



Zacchaeus 2000

**Response to the
London Assembly Housing and Regeneration Committee's
Review of London's Private Rented Housing**

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Zacchaeus 2000 Trust (Z2K)

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Introduction

1. Zacchaeus 2000 Trust (Z2K) is a London-wide anti-poverty charity that promotes the improvement of living conditions on the basis of economic and social justice through the provision of evidence-based policy alternatives to government, and by providing advice and advocacy services which involve direct engagement with the lives of the poorest and most vulnerable.
2. In response to the recent changes to Local Housing Allowance (LHA), Z2K has set up NextDoor; a dedicated project working to raise awareness of the impact of welfare reform on the Private Rented Sector (PRS) in London, and acting to mitigate the worst effects of these changes for low income households. NextDoor currently offers a range of services, including:
 - A specialist Housing Benefit Cuts Helpline;
 - A specialist casework and advice service aimed at households threatened with homelessness as a result of cuts to their housing benefit;
 - Training sessions on the changes to housing benefit and welfare reform, including Universal Credit and the Benefit Cap;
 - Access to information packs and materials;
 - Conferences aimed at professionals and policy makers engaged with welfare reform and housing; and,
 - A Private Rented Sector Access Scheme, which aims to help those moving within the private rented sector to access sustainable tenancies with reputable landlords.
3. Since going live on the 16th of January 2012, the NextDoor advice and casework service has provided advice and support to over 210 households and is currently accepting referrals from a range of statutory and voluntary sector support services, including: social services; children's services; environmental health; Westminster and Kensington & Chelsea's Community Mental Health Teams; local schools; and support services for parents of children with learning disabilities. As most of our referrals come from support services, our clients represent a variety of needs, ranging from language barriers to debilitating illnesses.
4. Z2K also provides a generalist advice and casework service offering in-depth and longer term support for people struggling on low incomes. This service primarily focuses on those facing debt as a result of: over and under-payments of benefits; benefit sanctions; unmanageable debt repayment arrangements; bailiffs; utility bills; Council Tax liabilities; and rent arrears. Z2K also offers support in the form of non-legal representation at Tribunals, County Courts and Magistrates, and supports and trains other organisations to do the same.
5. Z2K is a member of various welfare reform, debt and enforcement, and housing working groups and forums, including the Pro-Housing Alliance, whose recommendations are being sent separately. This response owes a great deal to the Pro-Housing Alliance's expertise, but goes further by focusing directly on the Private

Rented Sector (PRS), the effects of welfare reform, and drawing on our own casework for practical examples and scenarios.

6. Z2K is also funded to bring test cases against the government, and we are currently in the process of bringing a judicial review against the Secretary of State for Work and Pensions, on the grounds that the regulations which purport to bring in the new Consumer Price Index (CPI) method of uprating LHA are both ultra vires and fail to comply with equalities legislation. From April 2013 we expect to bring further legal challenges, particularly against the new Benefit Cap.

Affordability and tenure

Historical context

7. Since the election of the Conservative government in 1979 we have seen a range of policies that have fundamentally altered the nature of the housing market in the UK. Unfortunately it is not possible to understand the impact of these policies in isolation or by their effect on each individual sector. Instead, one must take a holistic approach that recognises the interdependent nature of the sectors, particularly in London where there is a greater mix of tenures. For example, it was not the Right-to-Buy alone which led to the current problem of supply within the social rented sector. Rather, it was the simultaneous restriction on the ability of local authorities to replace these properties through the reformulation of social housing finance and deregulation of financial capital which together led to the current situation. The consequences of the Right-to-Buy cannot, therefore, be understood properly without this wider understanding of the artificial restriction on the supply of housing and the credit-driven demand for homeownership.
8. The introduction of the Right-to-Buy not only saw the selling of many previously council-owned properties to the resident tenants but also, as house prices increased, the acquisition of additional properties by these former tenants and the letting of their former council properties or the selling of them directly into the Buy-to-Let market. As Buy-to-Let is merely a change of tenure rather than additional supply, often this type of activity in the housing market can hide the fact that additional transactions, and the wealth that comes with them, do not indicate the operation of a healthy market, but merely produce benefits for the wealthy and aspirant from a restricted supply of housing stock.
9. As inelasticity of supply in the property market increases the volatility of the market as a whole, the failure of successive governments to promote adequately the provision of additional supply has contributed to the artificial increases in house prices that have been seen over the last 15 years or so. While the UK has not experienced the widespread repossessions and homelessness seen in the United States and Ireland, the fact that the UK is failing to change course in the face of evidence gleaned from these countries means that a similar housing crash in the future looks ever more likely.

10. This period also saw the reform of private sector tenure in the hope that this would fill the void left by the diminishing social housing stock. In order to do this the government had to address the chronic shortage of PRS accommodation that stemmed from landlords' lack of willingness to offer assured tenancies, which offered near lifetime tenure and limited grounds for recovering possession. This led to the introduction of the Assured Shorthold Tenancy, which significantly reduced tenure to as little as 6 months, but usually around 12. Since the introduction of the Assured Shorthold in 1989, the PRS has doubled in size and now threatens the social rented sector as the second most used tenure, if it has not already reached that level.
11. The late 1980s also saw massive stock transfers from local authorities to housing associations, and later the separation of ownership and management through Arm's Length Management Organisations. This demutualisation of previously publically owned housing stock has created a number of tensions which are ever more relevant today. Although housing associations are non-profit making organisations, in order to secure their futures they must focus on growth and over the years have begun to act more and more like businesses. This creates a tension between the organisations' charitable objectives and their desire for growth. The Affordable Rent Model and welfare reform provide clear examples of this tension in action. On the one hand housing associations are charged with providing housing and housing-related services to vulnerable and/or low income groups, but on the other they need to balance their accounts and justify their spending in order to debt finance new builds. If housing associations will, in the future, provide accommodation at or near full market rents, how will they reconcile the interests of those to whom they owe a moral, civic and social duty, with their contractual obligations to their private tenants, not to mention the banks and institutions that fund them?
12. The peculiarly English fascination with homeownership has seen successive governments encouraging owner-occupation and Buy-to-Let while discouraging social house building. This has been done through the liberalisation of the mortgage market, with banks looking to international capital markets and inter-bank loan arrangements in order to fund cheap and easily accessible credit. Alongside this, various and wide ranging tax incentives were introduced in the late 1990s, which allowed Buy-to-Let landlords to offset mortgage interest payments against their income tax. Or, for individuals with larger holdings, to allow them to isolate themselves from financial losses almost entirely, by establishing companies that allowed for the deduction of losses from their corporation tax. All of these promotional devices continue to deprive the HM Treasury of several billion pounds per annum.
13. Another negative consequence of our obsession with ownership is that consumption becomes based on equity withdrawal and credit rather than investment and savings. When combined with historically low interest rates this means homeowners pushing money into paying off their mortgages for retirement rather than saving or paying into a pension fund. This leads to the accumulation of individual property wealth at

the expense of the collective wealth of pension funds, which are much healthier for the economy.

14. The dependence of the UK mortgage markets on cheap foreign and inter-bank credit has meant that government attempts to stimulate the first time buyer's market with low interest rates and stamp duty exemptions have been unsuccessful. This effectively locks out anyone without a considerable deposit, benefiting those with family assets but ensuring that those without are forced into remaining in expensive PRS accommodation, the price of which itself limits their ability to save for one.
15. The failure of wages to keep up with property price inflation has been masked by the ability of middle income groups to access cheap affordable credit which allowed them to buy. This in turn led to the further fuelling of disparities between house prices and income as buyers continued to be able access cheap credit from banks that leveraged it on international markets, even though wages have remained largely static. This meant that income was no longer a barrier to homeownership, even in areas of high property price inflation, and this fuelled an unhealthy and, for the United States and Ireland, disastrous property boom which culminated in mass repossessions and rising homelessness amongst lower middle class groups.
16. Increases in the ratio of house prices to income are effectively inter-generational transfers of wealth from the young to the old, as well as from lower to higher income groups. It is already increasingly apparent that any given person's ability to increase their wealth is largely a function of their families' pre-existing property wealth, rather than their ability to work hard, contrary to Thatcher and Reagan's original UK/American dream. We are therefore faced with the possibility of a new Feudalism where wealth and the ability of someone to produce it, is increasingly arbitrary rather than a product of individual endeavour.
17. Such redistributions of wealth also occur through the concentration of and investment in public goods, such as good schools and transport link, in areas with high cost housing. Although London has traditionally resisted this trend, the likely failure of the London Plan, in a time of austerity and Conservative economic thinking, to ensure that mixed communities are effectively promoted, means that the geographical and spatial concentration of poverty, and the segregation and ghettoization that follows, are likely to intensify. Altering the London Plan's over emphasis on promoting private developments in areas with high levels of social housing may go some way to remedying this, but this can only be as effective as the number of builds that are started in the first place.
18. The limited ability of first time buyers to enter into homeownership is further exacerbated by the increasing numbers of property acquisitions from abroad. Although promoting international diversity should be a core goal of government, most of these sales are made at foreign auction and do not represent a direct contribution into the wider cultural or social economy. Instead they represent the buying up of London's property by foreign investors looking for a secure place to stash their money. Even more worrying is that often these properties remain empty

rather than being tenanted. Yet no concerted effort appears to be being made to ensure that these properties do enter the lettings market, except for the woefully inadequate application of Council Tax liabilities, which will inevitably fail to incentivise any foreign investor with the resources necessary to buy in the first place.

19. A total of 9,300 house purchase loans were made to London purchasers in 2009, Q1 (GLA 2009). The median age of the borrower was 35, the median income £50,503, the median proportion of value advance 72% and the median income multiple 3.11. If figures like these continue to increase, only those with pre-existing wealth will be able to buy in London, further fuelling the demand for PRS accommodation.

Recent developments

20. Most commentators agree that public subsidy of PRS accommodation needs to be curtailed. There are however wide divergences in thinking about how this should be achieved. While we would advocate investment in the social housing sector, this is antithetical to the beliefs of many in government. As the dominant economic thinking of the time revolves around the demutualisation of previously untapped economic resources, as emphasised by Grant Shapps' endorsement of the recent Policy Exchange report 'Ending Expensive Social Tenancies', there is little hope of a 1960s-style renaissance in social house building.
21. The title of the report itself exposes the predominant belief within the economic Right that the exchange values of social housing are worth more than their use values i.e. that the social benefits of mixed communities are of less value than the revenue that could be achieved by breaking them up. Not only would such an approach fundamentally alter our system of allocating social housing, with nominations operating across local authority boundaries thus requiring those seeking social housing to move out of their local areas, it would also be a one-time only transfer of public wealth into private ownership. While the Right-to-Buy provided a step up for many lower income households with little or no chance of getting on the property ladder, the selling off of 'expensive' social housing merely provides for accommodation in cheaper, under-developed areas, thus reducing the life chances of those who live in them and condemning them to a life of economic exclusion and social isolation.
22. While the Affordable Rent Model may contribute to additional supply, affordability notwithstanding, it is not a sustainable or long term solution to the lack of supply. Debt financing new builds can only be done once in a generation and the financial risk that this places on housing associations is unacceptably high. Not only is this a short term and partial solution, the wider economic problems facing the country mean that the number of properties actually completed are nowhere near the levels promised.

Why is the cost (in terms of rent and public subsidy) rising?

23. The Buy-to-Let market is merely a change of tenure rather than an addition to existing stock. This is true of former council homes sold under the Right-to-Buy, as it is true of those who take on the homes of former owner-occupiers. Not only does this fail to increase supply, thereby pushing up house prices, it also increases housing benefit subsidies for those who live in them. If rates of homeownership continue to decline and social house building does not fill the gap, the number of people living in the PRS will increase, setting up another range of problems for the future. At present over 80% of pensioners own their own home. As our population ages and grows, there is a danger that the state will be forced to subsidise its older generations as they leave the employment market without assets or an adequate pension, and are left in need of expensive PRS accommodation.
24. As the United States has demonstrated, moving towards a system of private ownership and provision of services does not reduce welfare and associated spending. In fact, if the United States healthcare system is anything to go by, it actually increases it. The same is true of the United States' predominantly owner-occupier and private rented housing economy. It is important to remember therefore, that moving away from socially democratic principles does not reduce the tax burden or the need for borrowing, and merely divests government of control of how that money is spent.
25. Since the economic crash of 2007/08, pay freezes in the public sector, redundancies, reductions in hours, the further peripheralisation and fragmentation of the labour market, and fierce competition for jobs, have all pushed up the housing benefit bill, with many households claiming for the first time.
26. As personal incomes continue to be squeezed and rental price inflation continues unchecked, the likelihood that working households will find their wages insufficient to meet their housing costs will grow. DWP statistics from 2009/10 show that the total number of households who were entitled to but not claiming housing benefit was between 750,000 – 1.14 million, with a total saving of between £1.8 – 3.1 billion. As other benefit reductions hit, and the economy continues to shrink, it is increasingly likely that many of those who have never claimed before will be forced to do so.
27. The status quo is artificial. Historically low interest rates, the increased availability and coverage of Mortgage Interest Payments, and mortgage-provider forbearance (in order to keep the existence of toxic debts off their balance sheets) have all contributed to a situation where hundreds of thousands of people are continuing to live in properties that they ultimately cannot afford. If interest rates were to increase without a concomitant rise in house prices, many people who bought just prior to the recession would be likely to find themselves facing repossession. As the only bodies capable of buying these properties out from under them are likely to be wealthier organisations and individuals looking to convert them into rental income streams, we may see ownership moving away from individuals and towards larger private holdings.

Can rent rises be made more stable and predictable?

28. As the PRS is fragmented and made up primarily of small landlord holdings of less than 10 properties, any changes to the market conditions are likely to have unpredictable effects. However, the movement away from a PRS made up of small time 'accidental' landlords to one based around large scale institutional investment should be welcomed. Not only would this increase supply, thereby making the housing market less volatile, it would also mean more people saving and contributing to pensions, rather than trying to pay off mortgages.
29. Rather than concentrating on the short term capital gains of individuals, government needs to focus their attention on engaging larger organisations looking for longer term and safer investments. Pension funds are an obvious contender, and linking pensions to real estate values ensures that the two remain in equilibrium rather than wealth becoming increasingly concentrated in the hands of the few.
30. The Montague Report's focus on private investment is unnecessary and potentially stores up problems for the future. As private developments would no longer need to ensure a proportion of their builds were affordable, only middle income households would be able to afford to rent them, thus forcing low income households further away from development centres. It would also remove any power on the part of government to ensure that rental inflation is contained, as the financing of these developments will be based on exactly that, increasing rental returns.
31. Instead, other bodies with similar purchasing power could be incentivised to build. At a time of austerity, housing associations may be the only viable option, and many are already expanding their private developments and purchases in order to secure themselves against deep cuts to welfare benefits and the threat it poses to their income streams. However, this does raise the same concerns about demutualisation as above, and government will need to be sure to balance the need for greater investment in new stock with the need for continued support for low income households unable (post LHA changes) to rent at market prices.

What is the impact of rent increases on low income households and the implications of increasing public subsidy of private landlords?

32. It is increasingly apparent that in order to live in London low income families must pay more and receive less than most other families across the country. Although many landlords are happy to keep housing benefit tenants in their homes for the long term, they are also looking for a healthy return on their investment. This means that most landlords will increase rents with the signing of each new 12 month tenancy. If the tenant does not see a concomitant rise in their income (wages and/or housing benefit), they will be forced to make this up from other sources, including benefits meant for particular purposes, such as child benefit or Disability Living Allowance. With this reduction in disposable income intended for essentials such as food and clothing, comes the type of deep poverty that can become

entrenched in families and trap children in a cycle of deprivation and disenfranchisement.

33. The growth in the working poor caused by the failure of wages to keep up with inflation poses difficult questions for government. Not only does it lead to lower rates of consumer spending and higher levels of socio-economic exclusion, it can also be very divisive within communities and generate resentment against immigrants, for stealing British jobs and pushing down wages, and welfare recipients, for pushing up government subsidy. Whether governments will play on and exploit these socially divisive elements for their own electoral purposes remains a real concern. While government's role should be to promote social cohesion by managing the realities of their citizen's lives, instead we see governments managing perceptions and fears through the increasingly moralised language of desert and individualism.
34. Low income households have been hit hardest and deepest by the recession. We are clearly faced with a dilemma; on the one hand we need to ensure that low income households can afford to rent in their local areas, and on the other we need to ensure that the housing benefit bill is not excessive. Unfortunately there is no easy and/or immediate solution to this problem as long as rental price inflation is allowed to continue unabated. What is clear, however, is that this is a problem that urgently needs to be addressed.
35. However, as the Coalition Agreement specifically discounts any new forms of regulation, the possibility that rent controls will be introduced is slim. There are very good arguments to support such a move, however, and the necessary infrastructure are already available. For example, the Valuation Office already collects data on local market rents and will continue to do so after the move to uprate according to the CPI. This data, along with local authority Council Tax records, could be used to constrain rent increases in certain parts of the rental market. There would be no reason for such an approach to impact on the top end of the market, and regulation could instead focus only on those properties needed to house lower income groups.

What is the nature, scale and extent of public subsidy to the sector in London?

36. Subsidy can come in many forms and it is important to remember that tax relief is as important and expensive a subsidy as cash payments to welfare claimants. Although the 2012 budget ended unlimited income tax deductions for most popular tax allowances, the ability of individuals to deduct mortgage interest payments on residences other than their own homes still remains. This makes the Buy-to-Let market an attractive investment, which in turn pushes up house prices through added competition, and makes price inflation more volatile as the properties tenure becomes dependent upon its remaining profitable.
37. Reversing this process is not as easy as it would at first seem. Similarly to the way in which the large number of homeowners in the UK conditions decisions about interest rates, the large numbers of people dependent upon Buy-to-Let landlords makes attacking their revenue stream very dangerous. For example, the

consequences of reducing tax relief for Buy-to-Let landlords could mean their being forced to sell up or increase rents to make up the difference. The additional pressure on the PRS and council waiting lists could further expose the fragile nature of both sectors, not to mention our dependence on the PRS to support our lack of social housing supply.

38. There are additional dangers which face the sector as well. For example, the recent changes to the tax structure mean that many Buy-to-Let landlords will be facing a heftier than normal tax bill this coming January, and many will be forced into changing their business practices in order to survive. When constrictions on the availability of cheap credit in the form of both mortgages and loans are factored into the increased rent arrears caused by the removal of tens of millions of pounds worth of housing benefit entitlements, it is clear that the sector is already under considerable strain.
39. It is also important to remember that housing is one of the most basic social goods, upon which much else depends. Indeed, the effects of poor and expensive housing on low income group's well-being, including health outcomes and educational attainment, should not be underestimated. There is already considerable evidence to suggest that poverty and debt are causal factors in mental and physical illness, and these additional costs will be exported into other areas, such as health and social care.
40. Considerable funds are already spent policing the PRS through environmental health enforcement against private landlords who fail to comply with basic health and safety legislation. This in turn leads to additional funding requirements for local authority housing and social services departments, particularly through homelessness and child protection services. As the sector remains largely unregulated and anyone can enter the market with little or no scrutiny, there is a constant danger that unscrupulous individuals and companies will exploit the demand for cheap accommodation in inner London by renting out properties which would not ordinarily be available on the open market.
41. Regulating private landlords through accreditation schemes should be welcomed, but with the affordability issues that many of their tenants face, it is also important that good quality accommodation remains both available and affordable. If it does not, the increased regulation of so-called 'rogue' landlords will simply increase the pace of internal migration away from metropolitan areas, as it will incentivise landlords to refurbish and redevelop properties, and let them to higher income groups or sell.

What will be the impact of welfare policy changes?

42. The April 2011 changes to LHA, the housing benefit paid to the majority of private tenants, included:

- Setting LHA rates at the 30th percentile of market rents rather than the median; and,
- Absolute maximum caps.

43. However, both of these changes are now irrelevant because LHA is no longer based on monthly determinations linked to local market rents. Instead, it will now be uprated annually according to the CPI from the previous September, and rates have been frozen since March 2012 in order to set a baseline. As they have been frozen for over 5 months now, in most London boroughs we would expect the LHA rates to already be below the 30th percentile and falling with each month. It is misleading for government ministers to claim otherwise.
44. This raises serious concerns over the ability of housing benefit to ensure that there is a sufficient supply of affordable private rented accommodation within London. If rents continue to rise at inflation busting rates and LHA fails to keep up, less and less of London will be affordable to those on low incomes. Instead they will be forced into the cheapest properties within the cheapest wards of the cheapest boroughs, leading to ghettoization.
45. The initial argument for these changes was that LHA had artificially inflated rental prices and that reducing subsidy would bring down rents. This has now changed, however, to an argument that centres on the apparent unfairness to the taxpayer of subsidising low income households to live in high value areas. It should be noted, however, that the savings made by the caps pale in comparison to the savings made by the change to the 30th percentile and new CPI uprating method. With 14,000 households affected by the caps but over a million affected by the wider changes, it is clear that this was a principled rather than economically necessary decision.
46. Emboldened by having apparently won the ‘moral’ argument and effectively swinging the public mood against continuing subsidy, this government remains consistent in its approach. Any new government will therefore face considerable barriers to reversing this particular policy.
47. These changes are, however, likely to exacerbate the affordability problem by increasing competition in outer London boroughs from those forced out as a result of these changes, thus further fuelling rental increases and pushing more and more low income households out of London altogether.
48. Changes in the social housing sector, such as the Benefit Cap, under-occupancy deductions and payments of housing costs direct to the tenants, are likely to increase evictions and therefore churn within this sector. That is likely to mean an increasing number of vulnerable households moving into the PRS and their former homes taken by less vulnerable working families, as a result of changes made by many local authorities to their allocations policies.

49. Changes to allocations policies and the new private sector homelessness discharging powers are likely to see the demographics of people accessing social housing changing. This is likely to see increasing numbers of low income households and other vulnerable groups being moved into PRS accommodation against their will. As affordability has effectively reduced the housing benefit sub-market in at least 3 inner London boroughs to next to nil, this is increasingly likely to be in outer London boroughs, where in turn the homeless will be pushed even further out.
50. Welfare reforms which make large areas unaffordable are dangerous because the desire of households to remain in London is such that they are liable to overcrowd themselves or seek poorer quality housing in order to stay. We already have evidence of this within our own caseload, and considering the issues with overcrowding which continue to persist, it is imperative that nothing further be done to exacerbate an already difficult situation.
51. It also needs to be noted that many households broke their claims for LHA before the law changed in April 2011, and for Westminster this means that 31.5% of the total caseload are not affected until November and December. When combined with the repeat visits from clients who approached earlier in the year, it is increasingly likely that local authority housing departments will struggle to cope and the quality of their advice and temporary accommodation services will drop as a result. If most of these tenants remain in their homes, albeit without being able to afford them, they may still be there when the next tranche of welfare reforms hit in April 2013.
52. The changes to the Shared Accommodation Rate are likely to place additional pressure on the charities who already struggle to place under-25s in shared accommodation. There is a very real danger that those without the resources and/or initiative to source accommodation themselves, will find themselves rough sleeping, entering hostels or becoming one of the many 'hidden homeless' within London. With nearly 12,000 individuals affected, there is also a big question mark over whether sufficient accommodation is even available.

Is there evidence of reducing rents?

53. As the PRS remains almost entirely unregulated there is no definitive way of knowing how many properties there actually are, let alone the rents that are being charged for them. However, numerous statistics from Shelter, the Chartered Institute of Housing, Citizen's Advice and private companies who map the market, not to mention the GLA, all challenge the government's initial argument that it was LHA rather than restricted supply which pushed up rental prices. Instead, most statistics show that rental prices in London are still running at rates higher than either the Consumer or Retail Price Indexes, even though the changes began for new claims almost 18 months ago.
54. Moreover, even if rents do decrease, they are unlikely to fall to the new LHA levels, the caps for which have been set at wildly unrealistic levels that bear no relation to

economic reality, and would require a massive reorientation of rents with the value of most tenancies in a borough like Westminster being halved. Instead, it is likely that reductions in rents will be modest, making it easier for middle income households to move into the centre of London, whilst being of no help to housing benefit and/or low income households.

Does security of tenure in the sector need to be addressed?

55. At a time of economic recession, when social house building is at an all-time low and cheap credit is no longer available for most first time buyers, those groups who in better days would have accessed social housing or benefited from more equitable house price to income ratios will increasingly find themselves locked into a cycle of private renting. In order to ensure that the PRS is up to the task of housing a growing and ageing population, we advocate reforming the current Assured Shorthold Tenancy (AST) and increasing security of tenure beyond the present 6 month minimum, towards one where most private tenants who pay their rent on time and play by the rules are rewarded with long term sustainable tenancies.
56. If the PRS were to be both an affordable and long term option, there would be fewer reasons for households to hold out for social housing. This would lower waiting times and allow local authorities to focus their energies on the neediest without the resentment that often comes from those who feel excluded, such as low income workers.
57. Anyone working within the advice or local government sectors will be aware of the dangers inherent within complaining about disrepair and maintenance issues. Not only is this likely to receive little attention from the local Environmental Health Authority, it is also likely to see an unscrupulous landlord claiming possession of the property; the so-called 'retaliatory eviction'.
58. If tenants had increased security of tenure, they could enforce their rights without the fear of being evicted. As time passed and the worst offending landlords realised that they could no longer shirk their responsibilities, they may become more proactive about maintenance and emergency repairs, thus reducing the need for enforcement at all.
59. As tenants would be provided with more of a stake in where they live, we would expect to see an increase in tenants' rights groups acting as advocates and brokers, and taking the lead on community issues. As tenant groups grew more powerful, their collective bargaining power would increase and allow them an opportunity to inform decision making in a democratic way.
60. It would then be up to the tenants and landlords to decide amongst themselves what they most desired; new windows or cheaper rents.
61. The arguments against increasing security of tenure are reasonably similar to those against rent controls; that increased regulatory or financial burdens on landlords will

drive them out of the market, decrease supply and lead to an increase in homelessness. However, the number of people living in the PRS has almost doubled since the introduction of the AST, and this is a trend which does not look likely to change. Although additional regulation is always greeted with dismay by those to whom it is applied, there are ways of mitigating and compensating this by protections for those who need to sell or capital gains tax incentives for investments held for longer periods.

62. This would, however, run contrary to the current focus on maintaining homeownership as the primary form of tenure, which none of the major political parties appear willing to contest even though they have little to say about how it can be achieved.