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private rented sector work for all

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Mapping the Patch & Tenants Voice Programme Market Research Summary Report

Prepared by:
Irina Dimitriade, Research Manager
Amy Harrod, Research Manager
Laura James, Research Executive
Amelia Philips, Research Executive

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- **Introduction – research objectives and profiling criteria**
- **Main research findings**
- **What should the Test and Learn Grants Programme focus on?**

This report outlines the summary research results for Mapping the Patch and Tenants Voice Programme. For a detailed exploration of the results please refer to the Final Report.

INTRODUCTION

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Research aim and objectives



The key research aim is to:

“have an informed understanding of the private rented sector in Greater Manchester to enable the Partnership Board to prioritise the issues that should be addressed by the Test and Learn Grants Programme.”

The research was conducted from January 21st to February 22nd 2019, and we spoke with 80 people in total across four target audiences:

Tenants

We engaged with 23 tenants in total, all from the categories identified in the report *Vulnerability amongst Low-Income Households in the Private Rented Sector in England (David Rhodes, Julie Rugg, 2018)*:

- 2 focus groups with 15 tenants
- 6 phone depth interviews
- 2 face to face depth interviews

Landlords

We engaged with 41 landlords in total:

- 3 focus groups with 18 accidental landlords
- 17 phone depth interviews with professional landlords
- 6 face to face interviews with professional landlords

Housing Officers

We engaged with 12 housing officers in total:

- 2 group phone depth interviews
- 8 individual phone depth interviews
- We also conducted **1 phone depth interview with Paul Dennett** as Portfolio Holder for Housing, Planning and Homelessness

Letting agents

We engaged with 3 letting agents in total:

- 1 phone depth interview with 1 medium sized letting agency covering City of Manchester and Bury
- 2 phone depth interviews with small sized letting agencies covering Bury

Defining tenants experiencing vulnerabilities



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In their 2018 report *Vulnerability amongst Low-Income Households in the Private Rented Sector in England*, David Rhodes and Julie Rugg defined those vulnerable in the PRS as households at greater risk of harm for reasons that include, and in some instances combine, economic status and income, age, health and household demographic characteristics. The report considers households to be vulnerable in the PRS if they fall into one of the six vulnerable categories and experience at least one of the three measurable harms.

PRS vulnerability characteristics

- **Households with dependent children:** primarily with younger families (a child or children under 5 years old). Households with pre-primary school aged children have higher costs in terms of childcare.
- **Disability and long-term sickness:** Physical and mental health problems which cause the tenant or a member of the household to be unable to work. Definitions from the Equality Act should be considered.
- **Older age:** Older households are often reliant on a fixed pension income and may struggle to cover any shortfall in housing benefit for rental costs. Poor property conditions can also carry severe health consequences and risks such as trips or falls associated with disrepair.
- **Households in receipt of means tested benefits:** Increased risk of homelessness due to reliance on benefits to cover rent payments, essential outgoings and the shortfall in rent and council tax.
- **Low-income, non-means tested benefit or tax credit dependent:** Individuals cycling between work and welfare. There is increased risk of rent arrears and debt due to delays in Universal Credit and low income/zero-hour contracts. This group has the same risks as the previous group with an added risk of debt.
- **Recent migrants:** PRS is the most accessible type of tenure for migrants but includes obstacles including; language barriers, inability to provide deposits, references and/or guarantors and the risk of renting poor quality PRS accommodation with overcrowding and unsanitary conditions also being a factor.

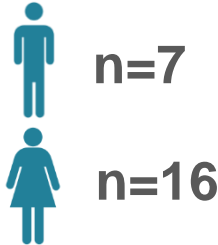
Quantifying harms

- **Not meeting the bedroom standard** i.e. overcrowding
- **Property standards** – the quality of properties and the lack of options for lower income households
- **After Housing Costs (AHC) poverty** – the biggest problem for vulnerable households

Profile of the tenants we spoke with



Gender



Types of benefits received*

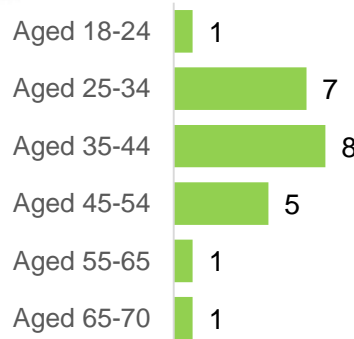
*Most tenants received multiple types of benefit

- Tax Credits: n=14
- Universal Credit: n=9
- Housing Benefit: n=7
- Disability Living Allowance: n=6
- Income-related ESA: n=4
- Council Tax Support: n=3
- Pension Credit: n=2
- Income-based Jobseeker's Allowance: n=1

Ethnicity

- White/British n=13
- Black British n=2
- Mixed Race n=2
- Arab n=1
- Asian British n=2
- White European n=3

Age



Categories of focus

- Dependent children: n=15
- Disabilities/long-term illness: n=7
- Recent migrants: n=3

All tenants received some kind of benefit.

Quantifying harms*

- Overcrowding: n=5
- Property in unliveable condition: n=3
- Little money left for essentials due to cost of rent: n=13
- Property in need of repair: n=6
- Property unsuitable for disability/condition: n=2

*Most tenants had multiple quantifying harms

Profile of the landlords we spoke with



Renting to tenants from the categories identified

Have rented: 29
Haven't rented: 12

Accidental



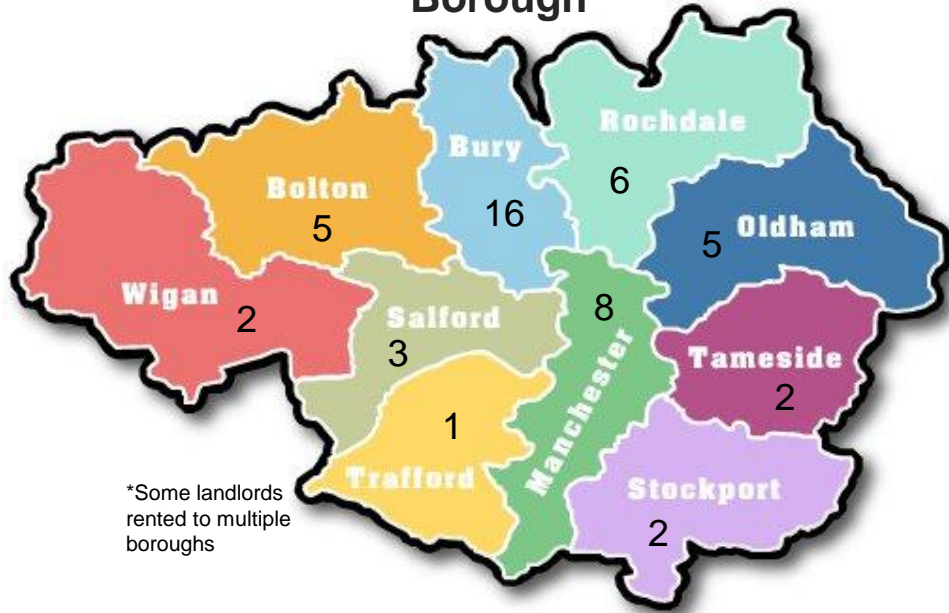
n=23

Professional



n=18

Borough*



*Some landlords rented to multiple boroughs

Gender

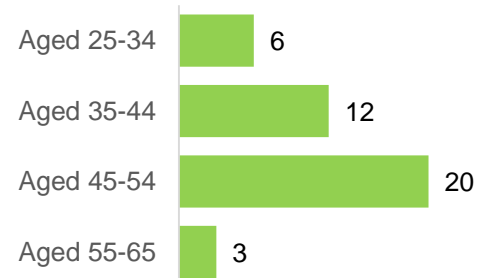


n=18



n=23

Age



Ethnicity

White/British n=28
White/American n=1
Black British n=1
British Asian n=1

Landlords – a very diverse housing stock



*Some landlords
rented to multiple
boroughs

Number of properties rented:

- All Accidental Landlords rent out between 1 and 2 properties (averaging at 1 overall). Those with 2 properties tend to rent in central Manchester, Bury and Rochdale.
- Professional Landlords have a more varied level of ownership – renting out between 1 and 10 properties. (averaging at 4 overall). Those with multiple properties tended to have them in central Manchester (ranging from 4-6 properties) with some also owning multiple properties in Bury, Oldham, Rochdale and Bolton.

Types of properties rented:

- Accidental Landlords have more often than not inherited property from loved ones: these are often terraced or semi-detached, but some inherit apartments too. Those who increase their portfolio tend to rent out another similar property to their initial one.
- Professional Landlords mainly rent out terraced properties – which are popular in all boroughs - however, apartments are particularly commonplace in central Manchester. Those who rent more than one type of property tend to rent terraced and semi-detached properties, or terraced properties and apartments.

Profile of the Housing Officers we spoke with

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The Housing Officers were either part of the GM Private Sector Group, Housing Standards, Housing Options Service or were Strategic Housing Leads. They had different job titles and responsibilities within their departments. The view from the Local Authorities outlined in this report is shaped by this variety in their profiles.

Bolton – Housing Standards

We spoke to one housing officer from Bolton Council. Her title is Special Projects Officer, but she is an Environmental Health Officer based in Housing Standards – a team made up of Environmental Health Officers and Technical Officers and Support Staff.

Wigan – GM Private Sector Group

We spoke to two housing officers from Wigan Council. One works in enforcement and the other works in strategic housing.

Salford – GM Private Sector Group

We spoke to two housing officers from Salford Council. One is the Lead Practitioner and the other manages a team of officers who deal with empty properties.

Trafford – Housing Options Service

We spoke to one housing officer from Trafford Council.



Rochdale – Housing Standards

We spoke to one housing officer from Rochdale Council. Her work is based around the Environmental Health Officer's function.

Oldham – GM Private Sector Group

We spoke to one housing officer from Oldham Council. They work as assistant environmental health manager working in neighbourhood enforcement.

Tameside – Strategic Housing Lead

We spoke to one housing officer from Tameside Council who chose to remain anonymous.

Stockport – Strategic Housing Lead

We spoke to two housing officers from Stockport Council. One is Strategic Housing Lead whilst the other works in managing enforcement.

Manchester – GM Private Sector Group

We spoke to two housing officers from Manchester City Council. One worked in housing compliance and enforcement and the other worked in the rogue landlord team.

MAIN RESEARCH FINDINGS

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A buoyant sector, where competition is rife...

- GM's PRS is seen as continuously and quickly expanding. Demand is seen to have surpassed supply in a sector that is increasingly under pressure due to various changes.
- A perceived shortage of social housing makes low-income earners navigate more and more towards PRS due to a lack of choice. This puts an additional strain on the sector, but also means that these tenants receive less support than they would in social housing.
- The difficulty of saving for a deposit whilst renting and other barriers to obtaining a mortgage leads to a higher number of renters becoming established in the PRS and not having other housing options.
- **Tenants are having to compete (often from disadvantaged positions) for potentially insecure tenancies in properties that are often unaffordable or kept in poor condition by landlords.**

"There's been such demand for council properties and supplies have reduced over the last few years, the private rented sector has spilled into the social rented sector...unfortunately you've not got that same level of support by the private rented sector as you would in council housing."

Housing Officer, Wigan

"One of the reasons that in the private rented sector we all feel a bit boxed in is that there's a very high demand, so there are so many people trying to get these properties, the rents are high and it's difficult to get hold of anything."

Tenant

"We've got a housing shortage and that's led to people being exploited. People are trying to get cheap accommodation and because of that, they're living in sub-standard accommodation."

Housing Offices, Manchester City Council

"We did a housing need assessment last year and one of the markers was looking at the dwelling stock and seeing how much of it would fail the decent homes criteria...1 in 4 of them probably failed criteria for thermal comfort, modern facilities, security."

Housing Officer, Tameside



A system where landlords are perceived to have all the power shapes tenants' experiences in the PRS

- Feel time pressured because of the fast paced nature of PRS and anxious they won't find a property that suits their situation (and they often don't).
- Compete for properties from a disadvantaged position, and find their own ways of convincing landlords or letting agents to avoid falling behind, either by having a more personal approach or not mentioning they are in receipt of benefits.
- Feel they have limited control or choice over the properties they move into and settle for less than they would want to.
- Live with worry and anxiety that something bad would happen, either PRS related (rent increases or short term notice) or a situational change in their lives (job loss, rent arrears, managing benefits).
- Main issues and challenges in the PRS: insecure tenancies, poor living conditions, maintenance and repairs, being in receipt of or managing benefits, and living with the stigma that comes with it.
- Low awareness of information or support systems in place, which means that they often develop their own 'survival mechanisms' for navigating the sector and dealing with issues and challenges.

"There aren't many properties to rent in the first place. It's like a little fight. You don't see it really but there are so many people who go for one particular house so really you don't have much of a choice."

Tenant

"The landlord was a rogue landlord. I read a lot about him online before I moved in but I didn't have a choice. When I moved here, I was 3 weeks living in my friend's box room so when I was offered this property, I just took it knowing what I knew."

Tenant

"I think there's a class issue. You feel looked down upon. I just feel like I'm beneath people, but everyone has different circumstances."

Tenant

"There are a lot of people fighting for the same houses and if you have Mr X who is in a decent job and decent credit rating they will go for him rather than the person on benefits. It doesn't matter about any systems of referencing, it all boils down to the landlord's decision."

Letting Agent

"I worry about my long-term security, volatility from my landlord, paying my rent and losing my deposit."

Tenant



Additional barriers and challenges depending on the vulnerability or intersection of vulnerabilities within one tenant...

Tenants in receipt of Universal Credit:

- LHA caps make only certain areas affordable for them
- Would struggle to find a landlord who would rent to them, especially if the rent is not paid direct
- Delays in payments and falling into arrears

Families:

- Insecure tenancies can have a strong impact on families, making children grow up in unstable environments
- Many landlords unwilling to rent to families in receipt of benefits, especially single mums

Migrants:

- Many landlords wouldn't rent to them because of perceived language barriers or assuming they are in receipt of benefits
- Can end up living in overcrowded properties

Over 65s / tenants living with disabilities:

- Limited options of housing that is physically suitable for these groups
- Landlords not willing to invest in making changes to properties

"If you are receiving benefits you will struggle to get private rent in Trafford. First you will struggle to get a landlord to actually take you and then you couldn't afford to take it anyway because of the cap, the LHA rate and the rents landlords charge."

Housing Officer, Trafford

"I think unfortunately there's very few disabled-adapted houses on the private rented market. Quite a lot of the cheaper housing stock is very difficult to adapt. It wasn't designed for the elderly, it wasn't designed for people with disabilities. It's quite difficult to adapt and most landlords probably wouldn't want to adapt their housing to that."

Housing Officer, Manchester City Council

"In Bolton it's a particular group of people with language difficulties, they don't understand that if there is an issue with your house, go back to your landlord or speak to the Council, in general it's the Roma community."

Housing Officer, Bolton

We've got so many children growing up with unstable tenancies. It's about life chances and if a mother is so stressed out about the cost of rent and whether or not they'll be moved onto other accommodation or what are they going to do with the landlord, it's a very vulnerable situation."

Housing Officer, Tameside



Landlords focus mainly on mitigating risks, which can pose barriers for tenants experiencing vulnerabilities...

- Many come to the PRS with unrealistic expectations or a lack of knowledge, which makes them unprepared to deal with challenges along the way, while others simply don't care.
- Have low awareness of information or support systems in place, and find it difficult to navigate already existing information.
- Focus on mitigating two main perceived risks – rent arrears (not being paid on time) or damage to property.
- Consider the ideal tenant to be a working professional because they will pay the rent on time and will respect the property, so they will actively look for them and disregard others.
- Overall perception that high-risk tenants are those in receipt of benefits – they will fall into rent arrears and won't be invested in the property, so landlords actively avoid them when they can (this will have an impact on the other tenants experiencing vulnerabilities, as long as they are in receipt of some sort of benefits or are perceived to be more likely to receive them).
- A bad story / experience can go a long way and will make a strong impact on their willingness to rent to certain types of tenants.

"I think it's quite scary when you first do it, and you're responsible for somebody being in that property and everything that happens with it."

Accidental Landlord

"There is no place where you get total peace of mind from everything, you are kind of semi winging it, semi off the advice of the agents, semi going off the advice from other people."

Accidental Landlord

"To me the most important thing is that the rent is paid and you look after the property."

Accidental Landlord

"We had absolutely no idea what we were doing, it was literally just to give it a go and see if it worked, a trial and error thing."

Professional Landlord

"We had one instance when the tenant didn't pay for about three months and then just trashed the place and left."

Professional Landlord

"I don't want anyone on benefits or anything like that because you just don't know. Some weeks they might not turn up at that benefits office."

Professional Landlord



Landlords claim certain sector measures or a more personal approach can change their behaviours and perceptions

Measures that would make landlords more open to renting to tenants in receipt of benefits:

- Rent paid direct
- Reference checks
- Recommendations from previous landlords
- Guarantors
- Incentives and bonds that cover landlords in case of damage
- Stricter regulation to protect landlords in case of arrears

Beyond this, working on a more personal level together with their tenants has proven to be successful for both sides:

- Getting to know their (potential) tenant and understanding their circumstance and situation.
- Identifying ways of avoiding rent arrears when income is not regular or limited.

"Track record, if you can look that up and if they've been long-term renters you can literally see what type of tenant they are. Also if you can speak with their previous landlord."

Professional Landlord

"A single girl, she had dependent children, she was on benefits...When I did my rent check it said 'proceed with caution'...she never missed a payment, she was absolutely brilliant, my house is significantly better with her there because she really looked after it."

Accidental Landlord

"The rent should be paid direct to you."

Professional Landlord

"Really strong references, really strong guarantor."

Professional Landlord

"There needs to be stricter regulation around it, if they miss the rent you're not having to take them to court because it's you that loses out."

Accidental Landlord

"If there was a guarantee of some sort to protect us from any malicious damage or ensure the rent would get paid."

Professional Landlord

"You can be on benefits and that doesn't mean you're still not a decent person...a lot of it is down to being a decent person and having the respect."

Accidental Landlord



Tenants and Landlords often want the same things from the PRS...

Tenants experiencing vulnerabilities want...

- **A home (not just a house)** where they can feel safe and secure, in a good area, with a good, attentive and communicative landlord that would keep them in the property long term
- More **control** and **choice** when renting a property, not having to settle for poor quality accommodation or rogue landlords
- More / improved **regulation** for landlords and letting agents
- A fairer **process** that encompasses all involved - tenants, landlords and letting agents, to **eliminate the rogues**, including 'bad tenants'

Landlords want...

- **A good tenant**, who will pay rent on time, respect the property, turn it into **a home (not just a house)** and stay long term
- More **support and regulation** when dealing with issues and challenges caused by 'bad tenants', mainly rent arrears and damages to property
- More **regulation** of landlords and letting agents to **eliminate the rogues**
- More **information and support** as they enter and navigate PRS

Mapping the PRS – Existing Measures



Local authorities have various measures in place to address these various issues and challenges in PRS.

Bolton:

- Bond Schemes

Wigan:

- Strategy Forum
- Attempting to create supportive infrastructure for landlords and tenants

Salford:

- Renovating empty homes
- Selective Licensing
- HMO Advice
- Information Service – Housing Choice



Rochdale:

- Landlord Accreditation Scheme
- Bond Scheme

Oldham:

- Selective Licensing
- Tenancy Relations

Tameside:

- Bond Scheme
- Attempting to create supportive infrastructure for landlords and tenants

Trafford:

- Rogue Landlord Project
- Redevelopment of deprived areas
- Bond Scheme
- Training for staff to help them communicate with tenants

Manchester:

- Rogue Landlord Project
- Redevelopment of deprived areas
- Bond Scheme
- Training for staff to help them communicate with tenants

Stockport:

- Social Letting
- Educating Landlords and Tenants

Existing Measures in Local Authorities – The Detail (1)



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Bolton:

- Bond Schemes:

“That’s an issue for a number of people who drift from one accommodation to another, who have got themselves in rent arrears and don’t have any back-up, so they go to our bond board, we have a bond board or bond guarantee scheme across Bury, Bolton and Rochdale.”

“The scheme in Bolton helps things but we only have a certain amount of funding.”

Wigan:

- Strategy Forum:

“We’re developing a strategy forum which has got a number of strands, talking about landlord engagement, looking at landlord incentive schemes, tenants, supporting engagement.”

- Bond Scheme:

“If tenants go through the private rented sector and the landlord wants a deposit, that bond can help cover that. It’s like a paper guarantee to the landlord that if a tenant causes any damage and they leave they can claim up to a month’s rent.”

Salford:

- Renovating empty homes
- Selective Licensing
- HMO Advice

“That’s a service what we charge for. What we’re trying to encourage is investors who want to purchase in Salford, to make contact with us and to have formal advice from an officer on how to ensure that they are compliant with all the necessary regulations.”

- Information Service – Housing Choice

“A service available to elderly and vulnerable clients and also families on low income with young children. If they’ve got housing issues within the private sector or need to move, they can get in contact.”

Stockport:

- Social Letting

“They manage private rental properties and that gives the ability to try and put people in there that are on our housing register.”

- Educating Landlords and Tenants

“We’ve tried to improve the information that’s available on our web pages for tenants and landlords so that they’ve got everything that they need, by coming to us.”

Existing Measures in Local Authorities – The Detail (2)

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Manchester:

- Redevelopment of deprived areas:

“There have been schemes across Manchester over the last few decades. Hulme has been redeveloped into a student-ish area. Other areas of Manchester that before the council cuts there were some redevelopment schemes, face-lifting schemes, but they’ve gone by the wayside now. Moving forward, they’ll be a push towards building more social housing.”

- Training for staff to help them communicate with tenants:

“The council staff are receiving training on universal credit to try and address those issues so that we have those conversations with people, with tenants.”

Tameside:

- Attempting to create supportive infrastructure for landlords and tenants:

“A lot of the things that have been going on over the past year have been informal so it’s not putting more money behind any programmes. It’s about partnership building and trying to develop relationships between landlords and tenants and charities so if there is a problem with the tenancy you’re signposted to that first and it’s more of a negotiation rather than a strict get out.”

Rochdale:

- Landlord Accreditation Scheme

“We have the landlord accreditation scheme that’s been going about 18 years. There was quite a lot of funding to do that.”

“We’ve got many tools for enforcement. We can deal with all the issues, but just dealing with the enforcement in silos doesn’t work because they move on somewhere else, or that property comes back in again, and you’re never tackling the root of the problem.”

Oldham:

- Tenancy Relations

“What we’ve been doing with the landlords is Universal Credit we pulled together a support pack on Universal Credit. We’ve got contact details for about 900 landlords and letting agents so we’ve circulated that round, we had a Landlord Forum where we had the DWP.”

Trafford:

- Landlord Forum:

“We have tried landlord forums, I don’t know what to do, we have to keep trying, it sounds negative, but they don’t tend to need us – there are not high voids, the private landlords don’t struggle for people.”



Change

What should the Test and Learn Grants Programme focus on?



Make the renting journey more human, personal, communicative and empathetic

- Develop platforms where landlords and tenants can get in touch:
 - Landlords can register their interest in renting to tenants experiencing vulnerabilities
 - Tenants can register their interest in renting out a property that suits their needs or situation
- Show the value of communication between landlords / letting agents and tenants for both those involved and the upkeep of the property – share the success stories of them working together at all stages of the journey
- Beyond reference and background checks, allow tenants to write letters of intent and share their story and why they want to rent a property

Measures that would make the PRS further regulated, but fair for all involved

- Rolling selective licencing across the boroughs where this is feasible; make the paperwork more streamlined and transparent and insist on the benefits for all involved
- Emphasising the benefits of long-term tenancies for both tenants and landlords
- Develop local social letting agencies that can further protect both tenants experiencing vulnerabilities and landlords and bring them together
- Identify ways of holding rogues accountable – whether they are landlords, letting agents or tenants

Empowering and supporting tenants and raising awareness of the existing services available

- Information campaigns on their rights and responsibilities as tenants
- Enable local councils or social letting agencies to provide bond and rent deposit schemes for tenants experiencing vulnerabilities, as well as act as their guarantors or offer further support in case of rent arrears (this will not only support tenants, but reassure landlords too!)
- Provide easily accessible platforms where they can file complaints and report on their landlords for not fulfilling their responsibilities



“To hear people’s stories makes a big difference. To know somebody is genuine is different to somebody applying for something and you never see their face. It’s very formal, and it could help with being a bit more informal.”

Tenant



Educating landlords, helping to manage their expectations and filter out those unprepared or unwilling to deal with issues along the way

- Streamlined and easy to digest information on their rights and responsibilities as landlords
- Bring positive and negative stories top of mind to help them understand the consequences of delivering or not on their responsibilities as landlords
- Consider digital initiatives that make it easy for them to get involved and educated

Breaking the stigma around tenants experiencing vulnerabilities, but particularly on those in receipt of benefits

- Audio-visual campaigns that will show landlords face to face with tenants experiencing vulnerabilities, bring their stories to the surface and help break stereotypes
- Share success stories and case studies of landlords and tenants experiencing vulnerabilities working together
- Share best practices of landlords who have rented to tenants experiencing vulnerabilities and ensure there is a platform where they can further communicate about this
- Appeal to the emotional side of landlords and highlight the emotional benefits of renting to those most in need and making a difference for their areas

Further support for existing initiatives and share best practices at a regional level

- Further training or knowledge sharing sessions
- Consider awarding further initiatives that would address both landlords and tenants, changing behaviours and easing social pain



“People need to be educated that while you think it’s a fantastic return, because this is what the papers and tabloids are telling you, the reality isn’t. You are absolutely investing in someone’s life, not in stocks and shares or something that doesn’t matter.”

Professional Landlord

Keep in touch...

3rd Floor
56 Princess Street
Manchester
M1 6HS
UK

P +44 (0) 161 235 5270
W www.mustard-research.com
E irina.dimitriade@mustard-research.com
T @MustardResearch