

UK migrants and the private rented sector

Findings
Informing change

February 2012

Three-quarters of recent migrants to the UK live in the private rented sector (PRS). They often have low awareness of their rights and responsibilities as tenants, and are more likely to have irregular tenancies or to live in poor-condition multi-occupation properties. Such conditions can cause tensions and poor relations between migrants and settled residents in cities and rural areas. Action is now required to counteract the impact of recent spending cuts in this neglected policy area.

Key points

- Government bodies, social housing and private landlord groups and advice agencies should recognise the importance of recent migrants in the private rental market in their policy-making and in service provision. Current policies and services often ignore them or are inappropriate.
- The private rented sector is growing rapidly and is under considerable pressure. Government needs to recognise this and the importance of protecting vulnerable groups, including migrants, who depend heavily on the sector.
- Badly managed lettings, used by migrants – especially in multi-occupied properties – can create neighbourhood problems and fuel local tensions unless action is taken.
- While Government policy and current expenditure cuts impose constraints on the actions that can be taken, a range of proposals can be considered and implemented.
- Proposals should aim to work with the private sector and be based on practical experience and, where available, practical examples.
- Any proposals need to be aimed at assisting vulnerable groups in general; steps must be taken to involve migrant communities and other relevant voluntary and community groups in their design and implementation.
- A 'private sector summit' could be a way to exchange proposals between the sector, government and other bodies, and to develop ways of implementing them.

The research

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A policy and practice paper of the
Housing and Migration Network

Background

This is a summary of the findings from a policy and practice report commissioned by the Housing and Migration Network (see page 4) to pull together knowledge and to advance the case for greater consideration of migrants' use of private renting. While it focuses on the poorer 'bottom end' of the sector, it acknowledges that the sector mainly provides good conditions for tenants and is run by good landlords. Many of the proposals are about bringing the minority up to the standards of the majority.

The report aims to provide robust analysis of migrants' use of the private rented sector and the problems they face; to outline the current policy constraints and opportunities; to make proposals about improving conditions for migrants as one of many vulnerable groups within the sector; and to recommend to national and local agencies how these might be taken forward.

Migrants' use of the private rented sector

Although migrants who have lived in the UK for a long time have similar housing tenure patterns to those of the settled population, recent migrants (those who have been here for up to five years) overwhelmingly use the private rented sector: some 75 per cent are in private lets, and even this may under-represent the true picture. There are also significant variations between different groups in their use of the sector. 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 are critical issues. Other migrants may view issues such as standards, management and overcrowding as less critical factors within the choices they make about work, incomes and expenditure on accommodation.

Where migrants and other tenants live in poor-quality, badly managed lettings, this almost inevitably has repercussions for the neighbourhood as a whole. This paper is therefore not only about migrants' housing conditions but also about issues affecting the well-being of the neighbourhoods where they live.

A sector under pressure

Migrants represent one part of the private rental market, often concentrated in poorer-quality and cheaper dwellings. It is precisely this part of the sector that is now under extraordinary pressure from many different directions. Greater demands are being placed on it by changes in government policy, such as encouraging councils to discharge their homelessness duties through private lettings. Changes in the local housing allowance system are making it harder for tenants to afford rents and many may start to look for cheaper accommodation. At the same time, the much greater barriers to home-ownership that have applied since 2008 mean more households using private lettings. In many areas, rents are increasing rapidly in response, in spite of the rapid recent growth of the sector.

Migrants' access to private lettings and problems that can arise

Migrants need access to the sector in part because the other main sectors (home-ownership and social housing) are not readily available to them, and in part because of its flexibility and relative affordability. Newly arrived migrants often access accommodation through friends, or through employers and agents who find them work, avoiding conventional channels like local authorities, mainstream advice agencies or high street letting agencies. While this evidently works, it means that lettings are often informal, possibly without legal agreements, and sometimes involve unconventional arrangements such as putting people in outbuildings or obliging them to share with strangers. If tenants have complaints, they may be too intimidated to pursue them (e.g. if they face losing their job), and unaware of their rights or of agencies that could help them.

Other migrants make different use of the sector but may also face problems. For example, migrant workers who decide to bring families to the UK, or asylum seekers who receive approved status as refugees, may be looking for more secure, longer-term accommodation. They may be eligible for social housing but are unaware of this or cannot wait until they receive an allocation. Evidence shows they often move through a succession of private tenancies, looking for better conditions and greater security, combined with affordability, until they eventually find more secure accommodation or can access social housing. The end of government-funded integration support for refugees (including access to loans for rent deposits) may exacerbate this problem from March 2012.

Where migrants' use of the sector is concentrated in certain neighbourhoods, they may compete with other low-income groups, properties may be converted for the migrant market and (for example) be unavailable to first-time buyers, or multi-occupation may spring up in areas unaccustomed to it. These and the environmental problems associated with heavy use of multi-occupied properties can lead to neighbourhood tensions and poor relations between migrants and settled residents.

Importance of private renting to migrants is set to continue

It is clear that despite greater competition for accommodation the private rented sector will continue to be the main provider of housing for new migrants for the foreseeable future: neither home-ownership nor social housing are going to offer significantly greater opportunities, and in all probability fewer. While demand for accommodation from migrants will fluctuate, as migration fluctuates, it will not disappear; the migrant sub-sector will continue to be an important part of the market.

The authors have therefore concentrated on ways of achieving better outcomes for recent migrants within the private rented sector.

Current policy context

Any proposals have to acknowledge both the constraints and the opportunities resulting from current policies affecting migrants and affecting private renting. In particular, severe public expenditure constraints are reducing or in some cases ending the relevant local authority services and those provided by the voluntary sector. While some funding opportunities remain, any proposals must be realistic, and rely only on established sources of funding or be low-cost or self-financing. This limits the opportunities but by no means eliminates them.

As well as working within the various constraints, the Housing and Migration Network is keen to promote ideas that 'work with the grain' of the sector, involve voluntary and community organisations and migrant groups themselves wherever possible, and which are aimed at addressing the issues that arise at local level.

Possible solutions

The following proposals are more fully explained in the full report:

- Options for improving the sector 'from within' – a simplified, standard tenancy agreement; a tenant referencing scheme as part of the 'pay back' to the landlord; and nationally agreed standards of accreditation.
- Local schemes and services to encourage access to better-quality lettings – deposit schemes, housing options services and accreditation or local lettings schemes, such as Northampton Local Lettings, and the Brushstrokes project in Sandwell, which facilitated access to private lettings for refugees.
- Role of housing advice and wider advice services – making them more attractive to migrants as well as to settled residents, e.g. by having staff with appropriate language skills, liaising with migrant groups or with employers, publicising services in locations used regularly by migrants, etc. (With the demise of the Refugee Integration and Employment Service this will be especially important in supporting refugee settlement.)
- How local housing strategies should take account of migrant use of private renting – ensuring that strategies recognise the importance of the sector to migrants, if necessary based on specific surveys as in an example from West Wiltshire District Council.
- Role of local authority environmental health officers – their regulation of the sector locally is a vital service that should be protected as far as possible from spending cuts; imaginative ways have been found of making staff more aware of migrants, and migrants of environmental health services, e.g. the 'MIGWAG' scheme in Cornwall.
- Role of social landlords – they can offer management and/or maintenance services to private landlords, as Crucible is doing in South Yorkshire and St. Leger in Doncaster; they can target some of this provision at migrants, in particular refugees, e.g. HACT's 'Accommodate' pilots.
- Engaging with migrant communities about the PRS – several authorities have done this and, as a result, improved the relevance of their services to migrants, e.g. in Hastings and Eastbourne.
- Local partnerships within the PRS – agreements by migrant community groups to manage privately-owned property with the landlord's agreement.

- Other options to provide accommodation – for example, Canopy Housing in Leeds is a project in which migrants and other local people renovate empty houses which can then be let to them on assured tenancies. (The Department for Communities and Local Government wishes to target some of the £100 million empty homes funding available from the Homes and Communities Agency at these types of schemes.)

Conclusions and recommendations

The case is made to take forward these and similar initiatives as part of a wider response to the growth of – and pressures on – the private rented sector, and the actions the Government, local authorities, social landlords and private landlords could take. This will require steps to:

- co-ordinate national-level bodies – because policy affecting migrants and private renting is split between Government departments, and agencies such as the UK Border Agency and Gangmasters Licensing Authority also have important roles;
- encourage co-ordination at regional and local levels – because this is where most of the proposals actually need to be taken up, and currently many of the bodies involved are unaware or only partially aware of the issues;
- consider a private rented sector ‘summit’ – which recognises the vital, rapidly expanding role of the sector and considers proposals that will encourage better standards within it, especially for more vulnerable client groups (including migrants).

About this project

The Housing and Migration Network was jointly established by HACT – the housing action charity – and its funders, the Joseph Rowntree Foundation and the Migration Foundation 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, migrant workers or when 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 Network has been driven by a diverse group of 20 policy influencers and practitioners from the public, private and voluntary sectors. 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 a summary of one of three reports being produced by the Network. *UK migration: the leadership role of housing providers* was published in August 2011 by JRF and is available at www.jrf.org.uk/work/workarea/housing-and-migration. *Housing and migration: A UK practice guide* will be published by the Chartered Institute of Housing in April 2012.

Further information

The full report, **UK migrants and the private rented sector** by John Perry, is published by the Joseph Rowntree Foundation on behalf of the Housing and Migration Network. It is available as a free download from www.jrf.org.uk

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