



Local Government and Housing Committee

Private Rented Sector

A response from the Welsh Refugee Council

19 May 2023

About the Welsh Refugee Council:

We have been **empowering sanctuary seekers and refugees** to build new futures in Wales for 32 years. We deliver direct specialist support to our clients from our offices in Cardiff, Newport, Swansea, and Wrexham. We work with community, voluntary, and statutory sector partners to create a society where there is **respect and equality for all**.

We support sanctuary seekers and refugees at the most critical points of their lives. Our work enables people who have been forced to seek sanctuary to find their feet and begin **building a life in Wales**. Through our work we help people find a place to stay, work to support themselves, access to English classes, legal advice, and community networks so they have what they need to begin again in their new homes.

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RESPONSE

1. INTRODUCTION

- 1.1 We welcome the Committee's inquiry into the private rented sector. Given the current housing crisis in Wales and the UK, it is timely.
- 1.2 Whilst all renters are affected by rent increases, [refugees face additional barriers](#). As a result, many are left in limbo in [unsuitable temporary accommodation](#). This has the further effect of slowing down their integration into Wales.
- 1.3 [Our Move-On service](#) works with refugees, predominantly during the short period after they have been granted Leave to Remain (or another status) from the Home Office. Between 1 April 2022 and 31 December 2022, our Move On caseworkers had [1,152 contact episodes regarding housing issues](#). Universal Credit was the only category which had more contact episodes in this period.
- 1.4 In the period from April 2022 to March 2023, out of 292 newly granted refugees referred to our Housing and Landlord Caseworker, at least 39 moved into private rented accommodation. The figure is likely higher, but not all 292 kept in touch or updated their whereabouts.
- 1.5 The Welsh Government's Nation of Sanctuary Plan seeks "*to prevent the most harmful problems experienced by refugees and asylum seekers in Wales*".ⁱ Adequacy and security of tenure within the private rented sector would undoubtedly prevent a significant portion of these harmful experiences. It would also lead to quicker integration into the local communities and independence from support services.

2. THE SUPPLY, QUALITY, AND AFFORDABILITY OF ACCOMMODATION IN THE PRIVATE RENTED SECTOR

SUPPLY

- 2.1 According to the latest Census figures, 17.1% of all Welsh households are in the private rented sector.ⁱⁱ This is an increase compared to the 2011 figures. It is also part of a growing trend towards renting privately rather than owning a house outright. In Cardiff, the figure for rented households is as high as 24.6%.ⁱⁱⁱ
- 2.2 In spite of an increase in demand, [supply has failed to keep pace](#). The Welsh Government has acknowledged this.^{iv} We welcome the publication of the Green Paper on Fair Rents to understand the Welsh Government's plans to bring more private rented properties onto the market.
- 2.3 There is a lack of available private rents in certain areas. Because of close links to the community, the CF10 postcode in Cardiff is popular among refugees. Currently, according to data from Zoopla, there are only 37 studio or 1-bedroom properties on the private rented market in the postcode. Nearly half of them are priced at over £1,000 a month.
- 2.4 The Leasing Scheme Wales is a positive initiative to bring affordable private rents onto the market. However, the scope is limited to 15 LAs in Wales and should be expanded

to all Welsh local authorities. Considering the challenges posed by the current housing crisis, the target to lease 1,500 properties over the next five years seems unambitious.

RECOMMENDATION 1: Welsh Government should strongly encourage the Leasing Scheme Wales to all local authorities. The Welsh Government should also expand the 5-year 1,500 properties target.

QUALITY

- 2.5 Wales has the oldest dwelling stock in the UK, with 26% having been built before 1919.^v In the private rented sector, this figure rises sharply to 43%.^{vi}
- 2.6 The average Standard Assessment Procedure (SAP) rating for a private residential dwelling in Wales is 60, which is equivalent to an Energy Performance Certificate (EPC) band D.^{vii} The average SAP rating for all properties built before 1919 is 53.^{viii}
- 2.7 As many as 24% of private rented properties in Wales have at least one Category 1 hazard.^{ix} For all pre-1919 dwellings, the figure is around 66%.^x
- 2.8 Damp, mould, or condensation was present in one or more rooms of 13% of all private rented dwellings.^{xi}
- 2.9 In every single parameter measured, private rented properties in Wales performed worse than their counterparts in the rest of the UK and social housing in Wales.
- 2.10 We welcome Section 91 of the Renting Homes (Wales) Act 2016 which places a duty on a landlord to ensure a dwelling is fit for human habitation (FFHH). Section 94 regulations must be met by the landlord and the organisations set to regulate the Act should have the power to enforce it.

AFFORDABILITY

- 2.11 Data gathered from the Bevan Foundation and online renting sites such as Zoopla or RightMove, show that rents have increased by 100% across all of Wales since the last available data from StatsWales in 2019. This far exceeds inflation for this period. Prospective renters on low or no income, and even those earning above the Welsh average wage are, struggling to find somewhere to live. Rents are simply unaffordable at the moment.
- 2.12 Rent increases are most notable at the lower end of the market. The Local Housing Allowance (LHA) has been frozen since 2020 and does not cover the cost of rent. Research by the Bevan Foundation found that only 32 properties advertised in Wales (1.2%) were available at LHA rates in February 2023.^{xii} These were only present in six of Wales' 22 local authorities.^{xiii} Often, the gap between the cheapest monthly rent, let alone the lowest 30th percentile, and LHA rate is over £100, and, in some cases, over £400.^{xiv}
- 2.13 Of the 32 properties in Wales within the LHA, 23 had additional requirements to lease the property, which include:
 - deposits
 - several months' rent in advance
 - guarantors
 - credit checks

- minimum income checks
- professional only requirements

This leaves only 9 properties (0.34%) at or below the LHA which did not have these stipulations.^{xv}

RECOMMENDATION 2: Welsh Government to press the UK Government on increasing the Local Housing Allowance. The Welsh Government to explore what powers it has on altering broad rental market area (BRMA) as a way to mitigate the impact of the LHA on specific areas.

RECOMMENDATION 3: Welsh Government to explore the implementation and impact of rent controls in the Green Paper on Fair Rents.

- 2.14 The reality is that currently, in Wales, there are not enough private rented properties, they are in poor conditions, and they are too expensive. These issues are even more prevalent on the lower end of the market.

Case study 1

Zainab* came to our recent Housing Forum. She lives with her infant son and disabled husband in a private rented property. Because of his immigration status, the husband has had problems accessing the benefits he is entitled to.

The accommodation is in poor condition and this is having a detrimental impact on their health. The landlord is refusing to carry out the necessary repairs to remedy this. The woman has reported the issues to the council, but the environmental health team found nothing worthy of investigation. She has contacted Shelter Cymru but so far, they have been unable to help her.

She is actively looking for another private rented alternative. She wants to stay in Cardiff because of her agency job. As they rely solely on her wage, they are priced out in the current market. The need for a guarantor is an additional barrier. They are currently thinking of renting a one-bedroom property with all sharing the one room.

3. BARRIERS TO ACCESSING THE PRIVATE RENTED SECTOR

- 3.1 Tai Pawb's *Refugee Housing and Support Feasibility Study* pointed to the "significant barriers experienced by refugees once they are granted leave to remain to finding appropriate accommodation and support that enables them to move on with their lives, integrate into society and avoid destitution".^{xvi}
- 3.2 Once an asylum seeker receives a positive outcome, they are given 28 days to leave their Home Office accommodation. This is 28 days shorter than the 56-day local authority duty introduced by the Housing (Wales) Act 2014.

3.3 In this 28-day period, newly granted refugees will have to open a bank account, try to set up benefit payments, find a job, secure accommodation, etc. Delays are frequently caused by their Biometric Residence Permits (BRP) not arriving on time. In the current housing crisis, 28 days are simply not enough to find accommodation, especially for refugees.

3.4 Because of the limited job opportunities and the short 28-day eviction period, newly granted refugees are often destitute and become homeless.^{xvii} Participants in Tai Pawb's *The experiences of homelessness of people with protected characteristics in Wales* highlighted the 28-day notice as the main reason for them becoming homeless.^{xviii}

RECOMMENDATION 4: Welsh Government to lobby the UK Government and Home Office to increase the 28-day eviction notice period to 56 days. Welsh Government to also work with local authorities to provide interim bridging accommodation for at least 28 days to provide newly granted refugees an equal footing.

3.5 Refugees compete at a disadvantage within the saturated private rented market. Some of the main barriers faced are:

- guarantors
- deposits
- several months' rent in advance
- credit checks
- minimum income checks
- professional only requirements

3.6 The need for a UK-based guarantor is a significant barrier faced by refugees in accessing the private rented market. It limits where they can live. We would argue that in this context, the guarantor requirement is discriminatory and that it should be waived or modified.

Case study 2

At a recent housing forum in Swansea, we spoke to a Turkish couple who had claimed asylum in the UK from Colombia. They had received Leave to Remain and were due to be evicted from the Home Office accommodation four days later. They explained that although they had money, no landlord would take them in as they had no UK-based guarantor. The local authority had also been unable to locate any temporary accommodation for them. Although they remained upbeat, they were beginning to feel anxious, as they did not know where they would be able to stay in only a few days' time.

3.7 Similarly, deposits and several months' advance rent payments are simply impossible for many refugees, which limits their options further.

RECOMMENDATION 5: The Green Paper on Fair Rents to explore the elimination of additional requirement to rent, such as guarantors, several months' advance rent, etc.

- 3.8 Evidence brought forward by refugees suggests discrimination by landlords. They do not accept refugees on the grounds of their status or because they are on benefits. Further, refugees are less likely to know their rights as contract holders which puts them at risk of being exploited by landlords.

4. THE AVAILABILITY OF DATA ON THE PRIVATE RENTED SECTOR

- 4.1 The latest available information on StatsWales regarding private sector rents is from the period of January to December 2019. This data covered the total units of accommodation, their location, and average and median rents. Data from the Bevan Foundation or casual observation of rental listing sites would suggest this information needs to be updated urgently. Previously, it had been collected annually since 2012.
- 4.2 Without up to date and reliable data, it is impossible to make an accurate housing market analysis. As a result, the Welsh Government and local authorities are unable to assess current nor future housing requirements. Because of this, they may not plan and allocate resources effectively to meet the local needs.

RECOMMENDATION 6: Welsh Government and StatsWales to release updated private sector rents as they did up to 2019. Future data releases to reflect on monthly and annual rental increases or decreases.

ⁱ Welsh Government, Nation of Sanctuary – Refugee and Asylum Seeker Plan (January 2019)

ⁱⁱ Office of National Statistics, Census 2021, Housing, England and Wales: Census 2021 (5 January 2023)

ⁱⁱⁱ Ibid.

^{iv} Welsh Government, Written response by the Welsh Government to the report of the Local Government and Housing Committee – Homelessness (2 May 2023)

^v Welsh Government, Statistics for Wales, Welsh Housing Conditions Survey 2017-18: headline report, SFR 10/2020 (18 February 2020), p. 3

^{vi} Welsh Housing Conditions Survey 2017-18, p. 4

^{vii} Welsh Housing Conditions Survey 2017-18, p. 7

^{viii} Welsh Housing Conditions Survey 2017-18, p. 8

^{ix} Welsh Housing Conditions Survey 2017-18, p. 11

^x Ibid

^{xi} Welsh Housing Conditions Survey 2017-18, p. 13

^{xii} Bevan Foundation, Wales' Housing Crisis: Local Housing Allowance and the private rental market in Wales, Winter 2023 (March 2023), p. 2

^{xiii} Ibid

^{xiv} Wales' Housing Crisis, pp. 3-4

^{xv} Wales' Housing Crisis, p. 4

^{xvi} Joy Kent, Tai Pawb, Refugee Housing and Support Feasibility Study (May 2019), p. 6

^{xvii} NACCOM, Mind the Gap: Homelessness Amongst Newly Recognised Refugees (May 2018), p. 7

^{xviii} Tai Pawb, The experiences of homelessness of people with protected characteristics in Wales (March 2023), p. 24