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# PRS Profiles: Learning from tenants' experiences to improve private renting in London

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Setting the scene: London's PRS today

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proportion of London households in the private rented sector (PRS) has grown from around 14% in 2003–2004 to almost a third 10 years later. By historic standards, this may not actually be that large[1], but the share of renters is projected to grow (Theseira 2013). Because of this, any discussion about London's housing supply crisis must include a consideration of how to increase the supply and improve the conditions of private rented accommodation.

Much of the recent growth of the PRS in the UK is the result of the relaxation of rent regulations and the introduction of buy-to-let mortgages in the 1990s (Theseira 2013; Scanlon *et al.* 2013); as the sector is dominated by individual landlords who entered the market through buy-to-let, growth in private renting has come about mainly through transfer of dwellings from owner occupation rather than new construction. The project Housing in London: Addressing the Supply Crisis has thus focused on how to substantially increase PRS supply as one of its four key themes.

Recent LSE London research on the rented sector in Scotland (Scanlon *et al.* 2013) and lessons that emerged from a workshop and site visit on this theme suggest that leveraging in institutional investment in the PRS may be one significant way to generate new supply. It also has the potential to improve management standards and diversify the current PRS offer, which will prove increasingly important as the sector is called upon to house more families and a wider age range of tenants. Some barriers exist which may discourage institutional investment, and thus far there are few examples of this kind of new supply (Get Living London's East Village and Fizzy Living are two London examples). But in both the London and Scottish context, increasing governmental support for large scale 'build-to-rent' and growing institutional appetite for long-term rental returns seem encouraging.

But increasing supply only addresses one side of the issue. To truly improve the sector requires a consideration of tenants' experiences and perceptions of the current rental offer. For example, Scanlon *et al* (2014) concluded in a comparative analysis of private renting families in London, Berlin, New York and the Randstad that these tenants desire accessible neighbourhoods, tenure security, and reasonable—predictable—prices. Forthcoming research by LSE London on housing options for young professional Londoners also indicates that this group—which itself is very diverse—in general would benefit from more options, flexibility,

here should seek to address the areas where the current PRS offer is falling short.

PRS Profiles is our way of beginning to explore the reality of tenant experiences. We believe that this will contribute to a more informed discussion of what new PRS provision needs to include.

PRS Profiles: An Introduction	

## Research objectives and methods

able to present a richer picture of how London tenants live, what their day-to-day experiences are, and how they perceive their housing situation in terms of their identity, the impact it has on other areas of their lives, and longer-term mobility. Interviewees were asked the same questions but were encouraged to guide the conversation, allowing us to capture their frank opinions.

We interviewed a range of individuals in terms of location, property type, age, household structure, and demographics (Table 1). The participants were chosen using a snowballing technique, with researchers approaching members of their own social and professional networks who rent privately. Consequently, the sample is not representative of the full diversity of London's renting population, but it does hint at some common themes. It should be seen as a pilot exercise leading to an eventual larger project.

**Table 1: PRS Profile Interviewees** 

Name	Age	Profession	Area/Post Code	Borough	Post Code	Property Size
Simon	20s	Research Assistant	Kentish Town	Camden	NW5	1-bedroom flat
Sita and Adele	20s and 30s	PhD Students	Camberwell/Denmark Hill	Southwark	SE5	Rooms in shared house
Laura and Theo	30s	Filmmakers	Forest Hill	Lewisham	SE23	Room in shared house
Malgosia	40s	School Caterer	Mitcham East Fields	Merton	CR4	1-bedroom flat
Farah and Eric	30s	Academics	Finsbury Park	Hackney	N4	1-bedroom flat
Sara	30s	Events & Communications Professional	Stoke Newington	Hackney	N16	Room in shared house

with landlords and agents; compromise; poor conditions; a lack of alternatives; and insecurity. It is important to note that although we have chosen a single profile to illustrate each theme, the individual stories are not intended to be wholly representative of the experiences of renters across London.

## The profiles

# Finding PRS accommodation: a confusing and frustrating process

#### Laura and Theo

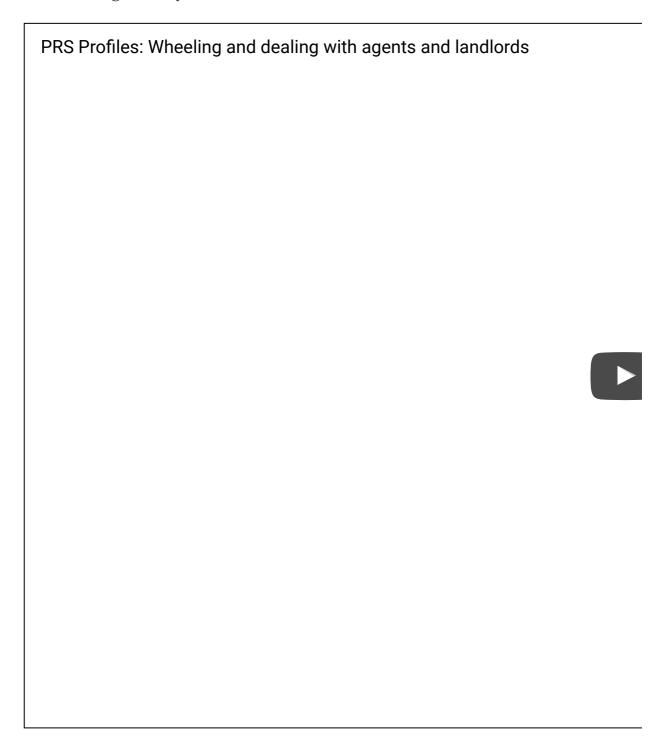
- 30s
- Filmmakers
- Live in a shared house with their landlord and her daughter
- Forest Hill (SE23)
- Average weekly rent for room in SE23: £93[3]



Laura and Theo described the complex and stressful process of finding PRS accommodation in London. In only 2 ½ years the couple have lived in four different flats, and they feel that the relocation process is fraught with misinformation, lack of clarity, and time pressure. They said they felt manipulated and deceived both by professional agents and unprofessional landlords – sentiments echoed by our other interviewees. Most of our interviewees expressed satisfaction with their current homes but said this was more down to luck than to design, as flat-hunting in London requires not only time, energy and money but also good fortune.

## Wheeling and dealing with landlords and agents

- 20s
- Research assistant
- Lives in 1-bedroom flat with his partner
- Kentish Town (NW5)
- Average weekly rent for 1-bed flat in NW5: £320



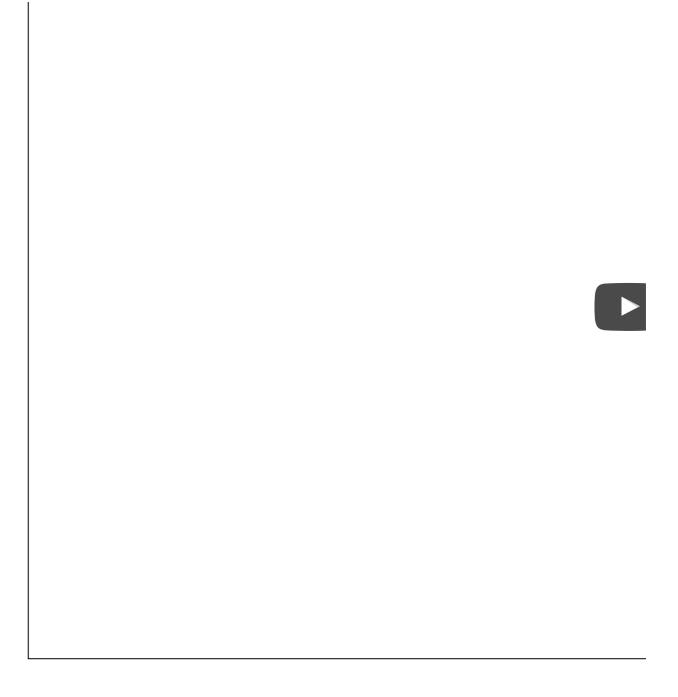
Our interviewees rented their property from a variety of different types of landlords. Some had worked with agents while others dealt directly with the

advantage, but unprofessionalism has resulted in some interviewees being asked to carry out (and at times pay for) tasks that should fall under the landlord's remit. Because of the hot rental market, there is an increasing role for letting and managing agents in the PRS, and by and large our interviewees felt fees for holding properties, renewing tenancies, checking references and other such services were too high. Nevertheless, they felt they had no choice but to pay them if they wanted to secure a quality unit or remain in their home.

## The necessity of compromise

#### Sara

- 30s
- Events & communications professional
- Lives in a shared house with four other people
- Stoke Newington (N16)
- Average weekly rent[4] for room in N16: £162.50



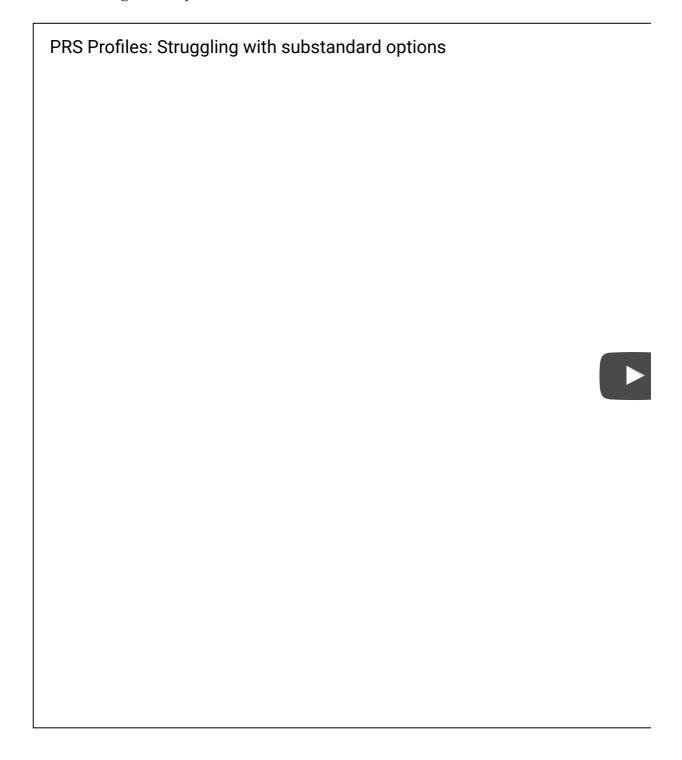
As Sara's story illustrates, London renters increasingly have to compromise in order to continue renting in the city at a price they can afford. Some sacrifice space, others privacy, others commute long distances whilst an increasing large unlucky group must accept substandard conditions. Compromise, for all of our interviewees, is a defining feature of the rental experience in London.

## Struggling with poor conditions

#### Malgosia

■ 40s

- Mitcham East Fields (CR4)
- Average weekly rent for 1-bed flat in CR4: £190



Landlord licensing/registering is not mandatory across London and research shows that standards in London are uneven (Theseira 2013). Malgosia feels that it is assumed that low-income families have to put up with poor conditions. She said neither of her landlords had adequately maintained their properties. Not all of our interviewees struggled with poor conditions, but said standards in London's PRS in general were low—as Laura put it, 'if it's cheap, it's because it's bad.'

#### Adele and Sita

- 20s and 30s
- PhD students
- Live in a 2-bedroom flat
- Denmark Hill (SE5)
- Average weekly rent for 2-bed flat in SE5: £322

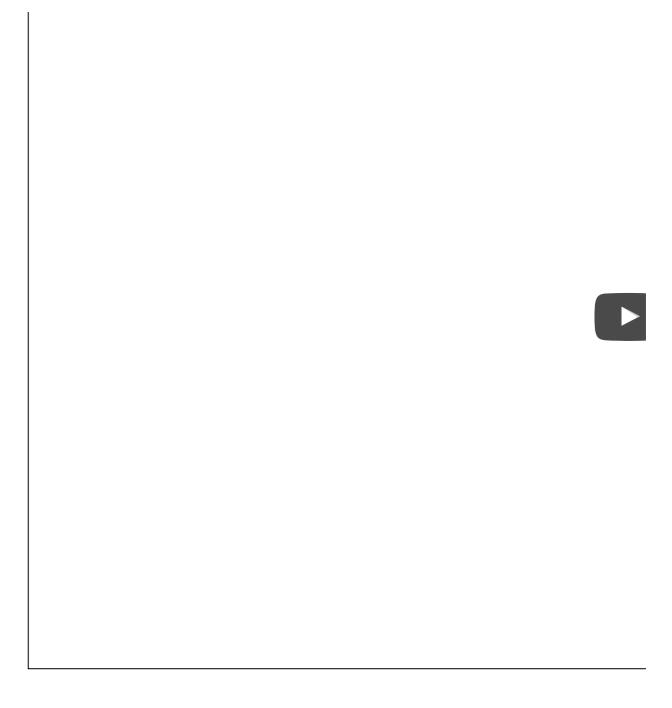
PRS Profiles: Desiring alternatives, but needing security

limited to the standard private rental offer. While some saw the flexibility of the PRS as an advantage, others wished they could make a bigger investment in their home or their area even if home ownership were not an option. In the standard model of PRS, though, this did not seem to be possible.

### Insecurity and inequity

#### Farah and Eric

- 30s
- Academics
- Live in a 1-bedroom flat
- Finsbury Park (N4)
- Average weekly rent for 1-bed flat in N4: £282



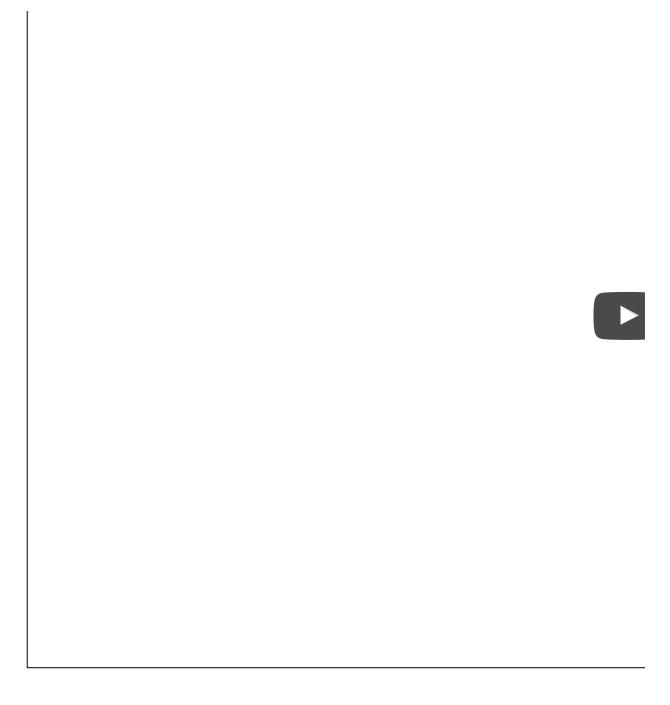
The standard private rental tenancy in London is between six and twelve months (Scanlon *et al* 2014), and almost all of our interviewees expressed anxiety about the stability of their rental situation. Rolling contracts are very common, and as Farah and Eric explain, there is often a choice between renewing a longer-term arrangement and avoiding a rent increase. The unpredictability and instability of renting is a cause of significant 'stress' and 'anxiety' in the words of the interviewees.

Farah and Eric also conveyed a message echoed across most of the interviews: they see the increasing pressure on the PRS and problems of standards, regulation and affordability as an issue of equality. The PRS now houses more and more types

income groups more quickly and more significantly; the interviewees therefore expressed dissatisfaction with the sector not only because of their personal situations but because of its wider social implications as well.

## **Analysis and recommendations**

Our final video juxtaposes our individual participants. It reveals that tenants in London's PRS often value different things about renting, have different housing aspirations, and have had different housing trajectories. But it also shows important points of commonality, particularly concerning what they have found difficult about renting in London.



The intent of PRS Profiles was to learn more about tenant experiences in London in order to better inform our recommendations for how to improve private renting. In summary, the interviews have shown that:

- New supply should provide a more diverse array of options for private renters. A one-size-fits-all model for the PRS will not satisfy the existing tenant population let alone the increasing number of families and age groups that are likely to enter the sector.
- There is a need for more stable and long-term tenancies and greater transparency around new lettings. The two areas that caused the most emotional hardship and anxiety for the participants were the frustrating

deal of the stress associated with renting in London.

- Standards of landlord and agent professionalism and property quality need to improve. Tenants should be better informed of their rights, landlords should be better informed of their responsibilities, and standards should be better enforced across the sector.
- It is vital to remember that housing tenures are inter-related so that increasing the supply of PRS accommodation can only be part of the solution to the housing supply crisis. Undeniably, new PRS supply is needed and if it adequately responds to the needs of London's renters, it could result in a step-change improvement in the sector. But importantly supply needs to also increase in other tenures—for social or intermediate rent, as well as for owner-occupation—so that some pressure may be alleviated from the PRS.

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- [1] In the 1960s, 45% of London households rented privately (Theseira 2013)
- [2]One interviewee, Malgosia, was interviewed away from home.
- [3] Source for all rental data except for Stoke Newington (Sara): https://www.london.gov.uk/priorities/housing-land/renting-home/rents-map
- [4] Source: http://www.home.co.uk/for\_rent/stoke\_newington/current\_rents? location=stoke\_newington
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Video: Lessons from a recent site visit to Greenwich Peninsula →

# One Comment on "PRS Profiles: Learning from tenants' experiences to improve private renting in London"

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(It's a data protection issue I guess, but..) It's a shame the table doesn't tell us their current rents too.



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