

Moving out of precarious housing

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Aims

- Much research on precarious housing focused on the social housing sector or at particularly groups such as the homeless.
- This presentation explores the challenges of inadequate or affordable housing in the PRS and how local government can use regulation to move people out of precarious housing.
- It looks particularly at the UK housing market and that of London.
- To explore the impact of the PRS on local income families and the impact of overcrowding on wider society a case study from the London Borough of Newham is introduced.

Defining precarious housing

- Precarious housing is inadequate or affordable housing, homelessness, or under-housing. (Wellesley Institute, 2010)
- It is a multi-level problem: hidden homeless, visible homeless, core housing need, inadequate housing, housing supply deficit and unaffordable housing.
- The lower end of the PRS offers one of the few housing options available to those precariously situated at the intersection between emergency / temporary accommodation and reasonably secure accommodation.

Why is housing important to health? (1)

- For more than a century, poor housing has been recognised as a threat to health.
- Housing acts as a pathway through which social and economic determinants of health influence population health.
- Poor housing affects some aspects of child development and elements of adult health. (Tunstall *et al* 2013, p.5)
- Poor-quality or insecure housing creates the risk of poverty or exacerbates the impact of poverty on living standards and life chances. (Marmot Review Team, 2011)

Why is housing important to health? (2)

- Housing and health are clustered. People in precarious housing have, on average, worse health than people who are not precariously housed.
- The relationship between health and precarious housing is graded. As health (mental or physical) worsened, the likelihood of living in precarious housing increases.
- Many internal housing conditions can influence health. In particular, cold and damp conditions can cause or exacerbate respiratory health conditions.
- Living in poor housing can also lead to an increased risk of cardiovascular disease and to anxiety and depression.
- Poor housing is said to cost the NHS at least £2.5 billion a year in treating people with illnesses directly linked to living in cold, damp and dangerous homes. (Kings Fund 2015)

What is the European perspective on the lower end of the PRS?

- The PRS is increasingly viewed across Europe as crucial to the tenure mix providing accessible accommodation for households, unable or unwilling to enter homeownership or social rented housing, who are at risk of homelessness.
- At the bottom end the PRS is volatile and unpredictable in terms of security of tenure and the quality of the accommodation remains focused towards short-term lets, and standards are poor.
- A key policy challenge is to devise mechanisms to improve the standards by improving tenure security, standards and rent stability without pricing the sector out of reach for marginal households. (O'Sullivan and De Decker, 2007, p.110)
- A perennial issue is how best to regulate the sector and how to enforce regulation and standards.

Precarious housing in the UK PRS

- The PRS houses 4 million households twice as many than in 2001.
- Between 1999-2000 and 2012-13, PRS households with children increased from 22% to 32%.
- One in five of the lowest income decile now rent privately. (Chartered Institute of Housing & Resolution Foundation, 2014)
- The UK PRS has evolved from a lifecycle stage on the way to owner occupation to a catch-all for different types of housing need including that historically met by social tenancies. (Reynolds *et al* 2013)
- The precarious situation in the PRS has a particular impact on children and is marginalising a whole section of society. (Thomas and Dorling, 2004)
- For single homeless households who lack priority for assistance in the statutory sector, the PRS is often the only housing option. (Rugg, 2014)

Precarious housing in the UK PRS (2)

- The PRS is characterised by short-term contracts, poorly regulated landlords, the worst conditions of any housing in England and increasing unaffordability. (Reynolds et al 2013)
- 1.3m renters now spend more than 35% of their disposable income on rent. In many cases these households have very few other housing options and some cut back on essentials to meet their housing costs.
- 39% of tenants have cut back on heating to pay their rent and 33% have cut back on food. (Chartered Institute of Housing & Resolution Foundation, 2014)
- The number of people in 'housing-cost-induced poverty' has increased over the past two decades. (Tunstall, 2013, p.5)
- Once housing costs are taken into account, the number of Londoners living in poverty doubles from just over one million to just over two million.

Precarious housing in the UK PRS (3)

- PRS homes are typically older and a higher proportion does not meet modern standards, when compared to those in other tenures.
- A third of the PRS in England fail to meet decent home standards. (UK Housing Review 2014)
- More than 1 in 10 families renting privately suffered health problems in the year to October 2014 because their landlords failed to deal with bad living conditions.
- Over 50% of private renters lived somewhere with damp or mould.
- 19% of homes in the PRS do not have central heating. (Chartered Institute of Housing & Resolution Foundation, 2014)

Precarious housing in the UK PRS (4)

- Particular issue at the bottom end of the market where unscrupulous landlords exploit vulnerable tenants who have limited housing options.
- These households find themselves housed in overcrowded or unsafe conditions by unscrupulous landlords.
- Tenants at this end of the market report instances of landlords refusing to carry out essential repairs and concerns about illegal or retaliatory evictions - whereby a landlord ends a tenancy in response to a request for a repair to be carried out or a complaint. (Chartered Institute of Housing & Resolution Foundation, 2014)
- Over 60,000 families were threatened with eviction in the past year, for complaining about bad conditions in their homes.

Regulating the PRS

- The UK has two types of landlord, the majority who are responsible and minority who are irresponsible. From this stems two regulatory strategies.
- For the responsible landlords 'responsible' self-government, community regulation and self-policing (voluntary licensing, accreditation, kite marks) – are appropriate.
- For the latter, more intrusive, disciplinary regulation is needed – licensing, housing benefit restriction, risk-based regulation of property quality (Carr *et al.* 2007, p.109).
- However, given the fragmented nature of the PRS it is difficult without a single system of licensing to know who the landlords are and where to focus enforcement activity.

About Newham

- Newham is an amazing place. Located in one of the world's great cities it is the most diverse place in England. We have one of the youngest populations anywhere in the country.
- Newham is a place of opportunity but also faces challenges.
- The borough is the 2nd most deprived local authority area in the country.
- On a broad range of socio-economic factors Newham faces inequalities when compared with London averages.
- Life expectancy in Newham is increasing but remains lower than the national average for both men and women.
- The mortality rate (at all ages) in Newham is the highest in London.
- The biggest causes of death are circulatory diseases, cancer and respiratory diseases.

Precarious housing in Newham - a case study

- High levels of relative and absolute poverty at 44%.
- Most residents rent their homes (69%), around half (48%) from the private rented sector (NHPS, Wave 7).
- The PRS sector is three times the size in Newham as it is in the UK.
- Demand for the PRS in Newham was leading to significant overcrowding, dangerous housing conditions and unlawful conversions.
- Newham has the highest level of overcrowding in London, 25% of all households are overcrowded.
- 42% of all households with dependent children are overcrowded.
- Overcrowding is more of an issue for those who rent from a property company.

Precarious housing in Newham - a case study (2)

- Renting in the PRS is very common among young tenants aged 16-34 (71% compared with 48% overall). It is also higher among Asian tenants (67%) and tenants who are White but not British (79%).
- The majority of tenants who moved into Newham in the last five years rent privately (85% compared with 16% of those who have lived in Newham for at least ten years).
- Nearly twice as many overall householders are dissatisfied with their accommodation (11% compared with 6% nationally). This level of dissatisfaction increases to 16% of the PRS households.

Precarious housing in Newham - a case study

(3)

- The median net equalized household income before housing costs in Newham is £15,704 compared with £22,204 nationally. This equates to only 71% of the national median income before housing costs (NHPS, Wave 7). Once housing costs are accounted for, this falls to 64% of the national median income.
- The median income of private renters in Newham falls from 76% of the national median to 62% after housing costs. Clearly, the cost of renting privately in Newham has a significant impact on the standard of living for residents even those with housing benefit.
- On average, residents who rent their properties privately pay 42% of their net household income in rent.

Using regulation to move out of precarious housing in Newham - a case study (1)

- Demand for the PRS in Newham and the cost of renting compared with local incomes leads to rogue landlords evading their legal responsibilities through the creation of poor housing conditions and the use of illegal buildings.
- Newham also suffers from significant and persistent anti-social behaviour related to the private rented housing stock together with poor tenancy and property management.
- Newham introduced borough-wide landlord licensing from 1 January 2013 using discretionary powers contained in the Housing Act 2004 to cover a five year period.
- Before its introduction private landlords were offered a reduced rate of £150 to license their property for five years. After 1 January 2013, the fee rose to £500.

Using regulation to move out of precarious housing in Newham - a case study (2)

- Newham introduced PRS licencing to improve four different housing conditions and reduce local ASB:
 - Tenancy management - managing ASB complaints, seeking references and having written tenancy agreements and protecting deposits;
 - Financial management - deposits protected, Council tax in landlords name (HMOs), arrears repaid;
 - Property management - working smoke alarms and gas/electrical safety certificates;
 - Occupancy management - control the number of tenants in a property based on room sizes and the level of amenities and facilities.

Using regulation to move out of precarious housing in Newham - a case study (3)

- A significant challenge for improving the PRS through regulation was to identify the PRS properties.
- The borough employed a sophisticated data-analysis system to identify unlicensed PRS properties by cross referencing over 80 data sources at the council's disposal, such as Census data, housing benefit and council tax records, and records of requests for waste management and parking permits.
- This data system allowed the Council to identify PRS properties, and to assist enforcement officers to target properties that may be unlicensed for inspection visits and to audit them for compliance with licensing conditions.

Using regulation to move out of precarious housing in Newham - a case study (4)

- Regulation will fail without adequate enforcement and Newham has backed up its landlord licensing scheme with license enforcement supported by housing and planning enforcement teams to drive up standards in the sector.
- Newham Council has made 611 prosecutions against 492 landlords in the two and a half years since its licensing scheme came into force.
- It has also banned 25 landlords from operating in the area and collected over £500,000 in additional council tax.

Conclusions

- Housing acts as a pathway through which social and economic determinants of health influence population health so understanding how to use policy levers is critical for those living in precarious situations.
- While Newham was the first Council in the country to adopt this policy response to precarious housing others have now followed demonstrating the applicability of this approach to wider local government.
- Local government can use its community leadership role to lever change in the housing market to improve housing conditions and public health for those living at the bottom end of the PRS and to reduce the problems caused by overcrowding for the wider community.

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