

# UK migrants and the private rented sector

## A policy and practice report from the Housing and Migration Network

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**This report on behalf of the Housing and Migration Network is the first national report to explore the needs and experiences of new migrants living in the private rented sector, to examine practical solutions to problems and to propose policy changes.**

New migrants are largely housed in private lettings and form an important subsector of the market, yet the issues that arise are little examined. This report aims to fill this gap.

The report:

- provides evidence that most recent migrants live in the private rented sector, frequently in poorer properties;
- explores the reasons for this and the practical consequences for migrants themselves and for the neighbourhoods where they live;
- describes the context of recent pressures on the sector and of recent changes in government policy;
- identifies practical solutions that local authorities, housing providers and voluntary and community groups have developed;
- examines how government at central and local levels could foster such solutions.



**HACT**

*Housing, people and communities*

migration  
foundation

Part of

**M**  
Metropolitan  
Housing Partnership



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## The Housing and Migration Network

The Housing and Migration Network was jointly established by HACT – the housing action charity ([www.hact.org.uk](http://www.hact.org.uk)), and its funders, the Joseph Rowntree Foundation (JRF) and the Migration Foundation ([www.migrationfoundation.org.uk](http://www.migrationfoundation.org.uk)), part of Metropolitan Housing Partnership. It aims to:

- improve the housing circumstances of recent migrants who are experiencing disadvantage and poor housing, whether as refugees, asylum seekers or migrant workers, or joining family members already resident in the UK;
- focus on concrete changes that are suited to the localities in which recent migrants are living and that are developed in solidarity with existing residents.

The Housing and Migration Network has been driven by a diverse group of 20 policy influencers and practitioners from the public, private and voluntary sectors (see Acknowledgements for a list of members). Over the last two years the group has been exploring practical solutions to the reality of continuing migration which places pressures on housing and neighbourhood cohesion.

This is one of three reports being produced by the Network. The others are *UK Migration: The Leadership Role of Housing Providers* (Perry, 2011), published in August 2011 by JRF, and *Housing and Migration: A UK Practice Guide* which will be published by the Chartered Institute of Housing (CIH) in April 2012 (Perry, forthcoming).

A separate *Findings* which summarises this report and its recommendations is also available.



# Endorsements from partners

## **AdviceUK** [www.adviceuk.org.uk](http://www.adviceuk.org.uk)

*The housing problems faced by migrants who have recently arrived in the UK are an overlooked issue. If housing and immigration are talked about, it is usually in the context of complaints that new migrants are given priority in getting social housing. Many of our 860 members know all too well that the reality is very different; and that the poor housing conditions which far too many new migrants end up living in are exacerbated by a lack of well-targeted information about their rights.*

## **Building and Social Housing Foundation** [www.bshf.org](http://www.bshf.org)

*This research represents a timely contribution on migrants' use of the private rented sector. It is an important topic that requires further attention by researchers and policy-makers. The paper provides a clear summary of the current situation and highlights some of the options that are available to central and local government in responding to this part of the housing system.*

## **Chartered Institute of Environmental Health** [www.cieh.org](http://www.cieh.org)

*The private rented sector – although growing rapidly – is not homogenous. The Chartered Institute of Environmental Health is delighted to endorse this important paper which addresses this and provides both an excellent insight and advice as to what can be done locally and nationally to ensure that private rented sector accommodation meets the housing needs of new migrants and does not compromise their health and safety.*

## **Chartered Institute of Housing** [www.cih.org](http://www.cih.org)

*Migrants are a key customer group in an expanding private rented sector. They have largely been ignored in policy towards the sector and the analysis and proposals in this paper therefore fill an important gap. The paper should be urgently considered by government and by housing providers.*

## **National Landlords Association** [www.landlords.org.uk](http://www.landlords.org.uk)

*The private rented sector plays an important role in meeting the housing needs of an increasingly diverse group of tenants. This research represents a valuable insight into the experience of migrants and demonstrates the danger of viewing the sector as one uniform market. The report reinforces the importance of the industry working with local communities and neighbourhoods to improve standards for every household accessing rented accommodation.*

## **Shelter** [www.shelter.org.uk](http://www.shelter.org.uk)

*The findings of this report chime with the cases our advisers see on a daily basis of poor and insecure housing provided by a small minority of rogue landlords. These are particular problems for migrants who may be more vulnerable as a result of being less well-informed about their rights. Given the scale of growth and change in the sector, a fresh look at how it functions is needed. Initiatives to improve tenants' awareness of their rights, such as simple written tenancy agreements, can help reduce the exploitation experienced by vulnerable tenants.*

# Introduction

## The starting point

The private rented sector (PRS) plays a key role in housing for migrants. New migrants are much more likely to be in the PRS than in other sectors, and are also more likely to be living in housing at the poorer end of the market. At the same time, the PRS is a sector under immense pressure: it is increasingly used for homeless households in order to reduce the demands made on social housing, and is also the inevitable choice of people who can no longer obtain a mortgage and buy a house. Actions intended to address migrants' housing issues in the sector therefore need to take careful account of the needs of other occupants of the PRS. Indeed, such action provides an opportunity to address wider issues at the 'poorer' or 'bottom' end of the PRS that affect settled communities as well as recent arrivals.

## Migrant use of private rented housing

Use of the PRS by new migrants is therefore one of the Housing and Migration Network's key areas of interest. It has listened to the perspectives of tenants, landlords and environmental health officers (EHOs), and has considered examples of schemes aimed at improving access to the sector, dealing with pressures on supply and addressing problems in housing management. The Network received three background papers exploring the current state of the PRS sector and its likely future role, and what is known of the specific ways in which it currently meets migrants' needs. See Perry (2010a and b) and Wilcox (2010b).

A major obstacle to understanding is that there has been less research directed at analysing the different parts of the private rented market, their uses and interactions, than there has been for social housing or for owner-occupation. There are therefore considerable gaps in our knowledge of how the

### Box 1: Definitions

In this report:

**Migrants** means all people coming to the UK who intend to stay more than one year; it includes asylum seekers and refugees.

**Asylum seekers** are people who come to the UK to seek protection under UN conventions; they become **refugees** if their application is approved and they receive some form of leave to remain in the UK.

**Recent migrants** are people who arrived in the UK in the last five years. Most of the references to migrants in the report are to recent migrants. Where necessary the text makes the distinction clear.

**EU accession state migrants** are those either from eight of the ten countries that joined the EU in 2004 (the exceptions are Cyprus and Malta), or from Bulgaria and Romania which joined in 2007.

**Settled residents** or the **settled population** mean all other residents in any local area except recent migrants as defined above.

**Landlords** are landlords in the private rented sector, unless there is specific reference to **social landlords** (local authorities and housing associations).

sector is used. As far as migrants are concerned, we know that there are significant variations between different groups in their use of the sector, how they gain access to it, their patterns of movement within and out of it, their perceptions of the sector and the standards and property management they experience. For some migrants – such as those awaiting an asylum decision or refugees who have had their status confirmed – standards, conditions and a hoped-for transition to more secure accommodation following a decision are critical issues, particularly for families with children.

Other migrants may view their use of the sector, and issues such as standards, management and overcrowding, as less critical factors within the choices they make about work, incomes and expenditure on accommodation. This would seem to apply mainly to single people and/or people who see their stay in the UK and their use of the sector as very short term – often people from the accession states and/or those on very low wages who prefer a lower rent even if this implies lower standards.

Whatever migrants' views about the PRS, where migrants and other tenants live in poor-quality lettings that are badly managed, and if they themselves have little interest in the quality of management, this almost inevitably has repercussions for the neighbourhood as a whole. This report therefore concerns not only migrants' housing conditions but also the key issue of the wellbeing of the neighbourhoods where they live.

The report aims to take on board the diversity of migrant uses of private renting, which also vary from place to place and over time, and set these in the context of wider policies. This includes national policies on the PRS, local measures to regulate the PRS and provide advice and help to those housed in or entering the sector, and the way that national and local policies interact.

## **Private renting: a sector undergoing rapid change**

The PRS has expanded rapidly in the past few years, now housing nearly four million households compared with just over two million in 2000. It houses one in six households and by 2020 may well house one in five.<sup>1</sup> Its customers are a very diverse group, from mobile workers and young professionals to students, migrants and families that are unable to access social housing or homeownership. Its worth is now £500 billion, more than the UK commercial property sector. Despite its size, 89 per cent of landlords are individuals, owning 71 per cent of the properties, proportions that continue to grow (DCLG, 2011c). As the only form of tenure that is currently expanding, it has gained in political significance and interest.

Demands for rented housing also continue to grow as a result of the continued increase in numbers of single person households, the many young couples unable to buy, the large student population and continuing migration. Yet, while the Housing and Migration Network has been in existence, government decisions about investment in housing and limits on local housing allowance (LHA) have started to result in new policy pressures on the sector. Despite new migrants' need for housing and their impact on both national and local markets, the policy implications of migrant use of private renting have been neglected.

## **Aims of the policy and practice report**

The Housing and Migration Network wanted to contribute to current thinking at national, regional, local and neighbourhood levels so that policy and practice can be better informed by fuller knowledge of the ways in which migrants use private renting and can be backed up by policy recommendations and practical examples within the context of the wider changes taking place in housing.

The Network therefore commissioned this policy and practice report to pull together this knowledge and to advance the case for greater consideration of migrants' use of the PRS. It necessarily focuses on the poorer 'bottom end' of the sector, but the Network wants to make clear its view that the majority of the sector provides good conditions for tenants and is run by good landlords. Many of the issues and practical proposals are about bringing the minority up to the standards of the majority.



The scope of the policy and practice report is as follows. In Chapter 1 we provide robust analysis of the information about migrant use of the PRS and the problems migrants face. In Chapter 2 we briefly outline the current policy constraints and opportunities that affect any solutions to the problems. In Chapter 3 we propose ways to improve conditions for migrants within the sector. In Chapter 4 we draw conclusions and recommend to national and local agencies how these proposals might be taken forward.

The proposals aim to ensure that migrants' use of the PRS is:

- recognised appropriately within policy as a significant subsector of the private rental market, with distinct features and patterns of use;
- placed within the context of the different subsectors of the PRS and knowledge of their uses by low-income households generally;
- framed within current and future demands on the lower end of the market, especially given increasing use of the PRS to respond to homelessness and meet general housing needs;
- considered in terms of its impact (current and potential) on promoting or undermining neighbourhood relationships.

The proposals are designed to:

- provide practical examples of ways of achieving improved access to better, more secure accommodation within the sector;
- provide pointers to the roles that different agencies can play in improving access and options, especially the social housing sector and private landlords themselves;
- show how voluntary and community groups that advise and support new migrants, including migrant and refugee community organisations (MRCOs), can contribute to policies and practical solutions.

## **Audience for the report**

The primary audiences for this policy and practice report are:

- government agencies (local and national);
- social housing providers;
- private landlords and landlords' representative bodies.

In addition, the report is expected to be of benefit to other bodies and voluntary and community organisations with more general interests in migration or in the PRS.

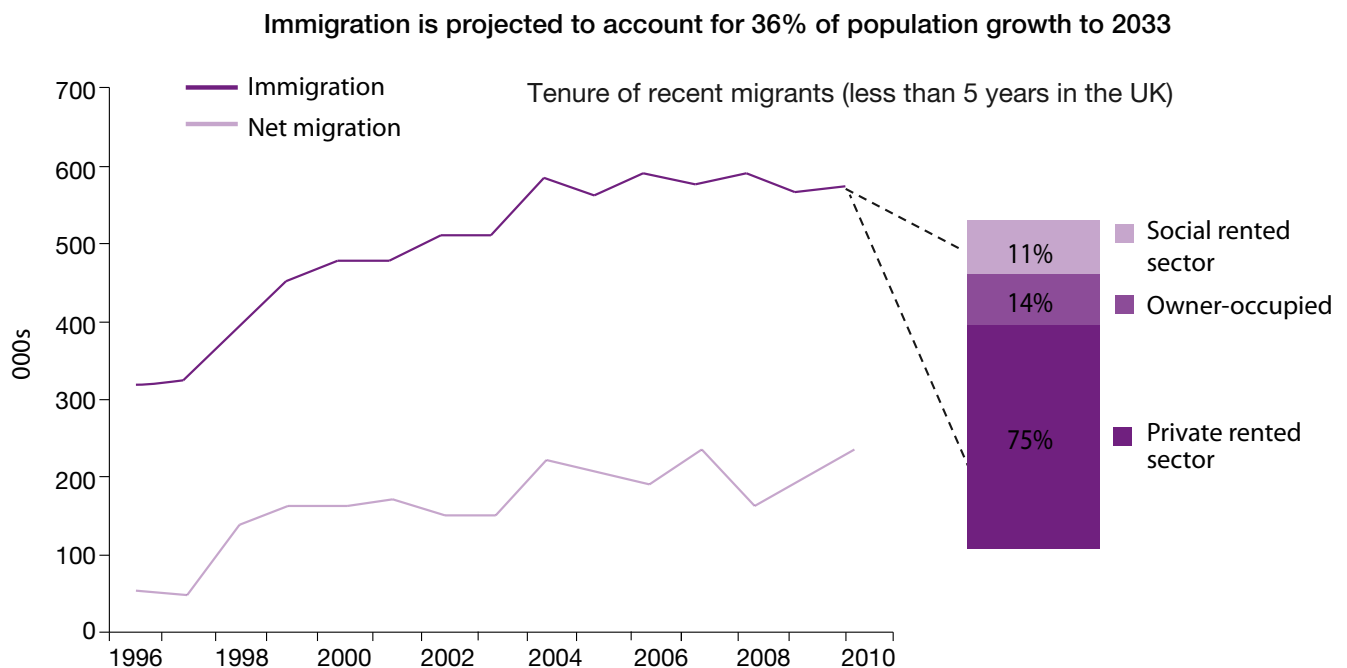
# 1 The issues

## Migrants' use of the private rented sector: the evidence

There is no national, regularly updated, specific source of statistics about recent migrants in the UK that tells us about their patterns of housing tenure. Instead, the published data that tracks housing trends simply provides indications – for example, of migrants' limited access to new lettings in the social sector – that suggest the vast majority of migrants use the PRS, at least for the initial years that they are in the UK. A recent analysis of Labour Force Survey data, for example, shows that three-quarters of recent migrants who arrived in the UK in the previous five years are housed in the PRS (Migration Observatory, 2011). The Labour Force Survey is known to under-record transient workers, so the proportions of migrants using caravans, hostel-type facilities and other less formal kinds of private accommodation are almost certainly higher than recorded, as are those sharing with friends or relatives in the PRS or elsewhere. The importance of migrant use of the PRS and the impact of migration trends are summarised in Figure 1.

Although the data from official national statistics is limited, it is supplemented by a range of one-off studies of new migrants which have used samples taken at national, regional or local levels.<sup>2</sup> For example, a survey of recent migrants in West Wiltshire found that 85 per cent lived in the PRS; in a similar survey in Norfolk the figure was 76 per cent. A survey of recent migrants from the eight 'accession states' working in the London Borough of Hammersmith and Fulham found that 92 per cent were living in the PRS. These fairly recent results confirm those from multiple studies in 2005 and 2006, immediately after the increase in migration from the new EU accession states such as Poland. All these studies show that new migrants in a range of places, both urban and rural, predominantly use the PRS.

**Figure 1: Summary of migration trends and their importance to the private rented sector**



Source: ONS, DCLG and Migration Observatory (2011)

Recent migrants rely on the PRS because of its relative flexibility and ease of access compared with the other two main sectors, the social rented and owner-occupied sectors, even though these may provide better or more secure accommodation. While official figures appear to show that migrants do not in general have lower incomes than the settled population, they are very unlikely to have had those incomes long enough to have saved a deposit to buy a house. In any case, the mortgage market is tight and many lenders require evidence of leave to remain in the UK, such as a British passport. Some new migrant communities are also more disadvantaged (with high levels of unemployment, or low-paid and often transient jobs) and are therefore much more likely to rely on rented housing (Rutter and Latorre, 2009). In such cases their choice is largely limited to the private sector as they are either ineligible for social housing, unaware that they are eligible or have little chance of getting a social letting quickly.

## How do recent migrants access the PRS?

The evidence suggests that migrant workers are largely dependent on their employers, the agents that find them work, friends or local contacts within their communities to find accommodation. Sarah Spencer, *et al.* (2007) reported that 37 per cent of respondents in her study had found accommodation through friends or contacts and local studies have usually reinforced this picture of informal access to the PRS. Even those planning to be in the UK in the longer term make extensive use of friends or community contacts to find housing (Kassayie, 2011). Language barriers and lack of familiarity are obvious reasons why new arrivals would use these routes into the sector.

The limited routes by which new migrants enter the PRS have certain causes and consequences:

- **Difficulty in accessing formal channels of entry.** Apart from the natural advantages of finding accommodation through work and/or community contacts, new migrants often lack the deposits, references and so on that they would need in order to apply for lettings through high street lettings agents. They may also be unaware of official channels such as local lettings schemes or housing options services which facilitate access to more reliable parts of the sector (BSHF, 2008).
- **Limited choice, and use of less desirable accommodation.** New migrants often enter the market through the least desirable accommodation, often in disadvantaged areas or where demand for housing is lowest, filling voids created by people who have moved on to better conditions (Robinson, *et al.*, 2007). This has been described as the 'new migrant penalty' in the housing (and jobs) market (Jayaweera and Choudhury, 2008).
- **Lack of understanding of tenancy rights.** Any measures aimed at improving new migrants' conditions need to recognise the difficulty of targeting those who use informal channels. They may be unaware of their rights and unwilling to use formal schemes or projects.

## Competition within the PRS

When migrants enter the 'bottom end' of the PRS, they are often in a competitive market in several different respects:

- **Limited supply of suitable lettings.** Because many new migrants (both economic migrants and forced migrants) are single men, with low priority for social housing, they are in direct competition for accommodation in the PRS with UK-born single men within deprived communities, which might be a particular cause of resentment (Amas, 2008). This is likely to get worse with imminent LHA changes.

- **Competition with would-be homeowners.** In some local markets, demand from migrants and other groups may encourage owners to rent out properties (particularly as multiple lets) rather than to sell, thus reducing availability of properties at the bottom end of the owner-occupier market.
- **Competition between migrant groups.** Since asylum dispersal began a decade ago, a significant proportion of accommodation has been obtained through Home Office contracts with private sector providers. The buying up of housing by private landlords (mainly in poor areas) to earn revenue from UK Border Agency (UKBA) contracts affected local markets. In some cases it may have prevented housing clearance in areas where the local market has otherwise collapsed, affecting housing market renewal programmes (Amas, 2008). Despite the government's 'localism' agenda, imminent decisions by UKBA are likely to place most new asylum accommodation contracts in the PRS, with potentially serious consequences for community integration if local authorities, local migrant networks and voluntary organisations working with migrants are sidelined.

## Patterns of use of the PRS

As with overall evidence about new migrants' use of the PRS, the information on differences or patterns in their use is limited and largely based on local studies or studies with small samples. So while it is necessary to make assumptions based on available evidence, it would be wrong not to recognise exceptions or to fail to appreciate that the picture is dynamic and varied, and that patterns of use of the PRS may change.

### Different uses of the PRS by different types of migrant

One assumption that appears to be borne out by local studies is that migrant workers on relatively low wages use the sector differently from skilled migrants and refugees and other migrants with longer-term intentions to stay. Of course, low-wage migrant workers may themselves attempt to stay in the UK (as noted above, concerning accession state nationals) and may then start to look for more secure, better-quality accommodation.

### Variation by nationality or ethnic origin

There is known to be some overall variation between migrant groups, in terms of country of origin, in their propensity to use the PRS. For example, a study of non-EU migrants from Eastern Europe (Markova and Black, 2007) showed a high propensity among Ukrainians and Bulgarians to make longer-term use of the PRS, but much lower use among Serbs.<sup>3</sup> In David Robinson's study of housing pathways of different kinds of migrant in Sheffield (Robinson, *et al.*, 2007), all the Polish interviewees (who were migrant workers) lived initially in the PRS, while all but one of the Somali interviewees (who were asylum seekers later accepted as refugees) began in UKBA accommodation, were then accepted as homeless and were eventually rehoused by the local authority.

### Use of the PRS in urban areas

Migrant workers' use of the PRS is often concentrated in certain neighbourhoods where employers, gangmasters or agents may place them in houses in multiple occupation (HMOs), other larger properties capable of subdivision as HMOs and even conventional three-bedroom properties, often regarded as unsuitable for multi-occupation but which are nevertheless let as such. This use of the PRS was not anticipated in legislation and often stretches the resources and control mechanisms available to EHOs.

Depending on the local economy and the transport links to places with cheaper accommodation available, a local PRS may develop in small towns where traditionally the sector has been minimal if landlords find it profitable to buy larger, owner-occupied properties and convert them into HMOs. An example of this is Thetford in Norfolk where the number of HMOs grew from 40 to over 400 in only four years in response to the demand from EU accession state workers in the farming and food processing industries. Many of these properties were former council houses sold under the right to buy.

Use of the PRS by migrants planning to be in the UK in the longer term or permanently may well be different, concentrated in different areas and generating fewer problems of unsuitable multi-occupation or overcrowding. Nevertheless it can have a considerable impact on the local housing market, pushing up rents and possibly affecting availability of cheaper houses for first-time buyers.

The Housing and Migration Network visited a large employer of migrant workers in North Yorkshire, where employment conditions were generally good and there were development opportunities available to migrant staff. However, migrants had to make their own accommodation and transport arrangements and there was little housing available in the immediate vicinity. Many were using the PRS or living with friends or relatives in relatively cheap accommodation in Teesside, and commuting considerable distances at their own cost. Arrangements such as these impact on housing markets across a wider region or subregion, not just the immediate, local housing market.

### **Use of the PRS in rural areas**

Employment of migrant workers in the agriculture sector – either on farms or in associated processing plants – has created new and fluctuating demand for accommodation. In some cases this demand is in areas that have not traditionally received overseas migrants and where the established PRS may be very small. Labour requirements have changed in recent years, with multiple harvests and a much heavier use of ‘pluck, pick and pack’ labour, often involving night working and mobile workers going to where crops are ready. Because of this and because of their low wage expectations, migrant workers are in demand and can add considerably to local housing pressures (Chappell, *et al.*, 2009; Wiles, *et al.*, 2008).

There have been four main responses to meeting migrants’ rural accommodation needs:

- use of caravan sites and other kinds of temporary dwelling;
- use of tied accommodation, for example hospitality workers living in hotels or farm workers living on farms. This can amount to a quarter of PRS lettings in some places (Rugg and Rhodes, 2008). If migrants lose their jobs they lose their accommodation at the same time and there have been occasional incidents of mass sackings, resulting in an overnight need for emergency accommodation for significant numbers of people;
- use of accommodation in nearby small towns, as in the Thetford example above;
- use of PRS lettings in larger cities such as Peterborough. Migrants may find accommodation themselves or be allocated it through agencies and then be bussed to work, often over long distances.

Caravans, other temporary dwellings and the various kinds of tied accommodation can be well run and provide adequate low-cost accommodation. At the other extreme, however, they can be badly run, in poor physical condition and present serious fire or health hazards.

## How is the role of the PRS changing?

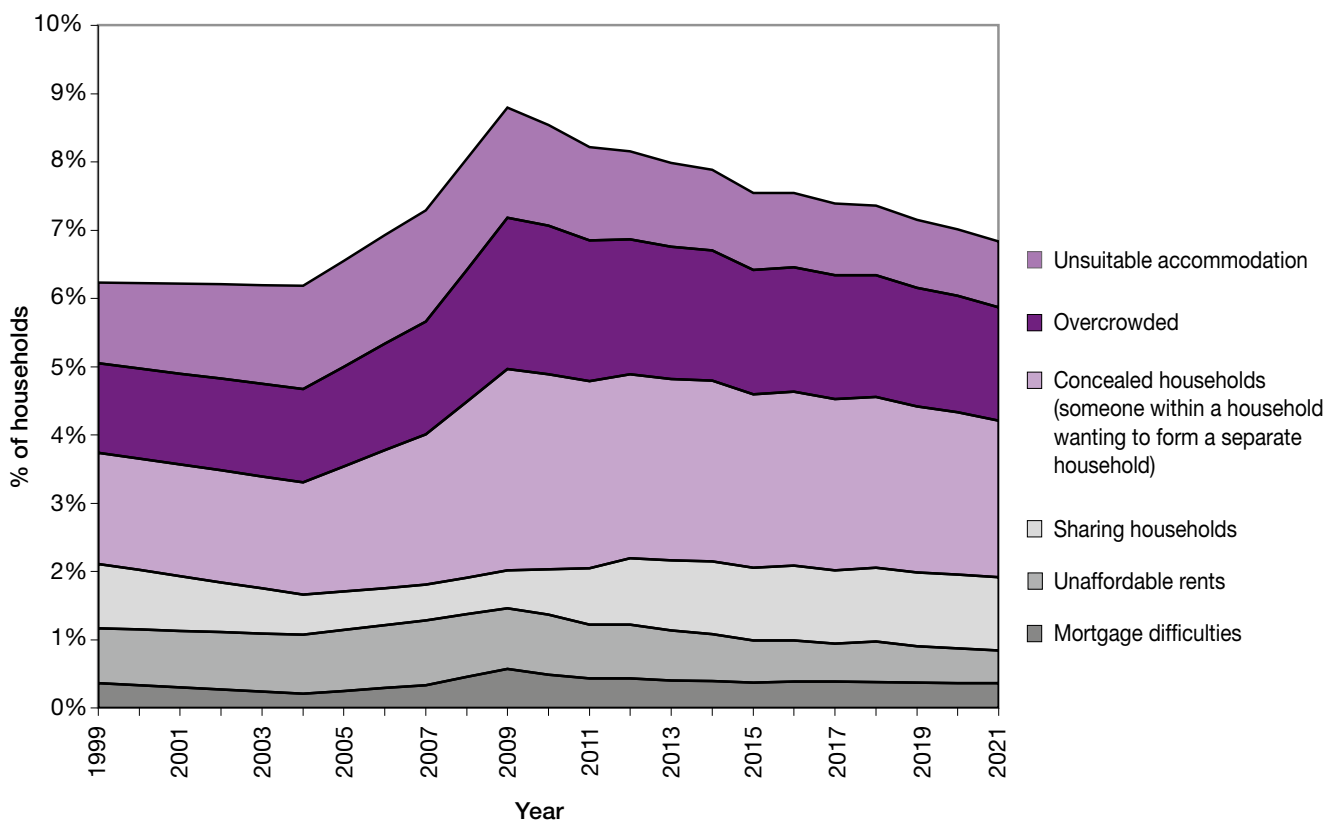
In many areas, migrants compete with other households for accommodation in the PRS, at a time when supply is growing but demand is growing even faster and rents are rising. In many regions, especially London, the South East and the South West, there is already considerable pressure on what the Rugg Review called the ‘housing benefit market’ within the PRS (Rugg and Rhodes, 2008). The main driver is the large imbalance between housing demand and supply in recent years. The backlog of housing need was judged to have reached almost two million households overall (in England) in 2010<sup>4</sup> and is projected to remain at higher than recent levels for the next decade (see Figure 2). Indeed, several plausible scenarios suggest it will get worse rather than (as the graph shows) slightly better.

At the lower end of the market, migrants are competing alongside many others for lower-rent accommodation. Sometimes they displace others because they offer advantages to landlords, such as paying rent directly rather than via housing benefit or being more willing to tolerate lower standards and overcrowding (Rugg and Rhodes, 2008). Some may even ‘over-occupy’ to share the costs of what is ostensibly a single tenancy (and thereby cause friction with neighbours). On the other hand, as noted elsewhere, better conditions and security will be a priority for some migrants even in a competitive market.

## Consequences of recent policy changes for the PRS

Competition is worsening in this part of the PRS, in part because of the contraction of other opportunities since the ‘credit crunch’. However, government policy is also having an effect: for example, local authorities are encouraged to prevent homelessness by securing offers of PRS properties for potentially homeless families to avoid them being formally accepted as homeless and given a social letting. In 2010/11, some 55,000 households were assisted in this way.<sup>5</sup>

**Figure 2: Projected changes in levels and types of housing need in England to 2021**



Source: Bramley, et al. (2010) *Estimating Housing Need*, Figure 7.8

Competition within this market is now set to get considerably worse in high-demand areas as a direct effect of changes to the LHA – the part of the housing benefit scheme that caters for tenants in the PRS – set out in the 2010 Budget. Steve Wilcox concluded that the changes:

*... will leave a substantial proportion of existing claimants who are under pressure to move; and a smaller pool of dwellings available to them that will not involve an unsustainable shortfall in benefit entitlement. In some cases, and especially in inner London and some other high-value areas, the changes will effectively require households to move to areas with lower property values. This will clearly have an impact in terms of social polarisation. This will be most marked in central London, where it is estimated that only seven per cent of all properties in the private rented sector will have rents below the level of the capped LHA rates.*

Wilcox, 2010a, p. 38

Part of the impact of the changes will fall specifically on demand for single rooms in multi-occupied properties, given that from January 2012 the shared room rate will apply to all single applicants without children who are under 35, rather than under 25 as currently. This is precisely the type of low-rent accommodation that is in demand from many single, working migrants (BSHF, 2010).

As a result of these changes, there are already reports of landlords withdrawing from letting to recipients of housing benefit. Nevertheless, the coalition government also plans significant changes in housing policy that will add to the pressures caused by the housing benefit cuts (DCLG, 2010a). One is that local authorities may be able to discharge their formal responsibilities for homeless households through the PRS.<sup>6</sup> Another is that they will be able to change their housing register and allocations policies, perhaps by giving stronger preference to long-standing residents and making it more difficult for recent arrivals to secure social housing.

These changes are discretionary and many local authorities will not take these routes. But if, say, some London authorities do so (as they have said they will), the effects on local markets could again be significant, especially if there is a 'race to the bottom' as boroughs try to avoid pressures to house those displaced by tougher policies elsewhere. There is speculation that cheaper private rental markets accessible from London, such as those in the south coast towns, might come under pressure and these are markets that often already house significant migrant populations.<sup>7</sup>

Furthermore, the routes out of private renting are likely to be less available than before. Social sector lettings were forecast in 2009 to decline slightly, while homeownership was forecast to grow very slowly and in percentage terms to remain static (Bramley, *et al.*, 2010). In fact, latest figures show that homeownership has fallen in both percentage and real terms for the last three years, both in England and for the whole of the UK. Entrants to homeownership will continue to face considerable barriers, such that annually around 100,000 potential entrants to the market, who would have been able to buy before 2007, are now being kept out (Wilcox, 2010c). This means a growing number of new entrants to the private rental market, for whom the PRS is not the first choice but who may be able to afford higher rents and may be more attractive tenants.

Within the next two to three years, then, competition within the market where many migrants currently find housing is likely to intensify considerably and the effects are very difficult to foresee. On the one hand, as Steve Wilcox argued in a paper for the Housing and Migration Network (Wilcox, 2010b), migrants may be in a stronger market position because of their ability to pay rents without having to use housing benefit, which gives them access to properties potentially denied to recipients of benefits. On the other hand, the PRS is likely to become much more of a seller's market, with the potential for a downward spiral of conditions and security that will affect new migrants and long-established residents alike. While this is most likely to affect high-demand areas such as London and the South East, it is also very likely that such equilibrium as exists in many local PRS markets will be affected by these changes, especially as the alternatives – social housing or entry-level homeownership – are likely to be less available.

One member of the Housing and Migration Network, who is a landlord in a provincial city, believes there will be a need for a new type of 'bedsit', primarily aimed at single, low-income workers, with lower-than-prevailing costs, and hence rents. This would respond to his concern that, with changes to housing benefit and local council tax regulations primarily aimed at HMO properties, "either rents will go up and people will be forced out, or housing benefit tenants will get kicked out." The main part of the market to be affected will be single people under the age of 35 who are benefit claimants, who will find fully independent single-occupation flats or studios too expensive.

## How might demands from migrants themselves change?

While the issues about competition within the PRS are very important, an unknown factor is whether the demands that migrants make on the sector are likely to grow, decline or remain the same. There are several conflicting trends at work:

- Net migration is likely to fall somewhat below current levels (over 200,000 per year) in 2012, partly in response to recent policy changes (IPPR, 2012). Annual migration from the EU accession states has stabilised and has even shown signs of growing again, although this may well be a temporary change as accession state migrants now have free access to other EU countries, such as Germany, which initially imposed heavier entry restrictions than the UK but is closer and has a healthier economy.
- Housing demand from recent migrants largely arises from people already here who choose to stay. For example, it is estimated that there is now an accession state population of about 750,000 in the UK, of whom two-thirds are from Poland (IPPR, 2010). Effective demand in the PRS may change as these groups attempt to stabilise their housing arrangements.
- Since May 2011, migrants from the eight main countries that joined the EU in 2004 have had the same housing and benefit entitlements as other European Economic Area (EEA) nationals.<sup>8</sup> This is not likely to have an immediate effect on their use of social housing but is bound to have a progressive effect over time as they begin to apply and eventually qualify for social lettings.
- Migrants from EU accession states who stay in the UK long term will eventually include more couples with children, whose housing needs will be different.

There is a shortage of data about migrants' housing aspirations. It might be expected that their wishes converge with those of the settled population and there is evidence that ethnic minority groups' aspirations are indeed very similar to those of white British people. However, comparative studies (such as Harries, *et al.*, 2008) tend to involve second-generation black and minority ethnic groups rather than recent migrants. Analysis of the tenure of foreign-born individuals (from the Labour Force Survey) shows that three-quarters of recent migrants (who have been in the UK for less than five years) are in the PRS but that migrants who have been in the UK for 20 years have a tenure profile that is similar to that of the settled population. (See data analysis in Migration Observatory, 2011, Figure 2.)

Given the barriers to accessing either social renting or homeownership, it seems likely that recent migrants' propensity to use the PRS will continue. Opportunities for moves into homeownership or social renting will continue to be available mainly to those who have been in the UK for longer periods, and possibly on a more limited basis than hitherto because of overall pressures of housing supply and demand.



## Frequent moves and complex housing careers

Another factor in migrant use of the PRS is turbulence within the sector. Of the three main tenures, the PRS is the one in which turnover is highest. As Wilcox has pointed out (2010b), there are now more household moves into private rented dwellings each year than into any other tenure. In London, more than half of all household moves every year are into the PRS.

The coalition government has an understandable concern that in some parts of the housing market, notably in the social sector, there is too little mobility and few households move (or are able to move) to find work. It is therefore looking at ways to facilitate household movement. However, some households make frequent moves and have complex housing careers. For example, a study of New Deal for Communities areas showed that almost one in ten residents had moved three times in the previous five years; furthermore, in the same deprived areas, 27 per cent were non-UK nationals who had at some stage been asylum seekers (DCLG, 2006). Compared with other residents, the ex-asylum seekers were more than twice as likely to be frequent movers: nearly a quarter had made three or more moves in five years. Such moves may, of course, have been involuntary because of the use of relatively insecure private lettings.

Case studies of the 'housing pathways' of recent migrants confirm this pattern of complex housing careers that involve many moves and usually include the PRS. Although refugees are theoretically entitled to social housing, they often enter the PRS because of shortages and/or the need to find accommodation quickly once they get their status (Robinson, *et al.*, 2007). In a study for HACT by Berhanu Kassayie (2011), in-depth interviews showed that refugees averaged four to six moves per household before they found sufficiently settled accommodation, which often involved a final move into social housing.

Migrants who enter the PRS often make several employment-related 'adjustment moves' within their first few months in the UK (Cole, 2007). Migrant workers may have to change jobs frequently, which may cause problems with rent arrears. Those who lose their jobs may also lose their accommodation, becoming homeless and destitute. A proportion of those who arrive in the UK have social problems such as alcohol abuse and never succeed in finding work. As a result of these different factors, there has been a significant increase in rough sleeping by migrants in central London in particular, but also affecting many other areas (Homeless Link, 2010).

As the *Moving On* study for the Department for Communities and Local Government (DCLG, 2006) showed, frequent movers suffer a number of disadvantages, such as not feeling part of the community, having poorer access to services such as doctors and schools, and feeling unsettled and isolated. All of the studies just cited show that frequent moving also creates problems for migrants. In particular, the Robinson and Kassayie studies show how many migrants who plan to live in the UK for the long term are strongly driven by the need to find secure and settled accommodation. This is particularly the case for refugees.

## Migrants' experiences of the PRS

Many studies attest to the difficult experiences that recent migrants often have in the PRS. There is an extensive and relatively recent summary of the literature in the report *Workers on the Move* (Wiles, *et al.*, 2008), and the way that different kinds of migrants experience the PRS is well illustrated in *The Housing Pathways of New Migrants* (Robinson, *et al.*, 2007). Here we present a summary of some of the main issues on which there is detailed evidence in these and other studies.

There are widespread reports of poor and exploitative housing conditions experienced by many migrant workers in the PRS, including health risks and sometimes fire risks. Overcrowded or unsuitable private lettings include the use of attics, shipping containers and garden sheds as accommodation, for example in Slough (Chappell, *et al.*, 2009). Rooms are sometimes used in shifts and there can be a lack

of privacy (Audit Commission, 2007, and several other sources). At the extreme are 'hot-bed' arrangements where shift workers take turns to sleep in the same bed. In one study more than 44 per cent of migrant workers were sharing a room with people other than their partner (Spencer, *et al.*, 2007).

Tenancy agreements are often not provided or, if provided, are not understood. The informality often extends to lack of proper acknowledgement of the tenancy and of the landlord's details. There may be no rent book, no deposit protection and no alternative but to pay rent in cash. One abuse that results is that people are sometimes moved from one accommodation to another at short notice (Martynowicz and Jarman, 2009). Among a range of abuses of these arrangements in Peterborough, EHOs have noted that some landlords only sign a limited number of agreements per house to prevent all the tenants claiming housing benefit and thus alerting the local authority to the fact that the house is in multiple occupation. Accommodation that is officially an HMO leaves the landlord liable for council tax payments; tenants who have signed an agreement may unexpectedly find that they are responsible for council tax if the landlord has shifted the burden to tenants despite reassurances that the rent included all such extras.

Many gangmasters employ and accommodate workers on a three-month cycle and it may be difficult for people to find another job with tied accommodation. Rents may be much higher than normal levels, and there may be illegal elements such as charging finders' fees or deducting rents as a percentage of wages (CAB, 2005). While high rents may be the main problem that workers face (Wiles, *et al.*, 2008), where accommodation comes from a labour provider registered with the Gangmasters Licensing Authority (GLA) there is a low limit on the amount that can be deducted from wages. This may itself be an issue in terms of the quality of the accommodation or the willingness of employers or gangmasters to provide it.<sup>9</sup>

However, responses to poor conditions, high rents and exploitation can be surprisingly mixed among migrant workers themselves. Only six per cent of respondents to Sarah Spencer's study described their accommodation as poor or very poor, and some other studies have had similar results.<sup>10</sup> Reluctance to complain may result from a combination of low or uncertain expectations, dependency on the employer or agent for accommodation (and hence concern about the possible outcome of a complaint), intimidation (especially if the landlord or agent is from the same migrant community) and wanting to avoid spending more money on better accommodation because of low wages and/or the imperative to send or take money home.

Nevertheless, it would be wrong to conclude that action to improve conditions is not a high priority, for several reasons:

- the health and safety of migrants themselves and possibly of neighbouring residents;
- the effects of poorly managed and overcrowded properties on neighbourhoods and on neighbourhood relations;
- the potential 'knock on' effects on other nearby PRS lettings (in terms of rents and possibly standards);
- migrant workers' aspirations may change if they decide to stay in the UK in the longer term.

Action would in any case bring poor properties up to standards that are increasingly accepted and required within the sector. Over half of properties in the PRS now meet the Decent Homes Standard and, in the case of landlords who have been in the sector less than three years, three-quarters meet the standard. The large numbers of individual landlords are no more likely to own poor-quality properties than companies or other types of landlord (DCLG, 2011c).

## Neighbourhood effects of migrants' use of the PRS

In many areas, concentrations of migrant worker accommodation in the PRS, especially in HMOs, have led to tensions. There can be a material impact on local housing markets, with higher rents and possibly higher property prices and therefore reduced access for prospective first-time buyers (ICC, 2007). The combination of intensive use of properties and their poor management has resulted in noise nuisance, problems about refuse collection (tenants not knowing how the system works) and problems of drunkenness. While similar issues may be found in any area with high proportions of young, single people (for example, students), they can cause problems in previously 'quiet' neighbourhoods and lead to resentment or conflicts between migrants and long-established residents. Responses by local authorities are very variable. Some adjust to new patterns of multi-occupation and deploy the controls available to them, while others do not or do not have the resources to adjust. Failure to address poor conditions can exacerbate neighbourhood tensions.

There can also be resentment and confusion in estates where 'pepper pot' tenure is becoming common – that is, there are different scatterings of ownership encompassing housing associations, owner-occupiers, sub-letters and private sector landlords. This can lead to misconceptions about tenure and migration status, and create a perception that migrants have 'jumped the queue' into social housing when in fact the property is in the PRS.

At the same time, many other types of longer-term migrant, including refugees, need reasonable quality, secure accommodation from the outset as a base from which to integrate, find work and re-establish their lives. In most cases, they also have to look for this in the PRS. The Robinson and Kassayie studies cited above both show how poor, insecure accommodation provides an inadequate base for migrants who want to settle (especially for families, and even more so where there is a lone parent), and that the search for better housing provokes the frequent moves that are such a disruptive factor.

## Landlords' experiences of migrants as tenants

While poor and insecure conditions certainly exist in the PRS, and recent migrants are particularly vulnerable to them, it would be wrong to conclude that adequate, secure housing cannot be found in the sector. The Housing and Migration Network received evidence from landlords, and from landlord bodies such as the National Landlords Association (NLA), of their desire to provide good accommodation, for good landlords to be recognised, for more widespread use of well-conceived local accreditation schemes, and for enforcement action to be taken against poor landlords and poor accommodation.<sup>11</sup>

While many landlords have not engaged with the 'migrant market', anecdotal evidence suggests that those that have regard migrants as good tenants who pay their rent. Because migrants are ineligible for or reluctant to claim housing benefit, landlords also avoid the complications of the benefit system. Unlike many other potential tenants, migrants do not view the PRS as a last resort but value its flexibility and ready access.

There are also examples (albeit very limited) of private landlords working in collaboration with voluntary and community groups in locally rooted action aimed at providing better accommodation (see Chapter 3).

The main uncertainty from a landlord's perspective in having migrants as tenants is the perceived difficulty in getting the rent in the event of the tenant disappearing, which in the case of a migrant might well mean leaving the country. Ideally migrants would have references to reassure landlords, but these may not be available (for perfectly good reasons), in which case landlords would look for other forms of assurance such as bigger deposits, bond schemes or rent guarantees from employers. A further way of tackling this might be to develop a relationship with an established voluntary or community group who would recommend applicants.

The NLA made the point that information about what tenants should expect of their landlord, and what landlords expect of tenants, may not reach the migrant market because of language barriers and other obstacles. More creative ways could be found to get the messages across, including a more widespread expectation that a property or landlord will be accredited, as part of a general effort to raise tenants' expectations.

## **Importance of private renting to migrants set to continue**

It is clear that despite greater competition for accommodation – and in part because of it – the PRS will continue to be the main provider of housing for new migrants for the foreseeable future. Neither homeownership nor social housing is going to offer significantly greater opportunities to recent migrants and in all probability will provide fewer. It is also clear that demand for accommodation from migrants will fluctuate but will not disappear and that the migrant subsector will continue to be an important part of the market.

The rest of this document therefore concentrates on the potential for better outcomes for recent migrants *within* the PRS.

## 2 Current policy context

The possible solutions to the problems summarised in Chapter 1 clearly need to take realistic account of the emerging policy context under the coalition government. First, local authorities have been affected by significant spending cuts. In housing terms, these fall largely on services that relate to the private sector (including the regulation of private renting) and on voluntary sector agencies that work in housing or provide services to migrants. Cuts have also affected neighbourhood-level work of various kinds, including the promotion of integrated communities.

Second, 'localism' is now the model for the future of local services and for neighbourhood action, requiring local authorities and communities to take greater responsibility for issues within their areas, with much less policy direction from central government and a move away from regulation, especially where it affects the private sector. Third, as noted above, housing policy and the housing market are now placing a broader range of demands on private renting, quite apart from the role discussed in this report.

The government wants community and voluntary groups to play a bigger role but with responsibility for securing resources passing from government largely to the groups or communities themselves. Overall funding from statutory sources will be limited to that available through transitional funds, the Big Society Bank (now the 'Big Society Capital Group') and what remains of central or local government funding for specific contracts or projects. This will result in greater pressure on other sources such as the Lottery, charitable trusts and other philanthropic givers. Voluntary bodies have understandably complained that the spending cuts, especially those affecting or made by local government, are damaging their services just at the time when they are expected to respond to these challenges.

The government has not so far set out specific policies about migrants and housing but a number of pointers about its policies are already clear. Here is a summary, first of constraints and then of opportunities, that might affect new initiatives to improve migrants' housing in the PRS.

### Constraints affecting possible solutions

- **Central government funding for migrant and refugee support.** Significant decisions were made to end the Refugee Integration and Employment Service (RIES), which supports new refugees, and the Migration Impacts Fund, which supported a number of integration projects and was paid for from increased entry visa fees. The availability of integration loans for new refugees has been reduced and is likely to be withdrawn completely when RIES ends in March 2012. These loans are used predominantly for housing costs, in particular rent deposits. Clearly there is unlikely to be any further central funding for initiatives of this kind, given both the government's priorities and the scale of the cuts resulting from the Spending Review. Other cuts in government spending, notably on legal aid for immigration issues, have had a severe effect on national voluntary organisations serving migrants and refugees.
- **Local funding for migrant and refugee support.** Because the biggest cuts are falling on local government, councils' own services are affected (especially when financed from the General Fund, such as Supporting People, housing options services, homelessness prevention and regulation of the PRS). Funding of the voluntary sector is also severely affected, putting pressure on alternative funding

sources as voluntary projects seek to replace government funds. Such is the scale of the cuts that it is going to be difficult for migrant-related services to remain 'on the radar' at all. There are also likely to be greater numbers of vulnerable households living in the PRS, often unsupported because services have been curtailed or withdrawn.

- **New asylum accommodation contracts.** In asylum dispersal areas, new contracts that go largely to private providers are likely to result in an absence of funding for local integration work, unless the new providers agree to do this. The new contracts only have a loose requirement to 'liaise' with local authorities and the strategic migration partnerships. Local authorities and housing bodies such as Your Homes Newcastle and Bolton Community Homes (and others in Greater Manchester) may therefore lose the resources that have enabled them to fund local groups and integration projects.
- **Existing support and advice services.** Existing services are therefore universally under pressure, especially in England, and many that were already insufficient in numbers, coverage or client groups served are closing. For example, in August 2011 it was reported by the Law Centres Federation that it expected 18 of 56 law centres nationwide to close.<sup>12</sup> This makes it difficult or impossible for such services to extend the help they give to migrants unless alternative funding can be found at the same time. Further pressure will be created by the planned removal in 2013 of legal aid for housing disputes that are not related to seeking possession.
- **Concern about the impact of policy changes.** Concern about policy changes, such as those for housing benefit, has so far led only to minor reappraisal of the changes and to a commitment to monitor their effects. Any effects on migrant groups are unlikely to receive much attention, given the likely overall scale of changes in local markets, and may be very difficult to disentangle (see Chapter 1).

## Opportunities to find solutions

The opportunities for solutions are limited but here are some that might be relevant to work in the PRS or in neighbourhoods with significant proportions of private rented property:

- **The Big Society.** This concept encourages the role of voluntary and community groups, in particular those like MRCOs (migrant and refugee community organisations) which are community-based, operate in some of the poorest neighbourhoods, encourage volunteering and often operate without government funding. The case for the role of MRCOs in the Big Society is set out in a report by the Migrant and Refugee Communities Forum (MRCF, 2011), which describes the opportunities and constraints.
- **Initiatives that harness resources outside government.** These initiatives are likely to be welcomed. This might mean, for example, a welcome for landlord-driven initiatives to improve the quality of the PRS, or partnerships with employers of migrant workers, or social enterprise models for improving access to and management of PRS properties and bringing empty private sector homes back into use.
- **Thinking outside the box.** Alternative ways of looking at the issue can be helpful. For example, it might be worth pursuing the argument that asylum seekers should be allowed to work or to look at other changes that would not require additional public spending but which would improve migrants' ability to pay their own way.

- **Promoting integration.** It is within the DCLG's work stream to promote integration and although the government is currently clear that there will be no overarching strategy, a policy context for migrant integration work is provided by a set of guiding principles to be promoted in society: common ground and shared values; participation in society of people from all backgrounds; a sense of responsibility; social mobility; and tackling extremism.
- **The *Local Decisions* paper and the Localism Act.** In the housing context, working within the grain of the *Local Decisions* paper and the Localism Act is more likely to be productive than working against it. For example:
  - o Specific initiatives such as self-help housing might be supported by measures such as the Community Right to Build.
  - o The government's empty homes initiative will be partly targeted at community-based groups and provides a valuable way to bring empty private properties back into use for low-income groups, including migrants.
  - o Schemes to encourage mobility or tackle worklessness might be initiated by social landlords.
- **Social landlords are less affected by spending cuts.** In the housing context, social landlords are not likely to be affected as severely by spending cuts because their main revenue is rents (though those who focus on care and support services will be more affected). This gives them opportunities although they also need to be able to show that any expenditure benefits their tenants and (for local authorities) does not simply replace what used to be paid for from the General Fund.
- **Accreditation schemes.** While ruling out further regulation, such as the main measures recommended in the Rugg Review,<sup>13</sup> the government supports voluntary accreditation schemes in the PRS.<sup>14</sup> Its housing strategy *Laying the Foundations* (DCLG, 2011d) says that it will be 'looking at measures to deal with rogue landlords and encouraging local authorities to make full use of the robust powers they already have to tackle dangerous and poorly maintained homes'. The Housing and Migration Network is not in any case in favour of more legislative powers but favours bigger roles for voluntary accreditation and the stronger use of existing powers (see Chapter 3).

In framing its original agenda in 2009, the Housing and Migration Network intended to focus its attention on the neighbourhood level where the impact of migration is felt most sharply. In looking for solutions, this shifted the emphasis away from the national towards regional, local and neighbourhood-based work, given that the problems of poor neighbourhoods are still ones that have to be faced by local authorities and social landlords despite the cuts (and, of course, the cuts could worsen rather than reduce neighbourhood tensions). The Network is also clear that, where possible, solutions should benefit settled residents as well as migrants, and be aimed at promoting integration rather than creating different services for different groups.

There is a need for all proposals to present a clear business case and to be financially sustainable. In the current environment, schemes should be preferred that can realistically be financed: for example, through partnerships with the private sector or by their becoming self-funding. However, any quasi-commercial solutions with private sector partners would need to have their feasibility tested and to have clear outcomes in terms of improved housing opportunities and better housing conditions.

# 3 Possible solutions

In Chapter 3 we summarise a wide range of proposals made to or considered by the Housing and Migration Network that could help to improve conditions for migrants in the PRS. Often, these initiatives would also benefit vulnerable groups more generally. Where available, we give examples. Clearly, no local authority or social landlord can implement all the ideas here and some of them have not yet been demonstrated in practice. However, the ideas are intended to provide a ‘shopping list’ for local use and an agenda for government to consider, which we examine further in Chapter 4.

## Options for improving the PRS from within

It was pointed out to the Network that good landlords are being discouraged from meeting the needs of potential tenants from poorer or more disadvantaged groups (including migrants) by a combination of obstacles – including the costs of accreditation, problems with direct payments of housing benefit and administrative delays in returning deposits under deposit protection schemes.

The Network received a number of suggestions for encouraging better landlords and for more formal landlord–tenant relationships that embody legal rights for both parties. For example:

- Promote at national level the development of a simplified, standard tenancy agreement that details the basic terms of occupation and:
  - is aimed at the ‘bottom end’ of the sector rather than the top (where standard assured shorthold agreements are common);
  - is suitably concise;
  - is available in a legally correct translation or with a summary translation;
  - contains a rent payment section which could be completed by the landlord to detail rent payments and how to make them.

The DCLG has recently issued a simplified leaflet for tenants. The idea of a tenancy agreement would develop the DCLG initiative further in a way that would benefit all entrants to the PRS, not just migrants.

- Encourage or establish systems that enable tenants and landlords to have references, by:
  - establishing a tenant reference scheme as part of the ‘pay back’ to the landlord. This would aim to be a low-cost scheme, accessible to all potential tenants including migrants, and would record/reward ‘good behaviour’ to make it easier for tenants to move;
  - establishing an easy-to-use landlord reference scheme that promotes good landlords and embodies tenant feedback (similar to eBay) so that landlords could display their ‘rating’;
  - linking landlord and tenant reference schemes so that ‘good’ tenants can access properties from ‘good’ landlords even where they cannot afford a deposit.
- Establish nationally agreed standards of accreditation to apply across the country through a model local scheme. The incentives behind such schemes might include:



- o membership that provides advantages such as being able to use accreditation in publicity and the availability of a public register and information at housing advice centres;
- o accredited properties being put into choice-based lettings schemes (normally only open to social landlords);
- o transferable bonds or deposit certificates which earn credits so that, for example, a tenant can become a ‘five star’ tenant.

The model scheme could build on successful local accreditation schemes (see below), which in some cases already operate across wider areas than a single local authority. It could be a DCLG initiative or established by the landlord bodies.

- Consider how to work with lettings and managing agents to strengthen their skills. Almost half of landlords use agents and they are the key link with the tenant as well as being aware of the state of the property. This proposal would build on and complement the National Approved Letting Scheme [www.nalscheme.co.uk](http://www.nalscheme.co.uk) and the recently announced SAFEagent project which will protect deposits (DCLG, 2011b).

The Housing and Migration Network considers that, in a policy climate where government does not favour imposing regulations or rules, industry-led initiatives of the kind noted here might be more viable but are bound to require seed-funding or a ‘nudge’ from government to get them underway. Fortunately the government has already introduced several measures on which it is now possible to build.

Other changes that might be considered under this heading include:

- Review the housing benefit and benefit payment systems from a ‘good landlord’ perspective. For example, landlords are disadvantaged if a tenant makes a fraudulent claim because, under the direct payment system, it is the landlord who often has to pay the money back.
- Explore ways to put resources into community-led responses, such as ‘community estate agents’, drawing on agents and landlords who themselves have a migrant background and who may be more willing to help new migrant groups (see below).
- Seek alternatives to the current tenant deposit arrangements that fail to protect tenants at the bottom end of the market. This might include schemes that allow deposits to be transferred from one landlord to another, possibly as part of the tenant and landlord reference proposal above.
- Encourage insurance schemes where tenants are dependent on benefits, in order to secure the landlord’s income. Settled Housing Solutions<sup>15</sup> offers one such scheme and there may well be others.

## Local schemes and services encouraging access to better-quality PRS properties

Local schemes aimed at improving conditions in the PRS and creating better access arrangements can benefit migrants as well as long-established residents and are supported by government. Schemes are of different types, for example:

- **deposit, guarantee or bond schemes** which work by offering landlords either a cash deposit or a written guarantee or bond in place of the deposit;

- **housing options schemes** which facilitate access to the PRS and to the housing market generally, and may include deposit guarantees;
- **accreditation or lettings schemes** which vary in their scope but include arrangements to ‘badge’ good landlords or properties and may include management or even repair services for accredited landlords.

There are many examples<sup>16</sup> but in the present climate those that can become self-financing (perhaps after initial pump-priming) are clearly more likely to be viable. However, even in a time of scarce resources, the modest investment needed to get such schemes going may well pay dividends in reduced use of more costly homelessness services.

## Box 2: Examples of local schemes to encourage access to better-quality PRS lettings

**Northampton Council** has set up Northampton Local Lettings which will match tenants on the council’s waiting list with a private landlord. Landlords pay an annual fee and in return the scheme provides many elements of a management service, including an optional repairs service. The scheme builds on the East Midlands Landlord Accreditation Scheme [www.emlas.org.uk](http://www.emlas.org.uk) which requires members to undergo one day’s training and provides benefits – including a searchable database enabling potential tenants to find properties belonging to accredited landlords. [www.insidehousing.co.uk/analysis/best-practice/let’s-work-together/6514524.article](http://www.insidehousing.co.uk/analysis/best-practice/let’s-work-together/6514524.article)

**DASH (Decent and Safe Homes)** is a scheme that encourages higher standards in the PRS across the East Midlands, including setting up local lettings schemes. [www.eastmidlandsdash.org.uk](http://www.eastmidlandsdash.org.uk)

**Sandwell’s Brushstrokes project** (developed as part of HACT’s Accommodate West Midlands project) worked with accredited landlords to inspect and accredit the properties, provided advice to landlords on the support that may be required by refugees, and provided training to refugees covering their rights and responsibilities in the PRS. <http://hact.org.uk/accommodate-2>

**Oxford’s Home Choice Scheme** provides tenancy deposits and rent in advance, and specifically assists refugees at the point when they receive their status to help them to move into stable PRS accommodation. [www.oxford.gov.uk/PageRender/dech/Home\\_Choice\\_Scheme\\_occw.htm](http://www.oxford.gov.uk/PageRender/dech/Home_Choice_Scheme_occw.htm)

There are of course already national accreditation schemes, such as the one run by the NLA. However there is a difference between landlords being accredited by a national scheme, and by local schemes that reflect local market conditions and aim for coverage of all the responsible landlords in an area. NLA is willing to help local authorities establish such schemes, and a government-provided ‘model’ scheme of the kind mentioned above would be very helpful as a promotional tool with local authorities. NLA believes that this would be supported by landlord bodies in general, providing that accreditation does not rely on prior inspection of properties (which would make it unwieldy).

## Role of housing advice and wider advice services

In addition to PRS-specific schemes, housing and other advice agencies play a very important role in facilitating access to better accommodation and/or helping tenants who face problems with their accommodation or their landlords. Again, these services are now under considerable pressure but they help save money by finding early solutions to problems before they escalate and before people need rehousing or present as homeless.

Several studies have highlighted the need for migrants to have access to better advice on how to obtain accommodation, challenge poor conditions and exercise their tenancy rights (for example, Spencer, *et al.*, 2007). The scope of existing advice schemes and services could potentially be broadened to make them more attractive to migrants as well as to settled residents: for example, by having staff with appropriate language skills, liaising with MRCOs or employers and publicising them in locations used regularly by migrants.

## How local housing strategies should take account of migrant use of the PRS

To ensure that their local strategies deal adequately with the PRS and its use by different groups of new migrants (along with use by settled residents), local authorities with significant migrant populations need to have adequate data on and understanding of:

- the extent to which migrants use the PRS, what kind of migrants, with what different housing needs (for example, single migrant workers compared with refugee families) and in which neighbourhoods;
- the willingness or otherwise of landlords to engage with the migrant market and collaborate with efforts to improve conditions;
- the housing needs and aspirations of different kinds of migrants as local residents, for example in relation to their planned length of stay in the UK or their wish to bring family members;
- how the situation is evolving and might continue to evolve in the future.

Their strategies should address housing conditions in the PRS by considering how to make best use of resources for statutory intervention, providing housing options advice, preventing homelessness, facilitating access to choice-based lettings schemes, training staff, providing translation services and recruiting staff. Strategies could consider how to strengthen local partnership working where the quality of migrant worker housing is an issue: for example, through liaison with employers and the GLA.

### Box 3: Example of a strategy that takes account of migrant use of the PRS

West Wiltshire commissioned a specific survey about migrant use of the PRS to inform its housing strategy.

[www.idea.gov.uk/idk/aio/8920342](http://www.idea.gov.uk/idk/aio/8920342) (pdf file)

## Role of local authority environmental health officers

EHOs play a key role in the PRS and often have greatest knowledge of issues and landlords. They have sometimes taken the lead in tackling issues of poor housing for migrants. However, action to tackle poor conditions in the PRS is not always linked effectively to wider housing strategies.

Here we list the key features of a local strategy for the PRS that embraces all needs, including migrants' needs. A PRS strategy should:

- have specific aims and aspirations;
- establish baseline data on conditions today;
- consult stakeholders, including local landlords and consumer/tenant groups;
- identify local issues and how they may develop in the future;
- consider how the PRS impacts on and contributes to other areas of strategic working;
- link with the overall housing strategy and other corporate strategies.

In relation to migration, PRS strategies should:

- consider the local context and impacts;
- determine whether there is a specific local focus for migration (for example, employers using migrant workers, asylum accommodation contracts);
- identify emerging migration trends and their likely local impact;
- assess how migration affects the local housing market and PRS;
- determine whether there is spare capacity in the PRS;
- explore potential impacts on the housing market.

Any strategy is only as effective as its delivery on the ground. The Housing and Migration Network would be keen to see all councils using their current powers to tackle poor conditions more actively and to seek fines from the courts that would have a deterrent effect on bad landlords, as Peterborough, Leeds, Newham and other councils have done.<sup>17</sup> However, one of the landlord bodies pointed out to us that fines are often nominal and there is scope to encourage magistrates' courts to take tougher action that properly reflects the scale of the offences and the effects on tenants' lives.

There are many examples of innovative schemes tackling the worst of the PRS stock and demonstrating the importance of local approaches, even though these are much more difficult in the current climate. EHOs already have the tools they need to tackle poor standards and rogue landlords, and these powers are not likely to be strengthened.<sup>18</sup> More could be done to disseminate good practice examples, especially ones that focus on migrants. Interchange of good practice is needed at all levels, from complex big city PRS markets to the use of tied and non-permanent housing in rural areas.

The Chartered Institute of Environmental Health is campaigning to maintain local authority EHO services. Its publication *Local Authority Private Sector Housing Services* (CIEH, 2011) sets out the case for maintaining a strong regulatory role, especially given the rapid and continuing growth of the PRS.<sup>19</sup>

#### **Box 4: Examples of EHOs engaging with migrant users of the PRS**

East Sussex Strategic Partnership (based around Hastings and Eastbourne) has produced a good practice guide and associated training about migrant housing conditions in the PRS, designed for staff responsible for monitoring the sector and enforcing regulations.

[www.hastings.gov.uk/housing\\_tax\\_benefits/help\\_housing\\_tax/migrant\\_housing\\_toolkit](http://www.hastings.gov.uk/housing_tax_benefits/help_housing_tax/migrant_housing_toolkit)

Cornwall's Migrant Worker Action Group (MIGWAG) began in Kerrier as a concerted programme for tackling poor conditions in caravan sites. Since the establishment of Cornwall Council it has been extended geographically and now also takes action against poor-quality HMOs that are let to migrants.

[www.wchlc.org.uk/mignewsforumpublic.cfm](http://www.wchlc.org.uk/mignewsforumpublic.cfm)

Harrogate used the Migration Impacts Fund (MIF) to address the increase in fire service call-outs to migrant-occupied properties. It produced a home fire safety leaflet in different migrant languages and linked this to fire safety checks and installation of smoke alarms.

Southwark's Private Rented Housing Improvement Project was a one-off drive, again using MIF finance, to tackle poor conditions in nearly 100 HMOs. It succeeded in improving conditions for 540 people, including 215 migrants.

### **Role of social landlords**

While social landlords are not directly involved with the PRS, there are roles they can play. Some social landlords have begun to offer letting and management services to the PRS, often on a basis that covers costs, and at the same time give local people wider housing options than can be provided solely by their social rented portfolio (see Box 5). They can potentially offer tenants greater security and a longer-term tenancy, and at the same time remove the burden of housing management from landlords. For some of the rising number of small landlords who may own only one property, this could be attractive. A further development of this idea would be to explore possible links between housing associations and employers to provide properly managed accommodation at a fee. An association interested in this area might consider whether a demonstration project could be initiated.

#### **Box 5: Examples of social landlords' involvement in the PRS**

Crucible Homes' Lettings Scheme is part of South Yorkshire Housing Association (SYHA) and has high street offices in Sheffield and Rotherham. In addition to selling property and letting it at intermediate rents for SYHA, it also acts as an agent to sell open market property and to let it on behalf of landlords, taking about three new lettings per month. Profits are recycled into SYHA.

[www.cruciblehomes.co.uk/landlord\\_services](http://www.cruciblehomes.co.uk/landlord_services)

St Leger Homes' Private Landlords Register is run by the arm's length management organisation (ALMO) that manages Doncaster's council housing. It provides a management service to private landlords who have had works done through a renovation grant, agree to sign up to St Leger's 'silver' or 'gold' maintenance schemes and keep their rents within local LHA levels. The aim is to increase the supply of good-quality PRS accommodation at affordable rents.

[www.stlegerhomes.co.uk/private\\_landlord\\_service.aspx](http://www.stlegerhomes.co.uk/private_landlord_service.aspx)

Another possibility for social landlords is to set up private sector leasing (PSL) or access schemes, aimed partly at migrants. HACT has funding from the Oak Foundation and the European Refugee Fund to start four projects that will build on the learning from experience in the homelessness sector and its own earlier pilots in the West Midlands and Newport. The new projects will trailblaze these approaches for refugees in four different parts of England (see Box 6). HACT has also published *A Guide to Developing Private Sector Leasing Schemes to Meet the Housing Needs of Refugees* (HACT, 2011).

### **Box 6: Examples of private sector leasing or access schemes from the HACT Accommodate PRS project**

**Bolton and Bury** have a PSL scheme led by Bolton at Home, working with Bolton Metropolitan Borough Council and the North West Strategic Migration Partnership. It aims to become self-financing and includes a refugee-specific element (with a target of 150 refugee households over two years). It is looking to expand to work with partners in other areas such as Rochdale, Salford and Wigan.

**Causeway Housing** has a PSL scheme that will support access to private rented accommodation for 70 households in Haringey and Enfield, including 30 refugees. The refugee element has been pump-primed by HACT and includes links with refugee community groups. The Crisis PRS fund (which is part-funded by DCLG) is funding the rest of the units.

**Sandwell**, led by Brushstrokes [www.brushstrokesproject.org.uk](http://www.brushstrokesproject.org.uk) is working with Sandwell Homes and Sandwell Metropolitan Borough Council to deliver 60 units. It is mainly a PRS access scheme but is also looking at the feasibility of a PSL scheme.

**Redbridge**, led by the Single Homeless Project and Refugee and Migrant Forum of East London (RAMFEL), is working with East Thames to deliver 40 units. It is a private sector access scheme for refugees as part of a larger project, with additional support and funding from Crisis.

Haringey and Bolton and Bury are already operational. Sandwell plans to start in January 2012 and Redbridge in April 2012.

The examples above are from HACT's Accommodate PRS project. Details of these and other PSL schemes, and a practical guide, can be found at <http://hact.org.uk>.

A further idea was put forward in a recent report, *Making a Rented House a Home*, by the Resolution Foundation (Alakeson, 2011). Where developers are required to provide affordable housing as a condition for receiving planning permission, the report advocated allowing them to comply by setting aside a proportion of properties for rent rather than sale for a specified period. The housing would stay in their ownership and they could sell it after, say, ten years. In the meantime the units would be managed by social landlords offering assured shorthold tenancies on the owner's behalf.

This illustrates the kind of imaginative thinking now required from housing authorities and social landlords to make creative use of links with the PRS, help guarantee management standards and add new housing to the range of options offered to applicants.

## Engaging with migrant communities about the PRS

There are a number of reasons why it is important to engage with voluntary and community groups, including MRCOs, that are close to and trusted by migrants:

- Voluntary and community groups have important local knowledge about people's needs and experiences in the PRS.
- They may already be offering advice services formally or informally and may have potential to develop further.
- They provide the basis for engaging with people about how housing bodies can work with migrant and refugee communities.
- MRCOs exist because many migrants are more likely to seek (and get) advice within their own communities. As people will use them in any event, it is best to include them in strategies and delivery plans and to keep them informed. Bad advice and incorrect information can be costly and damaging to the communities with which they work.

Engagement with MRCOs is not always easy because there may be many different small groups, a lack of resources and differing expectations. HACT has considerable expertise in engaging with MRCOs and provides resources that can help those trying it for the first time. The Accommodate PRS project (see Box 6) has resulted in advice and experience that is available to those working with local refugee groups.

### Box 7: Examples of engaging with migrant communities

**Integrated in Brent** was a local project to engage MRCOs, including dealing with issues about the PRS, initiated by two housing associations in partnership with the local authority.

[www.innisfree.org.uk/int\\_00\\_index.php](http://www.innisfree.org.uk/int_00_index.php)

**Accommodate Newport**, a partnership initiated by HACT, focused on the PRS and refugee housing.

<http://hact.org.uk/accommodate-2>

**Mid-Devon's Involve** is a voluntary sector forum in Tiverton which commissioned a survey of migrant worker housing needs and engaged two Polish migrant workers to do the study.

[http://www.devon.gov.uk/homel\\_hsg\\_needs\\_migrant\\_worker\\_misc\\_09.pdf](http://www.devon.gov.uk/homel_hsg_needs_migrant_worker_misc_09.pdf)

**East Sussex Migration Action Group** developed an English language teaching resource for use with migrants, based on their housing experiences and especially their use of the PRS. It is designed to help migrants learn English but at the same time provides opportunities for them to discuss housing issues that affect them and how they might go about obtaining better conditions.

[www.hastings.gov.uk/housing\\_tax\\_benefits/help\\_housing\\_tax/migrant\\_housing\\_toolkit](http://www.hastings.gov.uk/housing_tax_benefits/help_housing_tax/migrant_housing_toolkit)

## Local partnerships within the PRS

A small number of projects have sought to establish local partnerships with landlords or to manage privately owned property with the landlord's agreement. These examples could be built on and promoted

more widely. They provide an opportunity for local authorities and housing associations to engage with landlords. Some reflect a 'community estate agent' approach to migrant housing needs; the landlords may often be migrants themselves and an agency led by migrants is then the conduit for making the accommodation available. Some caution is needed as the arrangements can be exploitative if tenants are unaware of their rights and the landlord abuses them. Equally, though, there are examples of such schemes providing better access to the PRS than through conventional agents.

### Box 8: Examples of local partnerships within the PRS

**The Afro-Caribbean Housing Association** operates in several London boroughs and has a portfolio of 130 properties that they manage on behalf of landlords (just over half are from the PRS). Many partner landlords are former migrants.

**Afghan Association Paiwand** is part of the Integrated in Brent project (see Box 7). It is an MRCO that worked with a sympathetic local landlord to rent a property in which to provide supported housing for unaccompanied minors (commissioned by a local authority).

[www.paiwand.com](http://www.paiwand.com)

**Accommodate West Midlands** is delivered by Birmingham Co-operative Housing Services (BCHS) which has had considerable experience with setting up PSL schemes in Birmingham, working with Brushstrokes and with refugee community organisations.

<http://hact.org.uk/accommodate-2>

## Other options to provide accommodation

In its discussions, the Housing and Migration Network was keen to consider options for providing accommodation other than the established methods of using HMOs or providing tied accommodation. Some of these options are:

- Use decommissioned public sector property, such as defunct sheltered schemes, on fixed-term serviced lets for migrant workers at prices they can afford.
- Encourage employers to take more responsibility for accommodation, for example by building links with local landlords in the way that university accommodation offices do. This provides support to landlords and communities where there are rent difficulties, anti-social behaviour or other problems.
- Explore schemes to convert empty property (see Box 9) using volunteer labour. HACT is working with <http://self-help-housing.org> to encourage more groups to apply to the Homes and Communities Agency (HCA) for empty homes funding to support schemes like that in Box 9 but using PRS properties.

There is possibly a need to consider developing different types of accommodation from those currently prevalent in the social housing sector. For example, the Network identified a strong case for looking at providing more basic hostel or dormitory accommodation that could be let at rents affordable to migrant workers without needing housing benefit. However, this is a controversial proposal within the social housing sector as landlords have understandable concerns about different types of development that could mean reduced standards and a risk to their reputations.



### **Box 9: Examples of schemes to use empty property**

Canopy Housing, Leeds is a partner of HACT's first Accommodate refugee housing partnership project. Canopy renovates empty property provided by social landlords, using volunteer labour including people from migrant communities. Canopy provides a 'self-help' housing opportunity for people who are homeless, which means they have the opportunity to participate in renovating and decorating their new home alongside the volunteers, and can influence how their home looks before they move in. Some of the 'self-helpers' then have the opportunity to become tenants. See <http://self-help-housing.org> for this and other examples.

# 4 Conclusions and recommendations

## Government policy towards the PRS

The combination of explicit government policy and the effects of the economic situation have thrust private renting into a much bigger role. Not only will it have to house the majority of the 100,000 households annually who now cannot afford to buy (Wilcox, 2010c) but also it is being asked to play a greater part in housing the vulnerable and homeless. At the same time, LHA changes will reduce government subsidies that support those poorer tenants.

Private renting is therefore unique in being the one major housing sector that is likely to grow in the next few years, but is also in a state of considerable flux. While the outcomes are uncertain, it is not difficult to predict that those at the 'bottom end' of the market will find it increasingly difficult to get good, affordable, secure conditions in the sector, as their buying power falls. Already one in four landlords are reported to be cutting the proportion of lettings to LHA applicants in their portfolios,<sup>20</sup> and the government is committed to monitoring the effects of these benefit cuts.

There is now much more media interest in the sector from a consumer perspective and there have been calls for a new approach to private renting now that the sector is called on to house 'generation rent' (Alakeson, 2011). Behind the recent news stories about the prevalence of 'rogue landlords'<sup>21</sup> lies real evidence from the English Housing Survey (DCLG, 2011a) that people who are poor or from an ethnic minority are twice as likely to live in a house needing major repairs if they are private tenants than if they are social tenants or homeowners. Migrants, of course, may be both poor *and* from an ethnic minority.

Advice services play a key role in combating bad conditions and they are being drastically affected by the combination of local authority cuts in their own services, cuts forced on the voluntary sector, and specific measures such as the withdrawal of legal aid. In the migrant and refugee sector there are also cuts to or the complete removal of specific advice and integration services, including those funded by central government.

Maintaining and improving the standards of private rented accommodation is therefore very important in the context of the housing market, and of government policy to make greater use of it for vulnerable groups. The Housing and Migration Network accepts the government position that it will not pursue greater regulation of the sector in order to raise standards at the 'bottom end' (DCLG, 2010b). Indeed, the Network agrees that in most respects current statutory powers are adequate. The priority is not to strengthen the powers but to encourage much more vigorous use of them, both to tackle bad landlords and to incentivise good ones.

While not driven by migrant housing needs, a government review of policy and practice in the PRS could take their needs into account along with the many other low-income groups needing access to the sector. As noted in Chapter 3, many of the measures that would improve conditions for migrants are equally desirable for the benefit of *all* tenants in this expanding sector, especially those who are most vulnerable to exploitation.

## Promotion of specific initiatives

Chapter 3 included a wide range of ideas or examples of current projects and services that could be more widely adopted, in order to stimulate debate on how to address the issues described in Chapter 1.

Some of the sector-wide improvements suggested could be driven by the sector itself, perhaps with some seed-corn funding or a 'nudge' from government. These could include the proposals for a basic form of tenancy agreement or sector-wide accreditation.

Other proposals require action by government, although we have aimed to stay within the constraints we set out in Chapter 2. Despite the tight budgetary position, the government has made specific, small-scale funds available for certain housing initiatives and has maintained the important DCLG funding for preventing homelessness. One way to promote national sector-led initiatives, or to replicate model examples of local initiatives, is to offer more seed-corn funding from available budgets. This would assist with set-up costs and allow initiatives to be followed up and their use monitored, publicising successful initiatives for others to consider.

The aim should be to ensure that all local authorities engage with private landlords to develop and promote schemes that are based on local circumstances but that ultimately accredit all private rented property and establish an industry standard. Such measures are desirable in themselves but also save money by reducing demand for homelessness services, and this message needs to be reinforced. Furthermore, there is every chance of them being supported by the national landlord bodies. The emphasis should be on sustainability, with authorities showing how they can continue to fund new services (for example, from charges) once the initial funding has ended.

## Co-ordination of national bodies

One of the difficulties of dealing comprehensively with migrant use of the PRS is that, particularly for migrant workers, responsibilities are split between different government departments and agencies:

- The Home Office and the UKBA share responsibility for migration, including economic migrants and schemes such as the Seasonal Agricultural Workers Scheme (SAWS) for Bulgarians and Romanians.
- The DCLG is responsible for housing policy and standards in the PRS, as well as for promoting integration.
- Apart from these main responsibilities, specific duties attach to:
  - o the Gangmasters Licensing Authority (GLA), which deals with employment conditions in certain occupations, and reports to the Department for Environment, Food and Rural Affairs (Defra);
  - o the Employment Agency Standards (EAS) Inspectorate which has a remit for agency workers and reports to the Department for Business, Innovation and Skills (DBIS);
  - o local enterprise partnerships (LEPs), which are a joint responsibility of DBIS and DCLG and are likely to have a remit for considering the role of migration in subregional economies.

There is a case for government bringing these agencies together to consider the issues raised in this report and specifically to examine the case for:

- The UKBA being more aware of the local impact of its asylum accommodation contracts on local PRS markets and on the neighbourhoods where accommodation is procured. It should in future take much stronger account of these effects, both in setting contract requirements and in its relationships with local authorities.
- The UKBA and DCLG working jointly to support settlement and integration of refugees, in particular to prevent homelessness during the very short 28-day transition period when refugees are expected to move out of their UKBA contracted accommodation. With the withdrawal of the Refugee Integration

and Employment Service (RIES) from April 2012, and potentially of integration loans as well (which are predominantly used for housing costs such as rent deposits), there is real danger that homelessness will increase among this group.

- The GLA strengthening the accommodation requirements in its licensing standards and looking at how these could be more fully enforced. This could consider housing-related problems such as the way that the fees paid to gangmasters may create an incentive to get rid of workers after a few months to make way for new workers paying new fees. This often results in unnecessary moves or even in homelessness.
- Bringing into line the respective remits of the GLA and the EAS in relation to migrant workers and their accommodation. There are concerns about the accommodation element of the minimum wage being inadequate to secure reasonable accommodation and about the disincentive for employers and gangmasters to provide it.
- Including migration within the remit of the LEPs. Although the Regional Growth Fund is very limited, it may provide opportunities for regionally led initiatives on migration if employers' bodies can be successfully engaged. Regrettably, there is little evidence so far of this happening.

While the opportunity to influence new UKBA asylum contracts may have passed, the GLA is currently reviewing its licensing standards and this presents an opportunity for changes. LEPs are of course still at the development stage.

## Role of regional and local bodies

Many of the problems noted in this report and many of the ideas for tackling them can be pursued at regional or local levels. The Housing and Migration Network has published a separate paper on *UK migration: the leadership role of housing providers* (Perry, 2011) which challenges regional and local bodies, particularly in the housing sector, to take a lead on migration and housing issues. LEPs, strategic migration partnerships, local authorities and social landlords can initiate action on the following:

- Ensure that migrant housing needs within the PRS are taken fully into account alongside the needs of the settled population.
- Make contact with local voluntary and community organisations, including MRCOs, to help assess needs and priorities in migrant use of the PRS. If migrant needs are not known or understood, consider using surveys (or other measures) to gain information on use of the sector and its needs.
- Work with local landlords' representatives to consider improvements to the workings of the sector through local partnerships. This might include local accreditation schemes for which landlords make a payment in return for services such as membership of choice-based lettings schemes. Ensure that these cover all sectors of need within the PRS, including migrants.

Chapter 3 outlined a number of ideas such as these, together with examples of places where they are already being implemented.

## A private rented housing 'summit'?

Early in 2011, the housing minister called a summit to look at opportunities to encourage first-time buyers. The Housing and Migration Network believes that the PRS warrants similar attention because of

the massive changes taking place and the new demands being placed on it. It is also another sector with diverse bodies representing landlords, agents, tenants and those responsible for enforcing standards and providing consumer advice.

As well as considering initiatives such as those summarised in Chapter 3, the remit for such a private rented housing summit might include:

- considering tax or regulatory changes that would favour better property management within the sector;
- linking policy measures to increase mobility with measures such as transferable deposits or bonds and standardised arrangements for these;
- encouraging landlords to join the Ombudsman Scheme which is available at low cost but to which PRS landlords have not generally signed up;
- promoting the widening out of choice-based lettings schemes to include better properties within the PRS;
- encouraging employers and private sector companies more generally to engage in providing quality accommodation for employees;
- encouraging employers to take a proactive role in helping migrant employees find reasonable quality accommodation and in minimising adverse effects on neighbourhoods;
- exploring the drivers for landlords to invest in PRS submarkets;
- encouraging responsible private landlords to consider the migrant submarket as a viable investment opportunity;
- providing more targeted information and advice to tenants who are vulnerable to poor conditions and bad landlords, including migrants;
- considering how to stimulate ‘community-driven’ management of PRS properties and also local lodging schemes within neighbourhoods where the PRS is under pressure;
- moving towards a common approach to accreditation in the PRS in ways that would build on the best features of current local schemes, and be supported by landlord bodies.

Given that the housing minister has ‘put councils on alert’ to use their powers to tackle rogue landlords, the summit could consider how best to encourage them to do so. It could also consider how to ensure best practice is adopted across the board, working with representatives of better landlords within the sector who might see the PRS as potentially benefiting from many of the reforms suggested in this report.

The summit would, of course, have a much broader remit than migrant housing issues, but it should recognise the sector’s particular importance in housing migrants. Also, as reported to the Network, landlords generally have very favourable attitudes towards migrants as tenants. If the summit’s overall focus were to be on ‘how to provide carrots for good landlords and how to use the sticks to control bad ones’, this would be to the advantage of all involved in the private rented sector, including those involved in housing migrants.

# Notes

## Introduction

- 1 Comment by Yolanda Barnes of Savills at the launch of the report of *Towards a Sustainable Private Rented Sector* (Scanlon and Kochan, 2011).

## Chapter 1

- 2 There is a summary of these studies at <http://hact.org.uk/opening-doors>. References to the sources of data in this paragraph can be found in this summary.
- 3 This may be partly explained by a proportion of Serbs entering as asylum seekers and eventually qualifying for social housing, but Serbs also have a higher propensity to be owner-occupiers than other non-EU, Eastern European nationals.
- 4 See Bramley, *et al.* (2010). The study was carried out before 2010 but published by the coalition government in November 2010.
- 5 See DCLG live table 788 at [www.communities.gov.uk/housing/housingresearch/housingstatistics/livatables](http://www.communities.gov.uk/housing/housingresearch/housingstatistics/livatables).
- 6 If authorities decided to do this to the maximum, on current figures an additional 40,000 homeless families could be placed in the PRS in England.
- 7 For example, extensive material on local migrant use of the PRS in towns such as Eastbourne and Hastings has been collected by the East Sussex Migration Action Group.
- 8 The eight major states that joined the EU in 2004 were Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia (Cyprus and Malta also joined). They also became members of the European Economic Area, which includes the EU member states and some others, and is the definition used for the UK immigration rules.
- 9 See BSHF (2008) for discussion of this and related issues.
- 10 A contrasting study showed that workers living in accommodation found by their employers were most likely to describe conditions as poor or very poor (Anderson, *et al.*, 2007).
- 11 The National Landlords Association has called for 'zero tolerance for rogue landlords'. See [www.epolitix.com/policy/communities/communities-article/newsarticle/zero-tolerance-for-rogue-landlords](http://www.epolitix.com/policy/communities/communities-article/newsarticle/zero-tolerance-for-rogue-landlords).

## Chapter 2

- 12 See news item, 4 August 2011, available at [www.lawgazette.co.uk/news/archive](http://www.lawgazette.co.uk/news/archive).

- 13 Commissioned by the previous government and published in 2008 (see Rugg and Rhodes, 2008).
- 14 See [www.communities.gov.uk/housing/privaterentedhousing](http://www.communities.gov.uk/housing/privaterentedhousing). However, it is worth noting the evidence (Scanlon and Kochan, 2011) that in other countries greater regulation is often associated with a large, well-functioning PRS, not with badly managed or poor-quality private provision.

## Chapter 3

- 15 See [www.settledhousing.co.uk/Services/HousingBenefitInsuranceCover/tabid/65/Default.aspx](http://www.settledhousing.co.uk/Services/HousingBenefitInsuranceCover/tabid/65/Default.aspx).
- 16 There is a UK database of schemes at [www.privaterentedsector.org.uk/PRS\\_schemes.asp](http://www.privaterentedsector.org.uk/PRS_schemes.asp). This site also has a toolkit for those wanting to start such schemes.
- 17 As an example, a Peterborough landlord was recently fined £15,000 plus more than £7,000 costs. See [www.peterboroughtoday.co.uk/news/local/landlord\\_fined\\_15\\_000\\_over\\_dangerous\\_house\\_1\\_2795544](http://www.peterboroughtoday.co.uk/news/local/landlord_fined_15_000_over_dangerous_house_1_2795544).
- 18 The tools available in England are summarised in the toolkit Ways and Means, produced jointly by CIH, DCLG and IDeA (see CIH, 2006). The Welsh Local Government Association (WLGA, 2011) has also produced *Local Authorities and the Private Rented Sector: Improvement Toolkit*.
- 19 Available at [www.cieh.org/policy/local\\_authority\\_private\\_sector\\_housing\\_services.html](http://www.cieh.org/policy/local_authority_private_sector_housing_services.html).

## Chapter 4

- 20 Press release from BRDC Continental, 22 August 2011.
- 21 For example, the Channel 4 *Dispatches* coverage of rogue landlords in mid-2011.

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The Network identified gaps in knowledge and a lack of published material about this important issue, and commissioned John Perry to write this report. The report has been discussed extensively by members of the Network and has benefited particularly from inputs by Neil Coles, Nigel Lee and Heather Petch, who is currently co-ordinating the Network's activities.

In addition, the report has benefited from comments by representatives of the other bodies that have endorsed it (see Endorsements from partners, pages 6–7) and from discussion with government departments. The practical examples have arisen from visits by the Network or have been supplied by practitioners.

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## Housing and Migration Network membership

The Housing and Migration Network is time-limited but its sponsors and members remain willing to engage with government on these issues and assist with any proposals from the Network that might be pursued, either via the government or through the trade bodies and professional bodies in the PRS.

**Chair: Julia Unwin CBE**, Chief Executive, Joseph Rowntree Foundation

**Paul Birtill**, Director of the Migration Foundation

**Ann Branson**, Divisional Director, Housing Strategy and Options, Leicester City Council

**Richard Capie**, former Director of Policy and Practice, Chartered Institute of Housing

**Mary Carter**, (Secretariat), HACT Associate

**Neil Coles**, Housing Services Manager, Maidstone Borough Council

**Jenny Edwards CBE**, former Chief Executive, Homeless Link

**Dr Azim El-Hassan**, HACT Associate

**Tim Finch**, Director of Communications and former Head of Migration, Equalities and Citizenship Team, Institute for Public Policy Research

**Michael Gelling OBE**, Chair, Tenants and Residents Organisations of England

**Gill Green**, Independent Researcher, formerly at the Audit Commission

**Nancy Kelley**, Deputy Director, Policy and Research, Joseph Rowntree Foundation

**Nigel Lee**, Private Landlord, former Councillor for Coventry City Council

**Arten Llazari**, Chief Executive, Refugee & Migrant Centre of the Black Country

**Jon Lord OBE**, Chief Executive, Bolton at Home

**Sue Lukes**, Independent Consultant; Director, MigrationWork CIC

**Leonie McCarthy MBE**, Social Inclusion Manager, Peterborough City Council

**Tom Murtha**, Chief Executive, Midland Heart

**Elahe Panahi**, Director, Royal Docks Learning and Activity Centre

**Bill Payne**, former Chief Executive, Metropolitan Housing Partnership, now self-employed

**John Perry**, Policy Adviser, Chartered Institute of Housing; HACT Associate

**Heather Petch OBE**, former Director, HACT

**Vicky Stark CBE**, Chief Executive, Look Ahead Housing and Care

**Neil Stott**, Chief Executive, Keystone Development Trust

**Alona Tirzite**, attended in an individual capacity

**Rob Warm**, Regional Manager, Migration Yorkshire

## About the author

John Perry is a member of the Housing and Migration Network and prepared this report as one of three outputs from its work. He is part-time Policy Adviser to the Chartered Institute of Housing, an associate of HACT and the author of previous reports from the Joseph Rowntree Foundation.

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