

# Subject: Housing Conditions in London's Private Rented Sector

Report to: Planning and Housing Committee

Report of: Executive Director of Secretariat

Date: 7 June 2011

This report will be considered in public

## 1. Summary

- 1.1 This report sets out background information for the Committee's meeting with guests to discuss the subject of housing conditions in London's private rented sector.

## 2. Recommendation

**That the Committee notes this report as background to putting questions to the guests.**

## 3. Background

- 3.1 At its last meeting on 17 May the Committee agreed to undertake a review of housing conditions in London's private rented housing with the following terms of reference:
- To assess London's private rented housing sector in relation to its state of repair, the standard of facilities provided and the degree of comfort, health, energy and water efficiency it provides;
  - To assess wider opportunities for improving London's private rented housing and whether there is a need for the Mayor to co-ordinate further efforts to improve this sector;
  - To review any examples of improvement programmes being run by London boroughs or community enterprises that might offer scope for the wider application across London.
- 3.2 Background information on this review can be found on the Assembly's website here:  
<http://www.london.gov.uk/moderngov/mgConvert2PDF.aspx?ID=3546>
- 3.3 London has the highest number and proportion of private rented housing in England. In 2009 there were 690,000 households (20.2 per cent of all London households) – compared with an average for England of 12.7 per cent. Between 2001 and 2006 the number of private rented properties in London grew from 476,000 to 597,000 – a 25 per cent growth in five years.
- 3.4 Property conditions in the private rented sector, while improving, are still worse than in either social housing or owner occupation. Forty per cent of private rented property failed to meet the Decent Homes standard in 2006. Households in receipt of at least one of the main means-tested benefits were more likely to live in properties failing to meet the Decent Home standard.
- 3.5 The Mayor believes that private renting is an important and often relatively affordable housing option. It is the first choice for most of the thousands of people who move to London every year. A

wide range of Londoners rent privately, including young professionals, students, economic migrants and people in housing need.

- 3.6 The Mayor has said he will work to provide more and better private rented homes “while most private sector accommodation is well-managed and of good quality, a small proportion at the lower end remains sub-standard.”<sup>1</sup>
- 3.7 The Mayor has a number of housing policies designed to improve the quality of privately rented housing; for example to improve its environmental performance and the quality of its management through landlord accreditation.

## **4. Issues for consideration**

### **Discussion**

- 4.1 In relation to the terms of reference for this review, as set out in paragraph 3.1 above, Members will wish to discuss with the invited guests a number of issues that cover:
- What is the state of London’s private rented housing?
  - What main improvements are needed, and how can they be delivered?
  - To what extent has the Mayor’s efforts to improve the standard of private rented housing proved successful?
  - What examples are there of programmes that are having a significant impact on improving London’s private rented housing?
  - Is there a need for the Mayor to drive further efforts to improve this sector?
- 4.2 Prior to this meeting Members will have received a briefing paper based on a report compiled by one of the leading organisations in the field of developing evidence bases that underpin housing and planning policies. This briefing has been based on a number of London borough private stock house condition surveys and sets out the key issues facing the private rented sector across London. It covers:
- Housing conditions, including key defect information (e.g. hazards and type of repairs needed);
  - Cost of addressing repairs;
  - Extent of energy efficient measures;
  - Trends in these key aspects of the housing stock.

### **Guests**

- 4.3 Experts invited to discuss these issues with Members include the following:
- Bob Mayho, Principal Policy Officer, Chartered Institute of Environmental Health
  - Rachael Orr, London Campaigns Manager, Shelter
  - David Salusbury, Executive Chairman, National Landlords Association
  - Robert Taylor, Camden Federation of Private Tenants

### **Next meeting**

- 4.4 The Committee’s next meeting on 6 July will follow up today’s discussion with a further variety of guests, including representatives from the Mayor’s Office, with a specific focus on taking forward ideas for approaches that could make a significant impact on improving London’s private rented

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<sup>1</sup> <http://www.london.gov.uk/priorities/housing/affordable-housing/private-rented-housing>

housing and exploring whether there is a need for the Mayor to undertake further work to improve this sector.

## **5. Legal Implications**

5.1 The Committee has the power to do what is recommended in the report.

## **6. Financial Implications**

6.1 There are no direct financial implications arising from this report. Financial implications for individual programme of work in 2011/12 will be dealt with separately in reports to the Committee as and when the Committee is required to make relevant decisions.

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### **List of appendices to this report:**

None

<b>Local Government (Access to Information) Act 1985</b>
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List of Background Papers:
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None
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