

No Access, No Way Out

How a lack of availability and rising prices in the private rented sector impact move-on options for people experiencing homelessness

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Staff in a wide range of organisations gave their time generously to help us shed light on the challenges facing those moving on from homelessness to the Private Rented Sector (PRS). Our thanks go to those currently experiencing homelessness who shared their own experiences at a difficult time and provided unique insights. We are also very grateful for the support and input from the Pan London PRS Forum convened by Homeless Link. Finally, we would like to thank those supporting the dissemination of the research including members of Commonweal's Board of Trustees.





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FOREWORD

by Jonathan Portes

Trustee of Commonweal and Professor of Economics and Public Policy at King's College London

For possibly the first time, we are reaching a consensus that the private rented sector (PRS) is in turmoil and now in need of repair.



The state of the sector has gained significant attention from government, academics, media, housing professionals and the public alike. For many young people, home ownership is no longer a realistic facet of the social contract, while the increasingly rationed social housing stock has left the private rented sector as their viable only housing option. The PRS, which has historically been for most a temporary and transitional part of their housing journey, is now seen by many as their housing destination. No wonder it has gained significant attention and prompted so much conversation.

But missing from this conversation – as this report uncovers – are the untold number of individuals ready to leave homelessness services, who can no longer look to social housing for move-on options as the bar for access is raised ever higher. People who, through their own efforts and the support and guidance of a raft of fantastic homelessness and housing support services – such as hostels, refuges, rehab centres and the like – are ready to move on. Instead however, these individuals are stuck in a state of limbo: often ready to rebuild their lives but unable to access the stable roof over their heads to do so, victim to a broken system and the desertification of the homes they need.

The private rented sector has long served as an important, if imperfect, route out of homelessness or supported living. Indeed, it was through conversations between Commonweal staff and our project partners that the genesis of this research was born: beneficiaries of these projects could not move into independence with higher rents and reduced availability, even at the bottom end of the rental market.

As a small, independent social justice charity that aims to amplify the voices of marginalised and overlooked groups, this issue became one of particular concern to Commonweal.

Alerted by this, Commonweal commissioned Becky Rice, a much respected and experienced independent researcher and former colleague on our Board, to bring together the voices of housing service workers and users across the country to help portray the reality of this unfolding issue, and to shine a light on the darker recesses of the housing market.

The findings of this report are very valuable to policymakers, academics and housing professionals. It presents a clear crisis, and one that we perhaps slept-walked into: a system at breaking point; overwhelmed services working valiantly to support their clients; a backlog of in-need but out-of-reach vulnerable people; and far too many wanting independence but burdened by systemic barriers.

We hope that this report goes some way in illuminating this crisis.

We place our enormous thanks firstly and most importantly to all those who spoke up on what they've experienced. So too for those who have shared what they've witnessed while they work tirelessly to support those that need it. Finally, of course, to Becky for this brilliant and most vital report.

As renewed and hopefully strengthened private rented reforms begins to emerge, we must use this as an opportunity to advocate for those left unspoken for, until now, and whose need for a fair and affordable rental system is perhaps most acute. We hope that you will join us in giving them that voice.

1. EXECUTIVE SUMMARY



Introduction

- This small-scale study explores how reduced availability and rising prices at the lower-cost end of the private rented sector (PRS) are affecting people experiencing homelessness and the organisations that support them. The study recommends ways to improve access to the PRS.
- The main method used in the research was interviews with organisations with expertise in supporting people to move out of homelessness and into PRS homes. People currently experiencing homelessness and seeking PRS accommodation were also consulted in London. The focus of the research was on London, but included interviews with organisations in Greater Manchester, the West Midlands, Kent and Sussex.

Background

- Recent research shows a decrease in properties to let, while demand and rental prices have increased. The reduction in rental properties is not unique to London, but was felt most acutely in the capital where the availability of properties at local housing allowance (LHA) rates has become 'almost non-existent'.¹
- While there is robust quantitative analysis of the PRS market overall, the purpose of this report is to explore the current situation specifically for people who need to access the lowest-cost end of the PRS market to move on from homelessness. The focus is on people who are not considered to be in 'priority need' and are therefore limited in their entitlements to local authority support with housing. This group are usually reliant on benefits to pay for their housing, with no savings for a deposit or rent in advance, and no references or a guarantor.
- Many are further disadvantaged in the market because, for example, they are subject to limits on the total value of benefits they can receive (the 'benefit cap') or the level of housing benefit they receive (the 'shared accommodation rate' applied to most of those aged under 35); face stigma and discrimination; or they want to work and are therefore perceived as a risk to landlords due to potential fluctuations in their income rather than a steady benefits payment.

The role of the PRS

- The PRS has become an increasingly important route out of homelessness over the last 15 years. Furthermore, the need to access the PRS as a move-on option has further increased in the last two years.
- The organisations reliant on the PRS for move-on include assessment centres such as the pan-London assessment services commissioned by the Greater London Authority (GLA), winter shelters, day centres and hostels.
- Worryingly, several organisations reported an increase in people being forced to sleep rough (as opposed to in emergency or short-term accommodation) while seeking PRS accommodation.
- The PRS is the main move-on route for an increasingly diverse client group including people with support needs (for example, drug/alcohol or mental health support needs) and those new to homelessness as a result of the cost-of-living crisis.
- People experiencing homelessness nearly always need financial and practical support from a local authority, charity or other service provider to help them secure PRS move-on accommodation. In London, most people moving on from homelessness are likely to secure tenancies with landlords who specifically work with people on benefits. This is a subsector that is not usually publicly advertised through the usual websites and requires connections and knowledge to access. This sector is opaque and fast moving, making it hard for organisations to ensure an ongoing pipeline of properties for people they are working with.

Accessing PRS housing

- It has become far harder to secure PRS accommodation for people experiencing homelessness over the last two years. The factors behind the reduced availability, specifically at the cheaper end of the PRS market, include landlords who had previously specialised in renting to people on benefits moving to a different section of the market.
- The lower-cost end of the PRS is highly agile, adjusting to prevailing conditions quickly. Nationally, landlords have increasingly moved to providing or leasing to providers of exempt accommodation, where rents over the LHA rate can be secured. Some providers in this sector have been exposed for very poor standards in their properties.
- Interviewees in London reported that houses of multiple occupation (HMOs) and family homes have rapidly been adapted to create tiny studios with shared facilities to achieve a higher rent (as the one bed or studio rate can be charged for this type of accommodation as opposed to the shared accommodation rate). This has left supported, exempt accommodation as the only option for people who are subject to the shared accommodation rate (many of those under 35).
- Mass viewings were reported to be a major problem for people seeking a PRS route out of homelessness. They are a negative experience for people who do not secure the accommodation and give agents the opportunity to select tenants in person on subjective grounds.
- Some groups face additional disadvantages, such as people under 35 who are subject to the shared accommodation rate because there is usually no accommodation on the market at this rate in London and in some areas outside London, including Birmingham and Hastings. Agents and landlords often prefer those who are not subject to the benefit cap and are unlikely to start working. Intersectional disadvantages are common. For example, many people seeking PRS move-on are under 35 and subject to the shared accommodation rate, have newly granted refugee status, and want to move into work.
- There is deep concern about the quality of the PRS properties that people reliant on LHA have access to. The size and facilities associated with studio accommodation in London were of particular concern. Viewings of properties in very poor condition and poor practices such as people being offered properties that they had not viewed and being asked to provide their personal Universal Credit login to landlords were examples of worrying practices. Locations where properties are available in London are increasingly restricted, with outer areas of north and south-east London commonly cited.
- Landlords are increasingly being encouraged to accommodate people experiencing homelessness through cash incentives rather than rent deposits and/or rent in advance. This disadvantages homelessness agencies who do not pay incentives, or only pay very small ones. The level of support offered by different local authorities varies widely, from large incentives to no support for people who are not in priority need.
- Some landlords are providing the best accommodation they can with the properties they have available, and the need for low-cost accommodation is very high so their work is valued by the homelessness sector. Others, however, are felt to be exploiting their strong position in the market to the point of acting unethically or even illegally. Enforcement within the PRS was viewed as woefully inadequate.

Supporting access to the PRS

- Models of support vary from specialist PRS teams that homelessness services refer into, to work embedded within homelessness service delivery teams. Some are commissioned; others are grant funded or draw on charitable funding.
- The type of work undertaken includes: advice and training on navigating the PRS; identifying possible properties and providing details of viewings; providing landlord incentives and/or rent deposits, or requesting these from the local authority on behalf of the client; and ongoing support to people when they move into a property.
- Some key principles and approaches common across services included: developing and nurturing strong landlord relationships; ensuring people accessing the service can afford and manage a tenancy; and providing support for clients for a period after they move into a new tenancy.

The impact of the current landscape

- The current PRS market requires significant resources to secure tenancies; this means sometimes subsidising poor-quality outcomes with public and charitable funds.
- The lack of accommodation available at the shared accommodation rate means that people who could potentially manage independently end up in expensive supported accommodation where they are often unable to work at all, or only part time.
- Recent trends in the PRS market mean that people end up experiencing homelessness for longer. Many people continue living in homelessness accommodation such as hostels when they are ready to move on; a common reason cited for this is the lack of PRS accommodation available at LHA rates. The lack of flow-through accommodation has a knock-on effect on access to homelessness services for new clients, negatively impacting efforts to end rough sleeping. Slower than anticipated move-on rates can also impact accommodation providers' performance against funders' or commissioners' targets.
- The low-quality offers and experiences of rejection people experience when seeking PRS accommodation were felt to be retraumatising, causing people to feel 'hopeless' and compromising the principles to which staff wish to work. Organisations often described the steps that they take to avoid this by working in very person-centred ways, but it remains a challenge.
- People are often 'stuck' in the low-cost PRS accommodation they are placed in rather than being able to see it as a stepping stone to a more desirable location or property, which was the case a few years ago. Factors driving this include the use of landlord incentives, which mean that many clients do not have a deposit they can use to move in the future. The costs of accommodation mean that people are trapped in worklessness because foregoing the housing element of Universal Credit payments, or legacy housing benefit payments, to work on a low and potentially variable income makes rent unaffordable.

Comparing and contrasting with selected areas outside London

- In many areas, the themes outside London were the same as within London. For example, it has become harder to secure PRS move-on over the last two years; LHA rates do not come close to market rents; people nearly always need practical and financial support to secure a tenancy; and options for younger people are very limited.
- Outside London, people supported by homelessness organisations are sometimes viewing the same properties as people who might be working, rather than properties specifically targeted at people on benefits.

- In each area, the PRS market has responded to local conditions in ways that impacted move-on for people experiencing homelessness. For example, in Hastings, landlords at the cheaper end of the market have sometimes shifted to providing temporary accommodation, which is paid at a higher rate, in the face of increases in homelessness in the area.
- Approaches to supporting PRS access were similar to London, such as cultivating links with landlords willing to work with people moving on from homelessness and providing financial support.
- In Wigan, the council has an Ethical Lettings Agency providing a full leasing service to landlords as an alternative model. In the West Midlands, there are interesting initiatives supporting young people to work and access the PRS.
- The main impacts of the current PRS landscape are similar to London, including a lack of move-on impacting the availability of spaces in homelessness accommodation, and high demand leaving prospective tenants in a weak position when it comes to demanding reasonable standards.

The future

- The work of securing PRS access for people with experience of homelessness is precarious. The increasing incentives paid by local authorities, and competition for accommodation for different purposes, can compromise the advantage that specialist PRS access services working with people experiencing homelessness have in landlord relationships.
- The increase in LHA rates is predicted to have a negative impact on some people seeking rental accommodation to move-on from homelessness in high-cost areas, particularly London.
- Although there is concern about landlords leaving the market and becoming more selective in anticipation of the reform in the PRS, greater regulation and accountability are viewed as critical to driving up standards and shifting the balance of power between landlords and tenants at the lower-cost end of the PRS.

Recommendations

Recommendations in this complex area depend on joint-working between different organisations, and a systems approach to prevent or mitigate unintended consequences. For example, strengthening the rights of tenants is clearly critical, but this will impact landlords' appetite for risk and potentially disadvantage people facing the most significant barriers to finding a home. It is also important to recognise the pressure that local authorities and homelessness organisations are facing when suggesting improvements.

The research makes broad recommendations for the new government to deliver a bold approach to tackle injustice in the PRS including:

- Increasing the delivery of new homes at scale
- Taking urgent action on the injustices facing private renters
- Ensuring that a fairer, more equitable PRS is viewed as central to ending rough sleeping.

Below are examples of specific recommendations emerging from this research. The full recommendations are presented in Chapter 12.

Recommendations for MHCLG

- Ensure that the new Renters' Rights Bill is robust enough to increase the rights of those who are accessing the cheapest end of the market including those who have experienced homelessness. The Bill must deliver a more secure PRS, a stronger approach on the enforcement on poor conditions and illegal practices, and an end to discrimination by agents and landlords when advertising for and selecting new tenants, for all renters even those who are most disadvantaged in the market.
- Address the imbalance between supported options in 'exempt accommodation' and more affordable, fully independent options for people with lower support needs.
- Work with HM Treasury to explore new mechanisms for incentivising landlords, delivered through the tax system, which move the burden away from local authorities providing cash offers at the point of tenancy sign-ups.
- Work with the Home Office to create a programme where housing advice is systematically provided to people before they leave asylum support accommodation.

Recommendations for metro mayors and local authorities

- Boost the capacity of floating support for people in PRS accommodation.
- Promote partnership work to prevent further escalation and variation in incentives offered to secure PRS access for people experiencing homelessness.

Recommendations for homelessness organisations

- Expand innovative projects that provide a low-rent option with light-touch support for people who do not need traditional support models but are unable to access PRS independently.
- Continue and expand work to support clients to access the PRS in a holistic way with local authority and grant funding.
- Work together to convey the reality of the lower-cost end of the PRS to decision-makers, including commissioners and politicians. There is currently extensive coverage around conditions in social housing and temporary accommodation, representing an opportunity to shine a light on the realities of the PRS such as illegal practices, and poor quality, value and experience.

2.

INTRODUCTION



This research explores how reduced availability and rising prices at the lower-cost end of the private rented sector (PRS) is affecting people experiencing homelessness and the organisations that support them. The project was undertaken by Becky Rice, an independent researcher in the homelessness sector, between January and April 2024.

Robust quantitative research is available on the changes in the PRS market overall and the proportion of the market available to those reliant on housing benefit.² The purpose of this research is to explore in detail the current situation for some of those most disadvantaged in the market. The research has a London focus because this is where the issue is most acute, but also touches on the experiences of other areas to explore how far problems and solutions differ. As this report will show, rising costs and reduced supply have led to a situation where PRS accommodation for those moving on from homelessness is often inaccessible, of a low-quality representing poor value and offering little choice and control to tenants.

The report focuses on people who are moving on from homelessness, do not have dependent children and are not considered to be in 'priority need', and the organisations that work with them; often referred to as 'single homeless' services.³ This includes people who are experiencing or have experienced rough sleeping, and those staying in temporary and emergency forms of accommodation such as hostels and shelters, and also people experiencing 'hidden homelessness'. This group access support from homelessness sector providers. This is through access to commissioned services paid for by local authorities as part of their duties to address homelessness (for example, hostels and assessment centres) and via charitably funded organisations (for example, day centres and winter shelters). People accessing these services are nearly always reliant on benefits to pay for their housing, do not have savings for a deposit or rent in advance, and do not have references or a guarantor, so they face many disadvantages in the PRS. Over the last two decades, the PRS has become an increasingly important move-on route for people who have experienced rough sleeping and wider homelessness.⁴ Various initiatives created new models of access and support to ensure good quality and sustainable outcomes.

Links between the PRS and homelessness are wide ranging. For this small study we focused on services directly supporting people currently experiencing homelessness to access PRS accommodation. Issues such as the end of tenancies as a driver of homelessness, housing conditions and tenants' rights once they are in accommodation, and the sustainability of accommodation are touched upon but are not the focus of the report.

The research questions were:

- How far are homelessness services reliant on the PRS for move-on, across different client groups?
- What is the homelessness sector's recent experience of access to the PRS for people experiencing homelessness in recent months?
- How is the scarcity of options in the PRS impacting services and people accessing them?
- What mechanisms are used to boost access to PRS accommodation and how have they been impacted by increasing pressure on this sector?
- What trends are practitioners expecting in the PRS?
- What measures should be taken to improve the situation for people currently reliant on PRS access to move on from homelessness?

Methodology

The main method for the research was qualitative semi-structured interviews with experts in the subject area; 29 people were interviewed from 16 organisations. The sample was designed to include a wide range of organisations supporting people to move on from homelessness, from larger homelessness charities commissioned by the Greater London Authority (GLA) or a local authority, to winter shelters and specialist PRS move-on projects. In two areas outside London, Wigan and Hastings, local authority staff were interviewed to provide an overview of the situation locally, but due to resource constraints the primary research focused on homelessness organisations operating in the third sector.

An overview of the sample is provided in Table 1 on page 14. Some participating organisations also provided data for the research, which was reviewed and is cited in the report with permission. In addition to interviews, meetings were conducted about the research with the GLA, London Councils, Greater Manchester Combined Authority and English Rural for additional input and background.

Ten people currently seeking PRS accommodation in London after experiencing homelessness took part in interviews towards the end of the project. Support to access interviewees was provided by St Mungo's and Thames Reach. Six men and 10 women were interviewed. The age range was from under 20 years to over 60 with people most commonly being in their 40s. The nationality of interviewees was very varied; four were from African countries, two were British and other nationalities included Turkish, Iranian and Polish. Some interviewees had experienced long periods of homelessness (for example, one person had slept rough for a year and another had spent seven years living in a hostel) and others who had been homeless for a far shorter period. All were in services where the main move-on route is PRS accommodation. The recent employment histories of the group included: security, cleaning, administration, engineering, finance, hospitality and construction.

The researcher attended two PRS forums hosted by Homeless Link and attended by organisations supporting people with PRS access. At one forum, interim research findings and recommendations were presented for comment; feedback from this informed the final report. A short desk-based review of data and literature, including academic research reports and official statistics, was undertaken and is summarised in the next section.

Table 1: Organisations represented in the sample

Organisation	Description of organisation	Areas covered
999 Club	Local homelessness day centre, with PRS access role within team	Lewisham, London
Bridges Outcomes Partnership – Single Homeless Prevention Service (SHPS)	Provides homelessness prevention services for six London boroughs, including support to access PRS	London and Norfolk
Depaul UK	National youth homelessness charity – London-based area directors took part in this research	London
Glass Door	Winter shelter and year-round casework provider; provides services across several London boroughs	London
Hastings Borough Council	Hosts the Rough Sleepers Initiative (RSI) Project Coordinator for the RSI programme covering Hastings, Eastbourne, Lewes, Rother & Wealden Council	Sussex
Housing Justice	Supports the Winter Shelter Network and provides the Winter Shelters Lettings Network – a PRS-access project for London	National; PRS project in London only
HOPE <i>worldwide</i> – Two Step PRS access project	Specialist PRS access team, working in London	London
Just Life Brighton	Supports people living in temporary accommodation in Brighton	Sussex
Porchlight	Provider of homelessness services across Kent and Bexley, including accommodation and outreach; central management staff were involved in interview and services staff sent in additional feedback	Kent
Single Homeless Project (SHP)	Provider of support and accommodation for people experiencing homelessness in London; Housing First Management, Senior Management and the PRS-access specialist service were involved in this research	London
Thames Reach	Homelessness charity providing street outreach, accommodation, and recovery support for people experiencing homelessness in London. Specific projects involved in the research include: PRS TST, Greenwich Private Rented Access scheme, Peer Landlord project in Hackney.	London
The Passage	Homelessness organisation based in Westminster providing a wide range of services including PRS access, a resource centre and accommodation teams. Part of the partnership that provides the Housing Options service for Westminster. Head of Service and PRS access project representative took part in the research	Westminster, London
St Basil's	Provides services for 16-25 year olds experiencing homelessness or risk of homelessness in the West Midlands	West Midlands
Trident Reach	Provides wide range of services in the West Midlands including specialist homelessness services	West Midlands
St Mungo's	Provides accommodation and direct support for people at risk of and experiencing homelessness and rough sleeping across London, the South East and the South West; teams involved in the research include the pan-London No Second Night Out (NSNO) assessment services	London
Wigan Borough Council	Provides the Housing Options Service for residents at risk or of experiencing homelessness, including an in-house Ethical Lettings Agency	Wigan, Greater Manchester

3. BACKGROUND



This chapter presents the findings of a desktop review of data and literature around PRS access for people experiencing homelessness and the experiences of the services working in this field.

The wider PRS market

The PRS in England accounts for just under a fifth (19%) of households, having doubled in size between the early 2000s and 2013-2014, before stabilising at this level.⁵ This increase means that the PRS accommodates a broader range of households than it did in previous periods. In London, 29% of homes are privately rented, accounting for around three million people.⁶

Falling supply

Analysis by GLA Housing and Land indicates that the number of private rental properties available to rent in London has fallen substantially since mid-2020 and is significantly lower than before the pandemic, while demand increased to record levels in London in late 2021 and 2022, after a dramatic fall during the pandemic lockdowns. Recent research by the London School of Economics (LSE) and Savills also identified a reduction in rental properties available in London across the market.⁷ Factors include people staying in their tenancies longer, so homes are less frequently re-let and previously rented homes being sold (with an unknown proportion then returning to the rental market, but with a potential lag). Other factors include landlords moving into the holiday let and Airbnb market. Surveys undertaken by LSE and the National Residential Landlords Association both indicated that many landlords were planning to reduce their stock.⁸ The research by LSE and Savills found that, while the reduction in properties was not unique to London, it was felt most acutely in the capital.⁹

Rising prices

Analysis by the Resolution Foundation published in April 2024 found that “rental prices for new tenancies have risen by nearly a fifth since the beginning of 2022, and rental prices for all rents are currently rising at their fastest pace on record.”¹⁰ This follows a period of disruption due to the Covid-19 pandemic when the PRS market cooled due to various factors including protections to tenants in The Coronavirus Act 2020.¹¹ The Resolution Foundation forecast a fall in the rate of increases in rent levels in the coming years; this will benefit some but is not enough to impact many low-income households substantially. The GLA report points out that current economic conditions make future trends hard to predict.¹²

The PRS market for low-income households and people on benefits

Most people reliant on housing benefits to pay for housing costs receive local housing allowance (LHA) as part of their overall Universal Credit. According to Shelter, in 2023, 1.8 million private renters in England – one in three of all renters – received help through Universal Credit or legacy housing benefit to afford their home. LHA is the maximum amount of benefits that people are provided with to pay for rent in the private sector in a specific area. LHA rates are based on the 30th percentile of rents for existing tenancies in an area but were frozen between April 2020 and April 2024. The amount of LHA a claimant receives depends on the area they live in. There are 152 Broad Market Rental Areas (BMRA) in England and 14 in London; the rate payable is based on the rental market in these geographical areas – for example, the level of LHA is far higher in central London than in outer London.

The following are some important features of LHA and how it fits with the overall benefits that a person receives:

- LHA is part of the overall benefits that people receive as their 'Universal Credit payment'. This overall level of payment is capped at a certain level.¹³ When people are subject to the 'benefit cap' in areas of high rent, even if they secure a tenancy at the LHA level, they will need to contribute additional money from their Universal Credit to subsidise the rent. This usually makes moving into the PRS unaffordable in high-cost areas.
- People under 35 are often subject to the 'shared accommodation rate', which is a lower rate of LHA paid for people who are expected to move into shared rather than self-contained accommodation. The type of accommodation traditionally accessed by people subject to the shared accommodation rate are houses of multiple occupation (HMOs). People are exempted from the shared accommodation rate if they have spent three months or more in most homelessness hostel accommodation. There are other exemptions that apply to some people experiencing homelessness (for example, care leavers under 35).
- When people start working, their housing benefit is reduced. When the costs of working and fluctuating incomes (for example, for those on zero-hours contracts) are considered, this can make it very hard to move from LHA payments to paying for your own rent through work, due to fear of arrears and benefits issues, and affordability.

Many homelessness organisations campaigned for an increase in LHA to help make rentals for people on benefits more accessible and sustainable because market rents have risen so dramatically. The Government anticipates that the rise in LHA in April 2024 will mean that 1.6 million private renters on Universal Credit or housing benefit will be around £800 "better off per year."¹⁴ The increase in LHA is not, however, likely to be beneficial for those seeking to move on from homelessness for several reasons:

- The LHA is based on current rents rather than advertised rents for new lettings, even when the LHA is regularly adjusted and updated the level lags behind the open-market equivalent. Analysis by Savills found that the increased rate to be provided from April 2024 is "around 29% less than the average growth in private rents between April 2020 and November 2023."¹⁵
- People subject to the benefit cap will not be able to afford to pay the LHA rent levels in more areas as the proportion of their Universal Credit that is apportioned to rent increases, leaving less money remaining to live on. Analysis by Crisis in March 2024 found that before the increases, five of the 14 BMRA were potentially affordable to people seeking single occupancy accommodation subject to the benefit cap; whereas after the LHA rises (with no increase in the benefit cap) only three areas are likely to be affordable.
- Landlords tend to recalibrate rents to the LHA. If they are currently charging less than the LHA rate, they will seek to raise the rent to this level with existing tenants – or raise it when they re-let. So, while some landlords may be incentivised to continue to rent to people on benefits, or move into that market, it will not ease the day-to-day, cost-of-living pressures on people moving into new PRS tenancies. (For people who are not subject to the benefit cap or who live in lower-cost rental areas, and who are already topping up their rent from their overall Universal Credit payment, a benefit may be felt.)

Falling supply of low-cost PRS

In 2023, researchers from Savills and LSE concluded that current market conditions are hitting low-income households the hardest with fewer rentals available, rental properties are being sold by landlords particularly at the lower end of the market, and the number of homes affordable at (pre-April 2024) LHA rates is "almost non-existent."¹⁶

The analysis shows that in 2022-2023 the average number of listings affordable at LHA rates was 2.3% (far below the 30th percentile). For one-bedroom properties this was 4.5%, still a tiny proportion. This is corroborated by feedback from local authorities and letting agents, who report that "rents at the lower end of the market have increased and that it is increasingly difficult to find properties within LHA rates." A landlord survey undertaken for the research showed that 40% of landlords who had let to

tenants on low incomes in the past have “reduced their exposure in the last two years.” The “downward trajectory in the market that caters for lower-income households, temporary accommodation and homelessness prevention” is attributed to LHA levels being too low, less turnover of tenants, and landlord anxiety (for example, about the forthcoming end to Section 21 ‘no-fault’ evictions).

Changes in the use of low-cost PRS properties are a factor in driving down the availability of properties at LHA levels. Examples are landlords changing HMOs to family homes to avoid licensing arrangements, and landlords providing properties to the Home Office and its contractors because these have an exemption from licensing requirements. Another factor identified from the qualitative research is that the “mainstream market is so strong” that landlords can shift properties away from the LHA market and let through websites such as Zoopla to people who are working and/or have deposits and guarantors, as opposed to via lettings agents specialising on letting at the lowest cost end of the market.

Exempt accommodation

Some types of accommodation where support is provided are exempt from the LHA rates, claiming a higher rate of housing benefit in return for intensive housing management or other support. This includes supported accommodation commissioned by local authorities, but also housing referred to as ‘exempt accommodation’. The latter is often used as a move-on option for people who are not able to access the PRS or social housing, and disproportionately for younger people and those under 35 who are subject to the shared accommodation rate, and therefore left with no other option, even if they do not need the higher support offered by exempt accommodation.

Exempt accommodation is provided by a charity or voluntary organisations such as a ‘community interest company’ or by a registered housing provider. The sector straddles the voluntary, private and social housing sectors because the properties leased to exempt accommodation services are provided by private landlords, and sometimes by registered housing providers.

In recent years, there has been attention directed at this “previously under-researched subsector,” exposing serious risks to the safety and wellbeing of residents in some exempt accommodation and issues with HMO landlords switching to exempt provision resulting in less shared accommodation being available at the shared accommodation rate.¹⁷ The poor-quality end of the exempt accommodation market has been associated with a ‘gold rush’ to exploit the exempt provisions in some areas, although it is recognised that some exempt accommodation provides a good option for people who would otherwise struggle to find accommodation.¹⁸ Spring Housing, along with Birmingham University, focused initial research into this in Birmingham where there had been a huge growth in this sector.¹⁹ In 2022, Commonweal and the Chairman of the Local Government Association wrote to the Secretary of State for Levelling Up, Housing and Communities on behalf of 81 organisations, asking for urgent reform to tackle “exploitation of the exempt system and work towards the provision of secure, appropriate, and good quality support for vulnerable adults and young people.”²⁰

Standards and regulation in the PRS

Worse conditions are found in the PRS than in other tenures. The most recent English Housing Survey revealed nearly a quarter (23%) of PRS homes did not meet the Decent Homes Standard – around 1 million homes.²¹ This compares with 13% of owner-occupied and 10% of social-rented homes. While landlords are subject to certain requirements – for example, around health and safety and providing a tenancy agreement – there is currently no definition of the minimum standard for a property deemed suitable for letting.²² Landlords do not have to register themselves unless they are providing an HMO; the rules around HMO registration and licensing vary from area to area. Selective licencing of PRS

properties is optional for councils and can only be done where issues such as poor conditions or anti-social behaviour are identified.²³ An increasing number of local authorities are introducing selective licencing with London Boroughs of Lambeth, Lewisham and Southwark being recent examples.

Research published by DLUHC found that while local authorities have a duty to “keep housing conditions under review and identify action needs, those participating in the study were not always well informed about their PRS stock and few carried out regular review of the stock.”²⁴ Enforcement action was found to be “reactive” in response to complaints, but tenants in the “substandard” PRS were felt to be “fearful of reprisals and have a limited understanding of their rights.” Barriers to more proactive approaches included the capacity of teams and the complexity of laws relating to enforcement work. Although mandatory licensing schemes were felt to help improve standards, the impact was reportedly limited by the capacity to monitor compliance with schemes.²⁵ Selective licencing schemes are being introduced in new areas; Lewisham, Lambeth and Southwark are following other areas in this potential opportunity to increase scrutiny and enforcement action with revenue raised but this will depend on how the additional income is used and the costs of administering schemes.

Article 3 of the Homelessness Code of Guidance describes the conditions a property must adhere to for a local authority to discharge its duties to a household.²⁶ These requirements do not apply when the local authority is supporting people who are not in priority need to access PRS accommodation; instead, a general expectation that it is “safe and in reasonable condition” is stated.

Research from Safer Renting reveals the “bleak picture facing people stuck in the low-income private rental sector” in London. The research exposes some of the worst criminal practices in the PRS, which are not the norm, but are a risk to those on the very margins of society, including migrants and refugees, and those experiencing homelessness, who have the least power in the market.²⁷ Although there are regulations to offer protection – for example, on property standards and illegal eviction – these are piecemeal and ambiguous. They are also rarely enforced for various reasons including a lack of political will, fear from tenants of reporting poor illegal practices, and a lack of capacity within local authorities to take action.²⁸

Incentivising landlords

The Homelessness Code of Guidance expressly encourages housing authorities to develop PRS access schemes. This could involve, for example, making small one-off grants (‘finders’ fees’) to landlords to encourage them to let dwellings to households owed a homelessness duty; paying rent deposits or indemnities to ensure accommodation is secured for such households; and making one-off grant payments, which could prevent an eviction. There is no limit on the amount of financial assistance that can be provided; however, local authorities are obliged to act reasonably and in accordance with their fiduciary duty to local tax and rent payers.

An evidence review undertaken by the Centre for Homelessness Impact, ‘Tackling insecurity in the private rented sector – what works to prevent homelessness?’, highlighted the “mainstream” role that the PRS now plays in addressing homelessness. The report suggests that in the face of the cost-of-living crisis more approaches need to be trialled to incentivise landlords to offer and maintain tenancies for people who have experienced homelessness, and those on lower incomes more generally (who may be at risk of homelessness).²⁹ Suggestions include the familiar cash incentives, rent guarantees and deposit bonds, but also tax breaks. Two as yet untested models for incentives through the tax system explored in a Joseph Rowntree Foundation report are providing tax breaks on rental income and making some improvements to dwellings deductible against income tax.³⁰ Earlier research exploring PRS access suggested that tax incentives would be hard to target effectively to the most problematic parts of the market.³¹

Experts at the University of York argue that “mediated” tenancies (where some form of incentive or other professional input has been provided to secure the tenancy) are problematic for several reasons, including:³²

- Being hard to scale up because they rely on some form of charitable contribution
- Creating expectations from landlords and distorting the market
- Enabling the rental of the “worst properties” that cannot be let on the open market
- Resulting in tenancies that people cannot afford to pay for from earned income.

Overall, they concluded that “the benefit[s] system no longer supports low-income tenants to pursue their own, unmediated pathways through the rental sector.”

PRS as move-on from homelessness

The Kerslake Commission on Homelessness and Rough Sleeping highlighted the challenges in accessing and settling into PRS housing for people moving on from homelessness.³³ These included:

- Reluctance of landlords to rent to people who had experienced homelessness
- The short-term nature of many tenancies with “many lasting 6-12 months”
- The lower levels of financial resilience among people who have experienced homelessness, making them vulnerable to debt and repeated homelessness
- Anxiety about the instability of PRS accommodation impacting people’s wellbeing and recovery from homelessness
- Moving to different areas to secure accommodation resulting in distance from support networks.³⁴

The Centre for Homelessness Impact evidence review emphasised the success of intensive case management approaches (including Housing First) for people experiencing “multiple disadvantages” who are moving into the PRS.³⁵

Refugee homelessness and PRS access

The Refugee Council recently reported that efforts to address the backlog in asylum claims have resulted in a “dramatic rise” in homelessness and destitution among newly recognised refugees.³⁶ The Big Issue reported that almost 1,500 refugees became homeless between August and October 2023, a three-fold rise compared with the same period in the previous year; the findings show that cities across the country are impacted. This is reflected in reports from homelessness organisations and local authorities. A letter from 16 homelessness and refugee sector leaders to the Home Secretary in March 2024 reported that current practices are “causing unprecedented levels of homelessness.”³⁸

Most people leaving asylum support accommodation are not in priority need and therefore need to access PRS accommodation because they are unlikely to secure social housing; this is even more likely to be the case for people without dependent children. The Refugee Council has its own private rented scheme for this group, but cannot keep up with the demand and is finding that many refugees are struggling to find a tenancy even with support.³⁹ Challenges for refugees include “unaffordable rents, language barriers and a lack of familiarity with the rental market, [and] landlords are often unwilling to rent to people on social security benefits.”⁴⁰ Relevant to the findings of this research, the Refugee Council has found that support to access the PRS varies greatly across different London boroughs.⁴¹

End of PRS tenancies as a growing cause of homelessness

This report focuses on accessing new PRS tenancies, but it is important to note that the end of PRS tenancies is the main reason for homelessness among people approaching their local authorities for assistance. CHAIN figures for London show that the most common 'last settled base' for people who were seen rough sleeping for the first time in 2022/23 was private rented accommodation (26%).⁴² Of people who were returners to rough sleeping (so had not been contacted rough sleeping in the previous year, but had been seen prior to that), 17% had been living in PRS accommodation. In statutory homelessness figures, which profile people who attend local authorities for homelessness assistance, the end of a PRS tenancy is consistently one of the commonest causes of homelessness. In 2022/23, the number of single households citing the end of a private rented assured shorthold tenancy increased by 23.6% for those owed a prevention duty, and by 37.1% to 12,280 for those owed a relief duty, compared with the previous year.⁴³

The impact of a lack of PRS available to people moving on from homelessness

A survey of homelessness services undertaken in 2022 found that 40% of those living in homelessness accommodation such as hostels or supported housing were "ready to move on from their current provision to more secure sustainable housing." Of those ready to move on, half (51%) had been waiting for six months or longer.⁴⁴ The second most common reason cited for the lack of move-on was a lack of PRS available at LHA rates (65% of respondents commented on this issue); the first reason was insufficient social housing (87%). Other issues related to PRS move-on included "can't afford rent/no deposit/bond scheme available" (59%); "landlords refusing clients with complex needs" (50%); "insufficient accommodation available at shared accommodation rates" (40%); and "landlords refusing clients who have experienced homelessness" (34%). Overall, the survey indicated "significant blockages in the system, which, if released, could substantially increase available bedspaces for those in need."⁴⁵

Legislative changes: from Renters Reform to Renters Rights

The Renters Reform Bill was a long-awaited piece of legislation representing a major change to the rights of tenants and landlords. It was not passed through Parliament before the 2024 election period. The Bill was first presented to Parliament in 2023. Major changes in the Bill include the end of Section 21 'no-fault' evictions (while also strengthening the position of landlords who need to sell or move into their properties), making it illegal to refuse to rent to people on benefits, and the creation of a national register of landlords. The Bill was subject to ongoing adjustments; in March 2024, the then Conservative Government set out planned changes to the Bill including a delay to the end of 'no-fault' evictions. Concerns that landlords might sell their properties reducing the number of rental properties were cited, but housing and homelessness charities urged the Government to resist any attempts to weaken the Bill.⁴⁶

The new Labour Government announced the Renters' Rights Bill in the King's Speech in July 2024 which promises to "give greater rights and protections to people renting their homes, including ending no-fault evictions and reforming grounds for possession."⁴⁷ This includes:

- An end to Section 21 'no-fault evictions' alongside measures to ensure landlords can reclaim property when they need to.
- Measures to enable tenants to challenge rent increases.
- The extension of the provisions in Awaab's Law, which requires landlords to investigate and fix health hazards to private tenancies.⁴⁸ Awaab's Law was a response to the tragic death of Awaab Ishak in December 2020, which was a direct result of exposure to mould in the social home that his family rented from Rochdale Boroughwide Housing.

4.

THE ROLE OF THE PRS FOR HOMELESSNESS SERVICES



This chapter explores the importance of the PRS for homelessness services and the increased difficulties for clients accessing it over the last couple of years.

Increasing reliance on the PRS

Research participants agreed that the PRS has become an increasingly important route out of homelessness over the last 15 years and that the need for this type of move-on option has further increased in the last two years. Factors for this include reductions in supported housing, low availability of social housing and an increase in people facing homelessness who are not in priority need and so are limited in their housing options.⁴⁹ The organisations reliant on the PRS for move-on for their clients include assessment centres such as the pan-London assessment services commissioned by the GLA, winter shelters, day centres and hostels. Interviewees including those from NSNO and HOPE *worldwide* reported an increase in people having to sleep rough (as opposed to in an assessment centre or hostel, or sofa-surfing) while they wait for PRS accommodation.

Interviewees reported a boost in PRS placements for people experiencing homelessness during the pandemic. Rapid move-on to the PRS from Everyone In accommodation was facilitated by local and regional government at a time when the rental market had cooled due to Covid-19 restrictions on new rentals.⁵⁰ Over the last two years the PRS has remained a critical route, but one that is far harder to access.

“I think the Everybody In [initiative] really ramped up the PRS as the solution to fix all this ... And it largely did temporarily, for a little bit ... but the stock in London has now been completely depleted.”

Director, SHP

A trend reported is that PRS move-on is sometimes appearing earlier in people’s homelessness journeys than previously. When there was greater availability of supported options such as hostels, supported housing and ‘step down’ housing (usually shared houses with some light-touch support), people who were moving on would often have had a longer period of support and preparation.

“If you’d said to me then that people would be moving into PRS directly from the hostel or from an assessment centre I would’ve been quite surprised, and ... a bit sceptical ... but I think it really depends on the model you put in place in terms of the support.”

Senior Manager, The Passage

In London, the accommodation that those moving on from homelessness need to access is a distinct part of the overall PRS market, unless they secure well-paid employment, which is a rare exception. For the majority who are reliant on housing benefit, and for some working on low incomes, the main market is agencies working on behalf of landlords who specifically target the client group. The accommodation tends to be promoted via email lists and personal contacts rather than on open-access websites. Lived experience interviewees described trying to find properties on the open market through a range of websites but were impeded by the lack of a guarantor or of immediate access to cash for a deposit or rent in advance.

“I have ad[vert]s from Gumtree, Spareroom.com, DSS lets and I did go along but the landlords are booked back to back with people who might be claiming benefits but have cash! They are not going to keep a property empty for two to four weeks waiting for a bond (to be paid by the local authority).”

Lived experience interviewee

“When the [hostel] gave me notice I was booking viewings... I did about 24 viewings; DSS lets, Rightmove, Zoopla, RentHero ... I got shortlisted for one or two places – I got past the criteria but I didn’t have a guarantor. That just crushed me as I didn’t have anyone, I just have myself. I understand it’s an insurance policy as tenants have destroyed their home. I feel like I am being punished for someone else’s mistakes.”

Lived experience interviewee

A more diverse client group

Services reported that the PRS is increasingly a move-on route for diverse client groups. On the one hand, the lack of available supported accommodation means that people with support needs are more likely to access the PRS. On the other, the overall increase in homelessness, in the face of rising housing costs and the cost-of-living crisis, means that there are more clients without support needs who need help to access a tenancy as a route out of homelessness.

“We’re seeing more and more people become homeless because of losing jobs, or actually a lot of workers. I’ve got three workers [employed people] making pretty good salaries at one of my services at the moment, and a couple of years ago that would be unheard of. So, the reasons that people are becoming homeless are changing, which is meaning that people with lower support needs are coming through the service.”

Service Manager, St Mungo’s

“One of our services [supporting people in PRS] had so many people being referred in that are really vulnerable, some quite unsuitable possibly for living independently, and actually break down quite regularly in terms of their mental health and their wellbeing, and so one of the things we were talking about this morning was how do we work with this client group, or should we be working with this client group? People who don’t quite make the threshold to be in crisis, but they’re not paying the rent and they’re not taking their medication and so they’re in danger of losing their tenancy.”

Anonymous

Harder to access

Nearly all the interviewees reported that it has become far harder to secure PRS accommodation for clients over the last two years. Accessing accommodation that is high-quality and affordable is even harder. Two interviewees who work in specialist PRS access projects reported that they are achieving the same volume of outcomes, but in the context of much increased need and with more compromises for clients, for example, in terms of location and the speed of accessing the accommodation. The organisations have a focus on landlord relationships and a level of ongoing support for people after they move in to properties. Both these interviewees had concerns about sustaining the volume of outcomes in the face of current trends in the market. Data from the largest shelter provider in London shows that the absolute number of PRS outcomes has decreased over the last three years, from 97 in 2021 to 55 in 2023, but also that the ratio of PRS to other outcomes has reduced from 1:2.7 to 1:6.1 in the same period.

“So, I think that it’s been getting worse and worse gradually. It’s just hit a particularly shocking point in the last year or two because I think the demand has increased so significantly.”

Anonymous

“I think it’s become harder, just because of the reduction in PRS properties as well across London. You’ve got landlords that are selling up and then we’ve got more people living in London, so that balance is just not there.”

Senior Manager, Depaul UK

Factors behind the reduced availability include:

- Landlords able to be increasingly selective because of higher demand
- Article 4 restrictions meaning that houses in some areas cannot be converted into new HMOs⁵¹
- HMO accommodation being converted to studios where the full one-bed or studio rate is applied (so those who are restricted by the shared accommodation rate cannot access it)
- Landlords who previously specialised in renting to people on benefits moving to a different section of the market.

In London, interviewees reported that people on benefits are accessing a rental market specifically targeting tenants on benefits.

“In terms of the landlords themselves, it’s quite a gulf between that mainstream landlord and a ‘DSS friendly’ landlord, because a mainstream landlord, they are in fact likely to get properties in central London ... They will still ask for deposit, they will ask for credit checks, they will ask for a guarantor, all those things which prevent our client from renting those properties.”

PRS Coordinator, The Passage

Interviewees in London reported that HMOs are almost completely unavailable because this type of accommodation has been adapted to create ‘studios’ to achieve a higher overall rent within a building. This leaves very few options for those subject to shared accommodation rate restrictions.

5. CHALLENGES IN ACCESSING THE PRS



This chapter examines the specific challenges faced by different groups when trying to access PRS accommodation. Interviews highlighted particular groups of people as reliant on access to the PRS to move on and the challenges they face trying to secure a PRS tenancy. Groups experiencing particular challenges are people from global majority backgrounds, young people, people leaving asylum support accommodation, people in work or keen to work, people subject to the benefit cap and those with higher support needs.

Discrimination and stigma

Several participants raised concerns about discrimination impacting on people's ability to secure a tenancy in the PRS. Factors that were perceived as impacting on landlords' perceptions and decisions included the way people dress, tattoos, and age (with younger people disadvantaged). Two homelessness services said they were concerned about racial profiling and discrimination when people attended viewings and were not successful, although they were tentative because they could not prove this. It is something that people find deeply troubling, but that there is no mechanism to prevent or challenge it. Lived experience interviewees indicated that they found it disheartening not 'being picked' and felt unsure about what agents are basing decisions on.

"We have one younger client, Caribbean heritage, very nice guy, very good tenant, who's been on endless viewings and hasn't been picked ... I think they're making assumptions about him based on his appearance, his ethnicity and his age. Obviously, we wouldn't have any proof that that's actually happening but that is happening."

Anonymous

"I think it's hard enough, isn't it, for young people that have had possibly quite a traumatic life anyway to this point, and then all of a sudden they're bunged into this marketplace where they're queueing up with 50 other people to go and see a one-bed flat in [an unfamiliar area] ... they're disenfranchised and prejudiced against from the very beginning. I think it's got much harder really."

Senior Manager, Depaul UK

"On one or two occasions the agent agreed to send me to the landlord [for a follow-up interview]. I have been on many viewings and each time I like a lot but I only had two interviews. At the interview I am asked for ID, immigration [information], but twice then nothing happened. The last one was nice, I really liked it, but I don't know how they choose people."

Lived experience interviewee

People under 35 and subject to the shared accommodation rate

In London, most interviewees reported that at the current time it is not possible to assist people subject to the shared accommodation rate of housing benefit into the mainstream PRS. The shared accommodation rate applies to people aged under 35 unless they have a factor exempting them. Interviewees reported that in recent years a high proportion of the HMOs that supplied shared accommodation rate housing have been adapted to create studios that attract the full studio or one-bedroom housing benefit rate.

"For under 35s my note says, 'Nothing available.' We basically have to go supported accommodation for those people. So, we see a massive amount, we're [seeing] 45% under 35 and so we know that it's much harder, nearly impossible, to house in PRS for those under 35."

Head of Operations & Service Development, Glass Door

Clients subject to the shared accommodation rate are provided with support to access 'exempt' supported housing with specialist providers including Changing Futures, Kickstart, Changing Lives, Birch Tree, New Roots, and YMCA. This is usually a room in a shared house, although sometimes it can be larger hostel-style accommodation, with some support provided, for which the organisation can charge the higher rate of housing benefit, exempt from the usual LHA. This can result in clients who could live independently being forced into more expensive accommodation (due to support costs) where they are often unable to work full time or not at all, or perceive that it would not be practical or affordable to work. It also means that some people are put into accommodation more suited to those who have support needs, when they could avoid this if more standard shared offers were affordable in the market.

"HMOs just do not exist. [You're very unlikely to] find a room in a shared house ... For under 35s, it's just direct-access supported accommodation."

Service Manager, St Mungo's

A lived experience interviewee, aged under 35, described living in an exempt supported accommodation hostel for seven years with little support or push to move on until very recently. They reported that many of the residents worked part time, for example, as Deliveroo drivers, to avoid going above the threshold at which they would have to pay a high rental charge for the accommodation and support. The impacts included a sense of living in limbo and being in accommodation with restrictions in terms of guests, and shared facilities, when the support was not really needed.

"You don't have the tools and knowledge to leave the [exempt supported hostel]; you are trapped. We need somewhere ... for young people who are working so they can be independent and need less housing benefit. It's a depressing mindset in a hostel. Leave the hostels for those who are homeless, who have no money, who may have a drug addiction. I was on hold a long time ... living out of bags [as the hostel never felt settled]."

Lived experience interviewee

Where possible, services seek to identify factors that might make clients exempt from the shared accommodation rate. For some, staying in homelessness accommodation for at least three months is the best option to enable move-on to the PRS because this exempts them from the shared accommodation rate. People who are nearly 35 tend to be advised to wait until they reach 35 to seek move-on accommodation.

"We've tried to be a lot more creative. We rely a lot on the exemptions that people might have, so for clients who have been on journeys where they've been in hostel accommodation ... we try to gather information and make the case for an exemption. Once we're able to do that then we're able to provide a solution."

Senior Manager, The Passage

People recently granted asylum

Homelessness services are seeing many people who have recently been granted asylum and have to leave their Home Office accommodation. Most of this group are not in priority need and are unlikely to be on a high income immediately, so low-cost PRS is their main route off the streets. Many people in this group are young and keen to work as soon as possible, both factors that disadvantage them in the London PRS market. One service stated that a high proportion of its clients come from Home Office accommodation, of whom around eight in 10 are male and under 35 years. Glass Door reported that 17% of all its referrals were Eritrean people leaving asylum support accommodation (data as at the time of the interview).

"We're seeing so many people from the Home Office cessation programme, which are, by and large, young men ... Our demographics are completely different than in past years and different than expected because of the Home Office cessation.⁵² 17% of all of those 1,100 referrals are Eritreans alone, but I wasn't prepared to have Amharic or Tigrinya materials. Translation for those two languages is particularly difficult to do well. There's cultural competencies that we could've actually planned for."

Head of Operations & Service Development, Glass Door

There are particular challenges for this group, most of whom are under 35, including:

- Language barriers
- Lack of understanding about the housing and benefits system in the UK
- Concerns from landlords that prospective tenants will bring others to live with them in the property (for example, people were reportedly asked if they are married)
- People often being very keen to move into employment, making them a high-risk tenant to landlords at the cheapest end of the market who prefer clients whose rent is covered by housing benefit.

People in work or looking for work

Moving into PRS accommodation funded by the LHA can make accessing employment unaffordable once the expenses of working are taken into account. Services work closely with people to ensure they understand and are able to prioritise work and accommodation choices. Ways around this include clients being supported to look at less formalised OpenRent and SpareRoom options (although interviewees reported that these often require guarantors and are hard to access). In such cases it was felt to be best not to have a caseworker visibly assisting because this could put off potential sharers or landlords.

“If you’re taking a property at the top end of the LHA, which is okay while you’re not working, but you want to get into work really quickly ... we sit and do the calculation of the potential of how much you would have to contribute [and] how is that going to be for you?”

Service Manager, Thames Reach

“If I do a job, I’m gonna lose money ... [but for my recovery] I can’t just sit in a room by myself. I have to work.”

Lived experience interviewee

Interviewees reported that people who are either in work or seeking work are seriously disadvantaged in their search for a tenancy. In the past, it was sometimes felt that working people were viewed more favourably by landlords, particularly in London, but now landlords working at the cheapest end of the market find that people reliant on benefits have a more stable income and can often arrange direct payments to the landlord. Client interviewees varied in their perceptions in this area; some were very clear that they needed to avoid stating an intention to work, whereas others felt landlords did not like to take people reliant on benefits.

“If you go onto a high street agent, there’s a lot of stigma around Universal Credit ... I have the opposite problem in a way. The agents [we work with], their whole business model is around Universal Credit, so they set up for direct payment to go to them; it’s as close as they can get to guaranteed rent. So ... the idea of clients going back to work ... it’s a bit of a red flag for them. So, they actually don’t like taking working clients.”

PRS Access Manager, SHP

“So now you’ve got this pool of landlords that just want clients that are on benefits, and if you’ve got any interest in going to work, the landlords are not interested ... They will ask questions ... [like], ‘Have you got any intentions of going back into employment?’ If a client ... says, ‘Yeah, I want to eventually get back into employment,’ the landlord or the letting agent is ... not interested, they won’t be selected.”

Anonymous

“I have been offered a couple of jobs while I am here, but I turned down or I will be on the street ... I have to lie and say I won’t work. I wear a hoodie and my glasses to go to a viewing, you wouldn’t recognise me. I’m work ready – I am at second stage interviews.”

Lived experience interviewee

People subject to the benefit cap

Although the majority of people seeking support from homelessness services to move into PRS accommodation are subject to the benefit cap, a significant minority are not because they have an exemption, for example, because they are in receipt of an additional benefit such as Personal Independence Payment (PIP). The former group are reportedly at a disadvantage in the current market. Some properties are listed as only being suitable for people who are not subject to the benefit cap. Others are advertised at two rates, but the landlord is likely to prioritise a prospective tenant whose benefits are not capped, or request a higher incentive and/or rent in advance from someone who is subject to the benefit cap.

“What we’re seeing now more and more often is landlords only requesting uncapped clients, and 99% of our clients are on the capped benefit rates, so those properties are no good to us.”

Anonymous

“We get properties offered to us at the one-bed LHA rate or the capped rate. I’ve got one right in front of me now in TW8, which is Hounslow: £1,204.71 is the one-bed LHA, but the capped rate is £1,045.00. What they really mean is that if someone comes along who they think is going to be a good tenant and is uncapped, they’ll give it to them. However, if that doesn’t happen, they’re prepared to accept someone subject to the benefit cap, but they’ll probably want someone they perceive to be good potential tenant and a significant financial incentive, so that makes it hard to help people whose benefits are capped.”

Director, Two Step, HOPE worldwide

“[I went on one viewing] but my benefits are capped and this property wasn’t eligible. They are looking for long-term sick and unemployed. [The ideal tenant is] someone in a wheelchair who would sit in the corner of the flat, purely someone who will never work again.”

Lived experience interviewee

People with higher support needs

People with higher support needs are now commonly provided with support to access PRS accommodation as a route out of homelessness. An example is the use of PRS accommodation as part of Housing First projects in London. The Housing First model was first piloted in London in Camden in 2014 using PRS accommodation for people facing multiple barriers to move on from street homelessness. Housing First has been extended across many boroughs and is increasingly using social housing as the main source of accommodation. For services reliant on PRS accommodation, securing the right type of priority for Housing First clients is increasingly challenging. Another challenge for people with complex health and support needs is that moving borough to secure PRS can impact their access to services and even increase their risk of repeat homelessness.

“You can’t, and you shouldn’t, operate a Housing First service by using any shared facilities for the client group. Pretty much all of our clients use substances, class A substances, pretty much all of our clients have mental health needs, physical health needs. For them to be expected to go into a first tenancy and share with a group of people, it’s not fair ... Now that we have this real problem with finding self-contained accommodation, it’s left a lot of people stuck in this limbo of not being able to move them on ... We have to move a lot of clients out of borough. For some clients, that’s fine ... But for other clients who their whole support networks are in the borough – who might be engaging with the rough sleeping mental health team, the community mental health team, they’re under a care coordinator, they’re getting their medication, they’re getting their ‘depot’. It’s all in the borough.⁵³ And as soon as you move that person ... they just fall off the edge of the mental health system, and then you have to try and get them linked back in ... but the waiting time is long.”

Housing First Manager, SHP

6.

THE REALITY OF ACCESSING PRS



This chapter explores the practicalities of trying to access PRS accommodation and the challenges these present, including the disheartening experience of viewing potential properties and the unethical practices of some landlords.

Expectations

An ongoing issue for organisations supporting people to access PRS accommodation is unrealistic expectations of move-on. Some people assume they might be provided with local authority accommodation, so accepting that the PRS is the main route for them can be hard, even before the standard and location of the options available are explained. Anecdotal examples of people who have obtained more desirable accommodation sometimes contradict the messages coming from services. The prevalence of studio accommodation where kitchen facilities are shared is something that many people find challenging when they are paying a 'one bed' or 'studio' rate through their benefits. Services reported providing clear messaging from the outset of giving advice or casework, including using photos to show the type of accommodation the client can expect, to try and manage expectations. Another important principle was to acknowledge and empathise with the situation that clients face.

“Someone coming to Westminster City Council to do a homelessness application... in their mind they're thinking, 'I've presented at Westminster. I'm going to get private rented accommodation in Westminster.' And, of course, that is just not even an option, it's not affordable ... There's no stock ... There is a lot of work that needs to be done around the fact that it is going to be a particular type of accommodation in Zone 3 ... That messaging is really crucial from the beginning.”

Senior Manager, The Passage

“I want a one-bedroom flat with a separate kitchen not a shared kitchen, and separate kitchen to bedroom ... If I can lay my head, I am not fussy. I don't need any comforts.”

Lived experience interviewee

Several interviewees commented that there are some clients who are very flexible and have a strong desire to move off the streets as quickly as possible and move on from homelessness accommodation.

“But then there's clients that will just take, in the nicest way, anything anywhere just to get their own place ... As long as it's dry, clean and the basic sort of thing, they're happy just to get out of their temporary accommodation.”

PRS Access Manager, SHP

Finding and viewing a property

Interviewees reported that it would be very hard for people experiencing homelessness to self-source accommodation without some support either via a homelessness organisation or a local authority. Mainstream accommodation websites such as Zoopla and Rightmove do not feature affordable properties for most people moving on from homelessness. Homelessness agencies build up relationships with letting agents and receive property listing emails, and let people know when they can attend a viewing.

Mass viewings were reported to be a major problem for people seeking a PRS route out of homelessness because they are a poor experience for people who do not secure the accommodation and give agents the chance to take people who they feel present as the best or safest tenants.

“They’re now doing a lot of mass viewings. So, in the past you’d go and see, ‘You want it? OK, put in an application.’ Now ... 10+ people are showing up all at once and they’re just disadvantaging guests because they’re taking the people that look a certain way, right? It’s just a way for them to do an eyeball test on people. That really changes the power balance.”

Head of Operations & Service Development, Glass Door

“I had no idea what the accommodation would be like; this room, like a cupboard with sink and single stove and not even a shower. I went there and suddenly five people turn up and there was a line outside, people got five minutes to look. You give the person showing you the room your number if you like it. I had no idea it was a joint viewing. One person in the queue looked so homeless he had no shoes on ... I said no that time. [The agents] didn’t look hospitable. I was in a situation where I was OK but some of those people really needed that (studio) more than me. [...] It was not upkept. Something that small you are even more trapped in your head. You see a jail cell – it’s like that.”

Lived experience interviewee

“I took video evidence because it was a one-bed studio flat on the North Circular. I recorded it to show the rat race we have to deal with, about 45 people in the queue. People give each other wrong directions to increase their chances – I’ve seen that happen.”

Lived experience interviewee

Two staff interviewees commented that, even after a viewing, many agencies (or landlords) are undertaking interviews with prospective tenants disadvantaging those who are less able to present confidently or who may reveal potential risks to the landlord (such as intending to work). This was felt to be potentially ‘intrusive’, with people being asked questions about intention to work and their relationship status. Lived experience interviewees described having to travel to interviews after already attending a viewing and then never hearing back from the landlords. This is often only possible with travel costs being provided by a homelessness organisation. One interviewee had been asked for their Universal Credit login details during an interview.

“[Only] 22-25 properties later I get accepted for an interview... They asked for my U[niversal] C[redit] login; there is a lot of personal information about the reasons for back payments. The staff [looking at my record] at the agency laughing and talking about me [in a language I don’t understand]. The staff here [at the homelessness service] apologised. The next time I went for an interview I went with a member of staff. They made her stand outside and again they asked me for my U[niversal] C[redit] login. I said you can look at it on my phone but I don’t know the login.”

Lived experience interviewee

Accommodation standards

The most common issue raised in terms of the standard of accommodation was the size of the properties available to people seeking a one bed or studio in London. Interviewees felt that there was no choice but to put people forward for tiny ensuite rooms with shared kitchen facilities listed as studios because this represents such a significant proportion of what is available. The lack of a clear, reasonable sense of what a ‘studio’ should consist of was the cause of much frustration for some interviewees, one of whom said that no one was raising this issue because “local authorities and charities are desperate” (staff interviewee, reflective of many similar comments). Other issues such as poor security, damp and general disrepair were also highlighted. In these cases, services still tend to advise the client not to take the property and will feed back to the agent and/or stop using them.

“When I started, I was a caseworker, and that was in 2018 ... I remember that when people moved into studios in the PRS, they were actual studios. It wouldn’t be a massive studio, but you’d have a little corner with some kitchen cabinets, you’d have a little hob ... It’s been gradual over the last couple of years, but I think in the last year or two all standards seem to have just gone out the window ... You can cut [buildings] up into single bedrooms, and you can charge them [as] one bed, or sometimes we’re seeing even the two-bed rate, and there doesn’t seem to be any regulation to prevent that. There’s no minimum square footage for a studio ... There’s no minimum amount of cooking requirements that’s needed.”

Anonymous

“And, I kid you not, these places are horrible, they’re hovels! And no one is holding them to account. It really does infuriate me, it does ... That’s not a client being fussy, that’s not our client saying, ‘Oh, I want this and I want that.’ That is the market being so awful that they would have to pay £1,200 to live in a bedroom basically. No one should be expecting that in 2024 ... They shouldn’t be having to live in these spaces and paying that amount of money [be]cause it is Universal Credit’s paying that money.”

Anonymous

Lived experience interviewees reported being shocked by the size and standard of some accommodation, and the variation in what is on offer for the same price.

“Some people offer a studio, a super place, and then some charge the same for a quarter of that. One I saw you could buy a small table for eating, and you can make it a cool place. Another you would sit on your bed and eat ... There are no chairs even, none of the kitchens have an eating table ... One was six double rooms, two toilets, one shower, one kitchen, a step too far for six grown-ups! Nice looking – but as a liveable space? No. Walls like a carton with no sound insulation. This was advertised as studios.”

Lived experience interviewee

Incentive payment to landlords

Landlords are increasingly being encouraged to accommodate people experiencing homelessness through cash incentives rather than rent deposits and/or rent in advance. Many of the organisations working directly with clients to help them access PRS accommodation do not pay landlord incentives or only pay very small incentives. They report that local authorities are paying increasingly large incentives, which means that charities are unable to compete. In the current competitive climate, this is viewed as a significant threat to homelessness organisations helping clients to secure move-on.

“If we had to pay a thousand pounds for every person we placed there’s no way we could place 150 people – that’s £150,000 worth of incentives that we’d have to fundraise for. That’s not feasible for most charities.”

Senior Manager, The Passage

As well as impacting PRS outcomes for some services, incentives are also a deeply divisive issue in homelessness services. Many interviewees felt that they are ethically wrong and distort the market and increase competition, while others considered them a necessity to move people on from homelessness. It was felt that services who have to place clients without paying an incentive are further restricted to the very smallest accommodation at the lowest standards on the market.

“They all ask, ‘Are you offering an incentive? What’s the incentive?’ And I obviously come back and say we don’t offer any incentives, and that’s another hurdle for people to get over ... We shouldn’t go along with it because the more people who jump on the bandwagon and offer bigger and bigger incentives. [...] As a sector I think we should just be quite firm on this and we’re not.”

Anonymous

“If they’ve got no incentives to pay compared to the local authorities scooping all this stuff up everywhere with a thousand pound here and two thousand pounds there, we are going to get the worst end of the stock, aren’t we?”

Anonymous

Interviewees assisting clients from across London reported significant variations in the level of help that different local authorities will provide to people to support their move-on, creating a 'postcode lottery'. Some local authorities provide the Single Homeless Prevention Service or a specialist PRS scheme such as Westlets and The Passage in Westminster. At the other end of the scale, some do not provide any financial support for PRS access to people not in priority need, even where they have a local connection to an area.

“Lots of local authorities not only won’t provide any active support with searches and landlords and agents, but they also won’t provide any rent in advance or deposit. So, it’s putting a lot of [the] onus on charities to cover those costs when we don’t have those budgets ... So even when someone’s got local connection, if they’re not in priority need, some local authorities are just saying, ‘You have to find your own accommodation.’”

Anonymous

“[Support with PRS access] It’s so sporadic, it’s so odd really. And I don’t know how much local authorities talk to each other about this stuff as well.”

Anonymous

Unethical and illegal practices

Respondents felt that landlords and agents were a mixed group, with some providing the best accommodation they could with the properties they had available, but others were perceived to be exploiting their strong position in the market to the point of acting unethically or even illegally. Examples include:

- Maximising income beyond reasonable limits:
 - » charging one-bed or studio/flat rates for tiny rooms with minimal facilities and even in some cases no private bathroom
 - » charging two-bedroom rates for single bedrooms where a client can get a two-bed rate of LHA
 - » expecting clients who are on PIP to pay a higher level of rent by topping up from their PIP payments after listing the price as dependent on the client’s eligibility for benefits.
- Exploiting a position of power with potentially illegal practices:
 - » requesting and using tenants’ Universal Credit logins to set up direct payments (when this should only be done by the tenant themselves)
 - » withholding access to a property until the first Universal Credit payment has arrived
 - » taking an initial payment then offering an alternative studio to the tenant
 - » asking information or requiring conditions that may contravene equalities law – for example, asking for tenants with fluent English and restrictions on people who may have a spouse
 - » evicting people without going through the correct procedure.

“There’s also more shady stuff; we’re seeing ... agencies demanding [Universal Credit] logins before they will give over a key.”

Anonymous

“There’s lots of illegal evictions as well... Every time when the client receives the eviction notice... we will contact Shelter and we will run [it] by them [to see] if they can tell us if this is legal document or not, because there are loads of landlords who issue illegal documents which are not valid ... We had someone who hadn’t been in the property for some time. The landlord just rented out his room, his flat. He packed his stuff, claimed that it’s like ‘Oh, because you abandoned.’ It still was illegal. He just literally packed his stuff and rented out his room.”

Anonymous

Accountability gap between landlords and potential renters

Interviewees reported that the disparity between supply and demand results in a power imbalance with staff and tenants unable to insist on basic standards from agents and landlords. They also stated that it was hard to access support from local authorities to deal with landlord issues. Whether or not a landlord provides a good service was seen as a question of luck rather than something to be taken for granted.

“I went to the council and I was like, ‘Please help us with this. We know this landlord is doing really dodgy stuff,’ and they were just like, ‘Sorry, we don’t have anyone in post who does that.’ That’s just one example, there’s many, many examples of this and there’s just no accountability for these landlords. They can pretty much operate how they want, do what they want, skirt the border of legal and illegal and no one really says anything or does anything about it ...”

Anonymous

“The client will sign a tenancy and they [the landlord] will not release the keys to the client until they will get the first Universal Credit payment, so we had one situation when the client ended up on the street because they refused to give him keys for a month, and it is illegal. [...] The first payment for Universal Credit takes five weeks, at least five weeks ... I feel like they do lots of illegal things, which no one controls ... And also, where do you report this?”

Service Manager, Thames Reach



7. SUPPORTING ACCESS TO THE PRS

This chapter explores how services are supporting clients to access PRS accommodation in practice. This includes offering a range of advice and support during the process and in some cases having a dedicated staff member to liaise with PRS landlords. The chapter gives some specific examples from various homelessness organisations and identifies some key principles.

A range of support

It was clear from the interviews that people accessing PRS to move on from homelessness will usually need some support to secure a tenancy. It is unusual for people accessing homelessness services to self-source and secure a tenancy without both practical and financial input. The main forms this support takes are:

- Advice and sometimes training on what to expect from a property and how to navigate the process of signing up to a tenancy and moving in
- Identifying possible properties and providing details of viewings to attend
- Providing landlord incentives and/or rent deposits, or requesting these from the local authority on behalf of the client – and sometimes ‘bridging’ the gap between securing a property and the council paying
- Essential checks on a property for safety and suitability (desk based or in person)
- Ongoing support to people when they move in to a property, ranging from short-term, light-touch support to intensive Housing First support
- Support to access grants or access to funds to cover client expenses or ‘personal budgets’ to help people settle into accommodation.

The models of support varied from specialist PRS teams that homelessness services refer into, to work embedded within homelessness service delivery organisations. Two of the services participating in the research – The Passage and Bridges’ SHPS project – are commissioned to deliver aspects of local authorities’ statutory duties to prevent and relieve homelessness. Other services provide support with PRS access as part of commissioned services. It was common for organisations to secure grant funding or use their own central funds towards work to help people secure tenancies. It was generally felt that in the London market the role of liaising with PRS landlords is specialist and distinct from other roles within a project, but this is not always accounted for in the specifications of commissioned services.

Another emerging model is the provision of lower rent accommodation specifically for people who are working to help them avoid the poverty trap of finding themselves in arrears or unable to save for a deposit as rents are so high in supported housing (which works more easily when they are covered by benefits than when the resident needs to pay from earned income). Depaul UK always seek to support young people to work even when they are experiencing higher supported accommodation rents but acknowledge that higher rents in supported housing can make this very difficult. In response, the organisation is exploring developing workers houses/schemes that can provide an affordable rent for a transitional period until people can seek their own accommodation on the open market. One such scheme has been developed in partnership with Landaid, and others are being planned. Another example in London is Centrepoint’s Ruben House in Peckham in Southwark which contains 33 flats for young people aged between 18 and 24 and is part of the organisations Independent Living Programme (see also Case Study: St Basil’s Live and Work page 52).

“I mean, this is why [the PRS access] role got created [be]cause it was like we were having to do two roles at once, supporting clients and then be out there trying to pitch to landlords and agents ... [Having the PRS specialist] takes that bit of work away from the team.”

Housing First Manager, SHP

Example projects

The following examples illustrate some of the different models of supporting people experiencing homelessness to access the PRS.

Example 1: Housing Justice Night Shelter Lettings Network

The Lettings Network is a GLA-funded project that started in 2023. It provides information and support to guests in winter shelters.

How it works

- The project provides a password-protected website with listings from identified landlords who are accepting tenants at the LHA rate. The website can be accessed by winter shelters and their guests and by street outreach staff working with people staying in shelters, making it open and transparent.
- When a property has been secured, Housing Justice undertakes basic desk-based property checks (for example, checking the gas safety certificate) and can pay a small landlord incentive (up to six weeks' rent at the LHA rate for the area), or a deposit. Housing Justice checks on clients after they have been in the tenancy for six months (data from this is not yet available).
- Incentives or deposits can be paid more quickly by Housing Justice than by local authorities, which means the project can punch above its weight in the current market.

Challenges

Time-limited model that closed when the funding for incentives and deposits ended. The scale of the project is limited, with fewer than 50 placements to date.

Example 2: Two Step (part of HOPE worldwide)

Two Step is a PRS access project in London that provides personalised support to help people access suitable accommodation. It has grant agreements with some local authorities to work with their clients and receives funding that enables other homelessness organisations to refer people to their 'Charity Housing Service'.

How it works

- Two Step has an emphasis on strong relationships with agents and landlords and with prospective clients, then matching people to the right property. In 2023, 133 people were housed through Two Step – either in PRS or supported housing.
- Clients are provided with independent advice and training about what is likely to be available to them at LHA rates, and property viewings are arranged for them. The team also provides ongoing support to ensure tenancy sustainment rates.
- Landlords benefit from saving effort and money advertising, having a tenant who has been assessed and trained to know what to expect and how to make the tenancy work, and having Two Step assist the tenant with their benefits claim and any other issues.

Challenges

This model of providing support to landlords and clients provides less of a pull factor for landlords in the current market where large incentives are being paid.

Example 3: SHPS to Single Homeless Prevention Service (SHPS) – provided by Bridges Outcomes Partnership

SHPS is a homelessness prevention service across ten London boroughs and six districts in Norfolk.

How it works

- Local authorities commission SHPS to fulfil their homelessness duties for certain groups of people approaching the local authority at risk of or experiencing homelessness or rough sleeping.
- Referrals for people who are able and can afford to live in the PRS without additional support are made into SHPS by the local authorities' Housing Options teams.
- The model is payment by results, with payments associated with working with a client to develop a Personal Housing Plan delivering a housing solution (which would be preventing homelessness or a new PRS tenancy) and sustaining the outcome for eight months. In London, the service delivers on average 1,579 housing outcomes each year.
- There is a strong emphasis on ensuring that tenancies enable people to move into employment wherever possible and providing a sustainable route out of homelessness.

Challenges

The high proportion of people who are under 35 and subject to the shared accommodation rate means that interim stays in supported accommodation are necessary for some people who may not otherwise have needed this.

Example 4: The Passage PRS Access Team

The Passage PRS Access Team provides part of the commissioned Housing Solutions Service from Westminster City Council, as part of a consortium between Residential Management Group (RMG) (the lead contractor), The Passage and Shelter. The Passage adds additional funding to the team so it can be used as an internal resource for their own clients, as well as those referred within the Housing Solutions contract.

How it works

- Housing Solutions or teams from within The Passage refer clients to the service. The team undertakes a full assessment with an emphasis on clients' aspirations and potential future employment.
- The team works with a small pool of landlords on a very regular basis to build a strong relationship and try to secure their clients priority when availability voids arise. This provides the team with more leverage, and it is often still able to get individual viewings, and will often attend these with the client.
- The Passage provides support to clients around the point of moving in, for example, a move-on pack and light-touch phone support following the move. A new intervention worker can also provide more structured brief interventions for those who move into the PRS and need more than the usual light touch support post move on.
- Incentives or deposits can be accessed via RMG for clients referred as part of the Housing Solutions Service. For others, The Passage may provide a small incentive or a deposit from their own funds.

Challenges

As with most PRS access projects the majority of properties are on the outskirts of London.

Key principles and approaches

Education, awareness and managing expectations

To secure PRS outcomes it is necessary for clients, those referring clients, and those helping to place them to be very clear and realistic about the type of property and location that will be available. Photos of the size and standard of properties and information about the transport links from the areas that tend to provide more accommodation (for example, outer south-east and north London) are examples of ways to prepare people for viewings and making a decision on a property.

“The very first day [the Project Manager here] explained this is a foothold, a foundation to prepare my mind for the next steps, to get ready for a private arrangement.”

Lived experience interviewee

Specialist PRS access services reported that it is important to focus work on those who really want to access the PRS and understand what this means. This creates more sustainable outcomes, builds stronger landlord relationships and is the best use of resources. For services such as No Second Night Out (NSNO) and assessment services that have to work out the best plan for each client, this is not always possible; some people will be resistant to the only option available to them.

Targeting people who can afford and manage a tenancy

Interviewees emphasised the importance of affordability checks and ensuring that clients understand the financial implications of going back to work if they plan to do that. For some people this may mean accessing shared accommodation, even if they are entitled to the full one-bedroom rate of housing benefit.

Skilling people up

PRS access schemes tend to be targeted towards those with lower support needs. Where this is the case, it is important to provide them with the skills to act as independently as possible in securing and maintaining a home. This helps to ensure that people are able to cope if things go wrong in a tenancy or, in the future, they need to move and find a new home. Services often help people navigate their initial benefits claim, but then provide information and advice on, for example, setting up utilities and reporting repairs, rather than directly inputting.

“We don’t just find them a home, we teach them how to search for a home as well. So, going forward, if they lose their home, or wish to move, they know how to find one for themselves. It’s a real empowerment service through providing knowledge and coaching. We give them the tools ... What we don’t want to do is to create an unnecessary dependency.”

Programme Director, Bridges Outcomes Partnerships

Pulling in local resources for those with support needs

People working with clients with higher support needs tend to report that they end up getting fairly heavily involved to get the tenancy off the ground – for example, providing support with GP registration and moving in. For the best chance of tenancy sustainment, services usually refer the client to an ongoing floating support, where available – for example, the Tenancy Support Team PRS service or local services.

Flexible approaches

Services working on PRS access have to be tenacious and creative to achieve housing outcomes. Clients who are only entitled to the shared accommodation rate are sometimes supported to spend three or more months in exempt supported accommodation to secure them an exemption from the shared accommodation rate. SHPS describes using this time to build up people’s language and employment skills to improve the chances of people moving into employment quickly once they have a tenancy. Services struggling to place people will seek other options, albeit scarce – for example, checking whether someone might be able to access Clearing House accommodation.⁵⁴

Being quick and responsive

A key advantage that homelessness PRS access services have over local authorities seeking to secure PRS outcomes is that they can be very quick to provide prospective tenants and to pay, albeit smaller, incentives or deposits. Where services are helping clients to access incentives or deposits from a local authority, they can be proactive about chasing it on the client's behalf.

Interviewees reported that consistent and responsive staff teams in small organisations are also a factor that encourages landlords to let to tenants via homelessness PRS schemes rather than local authorities who provide less ongoing input after a tenancy is secured.

Providing practical and financial help for clients

All the services interviewed provide some support to clients after they have moved into their tenancy. This is viewed as vital to the client, but also key to ensuring that homelessness organisations, without access to large financial incentives, are viewed favourably by agencies and landlords.

“Our sustainment journey provides landlords with surety of lettings, as we say, ‘OK, I’ve got you. Anything goes wrong here’s our number, you can call us.’”

Programme Director, Bridges

Organisations often have small amounts of funding for client expenses or ‘personal budgets’ that can be used to help people settle into their new home, for example, buying a piece of furniture or kitchen equipment. These can make a significant difference to people when they are on very low incomes and having to adjust to living independently. Another example is ‘move-on packs’ provided by The Passage, which include a kettle, bedding and cooking utensils.

Landlord relationships

All interviewees working in specialist PRS access roles emphasised the importance of building relationships with the agents and landlords whose business specifically caters for those who need the lowest cost accommodation. This is another factor giving homelessness organisations the edge in a competitive market where local authorities pay incentives. Working with a smaller number of agencies was often felt to get better results than a wider range with less regular contact. By building personal relationships, agencies have confidence that teams will be able to provide prospective tenants for viewing quickly, assist with securing the right benefits, ensure the tenant knows what to expect, and help to deal with any issues that arise. Having a history of successful tenancies also means that landlords are more willing to take on someone who may be viewed as a more ‘risky’ tenant because they know that they will get support to manage any problems that arise with that tenant.

“I think it’s a bit of a culmination of the amount of moves that I do with certain agents and the relationships that I’ve built. They understand the rough and the smooth; they could have 10 good moves and one bad one, and they sort of level it out. [...] Ultimately there is, more often than not, competition, but if [our client is] there [viewing] first, [that’s an advantage].”

PRS Access Coordinator, SHP

Building really strong relationships with landlords and agencies requires different skills to those needed for the client-facing work undertaken within services. Staff interviewed who work in non-PRS specialist roles really valued the input of those who had the time and skills to build landlord links.

“There are different skills too for accessing PRS. Many of our volunteers and staff, they are great with StreetLink and the council, but not familiar with letting agents and how to get outcomes there. The previous person in the role was here for six years, but when she left the landlord relationships had to be built up again. You can’t just hand over the contact info; it’s not how it works.”

CEO, 999 Club

8.

THE IMPACT OF THE CURRENT LANDSCAPE



This chapter outlines some impact of the current context on people experiencing homelessness and the organisations supporting them.

PRS access costs more public and charitable money

The current PRS market requires significant resources to secure outcomes that are often not ideal. As more and more incentives are paid, each tenancy comes at a greater cost. In addition, more support is needed to help clients move into tenancies in challenging circumstances (for example, in unfamiliar locations and finding it hard to move into work due to issues with benefits).

“And then it begs the question about how much investment is put into securing and supporting some of these outcomes as well [be]cause if you’ve got your night shelter or day centre input [and] you’ve then got your [PRS access scheme] input, it suddenly starts to stack up. Maybe it isn’t quite as cheap as everyone thinks.”

Director, SHP

Several participants described how slower than anticipated move-on rates are impacting their performance against funders’ or commissioners’ targets. Generally, it was reported that funders understand the challenges services are facing. Funders and services face dilemmas around how far to push people into accepting accommodation that neither the client nor the service is happy with, and which increases the future risk of repeat homelessness.

“One of the huge challenges of the project is actually keeping that through-put; moving people on within six to nine months into PRS is proving extremely challenging. At the moment we are increasingly falling outs of our target times. That has been creeping up and our longest stayer is almost two years.”

Accommodation Manager, Thames Reach

“We’ve got commissioners saying, ‘You haven’t hit your move-on targets, PRS is the option for these people,’ and we push back slightly and say, ‘Have you seen the PRS options that are out there for them, because there really isn’t. It’s not feasible.’ And so there’s an element of tension.”

Anonymous

Resources are not targeted effectively

The lack of accommodation available at the shared accommodation rate means that people who could potentially manage independently end up in expensive supported accommodation where they are often unable to work at all or only part time. This means that those supported resources are not available for the people who need them the most; and that those who do not need support are potentially institutionalised rather than living in independent accommodation. Clearing House ‘hard to let’ properties are often explored as an option for people struggling to access the PRS, but these are now in such demand that waiting lists have had to close at times. The services used for people unable to access the PRS are likely to find moving people on from their time-limited offer to PRS challenging too, even when people are no longer subject to the shared accommodation rate.

“I just think generally [young people’s supported housing organisations] are really, really great, but they should be for people who need a bit more support. So, they should be for people who need a support worker, which is what you’re paying for with the service charge. They shouldn’t just be used as an option because they are the only thing we have available [for people who don’t need that support].”

Anonymous

People experience homelessness for longer

Across accommodation, assessment, shelter, and day centre services, interviewees felt that the current market means that people end up experiencing homelessness for longer than when there was access to high quality, more affordable PRS for people reliant on housing benefit. Day centres reported restricting their access to those currently rough sleeping, due to the current level of need, which runs counter to their values around prevention. This is not solely due to a lack of PRS accommodation, but it is a major factor given the current profile of clients (including people with low support needs who have recently left asylum support accommodation).

“There are plenty of people in night shelters right now that are in receipt of benefits and are ready to go – we just can’t find a place that is acceptable and able to move in.”

Head of Operations & Service Development, Glass Door

“Three/four years ago, it was three months [for us to place someone in PRS], then it went to four months, five months, now it’s six months. The whole thing is slowing down all over the place in terms of the time that people are in homelessness services.”

Director, SHP

Services highlighted that people stuck in homelessness accommodation for longer periods become increasingly frustrated with their situation and this can even result in evictions or people leaving the accommodation without anywhere to go.

“One client who had definitely been on [many, many] viewings, he’s abandoned [the service]. I think that’s the worst situation because they might end up rough sleeping again, and then keep going around services.”

Anonymous

Retraumatizing experiences

Most, if not all, of the organisations participating specifically seek to work in trauma-informed ways, which recognise the prevalence of trauma among those experiencing homelessness and the traumatic impact of homelessness itself. The low-quality offers and experiences of rejection people experience when seeking PRS accommodation were felt to be retraumatizing, causing people to feel “hopeless” and compromise the principles that staff wish to work to. Organisations often described steps that they take to avoid this by working in very person-centred ways, but it remains a challenge for many teams. Two lived experience interviewees described the ongoing fear of ending up on the streets if they were unable to secure move-on.

“[There are people out there sleeping] on a bench. I had two weeks to go, and I thought I would be there. It’s the closest I came to it. I was emailing [the local authority] hassling, hassling, booking viewings, [but] I always have the feeling I am going to get rejected.” (Lived experience interviewee)

Lived experience interviewee

“I’m frightened that I could end up on the streets – I keep my sleeping bag on the window sill, all ready.”

Lived experience interviewee

Weaker PRS outcomes

Some interviewees raised concerns about the quality and sustainability of the PRS outcomes that they and others are achieving for clients and supporting. Staff referred to keeping the dangers of rough sleeping in mind to keep them motivated when the options available feel less than desirable.

“I always still think that it’s better for people to be in private rented accommodation than on the street ... I still feel like it’s better to have a roof above your head, because I would say it’s less risky, but at the same time I think the problem is that people are placed far from their boroughs, where they’re placed with strangers ... sometimes there is lots of ASB [anti-social behaviour]. It is difficult.”

Service Manager, Thames Reach

Participants had concerns that people are becoming stuck in the accommodation they are placed in rather than being able to see it as a stepping stone to a more desirable location or property. Factors driving this include the use of landlord incentives, which mean that many clients do not have a deposit they can use to move and they are unable to afford to save money and pay rent when working due to LHA rates and high rents.

The challenges of moving into employment or moving from part-time to full-time employment were also a key concern. Often organisations view work as key to recovery from homelessness. The costs of accommodation mean that people are trapped in worklessness because foregoing housing benefit to work on a low and potentially variable income makes rent unaffordable. As previously described, landlords also view employed tenants as a riskier prospect.

“I see frustration, and I just feel like people feel defeated. We have another resident who ... he’s been with us since just before Christmas, and he’s 62, but then he went for a job ... I had to say, ‘If you go for a job, it’s gonna completely change your move-on plan, and things that are affordable.’ And he was like, ‘Oh, gosh, I thought by getting a job it was a good thing.’ [...] It’s just heartbreaking. People want to work. Often, people want to work because they need routine. You have purpose, but you’re sort of discouraging that.”

Service Manager, St Mungo’s

“Sometimes I feel like clients stay on Universal Credit because they can’t afford going to work and paying £1,200 for a room with a toilet, and on top of that they need to pay bills, gas, electric, water, council tax... [With] travel costs, it’s impossible. And lots of clients say it’s also not worth it. It’s not worth paying this amount of money. Lots of clients get upset about the quality of the properties.”

Anonymous

“People get stuck in supported housing so the waiting lists go up. It’s hard to move out of supported accommodation because what is available for move-on is likely to be lower quality, relatively expensive and require move-in fees. This means the move-on rate from supported housing is low, so then of course it’s harder to move people who are homeless into supported housing.”

Director, Two Step, HOPE worldwide

Interviewees reported that the poor quality of much of the available PRS accommodation, in terms of size, location and condition, means that for many people it can feel like a step backwards rather than move-on. This can make people reluctant to move on from supported accommodation. In some services staff felt that they have to compromise their principles and standards to move people on from homelessness, or are shocked by the standard of accommodation in which clients have been placed using public or charitable funds. Working to secure PRS access was described as “exhausting” and “demotivating” by one team.

The outcomes for people with ongoing support needs were raised as a concern by interviewees working with this group.

“A private landlord can just evict ... if a client’s been a bit noisy or they’ve had people come round... the person that they see as a problem client. And of course, our clients are so stigmatised ... So, all the other residents have to do is make a few complaints, that landlord will be like, ‘I’m sick of the headache, let’s give them a Section 21’ and it happens all the time ... that would never happen with social housing ... There’s so much support in place, not just for the client but for the team and service.”

Anonymous

Good PRS outcomes

The priority for PRS outcomes is considered to be affordability, safety and a reasonable standard (for example in terms of repair).

“I think affordable rent is the top thing, and it being a safe property as well. Somewhere that’s where it’s not run down, it’s windows, doors lockable, everything safe, CCTV if possible, but I think safety and affordability are the main things.”

Senior Manager, Depaul UK

Participants felt that high-quality PRS outcomes were demonstrated when people are able to settle into an area, ideally with work or volunteering or study, ask for help or solve problems that arise themselves, and ultimately when they are able to move on to more desirable accommodation.

“Over all those years, we had many clients who managed to find better accommodation for themselves, or live with partners or families, and especially when clients engage with services and they become more stable and independent, I think this is the best outcome. Or when they are more empowered to deal with issues themselves ... when they get to know their rights and they’re more confident to challenge.”

Service Manager, Thames Reach

“People walk through the door with their bags and you have that assessment ... Then after move-on they start working with the hotel school, you start to see them in the kitchen and then a few weeks’ time they’re graduating and getting that job, and it’s a complete transformation. That’s what we seek to do.”

PRS access coordinator, The Passage

9.

EXPLORING THE PICTURE OUTSIDE LONDON



This chapter summarises findings from interviews with organisations who provide support to people seeking to access the PRS outside London.

Access to the PRS

Organisations from the south of England, West Midlands and Greater Manchester all agreed that the PRS is an essential move-on option for people experiencing homelessness. They all reported that it has become harder to secure PRS move-on for people experiencing homelessness over the last two years.

“Private rents in Hastings have skyrocketed over the last 18 months or so. But we put heavy emphasis on private rented, because we know of the limitations to social housing... I know someone in supported accommodation who [went on around] 15 viewings, and every time got turned down by the landlord because they were on benefits. ... Back in the day when you could probably perhaps source a private property quite quickly, it could take months and even years sometimes now to find the right one.”

Rough Sleepers Initiative (RSI) project coordinator, Hastings Borough Council

Across all areas people experiencing homelessness nearly always need practical and financial support from the local authority or a homelessness organisation to secure a tenancy.

“Unless you’re giving a landlord an incentive to take someone on, they’ll always go for the person who has got the most income, who is the most stable, who is the most secure in terms of employment, who presents themselves in the best way possible at a viewing and stuff like that.”

RSI project coordinator, Hastings Borough Council

In Hastings, it was felt that there is an increasing reliance on the PRS to accommodate people who have more complex support needs, which correlates with feedback from London participants. This is due to higher numbers of people in this group overall and also more people who the council does not have a duty to house (for example, because they have been assessed previously as intentionally homeless). Rough Sleeper Initiative funding is used in East Sussex to support PRS access work through the Intensive Tenancy Funder service.

Outside London people supported by homelessness organisations are sometimes viewing the same properties as those who might be working on reasonable wages, rather than landlords specifically targeting those on benefits.

“This is the thing: you’re up against all these other people that can pay the rent, obviously an inflated amount of rent as it is and they’ve got references, work references. And that’s what we’re up against and it is obviously really challenging and the people or the PRS options that we’ve got are so, so limited because there’s so much demand.”

Senior Manager, Porchlight

“Because anything that’s decent out there is being taken up by professionals that haven’t got enough money to buy, but need to rent, and you’re left with properties that you wouldn’t really want [if you were working].”

Service Lead, Trident

Affordability

In all the areas covered by the research, the availability of accommodation for LHA rates was very low compared with market rates and there was an overall lack of available PRS accommodation. The research was undertaken before the rise in LHA in April 2024 and the impact of this on the availability of accommodation is to be seen, though there was little optimism amongst interviewees that it would open more to those moving on from homelessness services.

“What we find though is it’s massively challenging in Kent. LHA rates versus what a property on the open market would be, they just don’t meet, they don’t match, even if it’s shared accommodation there’s usually a big shortfall. So that LHA rate freeze really impacted us.” (Senior Manager, Porchlight)

“No surprises, the first issue is affordability, isn’t it? It’s just completely inaccessible and out of scope for most of the households that we’re seeing... even though we’re relatively affordable in a broader sense ... it’s very, very difficult to access.”

Wigan Council

Shifting markets

Although each area has the same broad challenge of needing to access more, better quality, affordable PRS for people experiencing homelessness, issues and gaps vary according to the local context. In each area the PRS market has responded to local conditions in ways that have impacted move-on for people experiencing homelessness:

- In Birmingham, interviewees reported that new measures taken by the council to improve standards in the PRS have seen a reduction in the number of landlords willing to rent to those moving on from homelessness. If a tenancy is being supported or incentivised by the council, the landlord needs to sign up to a set of standards and provide evidence that they are meeting these. The reduction in landlords working with the council and commissioned providers was more pronounced at the outset of the scheme with some returning once they could see how it was working.
- Hastings has seen huge rises in house prices and an increase in stock used for holiday lets including Airbnb. Landlords at the cheaper end of the market have also sometimes moved to providing temporary accommodation, which is paid at a higher rate, in the face of increases in homelessness in the area.
- In Wigan, landlords have moved to providing exempt supported accommodation meaning a reduction in the number of HMOs that can be accessed by people reliant on LHA and who do not need supported accommodation options.

Challenges for different groups

People experiencing homelessness were felt to face multiple barriers in accessing PRS; not only does being on benefits impact affordability, but also due to stigma and discrimination. Interviewees felt that landlords tend to prefer people who are working and not on benefits, rather than some landlords actively seeking those who are on benefits and unlikely to work, as is the case in London.

“I also think some landlords are prejudiced against the clients that we work with because of their backgrounds or appearance. Although this can’t be proven, it does seem to be the case ... If people know they’re being supported by homeless charities, it might be [that] the landlord or agent has already formed an opinion that they wouldn’t want to help them.”

Senior Manager, Porchlight

“There’s still a bit of stigma attached to benefit claimants, and landlords and letting agents are probably worse, definitely more comfortable with people in full-time employment and got a steady income coming through. It’s often one of the things that we talk about with landlords, that a long-time benefit claimant actually might be a surer prospect for the property, they’ve got a steady income coming through.”

Housing Options Team, Wigan Council

As is the case in London, younger people and those subject to the shared accommodation rate face additional challenges in accessing PRS accommodation. In line with London, often the only route for younger people is exempt supported accommodation.

“For young people, their main route is private, but they get the lowest form of Universal Credit because they’re under 25, and then they’re also possibly subject to the shared accommodation rate ... unless they do go into work there’s no way you can get private and afford a private rented property, even an HMO.”

Hastings Borough Council

“HMOs [previously the main PRS route for young people] [...] are quickly being picked up by the exempt providers. I always have a conversation with anybody that’s coming into Wigan [as a landlord] to say that really if they’re going to open up exempt accommodation they should try and match every exempt that they do with a general-needs HMO as well because there’s got to be a move-on pathway.”

Housing Options Team, Wigan Council

Supporting PRS access

Across all areas having specific roles or teams to support PRS access was considered highly beneficial to improve outcomes for people experiencing homelessness in the current market. This work is usually funded via local authority funding, including Rough Sleeper Initiative funds in some places. In Kent, a recommissioning process will see statutory funding for the landlord liaison role end for Porchlight, but the organisation has taken the decision to fund the role internally for the current time because it is so vital to creating move-on options.

Working closely with landlords and understanding their needs, and cultivating links with landlords who are keen to support those leaving homelessness, was a common way to support people to access tenancies. Investing in these relationships can give these services the edge over other organisations providing larger incentives.

“It’s all about good, positive, and open and honest communication with the landlord, a landlord having a good understanding of the individual, their journey, their needs around their own accommodation, and just making that house feel like it is a home.”

Hastings Borough Council

In Wigan, the council has an Ethical Lettings Agency and Deposit Assistance Scheme, as well as providing other landlord incentives, which between them provide a comprehensive and flexible service to landlords who wish to rent to people reliant on LHA rates. The Ethical Lettings Agency provides a full leasing service whereby the council will take on the management, rent collection and maintenance of a property on a five-year lease. Unlike in other examples described in this report, Wigan Council provides incentives on the understanding that they will be used to make improvements to the property, as opposed to simply being cash incentives. The bond scheme offered is a ‘paper bond’, so no money changes hands unless the landlord needs to draw against the bond, for example, if a property suffers damage.

“We’ve got good engagement with our local landlords and investors. We’ve kind of built up a pool of landlords that work with both the Deposit Assistance Scheme and the incentives, but also our Ethical Lettings Agency. We see generally good engagement and we do still attract quite a lot of new investment into Wigan because the property prices are still relatively affordable in the scope of wider boroughs. The Ethical Lettings Agency has been established for a few years now, when a landlord is looking at buying something new in Wigan ... the first thing they’ll do is contact us and say, ‘Are you interested in this property? Does it meet demand and can I get an offer from you?’”

PRS Team, Wigan Council

In Hastings, a cash incentive is provided by the council to bring the monthly rent closer to the market level, so a landlord gets a cash payment to offset the fact that the LHA rate (plus any tops up provided by the tenant) will be lower than the market rent. Given the pressure on the market, Hastings Council is also offering a rent guarantee scheme.

All areas participating in the research felt a similar level of discomfort with the increasing use of incentives or rent in advance, either by their own organisation or others in their area, due to concerns that these set an unrealistic precedent. In the case of Wigan, for example, other local authority areas in Manchester are providing incentives and, in Hastings, the need to place people means that on occasion rent in advance offers have crept up in value.

“We’ve got other local authorities that are paying quite a bit of money and then we get the landlords ringing us up and saying, ‘Can you match the offer that a particular Local Authority has done?’ or something. And we can’t.”

Housing Options Team, Wigan Council

In the West Midlands, interviewees described initiatives to support young people to work and access accommodation. The well-established Live & Work project provided by St Basil’s is described below. A newer West Midlands Combined Authority project, ‘Rent Simplification and Support’ Proof of Concept (PoC) scheme, agreed as part of the Trailblazer Devolution Deal for the West Midlands Combined Authority, is piloting an adjustment to the benefits system for young people living in commissioned supported accommodation in the region. The scheme enables young people to choose to be part of the PoC once they earn enough to transition from Universal Credit, but may still be eligible for housing benefit. If they choose to join the scheme, they will pay only 13% of their rent and eligible service charges from their earned income and will keep the rest of their earnings. They can be on the PoC for six months. The 87% remainder is topped up by Department for Work and Pensions via the local authority’s housing benefit teams to the landlord. One of the intended outcomes of the scheme is that young people can feel the benefit of work, hopefully reduce any debt, and save towards a deposit, move on from supported accommodation and live independently. The scheme will run until 31 March 2025 and is being evaluated.

Example 5: St Basil’s Live & Work

Live & Work provides 86 units of accommodation for working young people aged 18-25 who have been homeless or at risk of homelessness, or are care experienced, to enable them to save and move on in around two years – usually into PRS accommodation.

How it works

- The project targets young people who are working and have independent living skills but do not have the resources to access the PRS. The rents are deflated to LHA or social rates, whichever is the lowest.
- The service is conceptualised as being ‘supportive’ rather than fully supported.
- Phase 1 provides high-quality, furnished, student-style accommodation in four-bedroom flats with on-site bespoke housing management.

- Young people generally stay at Live & Work for up to two years and during this time the low rent means that they can meet their living costs and save towards the future – often this will be for a rent deposit.
- The service also enables young people who do not need more expensive supported accommodation to avoid this in their housing journey.
- More than 180 young people have progressed through the original Phase 1 32 Live & Work places, across eight four-bedroom flats. Young people have moved on from Live & Work with deposits that meant they were able to access the mainstream PRS market, rather than being limited to LHA rates or accessing exempt supported accommodation that has been so prevalent in Birmingham.
- Phase 2 has recently been completed, providing 54 one-bedroom studio apartments with rents at £75 per week for young workers.

Impact of the current PRS market on move-on from homelessness

The main impacts of the current PRS landscape described by interviewees are a lack of move-on through homelessness and supported accommodation and the low-quality provision and poor practice that tenants suffer.

The broad lack of move-on accommodation impacts the availability of spaces for people who are currently rough sleeping or have recently become homeless. In Hastings, the interviewees described a three-month assessment centre hosting several people for more than a year, echoing feedback from the London assessment services. Porchlight in Kent described the impact of a lack of move-on on the supported accommodation pathway:

“[Lack of move-on] blocks our ... supported accommodation beds. They’re expensive and you need to keep them for those people that desperately need them. Unfortunately, you do have a case where they’re silted up with people who can’t move on.”

Senior Manager, Porchlight

The high demand for limited spaces was felt to leave tenants and prospective tenants in a weak position when it came to demanding good value and high standards. Examples of unethical and illegal practices among landlords that were cited include:

- Failing to provide the correct paperwork to new tenants (Kent)
- Encouraging tenants reliant on benefits to sign a tenancy then increasing rent levels, meaning people have to use more of their remaining benefits to cover the rent (Birmingham)
- Landlords evicting people who raise issues with the property, knowing they will be able to quickly fill the tenancy again, and even claim an additional incentive to do so (Sussex).

10. THE FUTURE



This chapter looks at the future and how interviewees perceived the situation around PRS access developing. On the whole, there was little optimism. It also explores the implications of the LHA rate increase in April 2024 and the changes to Section 21 evictions and increased tenancy protection.

A precarious picture

All those participating in the research felt that working to access the PRS for people experiencing homelessness was precarious to varying degrees. For some this was a current or imminent issue, and for others it felt like there are risk factors in the medium term. The limited areas that are accessible and the reductions in the space and quality of accommodation were felt to illustrate the pressure on the PRS market and the shrinking size of the stock available to the growing number of people facing homelessness. At least three organisations participating had seen cuts in funding for their PRS access work from local authorities; in one case, the organisation had made the decision to fund the PRS access post internally.

The main risks were affordability (see below on LHA changes) and competition from local authorities offering landlord incentives at a level that charities cannot afford. Currently, advantages around landlord relationships, being able to place tenants quickly and the provision of ongoing support can still give homelessness organisations the advantage, but it feels increasingly marginal. Other risk factors include uncertainty around future funding for homelessness services once the current Rough Sleeper Initiative funding ends and as pressure on local authority budgets continues to bite.

“There’s so much demand and they’ve got those relationships, but it does feel like they’re on the edge of getting those PRS outcomes sometimes. They’re very reliant on landlord relationships, speed of placements, those kinds of things, because they don’t have the incentives.”

Director, SHP

“I definitely have concerns. The fact that we’re offering homes outside of London is a sign that things are getting worse. There was a time we wouldn’t even dream of offering [accommodation] outside London, but now we don’t have a choice. We’re rolling out a rough sleeping programme across the seven west London boroughs, that is specifically designed for offers outside of London, because there is nothing affordable in London.”

Programme Director, Bridges

Changes to LHA rates

In April 2024, the LHA rate was reset to match the 30th percentile of local rents in September 2023, in theory meaning that the cheapest 30% of rents in an area should be affordable to people claiming housing benefit. The increase in LHA rates in April 2024 was felt, however, to pose a serious risk to PRS access for single people moving on from homelessness in London.⁵⁵ Although the increase was intended to result in more property being affordable within the LHA rates, there are several reasons for concern.

The main risk is that people subject to the benefit cap, which applies to the majority of the clients that the services consulted for this research are working with, will be priced out of more areas of London when looking for a flat, studio or room. This is because the proportion of their capped income that is required towards LHA rent rates would be too high to afford living costs on top of the rent. While the housing benefit component of their Universal Credit will increase, the total amount of benefits that they receive will not.

“Unless the benefit cap goes up, first of all, we’re just going to be very limited in the options that we have, and also we anticipate that will have an effect on clients ... being pushed and pushed further out of London. The majority of our clients are capped.”

Service Manager, St Mungo’s

“If they put the LHA up and leave the benefit cap where it stands, and agents, base rent on the LHA, it means that pretty much everyone that’s benefit-capped is going to have to top up in pretty much all London boroughs, which really quite worrying.”

PRS Access Coordinator, SHP

The April 2024 LHA rates are based on data from September 2023. Some felt that the increase may attract additional landlords to accept tenants on housing benefit, but there was concern that rents have risen in the intervening period, and this will not yield additional properties for let to tenants on benefits.

“LHA level rents are still way lower than the private market so it’s had zero impact on providing any benefit to us whatsoever in terms of more property. The benefit cap has also not increased to take advantage of this. The reason we’re looking more outer London, is not driven necessarily by the fact there’s no property in London, it’s driven by affordability.”

Programme Director, Bridges

“The only other thing that might come out of it positively is that we may attract landlords who previously were not willing to rent to people on benefits. That might be a positive aspect of that. I think we need to see what happens [be]cause obviously, if we can attract more landlords in, who previously wouldn’t have considered working with us, then that can only be a positive.”

Senior Manager, The Passage

Landlord caution

Several interviewees mentioned seeing a more cautious approach from landlords about who they let their properties to, over the last few months. This is partly an ongoing result of demand outstripping supply, but may also be due to trepidation about new legislation including the end of Section 21 evictions.

“Landlords are becoming more selective in response to the increased demand and reduced supply. They are very wary of taking someone in that they might later need to evict because of anti-social behaviour or rent arrears. The proposed increased tenancy protection will help reduce evictions, but a potential downside is that that some landlords will be even less likely to rent to some people in the first place, if it would be too hard to evict them if needed – they just don’t want to take the risk.”

Director, Two Step, HOPE worldwide

Outside London

It was not expected that increases in the LHA rates would provide many more tenancies for people moving on from homelessness, as in London. There was less concern about people subject to benefit caps being further priced out of the PRS market than in London.

“Looking at the new rates for Wigan, they’re still a way out of scope with private rentals. They might bring a few more properties into scope ...”

PRS Team, Wigan Council

Interviewees in two areas (Wigan and Birmingham) felt that increased regulation of supported accommodation could see landlords leaving the exempt accommodation market, potentially increasing the volume of properties available at LHA rates (rather than the higher exempt rates), or some landlords might exit the PRS market altogether.⁵⁶

As in London, it was felt that landlords are increasingly cautious about renting to people whom they view as high risk due to uncertainties around legislative change. Greater protection for tenants and the potential end to no-fault evictions were, however, viewed as potentially encouraging people to move on and accept PRS accommodation when they have been reluctant due to fear of repeat homelessness and eviction.

Some areas are benefiting from various government initiatives – for example, the Back to Work scheme in the East Midlands and Rough Sleeper Initiative funding. As in London, however, the work being done to support people to move into the PRS is precarious. For Porchlight, the Kent Homeless Connect contract, which provided the landlord liaison role, has recently ended leaving the charity to fill the funding gap for what they consider to be a vital service.

11. CONCLUSIONS



This small-scale research project has explored the recent experiences of people seeking PRS accommodation following homelessness and the organisations supporting them. The research was mainly limited to specialist homelessness projects and focused on London, along with some targeted areas in Manchester, the West Midlands, and the South East. The following conclusions can be drawn from the findings.

Context

- Households living in the PRS face less stability and choice and are at greater risk of homelessness than those in the social rented and owner-occupied sectors, because of housing and welfare policy decisions over many decades.
- This research shows that people who have experienced homelessness are even more vulnerable to injustices including retraumatising experiences to secure a new home; poor conditions; ongoing instability; and poverty traps that reduce people's ability to work, settle and progress.

The role of the PRS

- There is huge pressure on the PRS market. Falling supply at the lower-cost end of the sector impacts those moving on from homelessness.
- The size and diversity of the group of people reliant on PRS for move-on from homelessness has increased rapidly; this includes placing people with higher support needs who would benefit from more support than the PRS can offer.

Accessing PRS

- In London, most people moving on from homelessness are likely to secure tenancies with landlords who specifically accommodate tenants on benefits. This is a subsector that is not usually publicly advertised through the usual websites and requires connections and knowledge to access. This sector is opaque and fast moving, making it hard for organisations to ensure an ongoing pipeline of properties for people they are working with.
- Some groups face additional disadvantages, including people under 35 who are subject to the shared accommodation rate, because there is usually no accommodation on the market at this rate in London and areas outside London including Birmingham and Hastings. Agents and landlords often prefer people who are not subject to the benefit cap and who are unlikely to start working.
- Intersectional disadvantages are common. For example, many people seeking PRS move-on are under 35 and subject to the shared accommodation rate, have newly given refugee status, and want to move into work.
- The experience of securing accommodation in the PRS is extremely challenging and for many people it can be retraumatising, with prospective tenants feeling they are trying their hardest to find a settled place to stay but facing multiple rejections and very limited options.
- The size of accommodation and level of facilities on offer were a concern to those working in the sector, especially in London, and people with lived experience in London.
- The research found evidence of unethical and illegal practices from some landlords, including asking for Universal Credit login details and refusing to provide access to properties until the first Universal Credit payment is made.

Supporting access to the PRS

- Nearly all those experiencing homelessness need practical and financial support from a homelessness organisation or local authority to secure a home in the PRS. There are numerous ways in which this support is provided ranging from providing information about viewings to attend, to safety and suitability checks, to onward tenancy support.
- Local authorities can often offer much higher cash incentives to landlords to secure a tenancy, which increases competition and disadvantages organisations unable to provide large (or often any) incentives. This is very inconsistent across different areas, creating a postcode lottery in terms of move-on.
- Some of the key principles identified to secure successful move-on included providing education on managing a tenancy, managing expectations, carefully assessing the ongoing affordability of tenancies, and being very quick and responsive to help agents fill spaces.

The impact of the current picture

- The current situation means that a huge amount of investment from public and charitable funds is going into securing homes (both paying for support and for financial incentives and deposits), which are often very small (especially in the capital) and of poor quality.
- The pressure on the market means that move-on from homeless accommodation is limited, reducing bed spaces available for people who are newly homeless, at a time when rough sleeping has been rising. Correspondingly, people are staying for too long in accommodation designed to be a transitional short-term option.
- Some services are struggling to meet their contractual targets to help people move on from homelessness services.
- People are stuck in emergency or temporary accommodation for longer periods, increasing the likelihood of negative outcomes such as eviction or abandonment.
- The work of PRS access specialists is precarious. The increasing incentives paid by local authorities and competition for accommodation for different purposes, including housing ex-offenders and asylum seekers, and as temporary accommodation, can compromise the advantage that PRS access services have in agent and landlord relationships.
- There is widespread concern about the future prospects of people stuck in homelessness without access to the PRS accommodation they need to move on. This is an issue across all client groups, but particularly impacts those who are young and who need to move into employment.

The future

- The increase in LHA rates is predicted to have a negative impact on many people seeking rental accommodation to move on from homelessness in high-cost areas.
- There is concern about landlords leaving the market and becoming more selective as and when the new government provides a timetable for ending Section 21 evictions. Greater regulation and accountability in the PRS are, however, viewed as critical to driving up standards and shifting the balance of power between landlords and tenants.

12. RECOMMENDATIONS



Steps must be taken to ensure that the PRS becomes a more secure and viable move-on route for people experiencing homelessness. The findings of this report highlight huge challenges for stakeholders, including homelessness organisations, local authorities and, of course, the people struggling to find a home. The context of cuts in local authority budgets, increasing homelessness and a scarcity of all housing types makes addressing these challenges very difficult, but it is essential that we identify short and longer-term solutions.

The recommendations below all depend on joint-working between different organisations, and a systems approach to policy to avoid unintended consequences (for example, as identified in this report, the lack of a corresponding increase in the benefit cap to accompany the increase in the LHA rate).

The new government: recommendations for a bold new approach to tackling injustice in the PRS

- Increase the delivery of new homes at scale as an urgent priority to prevent and relieve homelessness and ease market pressure. Create a realistic plan to deliver the promised new social rented homes.
- Take urgent action on the injustices facing private renters and ensure that the growing number of single homeless households, and those who have experienced rough sleeping, are included at the heart of this work.
- Ensure that a fairer, more equitable PRS is central to policy and strategy on ending rough sleeping, both in terms of preventing homelessness and facilitating move-on from homelessness.
- Create a new vision of ensuring safe and secure housing for all, taking a whole system approach across all tenures. Delivery of a fairer and more accessible PRS is critical to achieving this.
- Ensure that the direct input of people who have experienced homelessness is central to the development of plans for a fairer housing system.

Central government: recommendations for specific departments

Ministry for Housing, Communities and Local Government

- Ensure that the new Renters' Rights Bill Replace is robust enough to increase the rights of those who are accessing the cheapest end of the market including those who have experienced homelessness. The new Renters' Rights Bill must deliver:
 - » a more secure PRS, with an end to no-fault evictions and a credible approach to enforcing this
 - » duties and support for local authorities to deliver a stronger approach on the enforcement of poor housing conditions and illegal practices
 - » an end to landlord discrimination when advertising for and selecting new tenants; current measures to prevent landlords specifying people not reliant on benefits are completely ineffective.
- Ensure that the short-term, negative impact of legislative change on those who are most disadvantaged in the market is foreseen and minimised. For example, landlords are likely to become more selective and cautious as no-fault evictions are removed, impacting those who need to move into lower-cost PRS to end their homelessness.

- Create a plan to maximise the use of existing buildings and housing stock, for example, through action on empty properties and action on voids in social housing.
- Address the imbalance between supported options in ‘exempt accommodation’ and more affordable, fully independent options through the implementation of the Supported Housing Regulatory Oversight Act 2023, which obligates local authorities to develop strategic supported housing plans, including quantifying existing supply and local need, and will create licensing requirements and National Supported Housing Standards.
- Ensure extended provision of high-quality commissioned supported housing (or other move-on options such as supported living approaches) for people who need support to move on from homelessness accommodation and are at risk of repeat homelessness or other adverse outcomes from living in the PRS.
- Investigate the proliferation of tiny studios being provided in London and enable local councils and regional governments to create some minimum standards for this type of accommodation, while retaining some flexibility to reflect stock in the local area.
- Work with HM Treasury to explore new mechanisms for incentivising landlords, delivered through the tax system, to create a more transparent, long-term approach, which moves the burden away from local authorities providing cash offers at the point of tenancy sign-ups.

Department for Work and Pensions

- Evaluate the impact of the increases in the LHA on people subject to the benefit cap, and consider linking future increases to changes in the cap.
- Expand and evaluate programmes that provide a bridge from supported accommodation to employment, helping people to save for a deposit and access PRS on the open market.
- Consider removing the shared accommodation rate to address the additional challenges facing renters or potential renters aged under 35.

Home Office and MHCLG

- Create a programme where housing advice is systematically provided to people before they leave asylum support accommodation, to alleviate the huge numbers of people approaching local authorities and homelessness charities for assistance, most of whom are reliant on the PRS.

Regional government

Metro mayors in combined authorities

- Support local authorities to work together to prevent further escalation and variation in incentives offered to secure PRS access for people experiencing homelessness. This could involve agreements between boroughs to limit incentives, or a shared commitment to ensure tenants always have deposits and rent in advance (possibly alongside smaller incentives) to provide more choice and control to tenants regarding onward moves.
- Work with government to pilot more radical approaches to incentivising landlords to accommodate people reliant on benefits to pay for housing costs, through tax incentives offered by HM treasury, to move away from cash incentives.

Local authorities

- Boost the capacity of floating support models for people in PRS accommodation, either through local projects or by working with regional services such as the GLA-funded PRS Tenancy Support Team to ensure sustainable PRS outcomes. Models should take into account that people with higher support needs and those at risk of repeat homelessness often access the PRS now, so sometimes more intensive flexible support is needed.
- Collect and update information about the local PRS market including accommodation at the lowest-cost end of the sector, which is often provided to those moving on from homelessness and others in very vulnerable financial circumstances.
- Increase the scrutiny of agents and landlords operating at the cheapest end of the PRS with proactive inspections and investigations to challenge poor conditions and illegal practices; for example, increasing staff resource in this area with the revenue from selective licensing schemes.

Homelessness organisations

- Expand innovative projects that provide a low-rent option with light-touch support for people who do not need the support offered by traditional hostels and supported options, but are unable to access the PRS independently.
- Continue and expand work to support clients to access the PRS in a holistic way with local authority and grant funding. Specialist work in this area helps to ensure better quality and value of outcomes.
- Maximise their advantages in the market, building strong landlord links, ensuring a commitment to standards, support to tenants and landlords, and further added value such as personal budgets, welcome packs and referrals to other services in the vicinity of the new home.
- Work together to convey the reality of the lower-cost end of the PRS to decision-makers, such as commissioners and politicians, including through the dissemination of this report. This includes illegal practices, the reality of mass viewings and the quality and size of accommodation, and the 'poverty trap' of living in expensive supported or independent PRS accommodation that makes moving into work unrealistic. There is currently extensive coverage around conditions in social housing and temporary accommodation, representing an opportunity to shine a light on the realities of the PRS such as illegal practices, and poor quality, value and experience.

All partners

- Those involved in delivering, funding or making policy around PRS access for people with experience of homelessness should adopt key principles that make PRS safer and more sustainable. Key principles emerging from this research are ensuring that anyone moving on from homelessness into the PRS with the support of a charity or local authority:
 - » has had the costs and affordability of the accommodation assessed and explained
 - » is able to discuss concerns about the quality and suitability of a property with a staff member from a council or homelessness organisation
 - » is provided with a period of light-touch support, at a minimum, to help them access services and transport and settle in
 - » has a deposit to help them move on to their next accommodation
 - » is provided with clear information about the terms of their tenancy or licence, and knows how to get housing advice.

END NOTES

1. LHA is the maximum amount of benefits people can receive to pay for rent in the PRS in a specific area. LHA rates are based on the 30th percentile of rents for existing tenancies in an area, but were frozen between April 2020 and April 2024.
2. For example: Whitehead, C. et al, Supply of private rented sector accommodation in London, LSE Consulting and Savills, 2023.
3. If someone is assessed by a local council as being in priority need, there is a duty on the local authority to provide emergency accommodation; for example, if they have dependent children who live with them, or they are more vulnerable being homeless than others due to a disability. There are some exceptions to this.
4. For example, in 2005, Broadway Homelessness Support set up Real Lettings to provide high-quality PRS for people moving on from homelessness; in 2012, the Localism Act enabled local authorities to discharge a homelessness duty to households with a suitable PRS offer.
5. Department for Levelling Up, Housing and Communities (DLUHC), English Housing Survey 2021 to 2022: headline report, 2022 (accessed April 2024).
6. Finnerty, C and Bicocchi, R, Housing Research Note 9: Understanding recent rental trends in London's private rented sector, GLA Housing and Land, 2023.
7. Whitehead, 2023, Op. cit.
8. Ibid.
9. Ibid.
10. Pacitti, C, Through the roof: Recent trends in rental-price growth, Resolution Foundation, 2024
11. DLUHC, Guidance for landlords and tenants, February 2022, <https://www.gov.uk/government/publications/covid-19-and-renting-guidance-for-landlords-tenants-and-local-authorities/coronavirus-covid-19-guidance-for-landlords-and-tenants> (accessed April 2024).
12. Finnerty and Bicocchi, 2023, Op cit.; Pacitti, 2024, Op. cit.
13. At the time of writing, the benefit cap was £326.29 a week or £1,413.92 a month for single people in Greater London. The LHA in central London BMRA is £331.39 more than the total benefits payable to someone subject to the cap.
14. "Millions of renters better off with boost to housing support", Department for Work and Pensions, 9 January 2024, <https://www.gov.uk/government/news/millions-of-renters-better-off-with-boost-to-housing-support> (accessed April 2024).
15. "Research estimates LHA uplift is nearly one-third below average growth in private rent", Inside Housing, 8 February 2024, <https://www.insidehousing.co.uk/news/research-estimates-lha-uplift-is-nearly-one-third-below-average-growth-in-private-rents-85074> (accessed April 2024).
16. Whitehead, 2023, Op. cit.
17. Raisbeck T, Exempt from responsibility – Ending social injustice in exempt accommodation: Research and feasibility report for Commonweal Housing (2019) Spring Housing, Housing and Universities Research at Birmingham University, Commonweal Housing.
18. Ibid.
19. Ibid.
20. Letter from Commonweal Housing and the Local Government Association to Michael Gove, 17 February 2022, <https://docs.google.com/document/d/1clGy1STpxHteYyj4s1rA34J393UZjIAA/edit> (accessed April 2024).

21. The Decent Homes Standard sets a minimum standard for social rented homes being in a reasonable state of repair. The Renters Rights Bill is set to require the same standards of private rented housing.
22. Rugg, J and Rhodes, D, The evolving private rented sector: Its contribution and potential, University of York, 2018.
23. Rules for Selective Licensing https://england.shelter.org.uk/professional_resources/legal/housing_conditions/hmo_standards/local_authority_rules_for_selective_licensing_schemes accessed June 2024.
24. Reeve, K and Bimpson E, Local authority enforcement in the private rented sector, Sheffield Hallam University and DLUHC, 2022.
25. Ibid.
26. DLUHC, Homelessness Code of Guidance for local authorities, 2018.
27. Spencer, R et al, Journeys in the shadow private rented, Safer Renting (part of Cambridge House 1889) and University of York, 2020.
28. Ibid.
29. Green, S, Ferrari, E and Roderiguez-Guzman, G, Tackling tenancy insecurity in the private rented sector: What works to prevent homelessness?, Centre for Homelessness Impact, 2022.
30. Clarke, A and Oxley, M, Using incentives to improve the private rented sector: Three costed solutions, John Rowntree Foundation, 2018.
31. Rugg and Rhodes, 2018, Op. cit.
32. Rugg, J and Rhodes, D, 2018, Op. cit.
33. The Kerslake Commission on Homelessness and Rough Sleeping, A new way of working: Ending rough sleeping together, St Mungo's, 2021.
34. Ibid.
35. Green, S, Ferrari, E and Roderiguez-Guzman, G, 2022, Op cit.
36. Refugee Council, Keys to the city 2024: Ending refugee homelessness in London, 2024.
37. "Number of refugees evicted into homelessness triples in wake of Home Office asylum change", The Big Issue, 23 November 2023, <https://www.bigissue.com/news/social-justice/homeless-refugees-rise-home-office-asylum-accommodation/> (accessed April 2024) – data from 52 local authorities, people assessed as homeless after leaving asylum support accommodation.
38. "Action needed on refugee homelessness", Homeless Link, 14 March 2024 <https://homeless.org.uk/news/action-needed-on-refugee-homelessness/> (accessed April 2024).
39. Refugee Council, 2024, Op. cit.
40. Ibid.
41. Ibid.
42. GLA, CHAIN annual report 2022/23, Greater London full report, 2023.
43. DLUHC, Statutory homelessness in England: financial year 2022-23, <https://www.gov.uk/government/statistics/statutory-homelessness-in-england-financial-year-2022-23/statutory-homelessness-in-england-financial-year-2022-23> (accessed April 2024). If someone is threatened with homelessness, a local authority has a duty to help prevent them becoming homeless (the prevention duty). If the person is already homeless, the authority has a duty to help them secure accommodation for at least six months (the relief duty). Note that these duties do not mean that the council has to provide accommodation; this will depend on the needs of the person.
44. Homeless Link, Support for single homeless people in England: Annual survey 2022, 2023.
45. Ibid.

46. "Government urged to resist any attempt to water down Renters' (Reform) Bill", Inside Housing, 1 March 2024.
47. Inside Housing 17th July 2024. "King's Speech: New Renters' Rights Bill will ban no-fault evictions and extend Awaab's Law to private sector".
48. Awaab's Law was introduced in the landmark Social Housing Regulation Act 2023, requires landlords to investigate and fix reported health hazards within specified timeframes.
49. The Supporting People ringfence was removed in 2009 and the overall funding to local authorities was cut in subsequent years, which led to reductions in the volume of commissioned, supported accommodation available.
50. Everyone In refers to the policy to provide anyone facing rough sleeping during periods of the Covid-19 pandemic with accommodation, regardless of factors such as their immigration status, often in hotels.
51. The HMO Article 4 Direction can be applied by local councils to require planning when converting a property into an HMO.
52. Home Office cessation refers to someone's asylum support being ended as a decision is made on their case, so they are no longer eligible for this basic interim support, which consists of accommodation and subsistence payments. Efforts to clear a backlog of asylum decisions have resulted in a huge increase the number of people leaving Home Office accommodation.
53. Depot here refers to anti-psychotics medication provided by a clinician by injection every few weeks.
54. The Clearing House allocates a pool of social rented accommodation in London provided with tenancy sustainment support, for people with a history of rough sleeping. The Clearing House It is funded by the GLA and delivered by St Mungo's; the tenancy sustainment services are funded by the GLA and delivered by Thames Reach and SHP.
55. Interviews were undertaken ahead of the LHA rate rise.
56. Supported Housing Regulatory Oversight Act (2023).

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