit. But a further characteristic of the situation is that mortgage lenders tend not to give any weight to this history of rent payment when deciding on a household's financial capability. Yet, the tenant has arguably demonstrated that they are more than able to service monthly payments at the required level. Could this payment history be used more creatively to offset the lack of sufficient deposit in appraising creditworthiness? This requires a change of policy from lenders.

5.105 A lot of the friction and discontent in the private rented sector is caused by tenants' perceptions that they are being exploited. Requirements for landlords to be more transparent in rent setting – for example, demonstrating that rent changes are the result of, and proportionate to, genuine cost increases – might have an impact here. Would new disclosure rules assist this situation?

5.106 Finally, the right to adequate housing is a key strand of policy at international level to which governments around the world commit. If this right were more fully recognised and taken seriously then that could change policy priorities at national and local level and inject some urgency into dealing with housing problems. Relatedly, a respondent to one of our surveys summarised their view on the key national policy change required as “show compassion”.

Improving experience and accessibility

6.1 The diverse evidence presented to the Commission indicated that there are several areas where action could be taken to improve the experience of living in private renting in our city. We summarize the key points in this chapter.



Current activities

6.2 The City Council engages broadly with the private rented sector. It implements the mandatory licensing scheme for Houses in Multiple Occupation. It has powers to create area-based and selective licensing schemes. It has used these powers repeatedly to address poor standards in specific neighbourhoods. The council is the enforcing body in areas such as property standards and protection from eviction. It has a robust policy of using available powers to tackle poor landlord behaviour and poor property quality. It is one of the most active authorities in the country in terms of placing landlords on the national rogue landlord database. The council is active in supporting tenants to obtain rent repayment orders. It engages in liaison both with landlords and tenants to inform them about rights and obligations and policy changes affecting the sector.

6.3 While the City Council is active in this area there are limits on what it can achieve. Some limits are legal. For example, some actions that might appropriately be taken against poor landlord practices have to be initiated by tenants rather than the local authority. The local authority can support the tenant, but it cannot go beyond that. Some limits are financial. The costs of a robust enforcement policy are large. The costs of taking legal action against landlords can be substantial. While some types of activity and legal action are theoretically self-financing, particularly where civil penalties are pursued, that is not always the case in practice. Local authority budgets are under unprecedented pressure because of central government funding cuts. Private rented sector activities must compete with other calls on the authority's resources, many of which are mandatory.

Nonetheless, the Council continues to engage as extensively with private renting as it can, including being creative in securing additional funding for services, and to plan for improvements to its services.

6.4 The City Council is recognised in the housing policy community nationally for being active and robust in its approach to engaging with the private rented sector. But it is robust within limits. It would be wrong to view the whole sector as presenting problems with property quality, but it cannot be denied that there is more that could be done to improve standards in parts of the market. As the evidence presented in earlier chapters has indicated, the incidence of problems continues to be unacceptably high. As well as the issue of resource constraints and limits on powers, the Council can only address issues it is aware of. We discuss improving information flows below.

6.5 A range of organisations in the voluntary and community sector support tenants the private rented sector. These include general advice agencies, specialist housing advice agencies, tenant unions, and services targeted at particular subsectors such as students. Advice services are also under substantial pressure as a result of rising demand intersecting with resource constraints.

Improving information and intelligence flows

6.6 A recurrent theme is the need to improve the dissemination and circulation of information within the sector. Better access to information on a range of topics would be beneficial. This includes information on:

- Tenants' rights and obligations
- Landlords' rights and obligations
- Sources of support should a tenant or landlord encounter difficulty
- Local authority powers and, importantly, their limitations
- What to watch out for to avoid scams operating in the sector

6.7 Increasing the knowledge of those in private renting is not only about what information is available but also about how and when it circulates.

6.8 To increase accessibility greater provision in the most frequently used minority languages should be considered. The provision of information in forms such as infographics could help both create more engaging communications but also make information accessible to those with lower levels of literacy. Some local authorities have created a dedicated online microsite which bring together all the relevant information in one place. Equally importantly, such sites are more visible and easier to find online because they aren't buried at the bottom of the menu structure of a council website.

6.9 Bringing all the information together in one place can be a great help to informing tenants and landlords, but it does require them to go looking for the information. Recent national research suggests that a sizeable proportion of landlords are reactive – they expect the information to come to them.²³ The alternative strategy is therefore to seek proactively to disseminate information to those who would benefit from it. A key point here relates to timing: when would the information be most useful? The specific example of international students was offered. Some information about private renting – such as what to watch out for to avoid scams – would be of benefit to them when they start looking for somewhere to live. This could be several months before they arrive in the UK. Information circulated in Freshers' Week, for example, risks arriving too late to be useful. Sending the relevant information alongside the offer of a place at the university, or in response to the place being accepted, could be more useful. The converse point can also apply. Information about how to deal with landlord-tenant difficulties might not register if it is circulated while relationships are positive. It is when difficulties begin that tenants or landlords need to be able to find the information quickly and easily.

6.10 The Commission's discussions led to the identification of local inter-organisational collaborations that could be initiated or expanded. There are limits to the Council's capacity to reach those in the city who would most benefit from support. Other organisations may already be in touch with the relevant groups, whether in relation to housing or non-housing issues. Civil society organisations may find it easier than the council to engage with certain communities. Collaborations therefore open up the possibility of getting accurate and authoritative information to more of the people who need it.

6.11 This idea of collaboration can be expanded. The local authority carries most of the burden of regulating the private rented sector. As the organization with enforcement powers there are some things that the local authority alone can do. However, there is benefit in thinking about the regulation of the sector as a regulatory network that could involve diverse organisations. This opens up the possibility of more effectively tapping in to capacity and intelligence about what is happening in the sector and enhancing information flows in ways that could allow earlier identification of problems or more comprehensive approaches to addressing them. Organisations such the Property Ombudsman, the Property Redress Scheme and the Tenancy Deposit Schemes hold parts of the picture in terms of problems arising in the sector. Similarly, advice services and renters' unions are on the frontline in supporting tenants with problems. An organization like AirBnB might be invited to share information to provide assurance that properties are being used appropriately and hosts aren't in breach of the law.

6.12 The Council is already in contact with many of these organisations. But if this is conceived as a regulatory network then these contacts and collaborations can be thought of more strategically and, potentially, efforts orchestrated in ways that can enhance their impact on the sector and improve tenants' experiences of private renting. This approach could enhance information flows and timely identification of problems in the sector. It would also help to understand areas of strength in provision and gaps in coverage. A more networked and inclusive approach could help in acting against discrimination.

6.13 From the Commission's discussions it was felt that there were two "quick wins" available through localizing information:

- Bristol City Council's website to have a local version of what is on offer on the Government's website but written using language that everyone can understand, both in terms of the accessibility of the language and availability in minority languages.
- local universities to provide a guide on tenants' rights for all new students.

Enforcement

6.14 Bristol City Council's firm approach to taking action against poor landlord behaviour and poor standards was broadly supported. Indeed, many argued that enforcement should be enhanced, particularly against so-called rogue landlords.

6.15 Commissioners considered that the Council's work in this area could be more effectively publicized. This would demonstrate that the Council is taking these issues seriously and could act as a deterrent to other landlords.

6.16 The local authority's support to tenants to help them secure rent repayment orders was welcome and should be enhanced.

6.17 There was some debate within the Commission about the best strategy for securing improvements to properties and how that interacts with protecting tenants from retaliatory eviction. From the point of view of getting a landlord to bring a property up to standard, issuing a formal improvement notice is not always the best place to start. Starting with informal conversations can be more effective.²⁴ However, it is only if the local authority takes formal action and issues an improvement notice that the tenant gains protection from retaliatory eviction. There can be a tension here between the most effective strategy for gaining compliance with standards and protecting tenants. Several Commissioners from the tenant community argued for the prioritization of tenant protection and the greater use of formal action to improve standards. The Golden Motion passed by Full Council in January 2023 adopts a similar stance in proposing that the council resolve to:

- Ask officers to consider serving improvement notices on homes with severe hazards to

prevent landlords from serving Section 21 notices and enable Rent Repayment Orders if the landlord fails to comply. Council officers should also seek to serve more improvement notices for excess cold in homes that fail Minimum Energy Efficiency Standards, and help private renters claim back rent through rent repayment orders when they are eligible to do so.²⁵

6.18 A move towards greater use of formal action has been observed in other local authorities.²⁶ Civil penalties, as an alternative to criminal sanctions, are also available to the Council and some local authorities see these as a more effective method of gaining compliance. A move in the direction of more formal action would also appear to be in line with the policy narrative from national government.

6.19 The January 2023 Golden Motion also highlighted the need to enforce the ban on letting agent fees. In addition, it identified the practice of bidding wars, as noted in chapters 3 and 4 above, as problematic. There is no readily available power that can be used to address this issue. So the Motion pointed to the need for policy innovation to “find ways that Bristol City Council can work to end the practice”.

6.20 One question that could be more fully explored is whether there are other organisations already involved in the sector and in contact with landlords and/or tenants that could play a larger role in raising standards. One suggestion we received was that the Tenancy Deposit Schemes could play a greater role in dealing with the problems tenants encounter. Relatively few tenants know about or make use of their existing dispute resolution function. But could this role evolve?

Licensing

6.21 Licensing schemes attracted comment and discussion. Some landlords dismiss licensing as simply a money-making scheme for the council. Others argued that the scheme for HMOs is not working well and distorting parts of the market. There is no sense from these comments of what positive effects licensing has on standards in the private rented sector.²⁷ This could be linked back to our earlier point about the need for more effective publicity for the Council's work. For mandatory schemes like HMO licensing decisions that are perceived as having negative impacts on the market are often attributed to the Council even though it is national government that has changed the rules. The Council is obliged to implement the new rules. It may not be clear to all relevant stakeholders where responsibilities lie and which elements of current policy are a product of local decisions.

6.22 It was more common for there to be support for licensing as long as it is demonstrably effective in raising standards. In chapter 4 above we included some illustrative data to support the argument for the effectiveness of licensing. If that is the case then the Council could consider expanding it. At the same time, there was support for reviewing licensing fees to ensure that a licence is no more expensive than it needs to be.

6.23 Some stakeholders argued for establishing a more comprehensive landlord registration scheme to deal with rogue landlords and oversee the quality of housing on offer.

6.24 From the tenant perspective, there was considerable emphasis placed on holding landlords to account. In this context, licensing was seen as a key mechanism. It means that the burden doesn't fall on tenants, who perceive themselves to be in a vulnerable position, to deal with problems:

Landlords aren't accountable. I've had a leaking roof for 2 years but I can't do anything about it for fear of being evicted. I just have to wait.

(35-44, in part-time employment)

There is no accountability on landlords to provide good quality housing and a steady stream of desperate renters mean they have no issues replacing tenants so no financial repercussions for kicking/forcing tenants out as they please.

(no detail shared)

Minimum standards need to be met, and landlords should have their licences removed if they are renting out unsafe properties.

(25-34, in fulltime employment)

The bar is so low for properties to be private rental accommodation, landlords can get away with being energy inefficient, damp, insufficient heating etc because they know that someone will take the property. I believe landlord licenses should be introduced, so that the industry is better regulated and those wishing to become a landlord understand that it is a huge responsibility and a lot of work, rather than an easy way to make money.

(25-34, in full-time employment)

The role of letting agents

6.25 Recent research has argued that letting agents have the potential to play a stronger regulatory role in the private rented sector. The best letting agents take it as their responsibility to educate the landlords they work with on their obligations and keep them up-to-date with changes in legislation and practice. If best practices were generalised across the sector then that has the potential to significantly enhance tenants' experience of renting. However, current experiences of some letting agents can diverge considerably from this optimistic position. In responding to our tenant experience survey several tenants highlighted what they considered to be a bias in favour of landlords that needs to be challenged:

... of the 5 Letting Agents I've rented through, 4 were unfairly biased towards the Property-Owner, representing & protecting their unreasonable expectations & demands over protecting my rights & needs. One supported the owner withholding my deposit without advising me of processes or time limits. The deposit is STILL in a Rent Protection Scheme because I can't get agreement to release it. 8 yrs later. Renting in Bristol (& elsewhere) is a broken system.

(45-54, long term sick or disabled)

The lettings agents are only on the side of the landlord and treat us with suspicion at every move, we want to work together and have a nice home to look after. Our lettings agent has made sexist comments as an excuse to not repair a toilet.

(25-34, in full-time employment)

Agents acting on landlords' behalf seem bias towards landlords and I feel afraid to report problems in case it affects my rent.

(25-34, in full-time employment)

6.26 6What can be done locally to bring the service provided by all letting agents up to the standard of the best? Are there new collaborations between the City Council, tenant unions, campaigning groups and professional organisations such as ARLA that can help to embed more firmly what good practice should look like in this sector? There could be merit in reviewing whether existing mechanisms that aim to raise quality – such as the West of England Rental Standard²⁸ – can be given greater leverage over practice in the sector and in considering the co-creation and promotion of an updated version of the ACORN Ethical Lettings Charter.

National policy

- 6.27** There was broad, albeit not universal, endorsement of the Government's Renters Reform Agenda. Proposals to try to deal with discrimination against households receiving benefits were welcome. The removal of s.21 eviction, in particular, is seen as essential in stabilising people's housing circumstances and putting tenants in a better position to assert their rights. A key point was that the legislative process around this agenda is moving slowly and all the while tenants are suffering. Commissioners wanted to see the Government press on and deliver on its commitments.
- 6.28** The process associated with the Regulation of Property Agents (RoPA) is similarly moving slowly following the original recommendations for regulatory change presented in 2019.²⁹ The proposed changes would affect letting agents and include raising training requirements and, thereby, management standards. Subsequently the Government has advocated for greater training for social housing managers with the aim of improving the delivery of the housing management service. It would be appropriate to move the agenda for the private rented sector forward in parallel.
- 6.29** Some argued that even within the terms of its own agenda there is a case for the Government to go further. For example, the Government is trying to create a disincentive to economic eviction by not allowing landlords to relet for a fixed period if they have evicted a tenant under the proposed new legislation. But is that fixed period long enough to act as a meaningful disincentive? Should it be longer? The more rent a landlord stands to lose by engaging in economic eviction the stronger the incentive not to do it.³⁰
- 6.30** There was also some caution around the proposals for removing s.21 evictions among Commissioners from the landlord community. The Government has argued that it will put in place alternative routes for landlords to regain possession where there is justification. This is intended to give landlords reassurance. But it is vital that these complementary reforms are feasible and represent a genuine alternative not only in theory but also in practice.
- 6.31** Landlord representatives were keen to highlight the dysfunctional nature of current court processes. If policy is moving in the direction of removing s.21 and expecting landlords to make a case in court if an eviction is sought then the courts need to be able to process cases much faster than currently. If there were no improvement in the court system then the replacements for s.21 currently being proposed won't, from the landlord perspective, represent meaningful alternatives. This will mean that the impact on housing supply of removing s.21 evictions is likely to be more substantial than it might otherwise have been.

6.32 Lack of energy efficiency affects both the affordability and quality of housing. Poor energy efficiency in many parts of the UK housing stock has been highlighted by the rapid rise in the cost of energy over the last year. Inadequate heating results in negative impacts on residents' health and wellbeing and can create both short-term and longer-term problems with the fabric of the building. Providing greater incentives to landlords to invest in retrofitting their properties could make a substantial impact on tenants' experience of living in the sector. This is likely to require national action, although local measures that encourage landlords to act on retrofit would also be welcome. Measures to accelerate programmes of housing retrofit would also make a substantial contribution to policy aspirations to achieve net zero.

6.33 Most of the routes to improving tenants' experience of the private rented sector require local authorities, possibly in collaboration with others, engaging in more activities. There is a willingness to do more to improve tenants' lives but that can only happen with the support of adequate resources. In terms of national policy an appreciation of this point, and a willingness to ensure that the budgets are available to underpin the necessary activities, is vital.

Conclusion

- 7.1** There is little dispute that private renting in Bristol faces a serious access and affordability crisis. Rental increases, and the involuntary mobility they induce, have significant consequences for tenants' wellbeing and quality of life. Poor quality properties and property management can have similarly negative consequences. Termination of private tenancies is a key cause of homelessness. The Commission received evidence that provided vivid examples of the difficulties households are facing.
- 7.2** At the same time, the Commission received submissions from landlords and their representatives about changes in the operating environment which are making the business of providing private rented accommodation more difficult and less financially attractive.
- 7.3** We are faced with a situation where demand for private renting outstrips supply and there is continuing upward pressure on rents: access and affordability therefore continue to be a serious challenge not only for lower income households but also for young professionals and others seeking to move to the city from elsewhere. Indeed, the majority of tenants responding to our survey considered that the situation has deteriorated significantly over recent years.
- 7.4** While there may be little dispute about the characteristics of the situation in the city's private rented sector – everyone is, broadly speaking, talking about the same problems - there can be marked divergence of views regarding the causes of the problems. As a result, there can be substantial differences of view regarding what sort of responses are going to be appropriate and effective.
- 7.5** Lack of affordability and access to private renting are issues that affect individual households very acutely. But they also have negative consequences for the city as a whole:
- communities are destabilised and disrupted;
 - lower income households are priced out of neighbourhoods and are pushed towards more and more peripheral neighbourhoods;
 - both commuting times and the mismatch between available jobs and people's homes increase;
 - the creative and cultural life of the city is harder to sustain;
 - talented people with options leave the city – often reluctantly – in search of towns and cities where they are able to find a more stable and affordable living environment;
 - households whose tenancy is terminated can struggle to find alternative accommodation and find themselves homeless, with implications for the City Council and other service providers.
- 7.6** While our city's housing problems may be a product of success – many people want to live in here – they have consequences for the vibrancy and continued success of the city in both the short and the long-term.
- 7.7** The housing challenges faced by the city's residents have been compounded by the broader cost-of-living crisis. Some households' finances are near overwhelmed by the burden of keeping a roof over their head and keeping themselves warm and fed. For many the situation is precarious.

On rent regulation

- 7.8** There is substantial public support for rent regulation to provide a long-term framework for private renting. However, views on rent control differed sharply depending on perspective. The majority of private tenants; representatives of community and voluntary sector organisations that work with private tenant; and those we designated ‘interested citizens of Bristol’ considered rent control to be desirable. Some commissioners from the tenant community argued not only for rent control in the long-term but for a rent freeze as a short-term crisis measure. In contrast, a much lower proportion of landlords and market intermediaries - letting agents and property professionals – responding to the survey saw rent control as desirable. This view was echoed by Commissioners from the landlord community.
- 7.9** While support for rent control was widespread across survey respondents there were also concerns about its potential negative impacts on housing supply – both availability and quality. These concerns were common among landlords, letting agents and investors. But they were shared by some tenants who were concerned that rent control, particularly if it were badly designed or poorly implemented, could make their lives harder rather than easier.
- 7.10** Some indicated that their view on rent control was influenced by whether it was a national or a local system. Their preference was for a national system. There was greater caution about Bristol “going it alone” and operating a substantially different policy framework from other areas.
- 7.11** The design of any rent regulation system is crucial to the effects it has on a housing market. Experience of rent control in other housing markets indicates the potential for a range of side effects. It is difficult, if not impossible, to neutralize entirely the risk of side effects. Our survey respondents indicated that the most important effects to mitigate were: avoiding discrimination; reducing housing quality; reducing housing availability. These are in line with concerns about rent control making tenants’ lives harder rather than easier.
- 7.12** Some of those involved in the private rented sector are resolutely against rent control in any form. However, on the basis of the responses to our survey, which asked respondents to indicate which of a selection of example rent control models they preferred, it is possible to envisage a rent control system that has a reasonably broad base of support. It would build on the principles embedded in our example policy B (see chapter 5 for further discussion). Such a system would not necessarily be many people’s first choice, but it appears to be a system that many of those with different perspectives on the private rented sector could live with.

7.13 That is not to conclude that policy B is the answer. It is to suggest that there is the potential to arrive at a policy that commands a relatively broad base of support, which is important for its stability and sustainability. The example policies presented in our survey were intentionally relatively simple and designed to gather views on contrasting principles. An effective real-world rent control policy would most likely be more complex and more subtle. More detailed work, listening to and taking account of the range of perspectives within the sector, would be needed to develop a better-specified policy design that could command broad support.³¹

7.14 In this context it might be helpful to focus on the idea of a 'fair' or reasonable return. There were landlords and tenants who responded to our survey who stated that rents should be fair to tenants, in terms of the quality of accommodation relative to the cost and the financial burden it places on them, while at the same time offering landlords a reasonable rate of return. Many tenants were concerned about rent increase that were unrelated to quality improvements – indeed in some cases rent increase were being implemented when property or service quality was inadequate - and believed that some landlords were charging whatever they can get away with. Landlords, in contrast, made references to cost increase and market forces to justify increases as appropriate and fair. Can these contrasting views be reconciled? Can greater agreement over what should be seen as fair be achieved? Would, for example, greater transparency over pricing demonstrate to tenants that rent increases were justified and not exploitative, while opening up greater space for tenants to contest those increases that appear unjustified? If the answers to these questions are negative and policy prioritizes securing affordable housing for tenants regardless of the impact on landlords' business models then managing the potential impacts on housing supply would become a key task.

7.15 Beyond the design of the policy mechanism there are important implementation questions to be addressed. Key questions relate to compliance and enforcement. But a more fundamental question relates to data. For a rent control policy to be operational it is necessary to have access to timely monitoring data on controlled rents and actual rents. Only then can compliance be assessed and enforcement begin. Systems to gather such data would need to be established. A landlord register could serve the purpose. The data could be the byproduct of a licensing regime. Or the Westminster government's proposed national online portal could be utilized to collect and collate the data. It could conceivably be integrated into data collected by the tenancy deposit organisations.

Rent regulation in context

- 7.16** It is not wise to think about rent regulation in isolation. Its impact on the housing system depends in part on how it fits with other elements of the policy portfolio, in particular what is happening to the supply of social housing and to the welfare benefits system.
- 7.17** Some of the other key elements of the policy portfolio are currently controlled at national level rather than city level. Key areas are funding for social housing and the generosity – or otherwise – of the welfare benefit system. To what extent is it possible to achieve complementary policy change in these areas? Proceeding with rent control without such complementary change offers a different profile of risks to proceeding with rent control in the light of policy accommodation elsewhere.
- 7.18** Great care is therefore needed when proceeding in the direction of rent control.
- 7.19** A rent freeze is typically viewed as the hardest form of rent regulation. However, when many already consider rents to be unaffordable a rent freeze locks-in unaffordability. A rent freeze will, nonetheless, stop affordability deteriorating further for existing tenants. In theory affordability is then restored as a byproduct of income and price inflation. But this takes time. Models of rent regulation that are politically and practically feasible are very unlikely to deliver rent reductions in the short-term. Other actions are required. The area for action most frequently identified is increasing the supply of genuinely affordable social housing to increase the alternatives to private renting.

Improving experience and accessibility

- 7.20** Information was identified as a key concern, particularly information on rights and responsibilities, and redress mechanisms. It doesn't necessarily reach those who need it. But it is also the case that the information that exists is not necessarily in the most digestible form. So there is a need to make information more accessible and to flow through the system more easily.
- 7.21** While local authorities play the key role in seeking to raise and enforce standards in the private rented sector they face constraints in their powers and their resources. There is more scope for thinking about the regulation of the sector being delivered by a network of organisations in collaboration.
- 7.22** Licensing as a mechanism for raising standards and improving experience draws both positive and negative comment. If it can be shown to improve standards then there is support for expanding the scope of licensing. There is more that can be done to explain the positive impacts of existing licensing schemes and of the Council's activities to enforce standards more generally.
- 7.23** Bringing the service provided by all letting agents up to the standard of the best would make a major contribution to improving tenants' experience of the sector. While this might be seen as an area for licensing or regulation – as it is in Scotland and Wales – that is not sufficient. It is principally about changing organisational culture and attitudes.
- 7.24** Beyond the pressing issue of the affordability of rents, there is much that could be done locally to improve tenants' experience of private renting. But it requires a supportive national policy framework. That entails effective delivery of the Renters Reform Agenda but also allowing local authorities sufficient resources to have a substantial impact on the problem.

Acknowledgements

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Finally, our thanks go to everyone who completed one of our surveys or contributed written evidence. These inputs were integral to shaping the thinking of the Commission and this report.

The commission identified the accessibility of information for tenants as a key concern, particularly information on rights, responsibilities, and redress mechanisms. Information needs to be made more accessible.

Licensing as a way of raising standards and improving experience drew both positive and negative comments. If it can be shown to improve standards, then there is support for expanding the scope of licensing schemes. More can be done to promote the positive impacts of existing licensing schemes and the work of the council to enforce standards.

There is much more that can be done to improve the experience of tenants, but, as with rent control, it requires a supportive national policy framework. This includes the effective delivery of the Renters' Reform Agenda and providing local authorities with sufficient resource to tackle the scale of the problem.

Appendix 1

In response to the final report, Propertymark wrote the below statement to represent their views on the Bristol Living Rent Commission and its final report.

ARLA Propertymark statement: Bristol Living Rent Commission

Propertymark supports some of the recommendations in the Bristol Living Rent Commission report. However, we do not approve of proposals for rent controls.

Improving standards

We support the report's recommendation on improving stock standards within the Private Rented Sector (PRS), and we would be very happy to collaborate with the Commission to raise standards of letting agents within the city. While we welcome the recommendation to improve standards, we do not believe the best method to do so would be an expansion of any area-based licensing schemes. A more positive approach would be if the Commission positively collaborated with landlords and agents to raise standards. Our primary concern about licensing schemes is that compliant landlords pay for the scheme, but rogue landlords continue to operate under the radar.

Better Information and Understanding

We strongly welcome the Commission's recommendation that there should be a review of the way that information about the private rented sector is currently circulated within the city. This would be a good opportunity to produce national information with local relevance and to ensure that all stakeholders including tenants, landlords and agents have a central online point to access information.

The Secretary of State for Levelling Up, Housing and Communities recently announced that social housing managers must gain professional

qualifications under new rules to protect residents and raise standards in the sector. We have written to the Minister to highlight that introducing the Regulation of Property Agents (RoPA) at the same time would level the playing field between the two sectors and ensure residents in both the private and social sectors experience high standards. In order to raise standards for property agents, we would encourage the Commission to recommend RoPA as part of the report recommendations.

Supply and tenure of rental properties

We agree that the Bristol City Council should do all it can to increase the supply of social homes to ensure that demand meets supply. We are concerned that there are 19,000 households on the social housing waiting list, along with over 1,100 households living in temporary accommodation. Clearly an extended effort is required to meet this challenge. We also agree that there should be analysis into the impact AirBnB and short term lets have had on overall housing stock.

However, despite the report acknowledging that the shortfall in supply for the PRS is a major challenge for Bristol, we are disappointed that improving the supply of PRS properties was not reflected in the recommendations. Although the impact on tax measures on landlords is later addressed, we would be very happy to work with the Commission and their stakeholders to highlight any strategies to increase the supply of private homes within the city.

National action

The report makes several recommendations on improving welfare reform to support the most vulnerable people in receipt of welfare and benefits. We strongly support these recommendations which have been key and long-term campaign pledges of Propertymark.

Propertymark recently submitted a Spring Budget Representation to HM Treasury where we called on the government to increase Local Housing Allowance Rates to the 30th percentile if the 50th percentile could not be achieved. This would significantly increase the housing options within the PRS for low wages people or people in receipt of benefits. We would be very supportive of continuing to support the Commission or any stakeholders on this issue.

We also welcome the report's acknowledgment on the impact the UK Government's decision to remove various tax reliefs for landlords as part of Section 24 of the Finance Act and in particular the phasing out of Mortgage Interest Relief against currently exponentially high interest rates. This was also reflected in our Budget Representation.

Conclusion

Although there are some recommendations within the report that we support and would be very happy to continue to engage with stakeholders on, the overarching recommendation of the report is to make the case for a national system of rent control or to continue to call for devolving powers to city level to control rents. We do not support these aims as we believe rent controls have a negative impact on supply which fundamentally will cause less housing options for the most vulnerable, a deterioration in standards and will impact the sector and subsequently the local economy adversely.

Endnotes

- 1 Reviews of key changes in the private rented sector include: Rugg, J. and Rhodes, D. (2018) *The evolving private rented sector: its contribution and potential*, York: Centre for Housing Policy; Marsh, A. and Gibb, K. (2019) *The private rented sector: an overview of the policy and regulatory landscape*, Glasgow: UK Collaborative Centre for Housing Evidence; Spencer, R., Reeve-Lewis, B., Rugg, J. and Barata, E. (2020) *Journeys in the shadow private rented sector*, Cambridge House/University of York; Rugg, J. and Wallace, A. (2021) *Property supply to the lower end of the English private rented sector*, York: Centre for Housing Policy.
- 2 A stance that is maintained in the latest iteration of policy reform: DLUHC (2022) *A fairer private rented sector*, CP 693, London: Department for Levelling Up, Housing and Communities. <https://www.gov.uk/government/publications/a-fairer-private-rented-sector>
- 3 E.g. OECD (2021) *Brick by brick: building better housing policies*, <https://www.oecd-ilibrary.org/economics/brick-by-brick-b453b043-en>
- 4 The online tenant experience survey elicited 720 responses. The responses were analysed to determine whether it would be necessary to post-stratify the data with the aim of ensuring that it was representative of the profile of current private renters. It was decided that this was not necessary, although, as noted in the main text, there is a slight under-representation of some non-white groups. The results reported in the main text are based on the raw data.
- 5 Agenda Item 12, Full Council Meeting, 10th January 2023; <https://democracy.bristol.gov.uk/ielListDocuments.aspx?CId=142&MId=10144&Ver=4> (Last accessed: 03/04/23)
- 6 Such a policy might be a version of the “rent pressure zones” approach used extensively in Ireland. A recent overview of the Irish approach is provided by O’Toole, C. (2023) *Exploring rent pressure zones: Ireland’s recent rent control regime*, *International Journal of Housing Policy*, online first, <https://doi.org/10.1080/19491247.2022.2155338> [Subscription needed].
- 7 Rogers, C., Isaksen, M. and Brindle, B. (2018) *Touch and Go: How to protect private renters from retaliatory eviction in England*, Citizens Advice.
- 8 DLUHC (2022) notes, on the basis of data from the English Housing Survey 2019-2020, that more than one in five tenants who wished to complain to their landlord did not do so (22%). A variety of reasons for not reporting were offered. Fear of retaliatory eviction was one of them.
- 9 Recent research touching on this area includes Harris, J. and McKee, K. (2021) *Health and wellbeing in the UK private rented sector: enhancing capabilities – part 2: findings from tenant interviews*, Glasgow: UK Collaborative Centre for Housing Evidence.
- 10 The need to treat the student market differently has recently been articulated by the Levelling Up Select Committee. See House of Commons Levelling Up, Housing and Communities Committee (2023) *Reforming the private rented sector: Fifth report of session 2023-23*, HC 624.

- 11 Short-term lets and their impact on housing markets around the world is a burgeoning area of research. Examples of recent research adopting contrasting approaches include: Garcia-Lopez, M.A, Jofre-Monseny, K., Martinez-Mazza, R. and Segu, M. (2020) Do short-term rental platforms affect housing markets? Evidence from Airbnb in Barcelona, *Journal of Urban Economics*, 119, <https://doi.org/10.1016/j.jue.2020.103278> [subscription required]; Wachsmuth, D. and Weisler, A. (2018) Airbnb and the rent gap: Gentrification through the sharing economy, *Environment and Planning A*, 50, 6, 1147-1170. [subscription required].
- 12 A good recent overview of the range of policies that can be used to try to deliver more affordable housing can be found in United Nations Economic Commission for Europe/ Housing Europe (2021) #Housing2030: Effective policies for affordable housing in the UNECE region, Geneva: United Nations. It can be downloaded here: <https://www.housing2030.org/reports/>
- 13 The literature on rent control often also refers to policy “generations”. This is a term that is not used entirely consistently. Broadly speaking, “first generation” rent control is a rent freeze; “second generation” rent control is rent stabilization which controls the rate of increase in rents both within and between tenancies; “third generation” rent control is rent regulation within tenancies allowing rent decontrol between tenancies.
- 14 A helpful brief discussion of the dimension of policy design for rent control policies, including international examples, can be found in Wheatley, H., Arnold, S., and Beswick, J. (2019) *Getting rents under control: how to make London rents affordable*, London: New Economics Foundation. See also Wilson, H., Simcock, T., Perry, J. and Cartwright, J. (2022) *Rent regulation in the private rented sector in Northern Ireland*, Belfast: CIH Northern Ireland.
- 15 This section draws on Gibb, K. Soaita, A. and Marsh, A. (2022) *Rent control: a review of the evidence base*, Cache: Glasgow, and Marsh, A., Gibb, K. and Soaita, A. (2022) *Rent regulation: unpacking the debates*, *International Journal of Housing Policy*, online first, <https://doi.org/10.1080/19491247.2022.2089079>
- 16 This is a key part of the argument in Baxter-Clow, D., Elliott, J. and Earwaker, R. (2022) *Making a house a home: why policy must focus on the ownership and distribution of housing*, York: Joseph Rowntree Foundation.
- 17 For a recent discussion see Diner, A. (2023) *Beyond new build: repurposing private rented housing to deliver a new generation of social homes in England*, London: New Economics Foundation.
- 18 The urgent need for a rent freeze has recently been advocated by prominent city leaders elsewhere in England. See <https://www.theguardian.com/society/2023/feb/23/city-mayors-call-for-rent-freeze-and-eviction-ban-for-england-tenants> (Last accessed: 6th April 2023).
- 19 The feasibility of piloting a rent control policy would depend on the design of the policy or, looked at the other way, only a subset of possible designs lend themselves to piloting. In particular, if the rent control policy would require the establishment of new infrastructure such as a major new database – for example, on property characteristics – it could be prohibitively expensive to pilot the full model. In contrast, a rent control model that sought, for example, to cap the maximum allowable annual rent increase would be easier to pilot.

- 20 For example, surveys conducted with landlords about their plans typically indicate a proportion intending to exit the sector in the near future as a result of past or proposed legislative and regulatory change. A recent example can be found in Harris, J. and Marsh, A. (2022) Understanding landlord behaviour in the private rented sector in the UK, Glasgow: UK Collaborative Centre for Housing Evidence.
- 21 See Martin, C., Hulse, K., Ghasri, M., Ralston, L., Crommelin, L., Goodall, Z., Parkinson, S. and O'Brien Webb, E. (2022) Regulation of residential tenancies and impacts on investment, AHURI Final Report No. 391, Australian Housing and Urban Research Institute, Melbourne. <https://www.ahuri.edu.au/research/finalreports/391>, doi: [10.18408/ahuri7124801](https://doi.org/10.18408/ahuri7124801)
- 22 It is possible that current tenants may be willing to pay a premium to remain in the property. That is, if the cap on annual rent change is 5%, a tenant may agree to a 7% increase to remain in the tenancy and avoid moving, if they are able to afford this increase. The 2% premium is then a “fee” the tenant pays to the landlord to remain in the property, and could be used to justify requests for upgrades, repairs, or renovation. This fee also gives the landlord an incentive to retain the tenant since the current rent is now above the permissible level if the property were re-let on the private market.
- 23 Harris, J. and Marsh, A. (2022) Understanding landlord behaviour in the private rented sector in the UK, Glasgow: UK Collaborative Centre for Housing Evidence.
- 24 Arguments about the most effective strategies for gaining landlord compliance are reviewed in Harris, J., Cowan, D. and Marsh, A. (2020) Improving compliance with private rented sector legislation: local authority regulation and enforcement, Glasgow: UK Collaborative Centre for Housing Evidence.
- 25 Agenda Item 12, Full Council Meeting, 10th January 2023; <https://democracy.bristol.gov.uk/ieListDocuments.aspx?CId=142&MId=10144&Ver=4> (Last accessed: 03/04/23)
- 26 See Harris, J., Cowan, D. and Marsh, A. (2020) Improving compliance with private rented sector legislation: local authority regulation and enforcement, Glasgow: UK Collaborative Centre for Housing Evidence.
- 27 The broader impacts of selective licensing have also begun to be explored. An early evaluation reports positive mental health impacts: See Petersen, J., Alexiou, A., Brewerton, D., Cornelsen, L., Courtin, E., Cummins, S., Marks, D., Seguin, M., Stewart, J., Thompson, J. and Egan, M. (2022) Impact of selective licensing schemes for private rental housing on mental health and social outcomes in Greater London, England: a natural experiment study, *BMJ Open*, 12, doi:10.1136/bmjopen-2022-065747
- 28 <https://www.westofenglandrentwithconfidence.co.uk/rent-with-confidence-the-rental-standard> (Last accessed: 04/05/23)
- 29 <https://www.gov.uk/government/publications/regulation-of-property-agents-working-group-report> (Last accessed: 04/05/23)
- 30 This argument has recently been endorsed by the Levelling Up Select Committee. See House of Commons Levelling Up, Housing and Communities Committee (2023) Reforming the private rented sector: Fifth report of session 2023-23, HC 624.
- 31 A similar process is occurring in Scotland where there are ongoing discussions within the housing policy community about how to turn the Scottish Government's commitment to introduce a national system of rent regulation by 2025 into a feasible policy design which has a broad base of support. For a favour of the discussion see: Gibb, K., James, G. and Smith, M. (2022) CPG Housing Working Group Rent Control Report, Glasgow: UK Collaborative Centre for Housing Evidence.

Documents available in other formats:

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