

Citizens Advice Bristol

Secure and settled?

The lack of affordable rented housing in Bristol



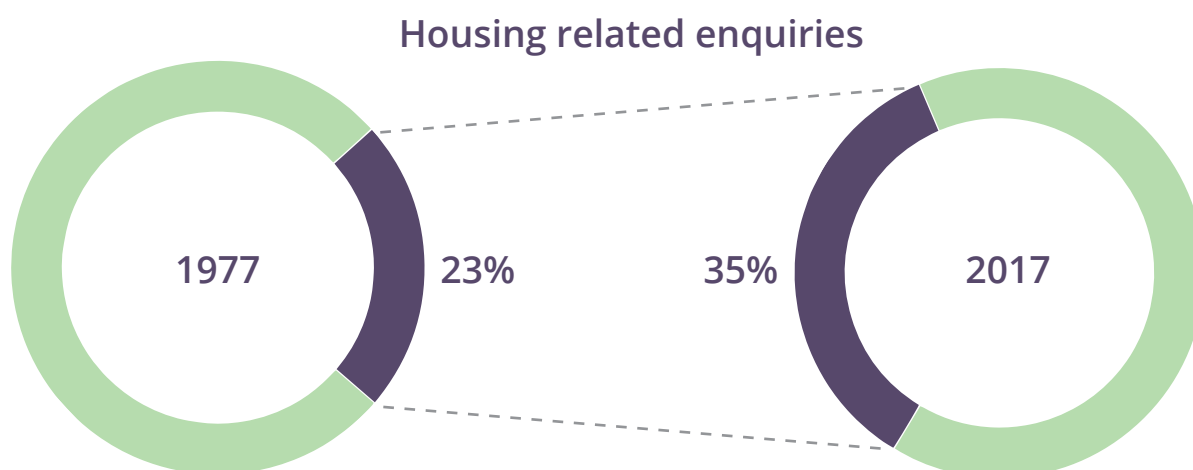
Introduction

In March this year, Bristol was named the best place to live in Britain in the Sunday Times. This accolade was given on the basis of our booming employment market, low crime rates and a creative community.¹ Yet Bristol's outward success masks the massive inequalities across the city. With a growing population of over 500,000 and people coming from all over the UK and Europe to find work and study here – there is enormous pressure on our housing market. Access to decent and affordable housing has always been a key issue for Bristol, both in the 1970s, when Citizens Advice Bristol was first set up, and today.

This report uses first-hand evidence from our clients – the people that use Citizens Advice in times of crisis – combined with local and national research on the housing situation in the 1970s and the present day to explore the realities of renting in Bristol and make recommendations for the future.

Statistics from the most recent Census tell us that, of the 182,747 occupied households in Bristol, 54.8% were owned by those living in them while the remainder, 45.2%, were rented from a social landlord or privately.² The private rented sector has increased significantly in Bristol in recent years, particularly after the Right to Buy legislation under the 1980s Thatcher government.

Citizens Advice nationally recently published a report, A State of Disrepair, highlighting the poor state of the private rental market, and explaining why tenants deserve a better deal. The report illustrates that the challenges faced in Bristol are part of a much wider problem across the UK.



1 BBC News, <http://bbc.in/2mX5gp6>, March 2017.

2 Bristol City Council Census results, <http://bit.ly/2soSISC>, 2011.

1. Availability of social housing

Modern life is complex and challenging and increasingly dominated by new technologies - many people struggle to get the help they need.

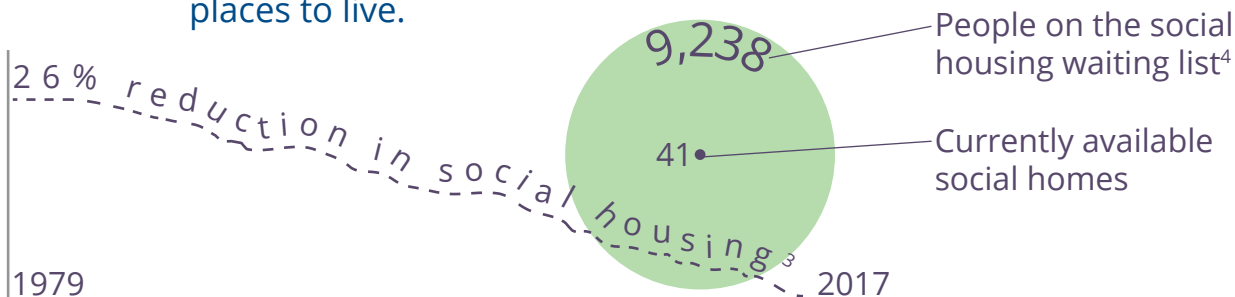
1970s

In the 1970s, Bristol City Council had a large stock of (mainly modern) houses, let at moderate rents. There was a Council waiting list of just over 5000 in March 1975. The council stated that it was willing to buy existing houses from the private sector to meet demand. The private rented sector at that time amounted to about 28,000 dwellings – considerably less than the council stock (44,667).¹ Private renting then was regarded as in decline, and was where the worst conditions were to be found.

However, the Council's resources were diminishing as a result of economic difficulties and changes in government policy. The government gradually eased its way out of housing, leaving the market to its own devices.

2017

Nowadays, the private rented sector has increased significantly, and has overtaken the social sector.² A combination of dramatic increases in house prices and less social housing means that there is a lack of affordable places to live.



The Right to Buy scheme has been the biggest factor in Bristol's decreasing availability of social housing, as it means council-owned houses get sold off. The standard of housing in the social housing pool is also decreasing, as the most popular houses to buy are good-quality family homes. This leaves mainly smaller and lower quality houses. Such properties are not the most in demand: the need for four-bedroom homes is five times greater than that for one-bedroom homes.⁵

1 Evening Post article 1975, Homing in on the Facts: Green Paper Probe.

2 Bristol City Council, Advice Needs Analysis (draft), February 2017.

3 Written evidence submitted to Parliament by Shelter, <http://bit.ly/2eg1KbF>

4 Freedom of Information request, April 2016, <http://bit.ly/2reNWNC>

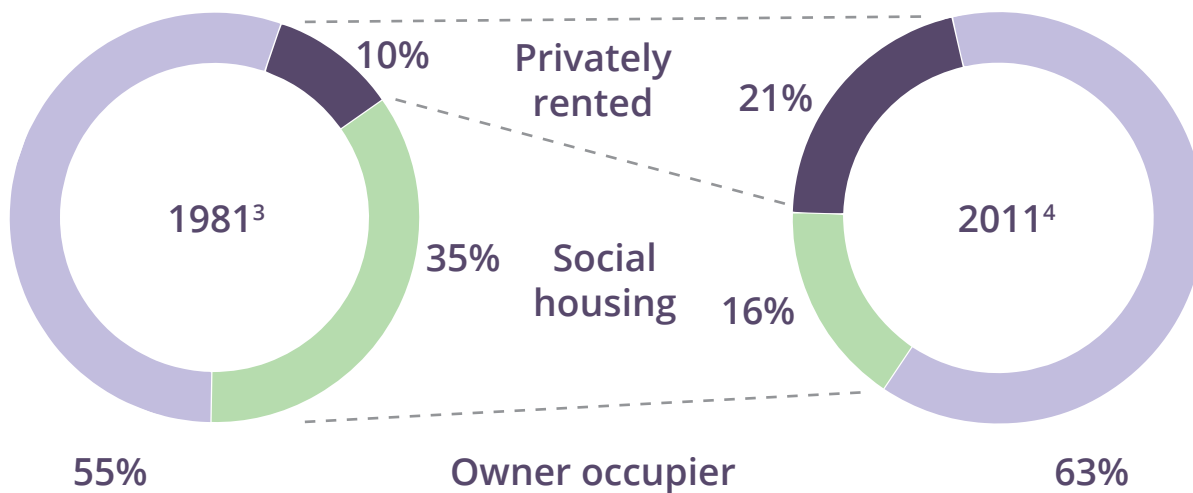
5 Bristol City Council, Bristol Housing Market in 2015 (draft), <http://bit.ly/2ti4Aws>

Availability of social housing cont.

High demand coupled with depleted stock mean real-world availability of social housing is in jeopardy; those assessed as most desperately in need can expect at least a six month wait¹, and those still in need but assessed as less urgent may never receive the social housing they need.²

Not only does less social housing represent a loss of affordable housing in itself, but it also increases the demand for affordable housing in the private rented sector.

Housing types in Bristol 1981 - 2011

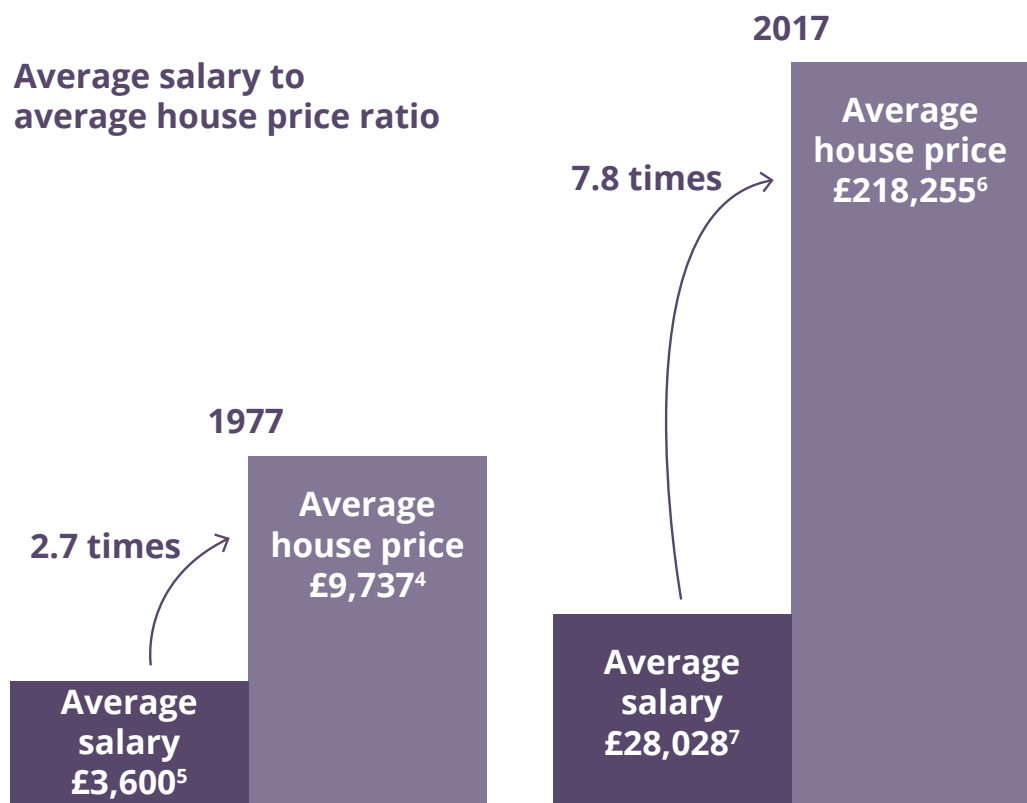


- 1 Sarah Spicer, Bristol City Council.
- 2 Matthew Kendall, Bristol City Council.
- 3 1981 Census – Bristol City Council.
- 4 Opinion Research Services, <http://bit.ly/2sp7jbjk>, August 2012.



2. Affordability of housing

Housing prices have increased dramatically nationwide since Citizens Advice opened in Bristol in 1977. Bristol's have risen at the greatest rate, 9.6%¹, as there is now so much demand for privately rented and bought homes. The average Bristolian would now require a £30,000 pay rise to buy a home². Rents are amongst the highest in the country, outside of London.³



- 1 Hometrack, <http://bit.ly/2sp6tev>, April 2017.
- 2 National Housing Federation, <http://bit.ly/2kvzhxe>, 2016.
- 3 Bristol City Council, Advice Needs Analysis (draft), February 2017.
- 4 The Guardian, <http://bit.ly/2slgijz>, May 2012.
- 5 The Guardian, <http://bit.ly/2rsuqg4>, June 2002.
- 6 HM Land Registry, <http://bit.ly/2rY1wbl>, January 2017.
- 7 ONS, <http://bit.ly/2m3j7wr>, October 2016.

Affordability of housing cont.

The government's 'affordable homes'

In a bid to tackle the nation-wide housing crisis, the government is carrying out a programme of creating 'affordable homes', both for the rental and ownership market.

However:

- ▷ Developers are exploiting legal loopholes to minimise their obligation to include affordable homes in their building work – Cadbury House in Bristol is an example of this.
- ▷ The definition of 'affordable' housing is narrow, defined as 80% of the market price. Many cannot afford this.
- ▷ Affordable rent homes do not provide secure housing; they can be short-term lets.
- ▷ There is fear of 'affordable rent homes' being used to replace traditional social housing, when this is not always suitable. The housing charity Shelter points out that, "This replacement would leave vulnerable families with no option but to move into more expensive homes on shorter contracts, unsuitable for them and their families."¹

Tenants' union and anti-poverty group, ACORN (www.acorncommunities.org.uk), is lobbying to close the legal loopholes that allow developers to avoid providing affordable housing when building new homes. They have run a number of local Bristol housing campaigns drawing attention to the lack of affordable housing in new developments.

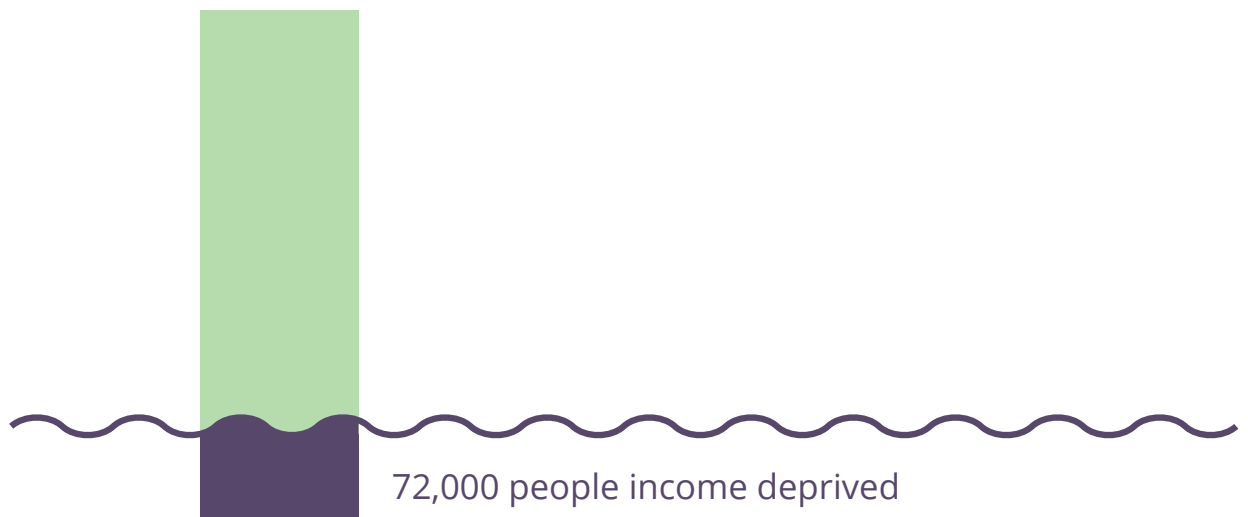
Gina, her husband and five-year-old daughter have a low income. Last year, the landlord increased their rent by £75 per month. He has recently increased it again by £100. They can't afford this. They could refuse the increase but would be in danger of eviction if they did. Citizens Advice Bristol are working with Gina to try and find more affordable accommodation in a different part of the city.



1 Shelter, <http://bit.ly/2sxT0kf>.

3. Erosion of the 'safety net'

72,000 Bristolians (17% of the population) suffer from income deprivation.¹
In some wards, more than a third of people are income deprived.²



A factor of the housing crisis is the inadequacy of welfare benefits in providing a safety net for people on low incomes trying to find an affordable home to rent. Recent welfare reforms, such as the spare room subsidy, or 'Bedroom Tax', have worsened the situation. Funding from central Government for local welfare provision means local authorities provide different types and levels of support but there is no widespread benchmarking to help improve cost-effectiveness.

Benefits in general have been capped and restricted (including for people aged 18 – 21, families with more than two children, and some multiple-room households). Housing Benefit rates specifically have been frozen from 2016-2020 nationally. This has resulted in the welfare available to Bristolians not reflecting the cost of housing in Bristol.

1 National Housing Federation, <http://bit.ly/2kvzhxe>, 2016.

2 Bristol City Council, Advice Needs Analysis (draft), February 2017.

Erosion of the 'safety net' (cont.)

Even when Bristolians in receipt of benefits find accommodation that will accept them as tenants (which is quite rare as so few private landlords are willing to take tenants claiming benefits), they struggle to secure it and keep up the rent payments when there is such a shortfall between the market rent and the amount of Housing Benefit they receive.

The demand on the limited social housing in the city increases further as more and more people fail to find a rented property they can afford and a landlord who will accept them.

The table below demonstrates the gap between housing benefit (LHA rate or Local Housing Allowance¹) and the cost of renting privately in Bristol:

Accommodation type	LHA rate	Actual median rental cost (2015-16) ²	Total cost left for tenant to pay
Bedroom in shared house	£292.74	£379	£86.26
1 bed house	£542.42	£720	£177.58
2 bed house	£658.30	£900	£241.70
3 bed house	£786.53	£1,100	£313.47

1 Bristol City Council, <http://bit.ly/2rsj9Yr>

2 Valuation Office Agency, <http://bit.ly/2rXBncy>, 2016.

Erosion of the 'safety net' (cont.)

The 'Bedroom Tax' is a key example of how welfare cuts have affected housing. This is a reduction in housing benefit when a household has more bedrooms than the government rules say they need. However, this has been heavily criticised for not taking into account valid reasons for multiple rooms, and 'even for those willing to move, there are not enough social rented homes for smaller households available.'¹

Bristol City Council helps people on low incomes struggling to pay the rent in privately rented accommodation to survive by topping up their rents with Discretionary Housing Payments (DHPs). DHPs cover the gaps between your Housing Benefit payments and the market rent but they can only be used as a short term solution.

The Council also provide a Local Crisis & Prevention Fund for household emergencies, which supported 3290 households in Bristol in 2016/17. The Council will have to reduce this support due to cuts on their budget from national government². The Council are also helping people get private rentals by enabling them to access a short-term Bristol Credit Union loan which will cover a rent advance and deposit payments.

Ester lost her entitlement to Income Support when her son turned five. Her Housing Benefit then stopped when she was on holiday visiting family. When she returned and claimed Job Seeker's Allowance (JSA), the Council reinstated her Housing Benefit, but her landlord lost patience in the ten weeks it took to recalculate her claim and, despite negotiations by the Council and Citizens Advice, decided to evict her.



1 Valuation Office Agency, <http://bit.ly/2rXBncy>, 2016.
2 Matthew Kendall, Bristol City Council.

4. Impact of Bristol's Shortage of Affordable Housing

Overcrowding

The fact that bigger, better quality houses are more expensive, and that much of the three to four bed social housing has been sold off, means that we see many families who have to live in overcrowded accommodation.

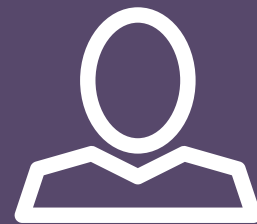
Housing Scams

Organisations are taking advantage of people's desperation to find housing they can afford. For example, we have found many cases of sham landlords: people pay deposit and/or rent up front, only to find that the source they have paid has no ownership over the property, or the property does not exist.

Similarly, there are reports of fraudulent letting agents – agencies taking tenants' money and then 'going bust', the tenant unable to recover their deposit or other fees.

Nationally, 1 in 20 renters have lost money due to letting agent bankruptcy or fraud.¹

Rasim lives in a two-bed house with his wife and young child. He earns £800 a month. His rent has been increased by £200 since December 2014 and is now £750 per month, leaving very little money for anything else. To help make ends meet, he has taken in a lodger in the house's second room. He, his wife and young child now all live in one room.



The landlord of Felipe's new flat took £3500 in advance rent (five months' worth), plus £700 deposit. All seemed in order, until the landlord refused to hand over the keys on the move-in date. He has since failed to communicate or even acknowledge that he has received Felipe's money.



Impact (cont.)

Ministers have announced new laws to protect tenants against letting agent bankruptcy.¹ Landlords must now put tenants' deposits in a protection scheme within 30 days of receiving it and return within ten days. However, there is no way to compel a landlord to return a deposit other than civil litigation.

Increased Landlord and Letting Agent Power

The shortage of affordable housing leads to high competition across the market. This enables landlords to effectively pick and choose their tenants, and evict without worry of difficulty finding a replacement. This leads to:

▷ Even Greater Rent Increases

We are seeing landlords imposing multiple substantial rent increases, far exceeding the already dramatic increase in housing prices of 9.6%.

▷ Uncompetitive and Unfair Fees

Nationally, fees to rent properties are rising faster than inflation, and differ widely between agencies for identical tasks. New legislation has been put in place to curtail unfair letting agent fees but more enforcement is needed.

Where private renters are charged fees, the median amount paid is £400 – and 1 in 3 renters have had financial problems as a result.²

1 The Huffington Post, <http://bit.ly/2s84A2R>, March 2017.

2 Citizens Advice, A State of Disrepair, March 2017.

Impact (cont.)

▷ Disrepair

We get hundreds of people come to see us every year reporting problems with the quality of their rented accommodation, from mouldy walls to broken taps. Many people don't know their rights and about the new legislation to prevent retaliatory evictions and are afraid to speak out.

▷ Inequality


The ability for landlords to pick and choose their tenants means that subsets of Bristolians, who landlords perceive as higher risk, are particularly struggling to find housing. For example:

Non-UK Nationals

Non-UK Nationals are seen as a higher risk group as recent legislation means landlords can be fined £3000 if their tenant is found not to be in the country lawfully. This problem will only worsen as the proportion of non-UK nationals continues to increase in Bristol.¹ A particularly high increase is seen in the number of refugees in Bristol, a group who are especially vulnerable: local refugee charity Bristol Refugee Rights has increased its membership by 50% in the last three years.²

People in receipt of benefits

DSS Move, a national website dedicated to advertising rental properties available for those on benefits, lists only five properties in Bristol. As matters stand, it is legal for a private landlord to refuse a property to a tenant who will be claiming benefits.



Amina, who has been given a notice to quit from her current flat, has been looking for somewhere to rent privately for six months. However, no one else is willing to rent to her as she claims benefits including Employment Support Allowance (ESA) and Housing Benefit. The council will not give her homelessness assistance, as to leave before her eviction date would be making herself 'intentionally homeless'. She is under great stress because she cannot plan for her future.

1 Bristol City Council, Advice Needs Analysis (draft-), February 2017.

2 Ibid.

5. The Future

Landlords and Letting Agents

In Bristol:

- ▷ Bristol City Council is offering a range of incentives to landlords to rent to particularly high-need households.
- ▷ It has introduced the licensing of landlords in certain low-income areas of the city, as a means of monitoring landlord practice and enforcing acceptable standards of living.
- ▷ ACORN has created an Ethical Lettings Charter, endorsed by the Council and the elected Mayor, Marvin Rees.

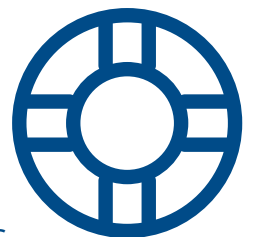


Nationally:

- ▷ A ban on letting agent fees for tenants has been announced.
- ▷ Recent legislation means that eviction notices are invalid if a landlord hasn't provided tenants with documents such as an energy performance certificate or gas safety certificate.
- ▷ To tackle rogue landlords, the government has introduced civil penalty notices for landlords enabling councils to fine them for offences such as overcrowding.
- ▷ A local authority can apply to a Residential Property Tribunal for a Rent Repayment Order to allow tenants and local authorities to reclaim money when landlords have committed offences.

Homelessness

The first major piece of homelessness legislation for fifteen years has been announced. Councils will have to help all people at risk of losing suitable accommodation as soon as they are threatened with imminent homelessness, as soon as they get a notice from the landlord rather than when they have a bailiff's date. Bristol City Council has already started doing this.



The Future (cont.)

Welfare Benefits

The situation here is predicted to get worse:

- ▷ Benefits caps are intended to be rolled out to the social housing sector in 2019. This may see increasing numbers of tenants in arrears. The knock-on effect, as landlords receive less Housing Benefit to keep properties in good repair and condition, will be reduced services and less social housing.
- ▷ Universal Credit has yet to be rolled out to families in Bristol, it is predicted to impact on up to 50,000 households:¹
 - » All applications for this will need to be made online, making those without internet access or skills particularly vulnerable.
 - » New claimants will have to wait at least six weeks before a full payment is made, they can apply for a loan to fill the gap but evidence suggests from other areas of the country it's quite hard to get the loan.
 - » Payments move from weekly to monthly, making budgeting more difficult for some.



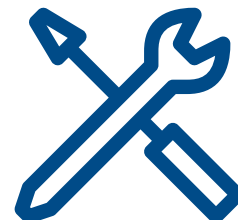
Security of Tenancy

Build-to-rent developers are to be encouraged to offer 'family-friendly tenancies' to all tenants.



New Builds

In Bristol: More than 1500 new affordable homes would be required each year to house those who cannot currently afford to buy or rent in the market.² Bristol Housing Strategy promises to build 2000 homes between 2016 and 2020.



Nationally: The government announced a plan for 400,000 affordable housing starts between 2015 and 2021, with a strong emphasis on home ownership and no funding for the building of new homes for social rent.³

1 Bristol City Council, Advice Needs Analysis (draft-), February 2017.

2 Bristol City Council, Bristol Housing Market in 2015 (draft), <http://bit.ly/2ti4Aws>.

3 Parliament UK, <http://bit.ly/2sZnhpD>, August 2016.

6. Recommendations

Reasonable quality

- ▷ The government should publish guidance to landlords on the maximum acceptable timescales to complete repairs.
- ▷ Local authorities should have the power to ban landlords who repeatedly fail to fix disrepair.

More stable tenures

- ▷ Ensure the three year family-friendly tenancies go ahead.
- ▷ The government should extend the notice period landlords are required to give for no-fault eviction.

Greater renters' rights

- ▷ The government should go ahead with banning letting fees for tenants, as announced in the Autumn Statement 2016.
- ▷ Mandatory client money protection should be introduced.
- ▷ The government should develop non-court based routes to redress between tenants and landlords.

Building more housing¹

- ▷ The new Metro Mayor for the West of England Combined Authority should focus on building more houses to help tackle Bristol's affordability crisis.

1 Adapted from Citizens Advice, A State of Disrepair, March 2017.

2 Centre for Cities, Three Policy Priorities for the West of England Metro Mayor, 2017.

Citizens Advice Bristol gives free, independent, confidential and impartial advice to everyone living, working or visiting Bristol. We work to improve the policies and practices that affect people's daily lives.

We would like to thank all our funders for their continuing support that enables us to deliver our services:

Written by Hero Denman
Edited by Lucy Moor and Jan Youngs

We are a local charity and have been offering free advice to the people of Bristol since 1977. Last year we dealt with 36,000 enquiries.



Support our work and help us keep our advice free:
www.bristolcab.org.uk/donate

Or text BCAB40 followed by the amount you would like to donate to 70070

Charity registration number 1012557
Company limited by guarantee. Company registration number 2684649 England and Wales.
Registered office: 48 Fairfax Street, Bristol BS1 3BL

All photographs courtesy of John Albarran



03444 111444
bristolcab.org.uk
 @CABbristol
 facebook.com/BristolCAB