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## The Lettings Industry Council Briefing – Homelessness and the Renters Rights Bill (RRB)

November 2024

### Background

Homelessness and temporary accommodation is a pressing issue across the UK, with levels at a record high of 358,370 households, with over 117,450 in temporary accommodation.

28% of private renters received full or partial help with housing benefit, further changes to the sector by the Renters Rights Bill (RRB), could inadvertently reduce the number of homes rented, as more landlords continue to exit the very sector the Bill is trying to protect. If this does happen, the main impact will be on councils and social housing providers who, according to the [District Councils Network](#), are already forecasting an average rise of 33% in temporary accommodation costs.

We believe that the RRB in its current form, has the potential to cause a loss of confidence by landlords to continue to let properties, which could exacerbate the rise in homelessness and temporary accommodation. This could especially impact on those on benefits, especially if they cannot evict a tenant because DWP has reduced or stopped their benefits, preventing them from paying their rent.

In addition, because evictions will require a 'fault' to be given, such as rent arrears, tenants previously issued with a S21 who were re-housed by councils will not, under the new rules, be 'owed a homelessness duty'.

**Together, these changes could substantially increase homelessness.**

We support the objectives of the RRB, however, believe that the Government should conduct an **independent impact assessment** to evaluate the RRB's potential impact on homelessness and a rise in council cost for temporary accommodation.

### Key Statistics

**Latest official statistics show 358,370 households contacted their local authority for support after being threatened with homelessness or losing their home in 2023-24, up more than 10% in a year. Of these, 324,990 were assessed as homeless.**

**Record numbers of households are living in temporary accommodation in England. A total of 117,450 households were living in temporary accommodation on 31 March 2024 – higher than at any other point since records began in 1998 and an annual increase of 12.3%. Source:**

<https://www.bigissue.com/news/housing/britains-homelessness-shame-cold-hard-facts/#>

**According to a survey from the District Councils' Network (DCN) the "housing crisis" is a nationwide issue, with rising rents, landlords selling up, and low levels of new affordable housing adding to the problem. Source: <https://www.lgcplus.com/services/housing/temporary-accommodation-spend-threatening-the-future-of-districts-03-10-2024/>**



The number of homes in the PRS has remained static since 2016 while the population has increased, as has the need for affordable homes. According to Zoopla, there are 21 tenants chasing 1 rental property. [21 people competing for every rental property as supply remains a major problem for renters', pushing rents higher - Zoopla](#)

**Approximately 1:4 households living in the PRS (1.1 million) are in receipt of housing support.** Source link: [https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-rented-sectors/english-housing-survey-2022-to-2023-rented-sectors#housingRents have -costs-and-affordability](https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-rented-sectors/english-housing-survey-2022-to-2023-rented-sectors#housingRents%20have%20costs%20and%20affordability)

**Many of these tenants renting in the PRS who are in receipt of benefits are likely to be one of the 1.3 million households on the social housing waiting list in England. Their affordability is being diminished due to the freezing of the LHA - Joseph Rowntree Foundation research found renters would be £243 worse off in 2025/26 and £703 poorer by the end of parliament in 2029 if LHA remains frozen. That would see 50,000 private renters in poverty, including 30,000 children, over the next five years, the organisation claims.** Source: [https://england.shelter.org.uk/support\\_us/campaigns/social\\_housing\\_deficit# and](https://england.shelter.org.uk/support_us/campaigns/social_housing_deficit#and) <https://www.landlordzone.co.uk/news/new-local-housing-allowance-freeze-is-nonsensical-say-landlords>

#### **Key issue:**

If a landlord sells a property that is rented to tenants on benefits or if the PRS does not increase in line with housing need and tenants on benefits continue to be disadvantaged when trying to rent in the PRS, these issues will contribute to homelessness and the rise in temporary accommodation.

#### **What changes can be made to ensure the RRB reduces homelessness?**

##### **Investigate homelessness caused by DWP payment delays and stopping**

Recent figures highlight the vulnerability of PRS households, particularly those reliant on benefits. Delays in Universal Credit payments, averaging five weeks, add financial risk for benefit-receiving tenants, who account for almost 1:4 tenants. In 2023, approximately 37% of tenants at risk of homelessness were in PRS, underscoring the sector's role in housing instability.

If they are at risk of homelessness due to inadequate levels of LHA; benefits being stopped or tenants not paying their housing allowance to a landlord and the landlord cannot contact DWP on the tenant's behalf – quickly, why would the landlord let to them and risk being expected to fund their rent for an unlimited time, when they have 20 other tenants to let to?

##### **Recommendation:**

Ensure landlords that let to tenants on benefits are encouraged, not discouraged from working with tenants on benefits.

##### **Is it true that the Loss of Section 21 Evictions does not reduce homelessness**

The removal of Section 21 evictions is designed to provide tenants with more security and reduce the number of households made homeless from the PRS. However, the opposite has happened in Scotland and Wales. In fact Scotland has now declared a 'housing emergency':-

##### **Scotland Homelessness has risen despite the loss of S21**

There were 39,006 applications for homelessness assistance – an increase of 3,247 (9%) compared with 2021-22, and higher than pre-pandemic (37,053 in 2019-20).

There were 32,242 households assessed as homeless or threatened with homelessness – an increase of 2,903 (10%) compared to 2021-22, also higher than pre-pandemic (31,618 in 2019-20).

There were 15,039 households in temporary accommodation at 31 March 2023 – a 6% increase compared with 14,214 at 31 March 2022. This compares to 11,807 at 31 March 2020. Source:

<https://www.gov.scot/news/homelessness-statistics-2022-23/>



## **Homelessness has risen to its highest levels in Wales despite the loss of S21**

The number of households assessed as homeless and owed a duty to help secure accommodation (Section 73) increased by 8% on the previous year to 13,539, the highest figure since the legislation began.

6,135 households were identified as unintentionally homeless and in priority need (Section 75), an increase of 20% on the previous year. This figure has increased each year since the legislation was introduced in 2015. Of these 6,135 households, the number of households in temporary accommodation, as at 31 March 2024, was up 18% on the previous year to 6,447 households. This is the highest figure reported since the legislation was introduced in April 2015. Source: <https://www.gov.wales/sites/default/files/pdf-versions/2024/9/1/1726473445/homelessness-april-2023-march-2024.pdf>

### **Recommendation:**

**By 'blaming' a tenant when evicting them, there will be a potential for a fall in a Councils requirement to re-house them, causing increased homelessness.**

There is an assumption that anyone issued a S21 isn't 'at fault'. The new RRB rules will require a landlord to 'blame' a tenant under many of the Grounds. At TLIC we believe most tenants issued a S21 are at fault (not paying rent, causing a nuisance etc) or indeed need to sell or move back into the property. We believe the government needs to investigate how many tenants currently evicted with a S21 will have to be 'blamed' and therefore how many will not be rehomed by a council.

### **Recommendation:**

#### **PRS Property Conditions and Regulatory Burdens**

The RRB mandates improvements to PRS housing standards, which, while beneficial to tenants, could further exacerbate affordability issues and homelessness. Landlords with non-decent properties will have a choice. Either they decide not to rent the property or they upgrade the property and increase the rent accordingly.

If this happens, then either the property will be 'lost' to tenants and they could be evicted or affordable homes in the PRS will reduce.

With LHA being frozen, we need to understand how many tenants could be homeless as a result of the 21% of non decent homes being made decent. We also need to understand why the RRB will improve non-decent homes when the current legislation in place has already failed?

### **Recommendation:**

#### **Case Studies and Comparisons**

Scotland's PRS reforms provide an instructive case study. After similar regulations were implemented, landlord participation in the PRS fell, leading to increased council spending on temporary housing. This scenario highlights the importance of a balanced approach in England's PRS reforms to avoid similar unintended consequences. <https://www.propertymark.co.uk/resource/housing-crisis-amplified-by-lack-of-strategic-direction.html>

### **Recommendations for Homelessness Prevention**

#### ➤ Policy Adjustments for Landlords:

Implement financial incentives that encourage landlords to retain properties in the PRS, invest in maintaining their properties including improving energy efficiency and encourage renting to more vulnerable tenants.

#### ➤ Independent Impact Assessment:

An impact assessment could provide crucial insights into the RRB's effects on homelessness and enable more tailored, balanced policies that support both landlords and vulnerable tenants.

### **Targeted Outcome**

**We would request that the Government commission an independent impact assessment of the RRB's implications for homelessness, ensuring legislative changes that protect tenants without destabilising the PRS or increasing homelessness risks.**



**We would like to work with the government to discuss and implement our recommendations for the RRB that will ensure the Bill gives confidence to landlords to let to those on benefits.**

### **The Lettings Industry Council**

The Lettings Industry Council (TLIC) is a voluntary group of PRS stakeholders from across the industry including professional bodies such as RICS, Propertymark, NRLA, Deposit and Ombudsman schemes, advice4renters, NTSELAT, GLA, VOA, The Property Institute, agents large and small and industry providers. For a full list of stakeholders visit: <https://www.thelettingsindustrycouncil.co.uk/about>

The aim of TLIC is to share the group's experts extensive lettings experience through collaboration and accurate market data which allows us to inform, educate and improve the Private Rented Sector for all. All who engage in TLIC are united in their objective to see standards rise across the lettings sector. The group strives to ensure tenants and landlords are given everything they need to secure legally let and safe housing in the private rented sector. This Housing Crisis paper was submitted earlier this year.

[https://www.thelettingsindustrycouncil.co.uk/\\_files/ugd/231fc4\\_049754c9bff241b3bd9b55e3ba49ce30.pdf](https://www.thelettingsindustrycouncil.co.uk/_files/ugd/231fc4_049754c9bff241b3bd9b55e3ba49ce30.pdf)

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