

Private Rented Sector Strategy and Reform Division
Ministry of Housing, Communities and Local Government
Third Floor, South West - Fry Building
2 Marsham Street
London
SW1P 4DF

8 October 2019

Dear Consultation Team,

Hackney Council response to A New Deal for Renting

In Hackney, we have long pushed for a fairer private rented sector (PRS) that provides decent, stable, safe and truly affordable homes for renters. Our borough has seen the number of households renting privately double over the last decade to now over 34,000 – or one in three households – while the housing shortage means that many of these will struggle to buy a home outright or find permanent social housing.

Section 21 'no fault' evictions mean that Hackney's private rented sector does not offer a secure home to the thousands of private renters living in the borough and the growing number of older people facing the prospect of a future on a fixed income, and families with children living, all living in a sector with ever-increasing costs and little stability or security.

Eviction from private sector housing through the use of Section 21 is a leading cause of homelessness in Hackney where the number of homelessness applications has increased significantly in the current year, as have numbers placed in temporary accommodation and who are rough sleeping. Research by Generation Rent shows that Section 21 evictions are now the biggest cause of homelessness in England. Our work with community based organisations such as TELCO Citizens, whose membership is drawn from 20 schools,



churches, mosques and charities, demonstrates the pernicious impact Section 21 has on Hackney's citizens forced to live precariously in the PRS.

That's why we strongly support the Government's proposals to reset the balance of rights and responsibilities between landlords and tenants, which for far too long have been heavily in favour of landlords and welcome the proposal to end Section 21 evictions. This step, which as a council we have long campaigned for, has the potential to provide renters with the security, stability and protections they deserve, helping avoid the disruption and uncertainty of being forced to move, and giving tenants a greater stake in our community.

Some proposals in the consultation, taken together, limit the effectiveness of the new measures, resulting in a failure to rebalance the relationship that exists between tenants and landlords. We are calling on the Government to:

- Scrap proposals for break clauses and fixed term assured tenancies. These loopholes could easily be abused by landlords who wish to unfairly evict tenants. In the Scottish model, successfully introduced in December 2017, tenancies are open-ended, meaning landlords may no longer require tenants leave their home simply because a fixed term has ended. The Government urgently needs to engage with mortgage providers who require a 6-12 fixed term tenancy as standard in buy-to-let mortgage arrangements.
- With Generation Rent, TELCO Citizens and other campaigning organisations, Hackney Council is calling for protections to be introduced where tenants are forced to move on 'no fault' grounds, i.e. when landlords wish to move back into or sell the property. In particular:
 - landlords should pay tenants' relocation costs,
 - landlords wishing to move back in must have lived in the property previously for a minimum, continuous period of time,
 - landlords should be expected to sell with sitting tenants and only evict tenants once sale contracts have been exchanged.
- Prevent retaliatory or unreasonable rent hikes by introducing rent controls. Rent increases should be limited to no more than the rate of inflation (i.e. CPI) to provide certainty to both renters and landlords.
- Give tenants more time to find a new home, by introducing a notice period of at least six months.
- Establish a universal, free-to-use register of landlords and properties, which would help local authorities to improve standards in the sector and ensure rent controls are implemented.

We support the Government's proposals to streamline court processes for landlords to recover possession in justified and proven circumstances, in particular where tenants are causing anti-social behaviour, harassing neighbours, or responsible for domestic abuse. However, safeguards must be in place to ensure that the grounds for possession are justified and proportionate; that safeguards are in place to protect tenants' rights to a stable and secure tenancy; and that there are no loopholes that could be exploited by rogue landlords.

For possession on the grounds of rent arrears, tenants must be given the opportunity to make arrangements to repay the arrears. Special consideration must be given to tenants who have accrued arrears as a result of delays to payment of Universal Credit, as the tenant is not responsible for these delays. Local authorities and social landlords tend to have forbearance for these circumstances and provide an established model to support struggling tenants to repay rent arrears.

Organisations representing landlords and letting agents argue that ending Section 21 will result in a reduction in the supply of private rented homes. There is absolutely no evidence that this will be the case. In fact research to evaluate implementation of the Scottish model carried out by Shelter, indicates that the introduction of open-ended tenancies can be managed smoothly and without significant impacts on the private rented market.

While we welcome the Government's commitment to ending Section 21 evictions, the proposals need to fully address the imbalance between tenants and landlords and need to go further to address the issues of affordability. As a borough whose citizens have been hit by the double whammy of rising private sector rents and a shortage of genuinely affordable homes for rent, we would welcome the opportunity to work with you and civil servants to make this aspiration a reality.

Please do not hesitate to contact me for further information about our response to consultation or about Hackney's wider approach to better renting. I look forward to the outcome of your consultation.

With regards,

A handwritten signature in black ink, appearing to read 'Sem Moema', with a long horizontal flourish extending to the right.

Cllr Sem Moema

Mayoral Advisor for Private Renting and Housing Affordability