

45% of all private renters now receive benefits to pay rent

The pandemic has led to a big increase in the number of people needing support to pay the rent over the last year.

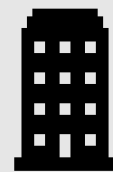
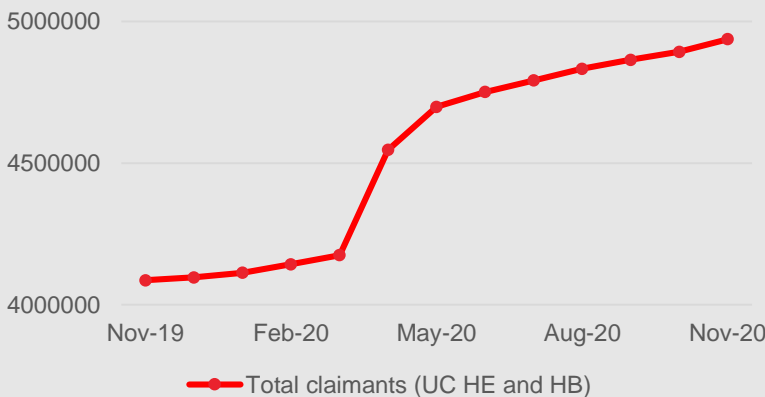
In 3 in 10 areas, at least half of all private renters receive housing benefit.

1

COVID-19 is leaving many struggling

850,000 more households are now claiming housing support than a year ago. The biggest increases were in April and May 2020 as people lost work due to lockdown, but numbers continued to steadily increase through the year.

More people in all kinds of housing needed support – a 21% total increase– but private renters were worst hit. There was a **46% increase in private renters receiving housing support across the year**, up to 1.98 million households across England. The number of social renters receiving support increased 8% to 2.9 million.



4.9m

households now receive housing support

2

Welfare support is not enough

In March 2020 the government restored Local Housing Allowance (LHA) to cover the bottom 30% of private rents. This was a welcome move, but with 45% of all private renters now needing support **they cannot all find affordable homes.**

30% market covered by LHA



45%

of private renters get support to pay the rent

3 Private renters are struggling across the country

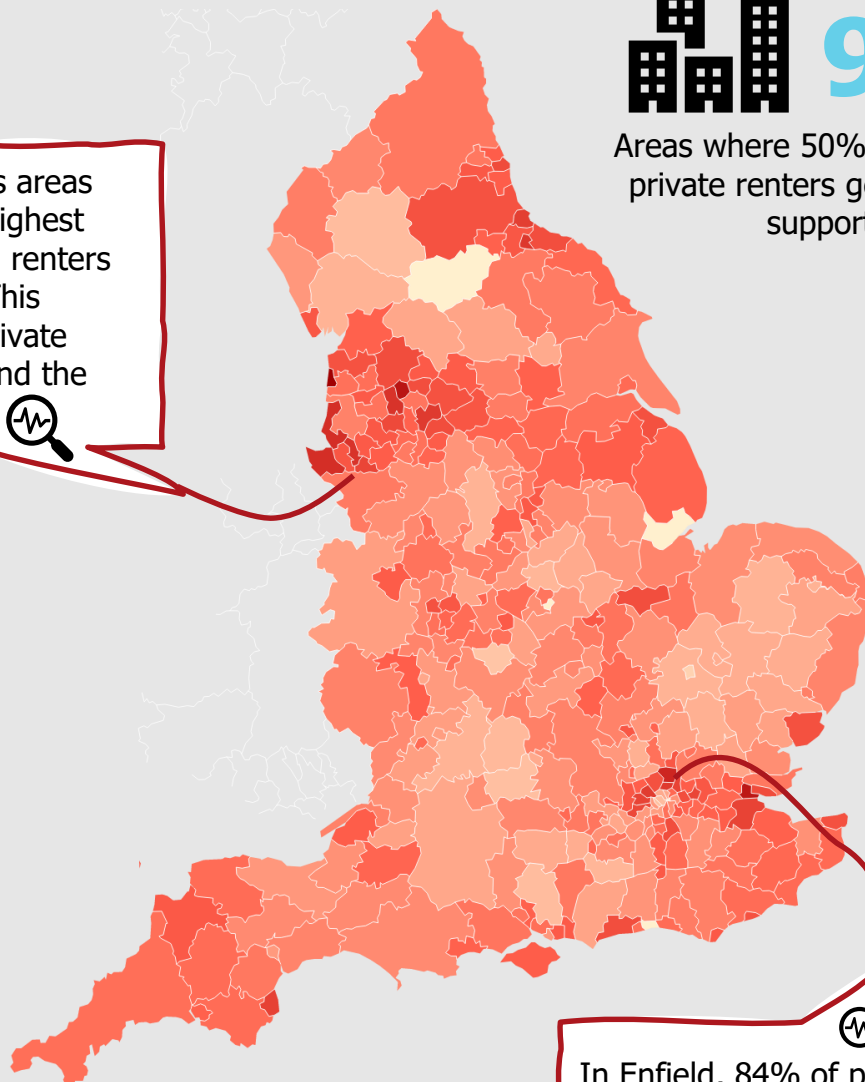
Numbers of private renters claiming housing support spiked all over the country during the early months of lockdown and continued to rise steadily over the summer and autumn. In a third (31%) of areas in November 2020, half or more private renters needed support with their rent.

Proportion of private renting households in receipt of housing support by local authority (UC HE and HB)



Areas where 50% or more of private renters get housing support

The north west has areas with some of the highest numbers of private renters needing support. This includes 81% of private renters in Sefton and the Wirral.



In Enfield, 84% of private renting households receive housing benefit



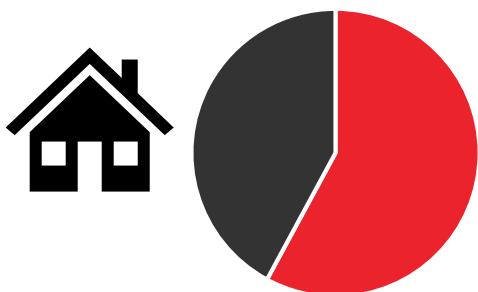
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Rents rising as support is frozen

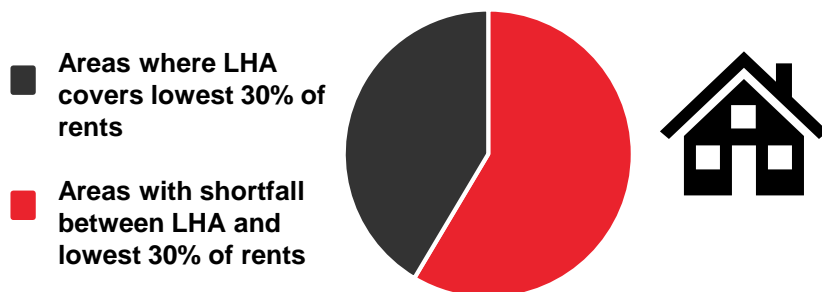
LHA is meant to cover the cheapest 30% of local rented homes, but the government has frozen it at March 2020 levels. Private rents have risen over the past year so that in many areas renters now face a shortfall between housing benefit and local rents. **Housing support now fails to cover the cost of a modest 2 bedroom home in 58% of local areas in England.**

At the same time, every single local area in England has seen a rise in the number of private renters needing support. **144 of these areas have seen an increase of 50% or more** in the year to November 2020.

2 bedroom homes



3 bedroom homes



Sources

The proportion of private renters claiming housing benefit is an estimate derived from combining administrative data from the DWP with population estimates published by HCLG (the English Housing Survey), and by the Office for National Statistics (ONS). Numbers are an estimate due to survey limitations, and as there may be a small number of households where more than one person claims housing benefit. However, this number is likely to be small.

Numbers of claimants of housing benefit and the housing element of Universal Credit are from DWP, statexplore, accessed 30th March 2021. Population estimate for England is from: English Housing Survey, English private rented households: Annex Table 1.1 Trends in tenure, 1980 to 2019-20 <https://www.gov.uk/government/collections/english-housing-survey#2019-to-2020> (2019-20).

Population estimates for local authorities are from ONS, Subnational dwelling stock by tenure estimates, England, Table 2a Counts of dwelling stock by tenure by local authority district, England, 2012 to 2018 <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/subnationaldwellingstockbytenureestimates> (2018). Population estimates are given with confidence intervals and examples quoted in figure 3 all fall within those considered 'reasonably precise' by the ONS (interval of <10%).

Local Housing Allowance and 30% percentile rents are taken from Valuation Office Agency, 'Local Housing Allowance (LHA) rates applicable from April 2021 to March 2022', <https://www.gov.uk/government/publications/local-housing-allowance-lha-rates-applicable-from-april-2021-to-march-2022>.