



HILLINGDON
LONDON

Social Services, Health & Housing Policy Overview Committee

The Private Rented Sector in Hillingdon 2008/9

Members of the Committee:

Cllr Lindsay Bliss
Cllr Judith Cooper (Chairman)
Cllr Pat Jackson
Cllr Peter Kemp
Cllr John Major (Labour Lead)
Cllr Michael Markham (Vice Chairman)



INVESTOR IN PEOPLE

The Private Rented Sector In Hillingdon

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Backing Documents:

1. Fordhams Research Presentation -*Private Sector Stock Condition Survey, The Private Rented Sector, Conditions and Trends (2001-2008)*
2. Information Tabled by Hillingdon and Ealing CAB at 26th March meeting (and subsequent supplementary information)
3. Officer response to issues raised by CAB at 26th March meeting
4. Officer Presentation on *Housing Act 2004, Houses in Multiple Occupation and Licensing*
5. Officer Presentation on *Outbuildings in the Borough*

CHAIRMAN'S FOREWORD



The latest House Condition Survey shows that between 2001 and 2008 the private rented sector (PRS) has grown from 10.9% to 15% of dwellings in Hillingdon. Although most people aspire to own their own home, the recent economic downturn and lack of cheap mortgage finance has meant that it has become increasingly difficult to get onto the property ladder. Therefore the private rented sector has a pivotal role to play in bridging the gap in housing provision. The Committee were also aware of increasing concerns among residents about standards in the PRS and the significant impact this is already having on our aspirations for a cleaner, greener, safer Borough. The authority, therefore, faces a challenge about how best to support residents.

The Committee had four main concerns:

1. The current profile of tenants living in private sector rented accommodation
2. The required supply of private sector rooms, flats and houses for rent required by 2014 in order to meet demand
3. An assessment of the current situation facing private sector tenants with regard to house conditions, rent levels and management standards from private sector landlords.
4. What type and level of services are needed to be provided in the sector in order to minimise the risks of exploitation.

To address these questions we took evidence from a number of sources including Agents, Landlords and Tenants, as well as Fordham's Research who conducted the latest Housing Conditions Survey. My view is that the proposals in this review, together with the developments that Officers have already put in place, provide an opportunity to improve the private rented sector and for the Authority to be in a better position to assist those residents in housing need.

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Finally, on behalf of the Committee, I would like to thank the external witnesses who contributed to our review, and also the officers who advised on the main issues from the Council's perspective. Particular thanks to David Youngs for his comprehensive briefings on this topic. I commend the report and recommendations to Cabinet

Cllr Judith Cooper

Summary of Recommendations

This review examines the nature and role of private rented housing in Hillingdon. Following the evidence received, we make the following recommendations.

- 1. Overall, officers seek out and develop opportunities and beneficial partnerships with the private rented sector in relation to the Council's responsibilities in the Housing area.**
- 2. That the London Borough of Hillingdon seeks to encourage local landlords to register with the Association of Residential Lettings Agents (Arla) licensing scheme and publicise a list of those which do in the Hillingdon People monthly magazine.**
- 3. That Housing clients who are signposted to the private rented sector be encouraged to seek out those landlords with either Arla or similar accreditation as a means of quality assurance.**
- 4. That officers in the Housing Options / Needs Teams be requested to link the information provided to prospective tenants with accredited landlord schemes and to integrate this into the revised Private Rented Sector Strategy as a model of best practice.**
- 5. That officers do more to encourage landlords to enforce tenancy conditions in the Private Rented Sector in relation to damage to property, causing nuisance to neighbours or failing to fulfil their own obligations to maintain the garden and decorate internally etc.**
- 6. That the current incentives to encourage Landlords Accreditation Scheme be welcomed. However, further incentives and information should be developed to encourage even more landlords to participate in the scheme.**
- 7. That tenant and landlord management packs provided by Lettings Agents be reviewed and amended as necessary to include details of refuse and garden waste collection as a means of improving the street scene around some PRS properties.**
- 8. That Officers ensure consistent language is used both verbally and on printed materials when providing information, advice and guidance to all housing enquiries. Officers also to ensure the promotion of the Council Contact Centre as the single point of**

access for all Housing enquiries and complete the review already started in this area’.

- 9. That Officers be requested to review the information contained on the Housing website to ensure that this is as helpful as possible to tenants.**
- 10. That Officers promote information about low cost ownership schemes and shared ownership schemes as viable options to long term renting within the Private Rented Sector.**
- 11. That partnership working with outside agencies and organisations/bodies (such as Brunel University) be developed further to ensure the success of future initiatives to address common problems (anti-social behaviour, noise nuisance, littering and street scene) associated with the Private Rented Sector.**
- 12. That the successful Hillingdon Private Landlord’s Forum be developed further to undertake additional work in relation to partnership working, Local Housing Allowance and Housing Benefit and the further development of its activities and role.**
- 13. That everything possible be done to ensure that the application to the CLG to seek consent for additional HMO licensing for the South of the Borough is successful.**
- 14. That the preventative work being carried out through the Tenancy Sustainment Team be further developed, with key partners, in assisting people to remain in their homes and avoiding homelessness, particularly repeat homelessness.**
- 15. To note that Officers will integrate the findings from the Rugg Review (where appropriate) into a revised Private Rented Sector Strategy.**

Introduction

Background and Importance

Overview

The nature the Private Rented Sector (PRS) has changed, particularly in the past five years. The current mainstay of the sector, the Assured Shorthold Tenancy (AST), was originally a scheme designed to encourage owners to bring their properties back into the rental market after years of stagnation, poor conditions and rent controls.

The supply of private rented accommodation has since increased. In general, it has support from the main political parties and has been encouraged to expand through the availability of easier loan finance.

Owner confidence has grown and we have witnessed the expansion of the buy to let market. Many people who would not have previously considered renting property have become first time landlords. This has of course been affected by the current economic situation.

While an AST is, at minimum, for a let of 6 months, evidence shows that there is reasonable stability in the market and that many tenancies go on for much longer periods. The council's Finders Fee scheme now has 1400 households with ASTs, with some tenants having lived in the same property for the 4 years since the scheme began.

With growing owner and tenant confidence the private rented sector is no longer a marginal or declining form of tenure but is an important and thriving sector in its own right. It is a sector that we as a local housing authority need to support in order to help meet housing need in Hillingdon. The sector presents both challenges and opportunities for the Borough. Its role, extent and contribution is significant, hence its importance as a review topic.

The impacts of the current credit crunch and the implications for the housing market and wider economy will be a consideration and concern over the foreseeable future.

Private rented sector – size and house conditions

The private rented sector has been expanding steadily in Hillingdon over the past decade. The main sources of data are the periodic Private Sector House Condition Surveys carried out in the Borough. The latest House Condition Survey was completed in May 2008 (Hillingdon Private Sector Stock Condition Survey 2008, Fordham Research Group, 2008).

Data from the 2008 House Condition Survey shows a considerable increase in Private Rented Accommodation since 2008, up from 10.9% in 2001 (the time of the last house condition survey) to 15% of dwellings in the Borough.

The report examines this growth in more detail as well as reviews the information from the survey concerning the types of households who are currently renting in the private rented sector. A significant issue for the review to explore is that all local authorities are expected to meet the private sector “Decent Homes” target of 70 % of vulnerable households living in a Decent Home by 2010.

House conditions in the private rented sector will therefore be explored in detail, as will the energy efficiency characteristics of private rented dwellings in comparison with the rest of the private sector stock. The report will also consider the impact of the current credit crunch on housing conditions within this sector.

Rent levels in the private rented sector

One of the biggest changes in Housing Benefit in the private sector occurred in April 2008 when the Local Housing Allowance was introduced leading to rents now being paid directly to the tenant for new tenancies. To encourage lettings and take up, the Government also raised Housing Benefit levels. Although it is too early to determine the full impact of this, rent levels are explored in the report.

Houses in multiple occupation

The 2008 House Condition Survey found 2310 HMOs in the Borough, compared to 1400 from our 2004 door- to- door survey.

The growth is partly attributable to a change in definition, but is mainly a reflection of increased demand for rented accommodation in the south of the Borough from the Heathrow and Brunel areas. Officers have again been conducting a door -to -door survey, this time in the Brunel and Heathrow areas. They are of the view that the total number of HMOs in the Borough is now at least 2500. This represents a challenge to the Borough as the worst physical and environmental conditions are in the HMO sector.

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In addition, the erection of structures in gardens without Planning or Building Control regulation is also a challenging issue. This is a London wide matter and reflects demand for rented accommodation and gaps in current Planning legislation. Based on observations during the HMO survey, and counts in a number of streets in Hayes, officers estimate there are between 2000 and 3000 such structures, numbers of which will be private rented, either singly or in multiple occupation.

Connections with Other Work:

These include:

- Hillingdon HMO Strategy 2004
- Draft HMO Additional Licensing Application to Communities and Local Government
- Hillingdon House Condition Survey, 2008.

Reasons for the review

Recent social and economic trends are giving the private rented sector a growing role in housing borough residents. The Council needs to understand better the current state of the market, the problems landlords and tenants face, opportunities to improve housing conditions and the best way the Council's own services can assist in that.

Key issues and Terms of Reference

The review sought to:

- I. To establish the current state of the private rented market in Hillingdon.
- II. To determine current and likely future demand and supply of private rented sector accommodation in Hillingdon.
- III. To consider the current standard of service offered by private sector landlords to tenants in Hillingdon.
- IV. To consider the opportunities that the sector presents and how these might best be harnessed.

This report presents our findings. It first presents the methodology for the review and then a summary of our conclusions and recommendations (*in order of the terms of reference*) for Cabinet consideration where we feel this is appropriate.

Methodology

In the current year we used three meetings to examine this issue. In February we considered a background report from Housing Officers which provided an overview of the Private Rented Sector.

We also held a series of witness sessions to discuss and receive evidence relating to the review. A questionnaire was placed on the Council's website and an advert asking for tenant's views was placed in the Gazette Newspaper.

Meetings held in February, March and April involved taking evidence from a range of witnesses:

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First Witness Session: 17th February 2009

Fordhams Research

- Justin Gardner

Charrison Davies, Estates Agency

- David Miller & Brian Bailey

Private Sector Tenants

- Lydia Alphonse, Private Rented Sector Tenant
- Barbara Goodhew, Private Rented Sector Tenant
- Ajaya Pardey, Private Rented Sector Tenant

Second Witness Session: 26th March 2009

Hillingdon & Ealing Citizens Advice Bureau (CAB)

- Alison White, Social and Policy Co-ordinator, Hillingdon & Ealing CAB
- Michelle Rama-Dominguez, Hillingdon & Ealing CAB

Private Sector Tenant

- Douglas Jones, Private Tenant

Orchard & Shipman Estate Agency

- Gareth Targett, Director of Sales and Investments, Orchard & Shipman

Private Sector Landlord and Property Developer

- David Knox, Landlord and Developer

Frays Solo

- Linda Lancaster,

Third Witness Session: 23rd April 2009

Members of Kingdom Way Residents Association (HMO issues related to Brunel)

- Lyn Padden

Housing Officers

- David McCulloch, Private Sector Housing Manager
- David Youngs, HMO Officer

Planning Officers

- Jim Lynn, Planning Enforcement Manager
- Eddie Adamczyk, Deputy Planning Enforcement Manager

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The next section of the report provides background on the main issues, and then presents the main findings and concerns arising in the evidence. We then make recommendations to Cabinet, which we believe will help address these issues. The findings are presented in the same order as the reviews terms of reference.

Findings & Recommendations

1. 'The current state of the private rented market in Hillingdon'

1.1 The profile of private sector tenants

Traditionally, private renting in recent years has been associated with small groups of people renting for many years on 'regulated' rents, single people and sharing younger households. This is no longer the case. When referring to the *Private Rented Sector Stock Condition Survey*, Justin Gardner (Fordham's Research) explained that nearly forty one per cent (40.5%) of people renting privately are currently families with children, of which 10.4% are single parent families.

Household Type - the profile of households living in private rented housing.

Household Type	Living in Private Rented (Nos)	Living in Private Rented (%)
Single Pensioners	763	5.8
2 or more pensioners	229	1.7
Single non-pensioners	1902	14.4
2+ adults, no children	4975	37.6
Lone parent	1374	10.4
2+ adults, 1 child	1837	13.9
2+ adults, 2+ children	2133	16.2
Total	13,213	100

Source: Hillingdon Survey 2008

This is a sea change and reflects easier access to rented housing, the growth of owner confidence in renting through ASTs, and a more plentiful supply. Approximately 1400 of those family households are renting from private landlords through the Council Finders Fee scheme.

Ten years ago access to the private rented sector was difficult for family households and was not a viable option for those on lower incomes or benefits.

Today, there is still a residual number of longer-term renters who rent unfurnished and have lived at the same addresses since 1989 or earlier. These people are still occupying protected regulated tenancies, with rent levels controlled through the Rent officer Service. It is estimated there are in the region of 300 to 500 protected tenancies remaining in Hillingdon.

Justin referred to the ethnic change within the PRS. We heard that a higher proportion of Asian, Black and 'other white' households currently live in rented accommodation than in owner-occupied. The factors responsible include

levels of income, length of residence, stage in family life cycle, age and type of household.

Ethnic Groups and Tenure

Ethnic Groups	Living in Private Rented (%)	Owner Occupied (%)
White British	45.3	68.1
White Other	16.8	7.0
Asian	24.3	21.0
Black	8.9	2.2
Other	4.7	2.0
Total	100	100

Source: Hillingdon Survey 2008

1.2 The numbers and proportion of properties currently rented privately

We heard that the private rented sector has been expanding steadily in Hillingdon over the past decade and that the main source of data is the periodic Private Sector House Condition Surveys carried out in the Borough. The latest House Condition Survey was completed in May 2008 (Hillingdon Private Sector Stock Condition Survey 2008, Fordham Research Group, 2008).

The table from the 2008 House Condition Survey below, shows a considerable increase in Private Rented Accommodation since 2000, up from 10.9% in 2000 (the time of the last house condition survey) to 16% of dwellings in the Borough.

Private Rented Dwellings in Hillingdon: 2000 and 2008

Tenure	Hillingdon 2000 (%)	Hillingdon 2008 (%)	London 2003 (%)
Owner Occupied	90.1	84	78.6
Private Rented	10.9	16	21.4
All tenures	100	100	100

Source: Hillingdon Survey 2008

This is a near 50% increase over the past 8 years, and it is estimated there are now 13,423 private rented dwellings in the Borough. We heard that of this total, 3,597 (27%) are north of the A 40 in Ruislip/Northwood areas but that the vast majority are located south of the A40 in Hayes Harlington and Uxbridge 9826 (73%).

This increase appears to have come from stock which was previously owner-occupied.

1.3 Housing conditions in the sector (including overcrowding and energy efficiency)

Traditionally, private rented housing has been seen as older properties in poor condition. This is not the case in Hillingdon as the table below shows:

Age of Private Rented and other Owner Occupied Dwellings

Dwelling Age	Private Rented (%)	Other Private Sector (%)
Pre 1919	5.7	4.1
1919-1944	44.3	48.7
1945-1964	11.8	19.7
1965-1980	16.9	11.5
Post -1980	21.3	15.9
All ages	100	100

Source: Hillingdon Survey 2008

Significantly, 38.2% of private rented properties were built after 1965 and 21.3%, post –1980 as compared to 27.4% and 15.9%, respectively, for owner-occupiers. This trend is attributable to leasehold flats being let out and newer properties purchased for renting, either in multiple occupation or as single family dwellings.

Table below confirms this position. Hillingdon’s private rented stock is made up from 36.8% flats, compared to only 15.7% for owner-occupied accommodation.

Dwelling Type and Tenure

Building Type	Private Rented (%)	Owner Occupied (%)
Terraced House	25.0	25.6
Semi-detached house	23.2	39.1
Detached House	4.4	12.2
Bungalow	0.7	7.3
Converted flat	10.8	1.2
Purpose- Built Flat	26.0	14.5
<u>Total</u>	100	100

Source: Hillingdon Survey 2008

Justin referred to the ‘Decent Homes ‘ standard and the requirement that all local authorities are expected to meet the private sector “Decent Homes” target of 70 % of vulnerable households living in a Decent Home by 2010. Vulnerable households are defined as those in receipt of at least one of the principal means tested or disability related benefits.

A home is considered ‘decent ‘if it meets all of the following four criteria:

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1. It meets the current statutory minimum standard for housing set out in the Housing Act 2004. This replaced the concept of housing being 'unfit for human habitation' with a new system based on risk assessment and potential hazards. For instance, dampness. A 'Category 1' hazard is considered the most serious where the local authority should consider action or assistance.
2. Is in a reasonable state of repair
3. It has reasonably modern facilities
4. It provides a reasonable degree of thermal comfort

The table below sets out the main findings from the 2008 House Condition Survey for owner-occupiers and private rented housing.

Decent Homes and Vulnerable Households

	Private Rented (%)	Category1 Hazard (%)	Owner Occupied (%)	Category 1 Hazard (%)
Decent	63.4		85.5	
Non decent	36.6	14.5	14.5	9.0
Total	100		100	
Vulnerable in Non Decent	36.2		14.0	
Not Vulnerable in Non decent	63.8		86.0	
Total	100		100	

Source: Hillingdon Survey 2008

Despite improvements to the sector, approximately 37% of households in the private rented sector live in a 'non-decent' home compared to only 14.5% of owner- occupiers. However, it is estimated that only 14.5% and 9% respectively have properties with the more serious 'Category 1' hazards.

The main reason for homes being in the 'non-decent' category is 'thermal comfort', essentially inadequate cavity wall or roof insulation. Overall, 63% of private sector dwellings classified as non-decent fail on thermal comfort. The solution for this is a systematic insulation programme. Hillingdon has an extensive programme, with partners. We were pleased to learn that ten thousand homes have been insulated since 1998, with the majority of targeted dwellings being for owner- occupiers over 60. Officers explained that work is ongoing to communicate with private landlords and improve standards within the private rented sector.

The cost of repair was another significant issue raised by the witness. We heard that traditionally, the private rented sector has been seen as being in the worst repair and overall condition and this was the case in the 2000 House Condition

Survey. However, this area has improved which is a reflection of the newer age profile of the private rented stock.

Repair Costs and Tenure

Tenure	Urgent Repairs (need doing now) (£)	Basic Repairs (need doing within 5 years) (£)	Comprehensive Repairs (need doing within 10 years) (£)	Standardised Repair Cost on a sq. metre basis (£)
Owner Occupied (no mortgage)	2216	2699	8463	28.6
Owner Occupied (with mortgage)	1276	1765	5621	19.1
Private Rented	1422	2038	4712	27.0
Average	1621	2138	6448	23.6

1.4 Rent levels and the impact of the local housing allowance

Officers said that in their experience, demand for private rented accommodation in Hillingdon has remained buoyant despite the pressures of the current recession and shows no sign of decline. Of the different types of properties available, demand is particularly high for 2 bedroom properties where there is a shortage in Hillingdon, and this is reflected in high rent levels. Rent levels vary according to location, size and condition of the property. Rents for furnished properties are correspondingly higher than for unfurnished. * *Private Rented Sector tenants told us that in the current economic climate rent levels are high and saving for deposits was difficult. The views of tenants is discussed later in the report.*

We were surprised to learn that there is less demand for 3 bedroom properties but understand that owners have more difficulty in letting these because of rent levels.

This is in contrast to some inner areas of West London where demand has declined and occupancy levels are lower. Early signs from the West London National Landlords Association suggest that people working in London have been affected by the recession and are leaving the City, to other areas in the UK or their home countries, as job opportunities decline. There is even more of a problem in filling 3 bedroom properties in inner areas of West London at expected rent levels.

Current Monthly Rent levels in Hillingdon

1 bedroom with Shared Facilities inc bills	1 bed Studio exc. bills	1 bed	2 bed	3 bed	4 bed	5 bed
450 to 500	550 to 600	700 to 775	825 -900	900 - 1100	1200- 1450	1450- 1600

Source: Hillingdon Acquisition Team and Local Estate Agent websites

Officers explained that rents for student shared housing are on a different and usually higher basis. Essentially these are houses in multiple- occupation and, as would be expected, most are located in the wards adjoining Brunel University. These rents are calculated on a per student bed per week basis, varied according to condition and services. Landlords normally require a 2-month retainer during the vacation period.

Example Monthly Student House Sharer Rents

3- beds	4- beds	5- beds	6-beds
1100- 1300	1400-1550	1600- 2000	2100-2300

Source: PSH Officers and Local Estate Agent websites who let to students

The ‘Local Housing Allowance’ (LHA) was introduced in April 2008 for Housing Benefit Claimants who rent in the private sector. This applied to all new tenancies after that date and on renewal of Housing Benefit claims. Today, rents are now being paid directly to the tenant, except where the tenant is classified as ‘vulnerable’ as defined by set guidelines. To encourage lettings and take up, the Government initially raised Housing Benefit levels, but these have been coming down steadily since and are reviewed regularly. They are slightly higher than market levels for larger size properties at present.

Local Housing Allowance Rates on 1st February 2009 are set out in the table below. They vary by groups of postcodes arranged in what are termed ‘Broad Rental Market Areas’.

Local Housing Allowance Weekly Rates and Monthly Equivalents

	1 bedroom with Shared Facilities	1 bed	2 bed	3 bed	4 bed	5 bed
Per Week	£87 to £92	£150 to £173	£196 to £219	£230 to £288	£300 to £380	£392 to £461
Monthly Equivalent	£377 to £399	£650 to £750	£850 to £949	£997 to £1248	£1300 to £1647	£1697 to £1998

The affect of the current recession is shown through the increase in private renters claiming Local Housing Allowance. The number of people claiming benefit has risen from 4557 in February 2008 to 5271 in January 2009, which is an increase of 16%. At present it is not clear whether the majority of these are people who may have lost their job, or a reflection of owners choosing to rent their home out for the moment rather than sell in the current economic climate.

2. 'Current and likely future demand and supply of private rented sector accommodation in Hillingdon'

2.1 Overall housing need in Hillingdon e.g. the council's waiting list and the current use of temporary accommodation to meet need

Officers explained that demand for private sector properties has increased year upon year within Hillingdon. Last year, over 500 private sector properties were sourced and let to clients approaching the Council as homeless. With the current economic climate, it is projected that this demand will further increase over the coming years, particularly with two and three bed needs.

Currently, Hillingdon has approximately 7,500 clients on the Council's waiting list, and a further 1,100 residing in Temporary Accommodation. With a view to continually reduce these figures, the Council employs a range of innovative approaches to dealing with homeless clients. One of these approaches is to provide clear access and support to clients and landlords in the private sector, promoting empowering people and reducing worklessness.

We heard that officers frequently review the private sector schemes in order to keep up with any developments and ensure they remain attractive to landlords and clients alike. Three schemes that currently run are:

1. **'Find Your Own'** - where clients source their own private rented accommodation and are assisted by the council to contribute towards the deposit for the property for a minimum period of a year. The Council will make the basic checks with the landlords to ensure that there is an up to date Gas Safety certificate and assist with the client accessing Housing Benefits.
2. **'Finder's Fee'** - where clients can choose from a list that has been procured by Hillingdon. Checks are more stringent with all properties being visited by our surveyors and landlords having to provide up to date gas safety and electrical certificates. Again, assistance is given to access Housing Benefit with all claims fast-tracked. The tenant gets an Assured Shorthold Tenancy for a minimum of a year.
3. **'Hillingdon Homes Direct'** - a guaranteed rent scheme where the management worries are taken away from landlords with the peace of mind that there will be regular income from a property. Leases can be made up to five years in length.

These schemes all contribute towards homelessness prevention. The availability of private sector properties is a key element to reducing homelessness across the Borough.

2.2 Current supply constraints within the private sector due to market conditions and financial pressure on existing owners e.g. the impact of the severe reduction in the buy to let market and the increasing number of private rental reposessions.

According to recent data, there has been an increase in the supply of rented property nationally. This has led to an excess of supply in the market, which has resulted in falling rent levels. (Source: RICS and Globrix).* *This finding was in marked contrast to the views provided by PRS tenants discussed later in the report.*

2.3 The current and likely future sources of demand for private rented accommodation in Hillingdon (e.g. HMOs and increasing student accommodation, 'marginal lets' such as structures in rear gardens) and the challenges these developments may present for the council.

Overview

The private rented housing market has clearly been undergoing considerable changes in the past few years. Demand for rented housing has resulted in a 50% increase in the number of rented dwellings, with an estimated number of 13,423. The HMO part of this sector has trebled since 2000, from 700 at that time, to an estimated 2500 in 2008. Witnesses from the Planning Department explained that structures continue to be built in rear gardens, as either income streams or additional capacity for some larger families.

At a time when private rents might have been expected to dip and there are signs of that happening closer into London, they are holding up in Hillingdon and demand shows no sign of abating.

Likely Sources of Demand for Private Rented Accommodation

Having examined the nature and role of PRS, we looked at the likely sources of demand within the sector.

We heard that there has been **high student demand** in the wards surrounding Brunel as the Brunel University campuses elsewhere have closed, and the University has centralised in Uxbridge. This has meant there has been significant growth in the number of student HMOs and lucrative opportunities for landlords. However, as the University has opened up 2000 more Hall of Residence places and the transfer from other campuses has been completed demand for student accommodation may ease.

The building of Terminal 5 and other projects (including the 2012 Olympics projects) brought many migrant workers to Hillingdon and surrounding areas. **The associated expansion of both airport and airline staff** has added to that demand, and is still growing. There has always been a high and not fully met demand from Heathrow for rented accommodation within easy distance of the airport.

These demand factors were (and still are) increasing at a time when confidence in renting, and buy to let, had been growing. Until the onset of the recession, easily obtainable mortgage finance, including a large and sustained expansion in the buy to let market, increased supply to meet some of that demand, accounting for approximately 5% of what had been owner-occupied stock.

This expansion is now 'on hold' because of the effects of the economic downturn and the lack of cheap mortgage finance. The evidence points to marginal owners with properties on very high mortgages being forced out of the market through repossession, or threat of repossession. In comparison, more established landlords will be able to capitalise and purchase properties in a falling market.

An unknown number of developers and house builders are renting new build properties out, rather than selling them in current market conditions. So, there is both contraction and expansion at the moment and the situation is quite fluid.

The Effects of the Economic Downturn

The existing high level of demand in Hillingdon has also been added to by the current economic downturn. Recent trends suggest that many people moving to Hillingdon and the west London area to work are looking to rent and not to buy at present. They may have rented their previous owner-occupied home, and are looking to rent in the Borough until market conditions change. These are people with higher disposable incomes and would typically be in their thirties or early forties.

These market factors go some way to explain why private rents levels have held up and even increased (in some areas) at this time of economic downturn.

Houses in Multiple - Occupation

Definitions of HMOs Housing

The current definition of HMOs under Housing legislation is that of a house or flat occupied by persons who do not form a single household e.g. People who are not related to each other. All HMOs falling within this definition come within Housing controls.

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Planning

In respect of Planning controls the legislation and definitions are set under Town and Country Planning legislation. Under Planning legislation HMOs used by up to six people living together as a single household, fall within the same planning use class as residential housing and are exempt from the need for planning permission. Student houses, therefore, fall outside of the control of the planning system where there are six or fewer students. In addition, HMOs that have been in existence for over 10 years continuously have established use rights and are therefore excluded from action under development control powers.

Shared houses with more than six occupiers do represent a change of use and require planning permission. It is in this respect that Housing and Planning definitions vary most significantly.

Planning permission is also required where less than six people are not living together as a single household. Assessing whether occupiers of a property are living together can be a matter of fact and degree and presents the biggest difficulty for planning enforcement officers.

In this respect, recent case law through the “Regina. versus Kettering BC” case in 2002, has held that a common need for support and resettlement amongst tenants, rather than simply living as one household, can be sufficient for the property to be exempt from planning control. Again, this has the potential to reduce further the properties within local authority planning control.

Regardless of other factors, where tenancies are less than 90 days, a property will normally be defined as a hostel, rather than HMO. The change of use of a house to a hostel (unlike an HMO) is generally regarded as a loss of housing accommodation and so contrary to UDP Policy. Planning permission is normally refused for such conversions.

Building Control

There are also specific Building Control responsibilities upon owners who convert or allow their property to be used for multiple occupation. These generally apply to larger units, particularly in conversions to rooms, or flats above commercial premises.

Trends in demand

HMOs are required to house those unable or who do not wish to buy privately and those not eligible for, or who do not want, council or housing association accommodation. People reliant on this sector in the borough include key and other local workers, people intending to stay for short periods, students, single wage earners, homeless persons, asylum seekers and younger people in general.

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Current Concerns

The increase in HMOs has led to an increase in complaints from members of the public and concern raised by elected members. These may be summarised as:

- Extension and internal conversion of a property without planning permission or Building Control approval. Includes conversion of outbuildings such as garages.
- Use of property as an HMO without fire precautions or basic minimum levels of baths, showers, toilets and kitchens.
- Poor internal and external standards of management.
- Unkept external appearance and lack of maintenance
- Gardens overgrown with accumulations of refuse and abandoned/dumped household items.
- Pressure on car parking due to lack of provision and high density occupation.
- Noise and disturbance to neighbours from HMO residents
- Anti-Social Behaviour from some HMO residents

The 2008 House Condition Survey found 2310 HMOs in the Borough, compared to 1400 from our 2004 door- to- door survey.

The growth is partly attributable to a change in definition, but is mainly a reflection of increased demand for rented accommodation in the South of the Borough from the Heathrow and Brunel areas. Officers also conducted a door - to -door survey of properties in 2008. Data from that survey, when added to the 2008 House Condition Survey, suggests that the total number of HMOs in the Borough is now at least 2500. This is a doubling of HMO numbers since 2004. This increase parallels the general increase in private rented accommodation described above.

Future Challenges for the Council

Future challenges faced by the Council in the Private Rented Sector include:

- Significant increases in the number of HMOs
- Studentification associated with the expansion of Brunel University
- Increases in the number of garden structures
- Difficulties with current legislation (Housing and Planning Law) to take effective preventative or enforcement action
- The prevailing economic climate

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The survey also found HMOs are concentrated in the South of the Borough, particularly around the Brunel and Heathrow areas. Some roads adjacent to Brunel University are now 50 per cent student HMOs, with landlords outbidding potential owner- occupiers when properties come up for sale, prior to the recession.

However, the Council has submitted a bid to the Government for Additional HMO licensing powers to enforce standards in a wider range of HMOs, essentially all of those with 5 or more people. This will not stop HMO growth directly, but has been shown to remove less responsible landlords from the market.

Planning powers are currently limited in terms of restricting or stopping HMOs, as they apply to HMOs of 6 or more people only and not 'sharers'. Most properties in Hillingdon are 5 or 4 person.

A Medium Term Financial Forecast (MTFF) bid has been submitted for 2.5 more HMO officers to deliver the work that will result from the Additional Licensing powers bid currently sitting with Government.

Structures in rear gardens

At our final witness session we heard the views of Planning officers. The erection of structures in gardens without Planning or Building Control regulation is a particularly challenging issue. This is a London wide matter and reflects demand for rented accommodation and gaps in current Planning legislation. Based on observations during the HMO survey, and counts in a number of streets in Hayes, officers estimate there are between 2000 and 3000 such structures, numbers of which are privately rented, either singly or in multiple-occupation. These structures do not tend to show up in HMO counts or censuses and, where occupied, are likely to be on cash basis.

Summary

The demand for HMO type accommodation and the use of unauthorised structures in gardens in recent years has shown a large increase and this is likely to continue. Approval of Additional Licensing for HMO's by the CLG will help to control conditions in the worst properties and prevent some of the worst landlords from operating in the area.

3. 'The current standard of service offered by private sector landlords to tenants in Hillingdon'

3.1 Views of Estate Agents, Landlords, Citizen's Advice Bureau and Private Sector Tenants – Issues Raised at the Witness sessions

As part of the evidence gathering for the review the Committee considered the views of Estate Agents, Landlords, Citizen's Advice Bureau (CAB), a Residents' Association and Private Sector Tenants. In addition to the oral evidence, a survey was placed on the Council's website to collect residents' views on the Private Rented Sector in Hillingdon.

The following points emerged from the witness sessions:

Estate Agents

- David Miller (of Charrison Davies Estates Agents) explained how the nature and role of Estate Agents had changed. We heard that Charrison Davies property portfolio had moved from 90% of private lettings in 2001 to an equal split between the private sector and Council clients in 2008.
- We heard that at present, a considerable number of landlords favour public sector tenants (as opposed to Private tenants) as they are perceived as presenting a lower risk and offer a more secure long term tenancy. We believe that advice and support should be offered as early as possible so that all tenants in the private rented sector are able to make informed choices so that potential problems with tenancy agreements can be reduced.
- We heard that legislative change has meant that Agents have had to increasingly monitor the quality of their housing stock to ensure that it complies with new national guidelines e.g.; gas safety. We welcome these measures which we understand have improved standards throughout the sector.
- We were told that long term tenancies varied from 6 months to 2 years but these could be influenced by specific local conditions. In Charrison Davies experience, the length of tenancies has been largely influenced by the anomaly created by transitory communities working at Heathrow Airport.
- We were surprised to learn that there is no standard form of tenancy. We felt this was a potentially very serious issue and were concerned that many tenants in the lower end of the market could be subject to exploitation and/or abuse from some landlords and every effort should be made to regulate the activities of landlords. *(Since the conclusion of the review, we have learnt that the Association of Residential Lettings Agents (Arla) is introducing a licensing scheme for its UK members and a code of conduct for letting agents. We welcome this news and in*

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particular note the conditions which will need to be adhered to including:

- 1. Hold a professional qualification relating to lettings*
- 2. Take part in continuing professional development*
- 3. Have professional indemnity insurance*
- 4. Have plans in place to protect any money they are holding for clients*
- 5. Have an annual independent audit carried out on clients' funds)*

It is hoped that these new measures will help tenants find properties.

However, how the scheme will be enforced has yet to be confirmed.

- We heard that in most cases, private rented sector tenants are responsible for the maintenance and upkeep of their front gardens. We felt this condition of tenancy could present an opportunity to landlords to improve the appearance of the street scene, especially in those areas densely populated by students.
- We were told most tenants expect the Lettings Agent to act as an arbitrary agent and most agents would expect to be involved with tenancy 'teething problems' in the first six months of a new tenancy. Typically, 10% percent of tenancies have ongoing issues which Estate Agents get involved with.
- We were surprised to learn there is no established rule relating to property deposits which we felt was another area which could be subject to abuse. In most cases this is usually one month's rent.
- In new tenancy agreements the tenant will be expected to find 2 months rent and a deposit. We welcome that it is common practice to pay rent deposits into government bank accounts which we understand has resulted in landlords having to improve the quality of their inventories as a prerequisite for joining the scheme. Using a government account has also prompted most landlords to behave more professionally and this has made tenants more secure.

In reply to Members' questions, David Miller said that:

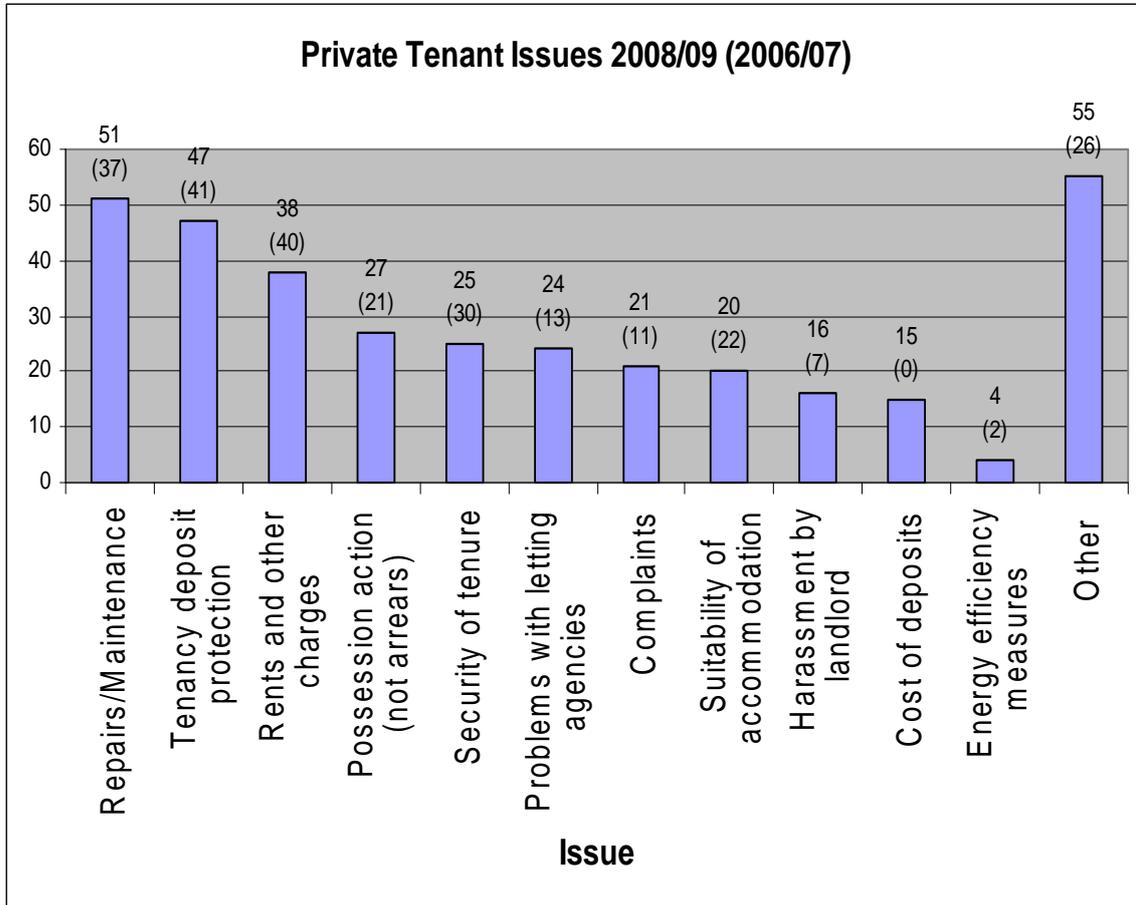
- Tenants are responsible for refuse disposal and this should be explicit in their contract. The witness agreed that landlords should be required to state when refuse collections occur as part of the Management Pack.
- In most cases, the tenant is responsible for the upkeep of their garden. Tools for this purpose should be supplied by the landlord. It would be unreasonable to expect a tenant on benefits to purchase tools.
- The most common type of problem reported by tenants to Agents is financial and relates to how financial institutions work and how the housing benefit scheme operates. We felt there is an opportunity for the Council as a lead agency to improve access to advice and guidance on renting in the private sector for potential tenants.

Private Sector Landlords

- We heard that a Landlord Registration Scheme (requiring licence) had been introduced in Scotland, whereby Landlords could not operate legally unless they were registered. We welcomed this initiative and felt that the Council should lobby Government to introduce a similar scheme in England. *(Since the conclusion of the review, we have learnt that the National Association of Estate Agents plans to introduce its own licensing scheme and that according to the Times Newspaper, anyone letting a residential property would have to pay £50 to register with a national body, under government plans to crack down on unscrupulous landlords. In effect, those landlords who do not maintain their property in good condition could potentially be struck off and have their licence revoked if the property was not kept in good condition. The newspaper reported that the reforms would be outlined in a Green Paper within the next 10 days (article dated 5th May 2009).*
- The witness also explained that the Housing Benefits system was a significant barrier to both landlords and Estate Agents. Housing Benefits received by Landlords as rent payments are prone to change on a regular basis depending on whether or not tenant find work and this makes income streams uncertain.
- We heard that tenants value and require a consistency of tenancy.

Information provided by CAB

- At our March meeting, CAB provided a summary of common issues for Hillingdon CAB clients living in private rented accommodation for 2008/09 (and 2006/07) excluding Gateway figures (96 clients referred directly to a pro bono solicitor). The following issues were highlighted:



In reply to Members' questions, the CAB representatives said:

- Many tenants in the Private Rented Sector found saving for rent securities difficult but there was no organisation they could refer clients onto.
- CAB had surveyed 20 lettings agents to provide a picture of rental charges in Hillingdon. CAB suggested that rents were steep and many clients on benefits found costs prohibitive.
- It is important that consistent language is used when providing advice to Homeless clients.
- It was positive that the Housing Needs Department had updated leaflets to clients but older leaflets (c2005) were still in circulation.
- Letters of referral (from the Council) to landlords might assist tenants to find accommodation.

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- f) Issues with the condition of housing stock are more common place at the lower scale of the housing market.
- g) Other issues faced by tenants include:
 - Landlords aversion to accepting Housing Benefits payments for rents
 - long standing maintenance issues
 - Instances where the late payment of Housing Benefit payment had resulted in rent arrears.

In addition to survey data, CAB provided some case studies which highlighted the types of issues faced by PRS tenants. These are listed below:

CASE STUDIES

Case A

A client's landlady wanted to evict him when he lost his job and went onto Job Seekers Allowance. He made a claim for Housing Benefit but the landlady said she had informed him when the tenancy started that she did not house tenants on Housing Benefit.

Case B

A client with 7 dependent children (and 1 non-dependent) is living in a privately rented property. She and her children are not able to make use of the 3rd bedroom as it is badly affected by damp. The walls are peeling, the carpet waterlogged and black mould has damaged her furniture. Food stored in her kitchen cupboards is ruined by damp. When she complained to the letting agent, she was told she should leave windows open to ventilate the property. She is now suffering from asthma and her children have skin rashes.

Case C

A client applied for Housing Benefit in September 2008 and his claim had still not been processed in February 2009. The client owes his landlord rent arrears for 5 months and has been threatened with eviction.

A POSITIVE CASE STUDY

Case D

Following relationship breakdown, our client was left with three dependant children and rent arrears of £2,938.40. The client's ex-husband was the sole tenant and the tenancy was coming to an end. The letting agent, Orchard and Shipman, liaised with the landlord and it was agreed that our client would take over the tenancy, with the rent being paid by Housing Benefit to which she was entitled. The landlord would pursue the ex-husband for the rent arrears. The helpful and understanding attitude of the housing officer from Orchard and Shipman made these extremely stressful circumstances much more bearable for the client. Instead of facing potential homelessness, this family has retained some stability at a difficult time. This type of support from letting agents stops a spiral of problems as a result of relationship breakdown, low income and homelessness.

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To improve the conditions of the Private Rented Sector in Hillingdon, CAB suggested the following steps could be taken:

- Looking at resourcing issues to ensure a proactive approach is taken when managing housing conditions, to lessen the possibility that vulnerable tenants suffer in silence. (A lack of security of tenure and the fear of retaliatory eviction means that many tenants will not complain).
- Ensuring that prospective tenants are aware of the advice and guidance available to them when making a homelessness application.
- Possible further investigative work to deduce the proportion of tenants living in non-decent homes.

Subsequent information was also provided CAB. See backing documents.

Views provided by Kingdom Way Resident's Association (HMO issues related to Brunel)

- Representatives from the residents association raised a number of issues associated with the growing trend of *studentification*¹. These are highlighted below:
 - *Loss of Homes* – We were told that as a result of the recent expansion of the Brunel campus a number family homes have already been and others continue to be converted by landlords into HMOs for students. As a direct result this has reduced the number of PRS properties available to local people. As student densities have increased, the remaining larger families homes have been purchased to accommodate as many students as possible in a single dwelling. In most cases, larger family homes now accommodate far more students than the original number of bedrooms.
 - *Loss of Community Spirit* – Students are a transient population and have little or no interest in meeting local neighbours or participating in community activities which has resulted in pockets of local residents feeling isolated in their local community. This is especially pronounced during the summer months when neighbourhoods are left dormant because too many properties (HMOs) in one area are rented to groups of students. Significant numbers of empty properties may also contribute to local crime rates.
 - *Loss of Civic Pride* – Tenancy agreements between PRS landlords and students do not appear to include conditions concerning the external appearance of properties and there is considerable scope to improve the appearance of the both front gardens and refuse storage.
 - *Anti-Social Behaviour* – HMOs in student areas are associated with excessive late night noise and inconsiderate behaviour which provides a bad role model to local children. If residents choose to take action

¹ The term 'studentification' was coined in a report by UniversitiesUK. This covers the effects on local communities of the huge growth in student numbers over the past 10 years.

against noise / anti-social behaviour, the evidence gathering process required by the Council's Enforcement Team is long and protracted and does not guarantee success. Littering, parking problems and the late night/early morning use of vehicles were highlighted as additional longstanding issues. As a result of these cumulative problems some local residents had contacted the residents association and said that they felt the situation was so bad they have moved homes.

- *Notice Boards & Brunel University* – The witnesses felt that more could be done by the University to police student notice boards (such as lockable notice boards) so that only those properties managed and controlled by the University could be advertised on campus. In this way, if problems were to arise, Brunel would be at least in part, responsible for resolving the issues.
- *Complaints* – Students have a vested interest not to complain about the activities of other student HMOs. Therefore there are few complaints, relative to the number of properties in densely populated student areas.
- *Neighbourhood Watch* - Transient populations and the sheer number of students in some areas make the identification of local residents virtually impossible. Costly electrical appliances are often left on view which may effect local crime rates.
- *Enforcement Action* – This process is ineffective as it is too slow. Properties often contain more than 6 people but students on short term leases can be moved easily to avoid enforcement action.
- *Summary* – As a result of studentification, some local areas have become:
 1. *More dirty*
 2. *More noisy*
 3. *Less cohesive*
 4. *Less desirable to families*

Private Sector Tenants

- We heard that most tenants found rental prices in Hillingdon were high and absorbed a high proportion of their monthly earnings. Tenants also found the cost of living in high and saving for deposits difficult.
- Tenants had differing experiences of the standards of accommodation within the PRS and considered that their landlord could have acted more quickly to address their concerns in some cases i.e. addressing damp in some rooms. While a significant proportion of PRS properties meet the decent homes standard, some properties fall well below this and appliances such as gas boilers are not maintained to meet safety standards. In such cases the Fire Brigade can pursue enforcement action which may result in Court proceedings.
- Tenants said that they had found it difficult to access information about low cost ownership and shared ownership schemes as viable alternatives to long term renting.
- We heard that not all landlords operate to universally accepted standards and that some undertakings at the commencement of a tenancy to provide fully furnished accommodation and include some service charges / Council Tax payments do not always materialise.
- In extreme cases, alleged threats of physical violence and intimidation tactics may have been used by landlords to either extract monies or induce tenants to terminate tenancy agreements. Thankfully, we were assured by officers that such extreme cases are rare. Officers explained that the Enforcement Team were particularly proactive and worked with tenants to offer advice and guidance
- We heard that in some cases a vicious circle could be created by some landlords when Council Tax payments were not maintained. Properties with outstanding Council Tax arrears provide a flag notification on Housing Benefits Claims. Usually such circumstances make tenants' claims for Housing Benefit extremely difficult.
- Current enforcement regulations in the Private Rented Sector 'lack teeth'. (see section *Regulatory and Control Powers Available*)
- Tenants which described long standing difficulties with their landlords suggested that there is a lack of legal redress generally available to those tenants suffering alleged abuse from PRS landlords.

Views of Private Sector Tenants

In addition to the evidence considered at the meetings, we asked officers to place a questionnaire on the Council website to obtain the views of people renting privately. The questionnaire prompted 62 responses. The information received reflects people who responded to the survey, and because the sample size was so small it does not necessarily represent the views of private tenants as a whole. The results are set out below.

An advert asking for views and contributions to the review was also taken out in the Gazette. *At present no submissions have been received on this, which is disappointing.* The general invitation to submit views has therefore been posted on the Council website and is being sent to local landlords, agents and partner organisations.

The table below outlines the basic details of private renters responding to the survey. In summary - Most rented directly from the landlord, were in self-contained accommodation and had lived in the borough for more than 5 years. The majority of respondents were aged 25 to 44, of white British origin and had lived in their present accommodation for less than a year. However, 36% had lived in their accommodation for 1 to 5 years and 12 % for over 5 years.

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Respondents to Council Website Survey

General Information	Percentage (%)
<u>Do you rent through an agent or direct from a landlord ?</u>	
Landlord	71
Agent	29
<u>Type of Accommodation</u>	
Bedsit	30
Sharer	11
Self Contained	59
<u>Length of Residence</u>	
Less than 6 months	29
6 months to 1 year	23
1 to 5 years	36
Over 5 years	12
<u>Length of Residence In Hillingdon</u>	
Less than 6 months	5
6 months to 1 year	5
1 to 5 years	35
Over 5 years	55
<u>Age or Respondent</u>	
16-24	7
25-34	29
34-44	33
45-54	20
55-64	11
<u>Ethnic Group</u>	
White British	50
White Other	8
Asian	12
Black	22
Other	8

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Respondents were asked how pleased they were with their accommodation. We heard that 57% percent were either satisfied or very satisfied, and 23% dissatisfied or very dissatisfied. In terms of how they rated their landlord or agent, 57% said good or excellent, 33% fair and 10% poor or very poor.

The survey also asked as to their housing plans for the next 2 years. Only 23% said to carry on renting, 27% to try and buy a home but 47 % to try to get a Council house or Housing Association tenancy. This is a reflection on those responding rather than the private rented sector overall as we are aware from other sources that over 90% of people in rented accommodation have aspirations to buy.

The questionnaire also asked if they had experienced a range of tenancy related problems in the previous 12 months. The information obtained is set out in the table below. People may have responded to more than one category.

We heard that - *repairs, keeping warm and making payments* were the largest areas recorded. Most people appeared happy with their landlord and had reasonable relations with neighbours and other tenants.

Tenancy Related Problems in the Past Year

Problem	Percentage (%)	Problem	Percentage (%)
Repairs	34	Neighbours	5
Management of shared areas	14.5	Garden Maintenance	13
Lack of basic amenities	6.5	Problem with other tenants/sharers	16
Unresponsive landlord/agent	18	Paying Rent	13
Overcrowding	8	Keeping Warm	26
Being asked to leave	8	Paying for heating	13

People were also asked if they wished to make any other comments, and 22 respondents out of 62 did so. These are listed below.. From this data, the most commonly recurring theme was the *cost of private renting and the standard of accommodation* for the money paid out.

**General Comments from the Private Tenant Questionnaire
“Consultation on the Experience of Tenants Living in Private Rented
Housing in Hillingdon”**

22 of the 62 respondents made comments and these are given in full below.

- 1 Is my deposit safe? Gave my landlord £650 deposit plus a months rent in advance but I don't think he has put this in an account or given it to the council to look after.
- 2 I think it is expensive to buy and rent in Hillingdon, I would like to move to a 2 bed roomed property but am struggling to meet payments on rent and bills in my current one bedroom property. I do not qualify for social housing and cannot afford to buy property, so feel that it is difficult for people like myself who work full time on a reasonable income are caught in a catch 22 situation. I may have to leave the area to find cheaper accommodation and may have to live with my parents again. There possibly should be monitoring of rent and the condition of privately rented accommodation.
- 3 My wife expecting a baby in may 2009 . Currently we are sharing a small room. We are looking for a private one bed room flat or house.
- 4 Privately renting is okay, but as I am a single mother with two children and working full time, I would prefer to be settled in a council/housing assoc home where the rent would be cheaper and I would not live with the fear that every year I may get a notice to leave the property. The house I live in is fairly unmodernised and I cannot receive the low house insurance that council tenants have the benefit of.
- 5 I did live in private sector 3 years with many problems. I was homeless last year We have been living in temporary accommodation nearly a year still we got many problems British gas and connught partnership strongly warned us not to use reception room, that is also fire room as a bedroom. Its not suitable for health and safety As we do not have enough bedroom my sons 22 & 17 there are on full time education these living situations prevent my son studying
- 6 The area where I live in not safe. My car been stolen October 2008 and the police never come back to me or call me for a report. I just came from abroad the 09 January 2009 and I noticed that the window (double glaze) was broken, the thief could not get in. I am on the first floor.
- 7 Private renting gives little security and is expensive
- 8 I have not rented through Hillingdon council. I prefer to have a one bedroom flat through council to rent now and buy later scheme. This allows employed people like me to see their dream of having their own place. Buying house or a flat at this current situation is almost impossible. I would request the council

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to review cases like mine to motivate and provide help to achieve their dream in the long run. All I want is my own one bedroom flat in a affordable rent so that I can start off my life and most importantly I can bring my two children stay over during the weekends, right now I can just wait and perhaps let the council hear my voice until.

- 9 Would like self contained accommodation. Private renting is not a good long term solution.
- 10 Prices high for small property. Standards are low
- 11 My experience of private renting is good, need a property without stairs because of my mobility problems.
- 12 Good service so far. No stress from anyone.
- 13 It has been very difficult as I don't have job and rent is too expensive. Solo are very nice people they help the people. I don't know what I would do without them.
- 14 Too expensive
- 15 I would like to move to a next accommodation, but is finding it very hard. Because no one want to accept, anyone who is on housing benefit, it is very depressing for me, because there is no help for people, like me. I have tried the council, but did not get any help. I do not want to live where I am for a lot of reasons, too much to mentioned. The council should pay more attention for people like me, who is very desperate, and don't know what will happened.
- 16 Can't wait to get out of this property
- 17 No I'm happy
- 18 Too expensive. Very poor condition.
- 19 Landlord is very slow to deal with repairs and when he does repairs, not done properly
- 20 The important thing for me is to try and get a job to get away from benefits
- 21 I have been bidding on LOCATA for years
- 22 It is hard to share facilities with other people

Complaints about Housing Conditions

In 2007/2008 Private Sector Housing received 3108 requests for service, of which 792 related specifically to defects in private rented accommodation. In 2008, the equivalent figures were 3863 and 1068 so there is a significant increase in the number of complaints received.

These increases parallel the growth of the private rented sector over the same period. Approximately 30% of these requests were concerning Council sponsored schemes such as Finders Fee and some Private Sector Leasing complaints, leaving 700 requests for service direct from private tenants. The majority of complaints relate to 'everyday repairs' and are resolved informally by speaking with, and writing to, the landlord or agent. Common matters include condensation, heating defects, overcrowding, leaking roofs, pipes, plaster and electrics.

Requests for Service to Private Sector Housing

<u>Service Requests to PSH</u>	<u>2003/2004</u>	<u>2007/2008</u>	<u>2008/2009</u>
All requests	2613	3108	3863
HMOs	153	327	323
All Private Housing Excluding Grants	1468	2196	2601
Private Rented Defects	Not recorded in same way	792	1068

Only a small proportion relates to property in very poor or dangerous condition where a more comprehensive and formal approach is needed under the Housing Acts. In these cases a detailed assessment is made under the Housing Health and Rating System to identify 'Category 1' hazards where action is required. Some of the range of actions and outcomes recorded so far for 2008/2009 are set out in the table below. The figure of 2614 cases resolved and closed includes those active from the previous year, 2007/2008.

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Private Sector Actions and outcomes: April 2008 to March 2009

Action/Outcome	
Cases resolved and closed	3151
Notices served of all types	218
Notices complied with	167
Works carried out in default of the owner	108
HMO dwellings Improved	626
HMO Licenses issued	54
Private Landlords Accredited under London Landlords accreditation Scheme	52
Cases referred for prosecution	4
Prosecutions Obtained	1

The cases referred for prosecution were all HMOs, and the successful prosecution was obtained against the owner of a very poor HMO where the Council obtained a £1000 fine plus costs.

A higher number of cases are prepared for prosecution, particularly HMOs, but it is common for the owner to revert the property back to single-family occupation before proceedings begin. The legal advice on this type of case has been that it is not in the public interest to prosecute for conditions that no longer exist.

Staff resources in Private Sector Housing make it difficult to have a proactive rather than reactive approach to dealing with housing conditions. Three Environmental Health officers and 2 Technical Officers deal with the service requests set out in the table above.

Despite this, benchmarking of Hillingdon's Private Sector Housing Service against other authorities in the West London Housing Partnership shows that Hillingdon provides very good value for money with correspondingly high outputs. A benchmarking exercise with other London Authorities is to be repeated in the near future.

To improve performance in managing additional HMO licensing, an Medium Term Financial Forecast bid has already been submitted for 2.5 staff. License fees received will offset a proportion of these costs.

3.2 Services Available from the Council to tackle the problems and enforce standards:

Regulatory and Control Powers Available

Enforcement Powers - Housing, HMOs & Empty Properties

The Housing Health and Safety Rating system (HHSRS)

The enforcement powers available to Local Authorities to require landlords to carry out remedial works, or take other actions relating to their properties, were changed by the introduction of the HHSRS in the 2004 Housing Act. This replaced the previous housing fitness standard, which had existed, with some amendments, for nearly 70 years. The new Housing Act 2004 came into effect from April 2006.

The new standard must be applied to all private housing, be it owner occupied, private rented, an HMO or an empty property and has the advantage of enabling a wider range of matters to be taken into consideration for possible action. There are now 29 separate hazards, which might need to be considered when inspecting a property and each would need to be assessed for each dwelling. These include fire, damp and mould, crowding and space, electrical hazards, lighting, excess cold etc which are all commonly found in the private rented sector.

The system enables a score to be calculated for each hazard and if this exceeds 1000 points then a Category 1 hazard is said to exist and this triggers action by the Authority. There are a range of options open to the Local Housing Authority and these range from:

- 1) Serving a Hazard Awareness Notice –notifying the landlord/owner of the existence of the hazard – no direct action taken as for very minor issues.
- 2) Serving an Improvement Notice - this requires the landlord to take steps to at least reduce the hazard so that it is no longer a Category 1 – used in more serious cases.
- 3) Serving a Prohibition Order - which would prohibit the use of the dwelling until the hazards are reduced.
- 4) Taking Emergency Remedial Action when there is a Category 1 hazard, which poses an immediate danger to the health and safety of the occupiers. The Authority can take steps to remove the immediate hazard, recharge the landlord and notify him within 7 days of the action taken.

The options 2) and 3) can all be served as “Suspended” Orders to only take effect when certain conditions are met, for example in order to avoid making a tenant homeless.

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Local Housing Authorities will all have enforcement policies which will set out when these options are, or are not utilised. There are, generally, rights of appeal against the formal notices and Orders, which are now heard by a Residential Property Tribunal rather than the magistrates' court, as in the past. This new system is more complex and time consuming to use, in practice, than the previous Housing Act enforcement regime.

Our general policy is to always use informal action first unless there is an immediate, serious issue needing prompt action to safeguard the health and safety of the tenants.

HMO Specific Enforcement

As well as assessing HMOs using HHSRS, we also have local adopted standards which set out acceptable levels of kitchen and bathroom facilities within a property with a maximum sharing ration of 1:5.

Under the Housing Act 2004, HMO Management Regulations are also included which cover additional areas such as cleaning of common parts, refuse storage, maintaining gardens etc

We also work in partnership with the London Fire Brigade who have powers under the Regulatory Reform (Fire Safety) Order 2005 to close down HMOs that pose a very serious fire safety risk to the occupants. These powers have immediate effect and can involve prosecution with fine levels much higher than in Housing Act cases.

Management Orders for HMOs & Empty Properties

As a last resort and for use in the most difficult cases, a Local Authority can use Management orders - Interim (IMO) & Final (FMO) management Orders for HMOs & Empty Dwelling Management Orders (EDMO) for Vacant properties, which enable us to take control of a property for a period of up to five years. During this time the Council is responsible for bringing the property up to a safe level of repair and managing and dealing with tenancies and day to day running.

We are currently involved in a West London tender process to appoint a Managing Agent to deal with any Management orders that arise across the seven West London boroughs. It is hoped a suitable agent will be in place by July this year.

Planning

There are no specific, statutory planning controls in respect of HMOs and proposals for HMOs are considered in the same way as all other planning applications. Proposals to convert dwellings are determined in accordance with the provisions of the Hillingdon UDP and any other material considerations.

There is, however, specific Supplementary Planning Guidance (SPG) on HMOs. This has been the subject of public consultation and carries considerable weight as a material consideration in the determination of applications. The current SPG on HMOs has, therefore, played a central role in the assessment of planning applications. A revised SPG will be considered by Cabinet on the 12th February.

As above, where properties are being used by less than six persons, living together as a single household, planning permission is not required. However, landlords are encouraged to apply for a Certificate of Lawful Development. If granted, this provides formal clarification that their property can be used in a prescribed manner without the need for planning permission.

Regulatory Responsibilities within Hillingdon

The resources available within the Council are currently insufficient to identify all properties, establish whether they require planning permission and to take appropriate steps to regularise the situation. Only known HMOs, or those brought to the Council's attention, are being dealt with by Planning and Housing.

Planning have recently appointed an additional enforcement officer, which has been of direct assistance. There are three planning enforcement officers with responsibility for all planning enforcement matters covering a wide range of land use planning breaches and alleged breaches. HMOs are not necessarily prioritised, given the range of other enforcement work which requires attention.

There is one HMO officer in the Private Sector Housing section and a manager who also undertakes some HMO Enforcement work. The HMO Officer is responsible for complaints from tenants, individual enforcement (often with Planning), programmed inspection of existing hostels, hotels and higher risk premises, licensing of new HMOs and HMO grants of all types. The remaining HMOs used to provide temporary accommodation for the homeless, which no longer include families, is inspected by the Temporary Accommodation officer in Housing. That officer inspects all temporary accommodation, the majority of which is self-contained.

The Building Control Service deal with fire requirements and other Building Regulation HMO matters through their team structure.

FINAL REPORT

Any significant increase in the number of identified HMOs will require additional resources in both the Planning and Housing departments given the substantial workload generated prior to, during and after the processing of an HMO application/registration.

It is not an option to identify an additional and substantial number of HMOs and do nothing about them. Officers and the Council could be liable if there was a fire death or serious injury in an HMO it was aware of, but had not taken or planned appropriate action. The Local Government Ombudsman would take a similar view.

In addition to hearing what action Officers can take, we also raised a number of further issues, including:

- The Powers are available to address issues with HMOs
- Local Authority Influence over landlords
- The different types of “standards in circulation”
- Effective standards / accreditation schemes (and the promotion of)
- The work conducted to highlight effective standards
- Tenancy Agreements and papers issued tenants by landlords

Powers to address issues with HMOs

Clearly not all HMOs cause problems, and many go unnoticed. However, others that may cause problems, often student or other ‘single household’ properties are perceived by the public as HMOs when in fact they are not (for the legal reasons round ‘one household’ above). As HMO legislation cannot be applied any intervention is generally through Noise legislation or, in some cases, the Public Health Acts

Local Authority Influence over landlords

Information is provided through the Council website, leaflets and the Hillingdon People monthly magazine. The Local Authority has a well attended and successful Private Landlords Forum where information is exchanged and partnership working on various schemes has been developed. Landlords are encouraged to join the London Landlords Accreditation Scheme (LLAS) which provides training courses on the essential legal and other information needed to run this type of business properly. Officers can also take action over landlords when either serious, immediate hazards are present or they do not carry out repairs within a reasonable time. The main powers are now within Part 1 of the Housing Act 2004 and include Improvement Notices, Prohibition Orders, Emergency Remedial Action and Hazard Awareness Notices.

The different types of standards for property

A number of standards exist. The Decent Homes standard provides a reference point for a minimum standard for all dwellings and requires that the dwelling is free from Category 1 Hazards and has a reasonable level of thermal comfort, amongst other things. This is not legally enforceable. Hazards, Category 1 and 2 are assessed by the Housing Health and Safety Rating System and the authority is obliged to take some action to deal with Category 1 hazards under the Housing Act 2004. The system is quite time consuming and complex to operate. We also have standards for Temporary Accommodation or PSL and Finders Fee properties before we make use of them for any scheme we place those threatened with homelessness in. The properties are checked by a Council officer before being taken on to the schemes to ensure they fully comply. The standard includes things that cannot be enforced directly by the local housing authority such as the condition of carpets and standard of decoration.

Effective standards /accreditation schemes (and the promotion of)

The standards adopted for Temporary Accommodation/Finders Fee are considerably higher than statutory standards. In time though, problems can of course arise from disrepair and component failure. The London Landlord Accreditation Scheme is seen as effective in providing the essential training and knowledge to landlords -many of whom only own one or two properties and may not be fully aware of their legal obligations or how to create and end tenancies properly and legally.

Work to highlight effective standards

In all schemes in which we place tenants who are homeless or threatened with homelessness a Council officer checks the property first or our managing agent does it on our behalf. It would be difficult for private tenants to assess whether a dwelling was "free from Category 1 hazards" but there are leaflets available on specific issues such as gas safety etc. The website might be organised to have a section designed specifically for private tenants and this is something we can look at.

What other powers do we have to encourage responsible landlords and to take action against inadequate landlords?

The Council has grant money through the West London Housing Partnership . This finance originates from the Greater London Authority Targeted Funding Stream allocations. This can provide some assistance to landlords to renovate their properties, usually in exchange for nomination rights for 5 years in most cases. The main powers we can take against landlords who fall down on their responsibilities have been set out above. However, enforcement action is complex and time consuming within the resources we have available.

What prevents us from doing more (to support good landlords/tenants)?

Resources are a limiting factor in preventing us doing more to directly support good landlords and tenants. Accordingly we adopt an informative and educational approach such as the London Landlord Accreditation Scheme, Landlord's Forum and direct mailings. HMO licensing is useful in this respect in that it places responsibility on the owner to comply. Failure to comply is punishable by a fine up to £20,000.

3.3 An assessment of any current gaps in service and action required by the Council to address these

Officers explained that the Tenancy Sustainment Team (TST) is to expand its remit shortly to cover 'Find Your Own' Finders Fee tenants (at present they provide a service to the Finders Fee only). In the future this might be further extended to cover possibly all AST tenants in the Private Rented Sector, although this would be subject to resources. The Team is designed to assist private tenants to sustain their tenancies and prevent homelessness resulting. It covers a wide range of matters including housing benefit problems and issues that arise between tenants and landlords. It also assists landlords who are having to deal with serious tenant behaviour issues.

4. 'To consider the opportunities that the sector presents and how these might best be harnessed' e.g. assisting the local authority in preventing homelessness, providing homes for first time Hillingdon renters, housing a flexible workforce for Hillingdon business and commerce.

4.1 A number of private developers and house builders have established shared ownership models whereby purchasers retain an equity stake and then they pay rent to the developer on the unpurchased equity. Barratt, Bellway, George Wimpey and Ballymore all offer this product.

Investors are developing REIT (Real Estate Investment Trusts) models for a privately funded rented product but were disappointed that tax breaks they sought were not forthcoming in the April budget.

[A REIT is a Residential Investment Trust, a fund designed to invest in new build rental accommodation. These are common in the North America and some parts of Europe. They became very topical a couple of years ago when residential property was expected to be brought into SIPP's but the Chancellor did not proceed with this initiative.]

The objective is to promote private rented accommodation as an investment vehicle providing long term revenue and capital gains. They are being promoted by a number of financial institutions such as New Star and backed by major property companies such as Grosvenor and Grainger and investors like Asif Aziz. There are only two funds set up but neither has invested yet until the tax break matter has been resolved].

With regard to shared ownership schemes these are part ownership and part rented. RSL's ask for rent on the unsold portion of the equity.

RSL's also offer an intermediate rented based on 80% of market rent, targeted at renters who are excluded from affordable renting due to income but cannot afford private rents.

RSL's also offer a rent to buy product where someone rents the property & has an option to purchase the property in 3 or 5 years at current valuation.

Closing Word

The Private Rented Sector is therefore a vital aspect of housing in Hillingdon. Since the last Housing condition survey in 2001, the number of private rented sector properties has increased by 46% and so we must do everything we can to assist and improve the quality of life of our residents in this sector.

Our review has shown that good quality, affordable accommodation is essential and has an important role to play in creating and sustaining a sector which creates an environment of mutual respect for both tenants and the communities in which they live.

However, there is no 'silver bullet' or single action that can be taken to solve all the problems associated with this market sector. Enforcement options available to the Local Authority are limited and are curtailed by current legislation, but this is not to say that action is not taken when possible. Officers are and continue to do considerable work to reduce the problems associated with the private rented sector.

Our review makes a series of recommendations which seek improve the regulatory control of landlords and suggest ways in which landlords can be proactive to improve the sector through a combination of accreditation and further partnership working.

Finally, the review identified that although support is available, there is scope for officers to improve access to information, advice and guidance to ensure that we, as an Authority, do all we can to help prevent homelessness and support vulnerable tenants. Good communication and signposting of services are therefore vital.