

Letting Research

Table of Contents

Letting Research	- 1 -
Private Rented Sector (PRS)	- 2 -
PRS Statistics	- 2 -
General Statistics	- 2 -
Standards Statistics	- 3 -
Tenant Groups based on English Housing Survey Analysis	- 3 -
Tenant Group Visuals	- 4 -
Comfortable Renters	- 4 -
Families Getting By	- 4 -
Low Income Savers	- 5 -
Struggling Families	- 5 -
Vulnerable Singles	- 5 -
Older Renters	- 6 -
Landlord Groups and Compliance	- 6 -
Satisfaction levels	- 7 -
Overall satisfaction	- 7 -
Satisfaction with repairs and maintenance	- 7 -
The cause of increased satisfaction levels	- 8 -
Regulations for safety and security	- 8 -
Dissatisfaction and complaints	- 9 -
TPO (Property Ombudsman) domestic disputes	- 9 -
Future improvements to standards and satisfaction	- 10 -
The Renters Reform Bill	- 10 -
Dogs and Domestic Animals Accommodation Protection Bill	- 11 -
Hidden Pets	- 11 -
Evictions	- 12 -
Conclusion	- 13 -
The most dissatisfied tenancy group	- 14 -
Most satisfied tenancy groups	- 14 -
Recommendations for improving tenant satisfaction	- 14 -

Private Rented Sector (PRS)

- PRS is an umbrella term used to describe any residential property in which a tenant lives and pays rent to a private landlord.

PRS Statistics

General Statistics

- In 2020-2021, the PRS accounted for 4.4 million (19%) households (65% are owner occupied and 17% are social housing), housing over 11 million people.¹
- There are an estimated 2.3 million landlords in England.²
- There are an estimated 19,000 letting agents in England.³
- Private renters are younger than those in other tenures.
 - In 2020-2021, those aged between 16 and 34 accounted for 43,5% of private renters in England, with 24–34-year-olds being the most common age group of private renters at 31%.
- Adults of retirement age make up 8.6% of private renters, a 38% increase on the last decade.
- 1.3 million PRS households (30%) have dependent children, over half a million more than in 2005.
- Private renters spend an average of 31% of their income on rent.⁴
 - In comparison, those buying their home with a mortgage spend 18% of their household income on mortgage payments, and social renters paid 27% of their income on rent.
- 73% of private renters are in employment – 58% are in full time work and 15% in part time work.
- 45% of PRS households have no savings.
- Most households who moved, did so because they wanted to move location. However, 22% of renters who moved in the past year did not end their tenancy

¹ Figures do not total 100% due to rounding.

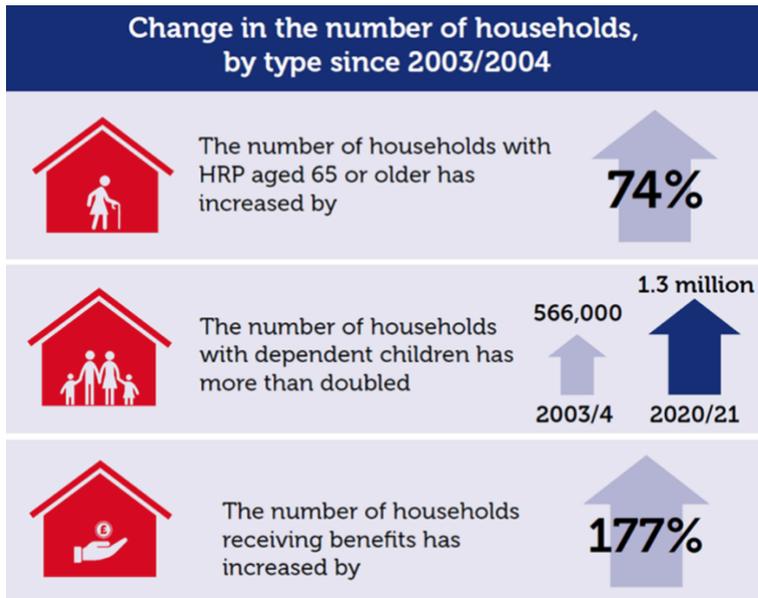
² HMRC, 15 July 2021. It excludes furnished holiday lettings and only covers landlords that declared income via their self-assessment tax returns in 2019 to 2020. Not all individuals with property income are required to declare it. For example, those with income below the £1,000 property allowance are not required to tell HMRC. Some individuals with property income between £1,000 to £2,500 will declare this via PAYE rather than Self-Assessment. These individuals are not included in this data.

³ This is an estimation based on membership data provided to the Department by The Property Ombudsman and The Property Redress Scheme, 2022. It does not account for letting agents that are non-compliant with the requirement to be members of a redress scheme.

⁴ Including housing benefit.

by choice. 8% were asked to leave by their landlord, and a further 8% left because their fixed term lease ended.⁵

All statistics in this section (unless otherwise footnoted) are sourced from section 1.1 Key facts and figures of UK Government, '[Policy Paper: A fairer private rented sector](#)'.



Standards Statistics

- Currently, 21% of homes in the PRS are non-decent.
- The PRS sector has the highest category of Category 1 hazards, those which present the highest risk of serious harm or death. In 2020, 12% of PRS properties had such hazards, compared to 10% in the owner-occupied sector and 5% in the social rented sector.

Tenant Groups based on English Housing Survey Analysis

PRS tenant profiles have changed markedly in the past 30 years. In the 90s, the PRS tenant was most likely to be a student studying away from home, or a young professional saving up to buy their first home. However, this has changed and households with an older Household Reference Person (HRP, a person responsible for the household or the lead tenant) have increased disproportionately, more than those with a younger HRP. Consequently, the government have recognised six renter profiles:

⁵ Ministry of Housing, Communities & Local Government 'English Housing Survey 2019 to 2020' (17 Dec 2020) <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945013/2019-20_EHS_Headline_Report.pdf> accessed 20 June 2022.

Category	Number of PRS households	Accounting for % of PRS households
Comfortable Renters	1.94 million	44%
Families Getting by	759,000	17%
Low Income Savers	726,000	16%
Struggling Families	473,000	11%
Vulnerable Singles	424,000	10%
Older Renters	121,000	3%

Tenant Group Visuals

Comfortable Renters



Families Getting By



Low Income Savers



Struggling Families



Vulnerable Singles



Older Renters



Landlord Groups and Compliance

- There are around 2.3 million landlords in England.⁶
- Data demonstrates that 54% of private landlords meeting the legal requirements to rent out a property, and only 11% have lower levels of compliance and awareness.
- The government have identified five different groups of landlords and segmented them based on patterns of compliance with legislation and good practice:

Category	Description	% of the private landlord population
Demonstrating good practice	Landlords most likely to be compliant with both legislation and good practice indicators.	30%
Mixed compliance	Landlords likely to report mixed compliance with legislation, though many comply with good practice indicators.	24%
Meeting legal requirement	Landlords likely to be compliant with most legislation, though less	35%

⁶ [HMRC](#), 15 July 2021. It excludes furnished holiday lettings and only covers landlords that declared income via their self-assessment tax returns in 2019 to 2020. Not all individuals with property income are required to declare it. For example, those with income below the £1,000 property allowance are not required to tell HMRC. Some individuals with property income between £1,000 to £2,500 will declare this via PAYE rather than Self-Assessment. These individuals are not included in this data.

	likely to be compliant with good practice indicators.	
Lower compliance and awareness	Landlords least likely to be complaint with either legislation or good practice indicators.	11%

<https://www.gov.uk/government/publications/a-fairer-private-rented-sector/a-fairer-private-rented-sector#chapter-2-safe-and-decent-homes>

Satisfaction levels

Overall satisfaction

- The English Housing Survey show that in 2018/19, 84% of private tenants were satisfied with their accommodation, an increase of 1% on the year before.⁷
 - This, compared with 81% satisfaction in the social rented sector.⁸
- Satisfaction appears to have increased substantially in the past decade; In 2012, the National Landlords Association (NLA) reported that 79% of tenants were satisfied with their current landlord.⁹
- However, just 57% of private renters feel that their property is their home, compared to 85% of social renters.

Satisfaction with repairs and maintenance

- 73% of private renters were satisfied with the way that landlords carried out maintenance and repairs.
 - This, compared with 67% satisfaction with social renters.
- Insurance provider Endsleigh asked 1,000 tenants how strongly they felt about decorating their property. 43% said that they would be willing to pay more to be allowed to personalise their homes, with the average figure across the country for

⁷ National Residential Landlords Association, 'Satisfaction levels rise for private renters' (10 July 2020) <<https://www.nrla.org.uk/news/satisfaction-levels-rise-for-private-renters>> accessed 20 June 2022.

⁸ As above.

⁹ Belvoir, 'Tenant satisfaction at an all-time high thanks to landlord education, claims Belvoir Sheffield' (21 June 2012) <<https://www.belvoir.co.uk/sheffield-estate-agents/articles/tenant-satisfaction-at-an-all-time-high-thanks-to-landlord-education-claims-belvoir-sheffield-p1958/>> accessed 20 June 2022.

this privilege being £149.52 per year. Only 29% of those surveyed were allowed to make changes to their décor.¹⁰

The cause of increased satisfaction levels

- **Landlord education** – landlords are more likely to seek professional advice than before, which decreases void periods and improving the tenant experience. Landlords who stay on top of their obligations result in happier tenants who will pay on time, and less disputes.¹¹
- **Commitment to better standards of maintenance and repairs** – The statistics showing that private tenants are happier with the standards of maintenance and repairs, reflect those private landlords are more committed to providing better customer service and want to keep their properties in good condition. Perhaps they see the value in making their properties more marketable and retaining good quality tenants.

Regulations for safety and security

Note, this is not a comprehensive list of requirements. For a comprehensive guide to landlord obligations, see <https://www.gov.uk/renting-out-a-property>

- **Smoke and carbon monoxide alarms** - Landlords are required to have a working smoke alarm on each habitable floor of the property (lofts and cellars are not considered habitable unless they have been converted). Carbon monoxide detectors must also be present in any room with a solid fuel burning appliances such as a coal fire or log burner.¹²
- **Tenancy Deposit Scheme (TDS)** - Landlords must place their tenants' deposit in a tenancy deposit protection (TDP) scheme if they rent out the property on an assured shorthold tenancy after 6 April 2007. These government-backed schemes ensure your tenants will get their deposit back if they meet the terms of your tenancy agreement, do not damage the property, and pay the rent and bills. The landlord or agent must put your tenants' deposit in the scheme within 30 days of receiving it.¹³

¹⁰ Petty Son & Prestwich, 'Should landlords let their tenants decorate?' <<https://www.pettyson.co.uk/about-us/our-blog/249-should-landlords-let-their-tenants-decorate>> accessed 29 June 2022.

¹¹ Belvoir, 'Tenant satisfaction at an all-time high thanks to landlord education, claims Belvoir Sheffield' (21 June 2012) <<https://www.belvoir.co.uk/sheffield-estate-agents/articles/tenant-satisfaction-at-an-all-time-high-thanks-to-landlord-education-claims-belvoir-sheffield-p1958/>> accessed 20 June 2022.

¹² Landlord Vision, 'Everything landlords need to know about smoke & fire alarm requirements' (9 Mar 2022) <<https://www.landlordvision.co.uk/blog/landlord-smoke-fire-alarm-requirements/>> accessed 20 June 2022.

¹³ UK Government, 'Deposit protection schemes and landlords' <<https://www.gov.uk/deposit-protection-schemes-and-landlords>> accessed 20 June 2022.

- **Energy Performance Certificate** – Must be provided to tenants and contains information about a property’s energy use and typical energy costs, as well as recommendations about how to reduce energy use and save money.
- **Ensure that gas and electrical items in the property are safe and provide a gas safety check.**¹⁴
- **The Housing Health and Safety Rating System (HHSRS) under the Housing Act 2004** - The housing health and safety rating system (HHSRS) is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. This assessment method focuses on the hazards that are present in housing. Tackling these hazards will make housing healthier and safer to live in.¹⁵

Dissatisfaction and complaints

TPO (Property Ombudsman) domestic disputes

Year	Number of domestic disputes received about residential leasehold management
2020/21	3461
2019/20	2837
2018/19	2267
2017/18	1039
2016/17	996
2015/16	687

- The latest TPO annual report has revealed a 29% increase in enquiries despite pandemic. The TPO dealt with 2,737 complaints relating to lettings and 1,194 for residential leasehold management. Top complaints for lettings related to poor management of lettings and poor communication.¹⁶

¹⁴ UK Government, 'Renting out a property' <<https://www.gov.uk/renting-out-a-property>> accessed 20 June 2022.

¹⁵ UK Government, 'HHSRS' <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/9425/150940.pdf> accessed 20 June 2022.

¹⁶ TPO, 'Latest TPO annual report reveals 29% rise in enquiries despite global pandemic' (24 Aug 2021) <<https://www.tpos.co.uk/news-media-and-press-releases/press-releases/item/latest-tpo-annual-report-reveals-29-rise-in-enquiries-despite-global-pandemic>> accessed 20 June 2022.

- The TPO report that the pandemic has increased tenant's anxieties about security in their property, causing more people to seek advice and guidance.¹⁷
- The TPO's latest findings appear to correlate with earlier findings by property technology company, Engage, who compiled a study finding that 49% of tenants are frustrated with poor communication and things taking too long. The level of frustration was higher in younger tenants (between the ages of 18-24) where 76% expressed frustration on the same issues.¹⁸
- 20% of tenants reported that renting as opposed to owning makes them feel disconnected with their neighbours and community.¹⁹

Future improvements to standards and satisfaction

Note that Bills is a proposal for a new law presented for debate before Parliament. It is therefore not a law until it has passed through the various stages of reading and received royal assent.

The Renters Reform Bill

- **Landlord education** - If passed, the Renters Reform Bill will seek to improve landlord education further, by introducing a new 'property portal' to help landlords understand obligations.
- **Commitment to better standards of maintenance and repairs** – Application of the legally binding 'Decent Homes Standard' (DHS), will have the intention of halving the number of non-decent homes by 2030, and improving housing standards across all rented tenures.²⁰
- **Dispute resolution** – A new Ombudsman will tackle injustice suffered by renters who are living in poor conditions or at risk of unfairly losing their home.²¹

¹⁷ TPO, 'ADR Regulations and Service Standard Report: 2020-21'

<https://www.tpos.co.uk/images/documents/reports/ADR-OA-2020-2021_report.pdf> accessed 20 June 2022.

¹⁸ Buy Association, 'Almost half of UK tenants unhappy with their landlord' (14 Feb 2017)

<<https://www.buyassociation.co.uk/2017/02/14/almost-half-uk-tenants-unhappy-landlord/>> accessed 20 June 2022.

¹⁹ Buy Association, 'Almost half of UK tenants unhappy with their landlord' (14 Feb 2017)

<<https://www.buyassociation.co.uk/2017/02/14/almost-half-uk-tenants-unhappy-landlord/>> accessed 20 June 2022.

²⁰ UK Government, 'Policy Paper: A fairer private rented sector' (16 June 2022)

<<https://www.gov.uk/government/publications/a-fairer-private-rented-sector/a-fairer-private-rented-sector>> accessed 20 June 2022.

²¹ UK Government, 'Policy Paper: A fairer private rented sector' (16 June 2022)

<<https://www.gov.uk/government/publications/a-fairer-private-rented-sector/a-fairer-private-rented-sector>> accessed 20 June 2022.

Dogs and Domestic Animals Accommodation Protection Bill

- **The right to request a pet** – Renters with pets currently struggle to find accommodation that will accept them,²² with just 7% of properties advertised as suitable for pets.²³
- A survey found that 38% of people with pets “did not feel comfortable asking their landlord for permission,” with one third struggling to find a property to rent.²⁴
- The bill seeks to eliminate unnecessary bans or restrictions from pet ownership and make it easier for those with pets to be accepted for rental accommodation.
- The bill also proposes that individuals should hold a responsible animal guardianship certificate, certifying that they can care for the animal.
- If the proposed bill goes ahead, this does not mean that tenants will have an unconditional right to keep a pet, because they will also have to possess a responsible animal guardianship certificate.

<https://www.lettingaproperty.com/landlord/blog/renting-with-pets/#tenant-fee-ban-pet-insurance>

Hidden Pets

- Up to a third of pet owners living in rented accommodation hide their pet from their landlord.
- 27% of landlords do not know that their tenants have pets.
- Nearly 1/3 of tenants have been hiding their pets for more than 3 years.

²² LettingaProperty.com, ‘What Tenants Want in a Rental Property’ (updated 31 May 2022) <<https://www.lettingaproperty.com/landlord/blog/what-tenants-want-in-a-rental-property-2022/>> accessed 20 June 2022.

²³ UK Government, ‘Press Release: New standard tenancy agreement to help renters with well-behaved pets’ <<https://www.gov.uk/government/news/new-standard-tenancy-agreement-to-help-renters-with-well-behaved-pets>> accessed 20 June 2022.

²⁴ Dogs Today Magazine, ‘In hiding: the realities of renting with pets’ (9 Feb 2022) <<https://dogstodaymagazine.co.uk/2022/02/09/in-hiding-the-realities-of-rent-with-pets/>> accessed 20 June 2022.



All hidden pet data is from Quintain Living Blog, 'The secret life of pets: why more renters are hiding their pets than you think' (24 Jan 2022)
<<https://www.quintainliving.com/blog/renting-with-pets-uk>> accessed 20 June 2022.

Evictions

- 14,123 landlords in England started court proceedings to evict tenants from their properties between October and December 2021, up 43% on the previous quarter.
- YouGov polling in November – December 2021 found that 275,000 private renting households were either behind with their rent or had receive an eviction notice in the previous month. This equates to 1 in 17 private renting households facing the prospect of being made homeless.

Shelter, '14,000 renters face eviction as living costs soar' (10 Feb 2022)

<https://england.shelter.org.uk/media/press_release/14000_renters_face_eviction_as_living_costs_soar> accessed 20 June 2022.

- The number of landlord possession actions for all court stages have increased compared to the same quarter of last year but remains significantly reduced in comparison to the same quarter in 2019.
- As a result of COVID and associated policy actions, all landlord possession actions have decreased significantly and have not yet recovered to pre-pandemic levels.

Figure 3: Landlord possession actions (actual and seasonally adjusted) in the county courts of England and Wales, January to March 2017 to January to March 2022 (Source: Table 10b)



UK Government, 'National Statistics: Mortgage and landlord possession statistics: January to March 2022' (19 May 2022) <<https://www.gov.uk/government/statistics/mortgage-and-landlord-possession-statistics-january-to-march-2022/mortgage-and-landlord-possession-statistics-january-to-march-2022#overview-of-landlord-possession>> accessed 20 June 2022.

Conclusion

- Overall, landlords are improving in terms of compliance, as reflected in rising satisfaction rates.
- The poor public perception appears to stem from a mixture of a historical problem with bad landlords and misconceptions.²⁵ and frustration and stress caused by renter's experiences struggles to pay their rent because of rising costs and salaries not keeping up with inflation.
- There is still a big problem in relation to the standard of some rented homes, however, the Renters Bill is seeking to address these.

²⁵ Mortgage Solutions, 'Renter dissatisfaction comes from misconceptions not poor PRS performance – Rowntree' (1 Apr 2022) <<https://www.mortgagesolutions.co.uk/better-business/2022/04/01/renter-dissatisfaction-comes-from-misconceptions-not-poor-prs-performance-rowntree/>> accessed 20 June 2022.

- Although satisfaction levels are increasing, the proportion of private renters who feel a sense of home in their property is low.²⁶ Just 57% of private renters feel that their property is their home, compared to 85% of social renters. The Private Renters Bills seeks to address this.

The most dissatisfied tenancy group

We have found that the rental category that is most likely to be dissatisfied with their property are 'Families Getting By'.

Possible reasons for high levels of dissatisfaction include:

- Higher levels of anxieties due to a lack of security/fear of being evicted for complaining.
- More likely to expect decent standards of accommodation because they are paying a high proportion of their income on rent, and due to lack of savings, are less likely to fix problems themselves.
- They are also the group who are more likely to be couples with dependent children, so they prioritise safe living conditions. 35% of this group report problems with damp/condensation.

Most satisfied tenancy groups

The rental category who is reported to be the most satisfied with their current property are the 'Older Renters', with 87% happy with their home and 82% being generally satisfied in the PRS.

Possible reasons for higher levels of satisfaction:

- Less aspiration to be homeowners as it is becomes less realistic to get a mortgage.
- Only 7% report difficulty in paying their rent, and so they are generally more financially comfortable.

Recommendations for improving tenant satisfaction

²⁶ Citizens Advice, "As a renter, you never truly feel at home", (13 Apr 2022) <<https://www.citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/housing-policy-research/as-a-renter-you-never-truly-feel-at-home-tenants-voice-submission-to-the-renters-reform-bill/>> accessed 20 June 2022.

- Although the Rental Reform Bill will eradicate no fault evictions (Section 21), tenants should be actively reassured by their landlord that they will not be evicted for raising a maintenance issue or making a complaint.
- Providing tenants with more stability through longer contracts (e.g., 24-month min) would enhance sense of security.²⁷
- Address mould and condensation concerns as a priority, especially in homes with children.
- Install security systems in rental properties in high crime areas.
- Welcome well-behaved pets to prospective tenants and existing tenants.
- Consider allowing tenants to decorate as they are sometimes more willing to pay more to do so.
- Provide community information to new tenants, especially those who are new to the area.

²⁷ Mortgage Solutions, 'Renter dissatisfaction comes from misconceptions not poor PRS performance – Rowntree' (1 Apr 2022) <<https://www.mortgagesolutions.co.uk/better-business/2022/04/01/renter-dissatisfaction-comes-from-misconceptions-not-poor-prs-performance-rowntree/>> accessed 20 June 2022.