

# One renter every minute

How the pandemic exacerbated existing problems and what that means for the Renters' Reform Bill



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# Summary

## The pandemic exacerbated existing problems and created new ones.

Renters have had a rollercoaster of a year, and the pandemic has exposed the cracks in the private renting sector (PRS).

Financial shocks caused by the pandemic have exposed the unaffordability of renting, and left many in arrears. Renters feel on edge and insecure, fearing the consequences of a missed rent payment or flagging a problem. Tenants don't want to rock the boat and risk being forced out of their homes, so they put up with enduring disrepair issues.

## What this means for the Renters' Reform Bill?

The Renters' Reform Bill was announced in 2019. Government has the chance to make lasting change to the private rented sector through meaningful reform.

The issues we have seen brought to the surface this past year need to be addressed in the Bill to give tenants a secure and safe home.

## The problems



### Insecurity

More than 1 in 3 Tenants Voice renters feel insecure in being able to stay in their tenancy during the pandemic. Tenants are scared of potential landlord action, and with few other options, eviction can have devastating long term effects.



### Poor quality

The majority of renters are experiencing disrepair in their homes. 2 in 3 of Tenants Voice panellists experienced disrepair or maintenance issues in the last 3 months. Most deal with long waits for repair and fear of retaliatory eviction. The consequences of disrepair have been magnified by the requirement to stay at home.



### Unaffordability

Renting is unaffordable for many, with the average renter spending 40% of their take home wage on rent alone. Spending this amount on rent leaves little for a financial safety net or other essentials. This has been particularly difficult during coronavirus.

## Recommendations

①

End 'no-fault' evictions through Section 21, to protect renters from retaliatory eviction and increase their security

②

Improved tenancy security through open-ended tenancies, so renters aren't forced into fixed terms or exposed to rent hikes each year.

③

Better regulation and oversight to set consistent standards, providing more protection for tenants

# Methodology

This report is based on 2 pieces of research, our Tenants Voice panel and our Coronavirus Harms survey. It also includes data from the Citizens Advice service. To differentiate between the two core datasets, whenever Tenants Voice data is being referenced this will be made explicit. All other survey statistics will be from the Coronavirus Harms survey.



## Tenants Voice panel

The Citizens Advice Tenants Voice panel is made up of 700 private renters from across England. The project is funded by the [Nationwide Foundation](#). The panel has been exploring tenants' experiences of renting, and for the last 12 months has focussed on the experiences and impact of renting during the coronavirus pandemic.

The Tenants Voice research used for this report includes:

- An online survey of 365 panellists from across England, carried out between 3 December and 5 January. Due to sample size and nature of the panel, it is not nationally representative.
- 9 qualitative phone interviews conducted between 2 February and 23 February 2021.

**Note - all case studies in this report have been given different names to preserve their anonymity**



## Coronavirus Harms survey

This survey was conducted by ICM Unlimited on behalf of Citizens Advice. The survey covers people's experiences of the coronavirus pandemic, and the impact of the crisis and lockdown on their work, finances, and access to services.

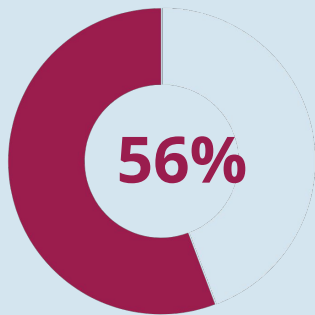
ICM interviewed a nationally representative sample of 6,004 adults living in the United Kingdom aged 18+ via an online survey between 12 and 25 November 2020.

## Calculations:

- 1 renter every minute stat: In January and February 2021 we saw 16,598 clients about PRS issues. Over 40 working days in that time period this works out to be 1 client with a PRS issue every 1 min and 10 seconds.
- In the first two months of this year, Citizens Advice saw a 40% increase in people seeking one-to-one advice on issues relating to the private rented sector than in the same period in 2020.
- Sample sizes for demographic breakdown chart for those worried about eviction on page 5 are 96, 84, and 92 for parents, carers, disabled respectively.

# In numbers

We're helping someone with a private rented sector issue every minute



56% of panellists said their experience during the coronavirus pandemic has had a negative impact on how they feel about living in the private rented sector



2 in 3 Tenants Voice renters experienced disrepair or maintenance issues in the last 3 months

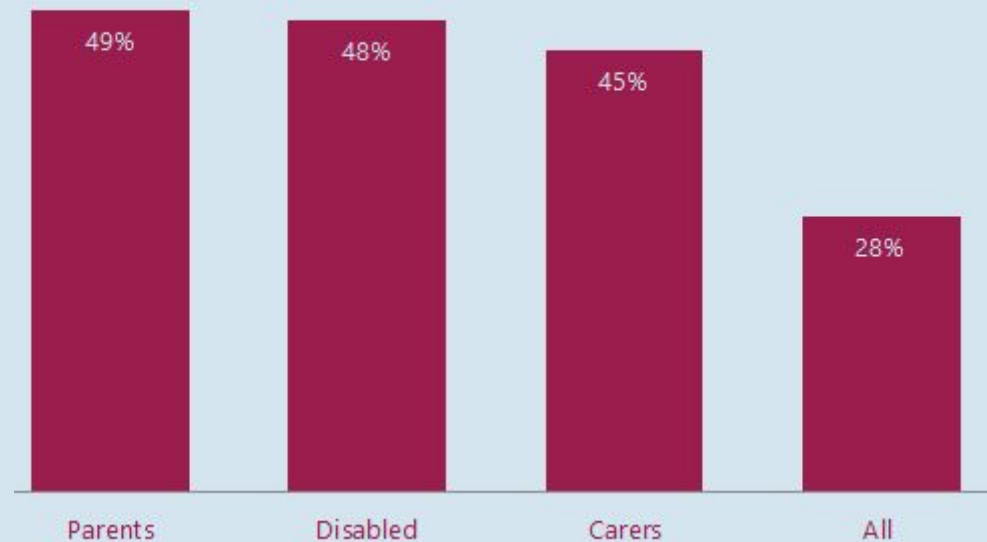


40% increase in people seeking 1-1 advice on issues relating to the private rented sector



2 in 5 Tenants Voice renters were concerned about being able to pay their rent.

Parents, disabled renters and carers on our Tenants Voice panel were **much more likely** to be worried about eviction



## 2. Background

# Renters have had a rollercoaster year

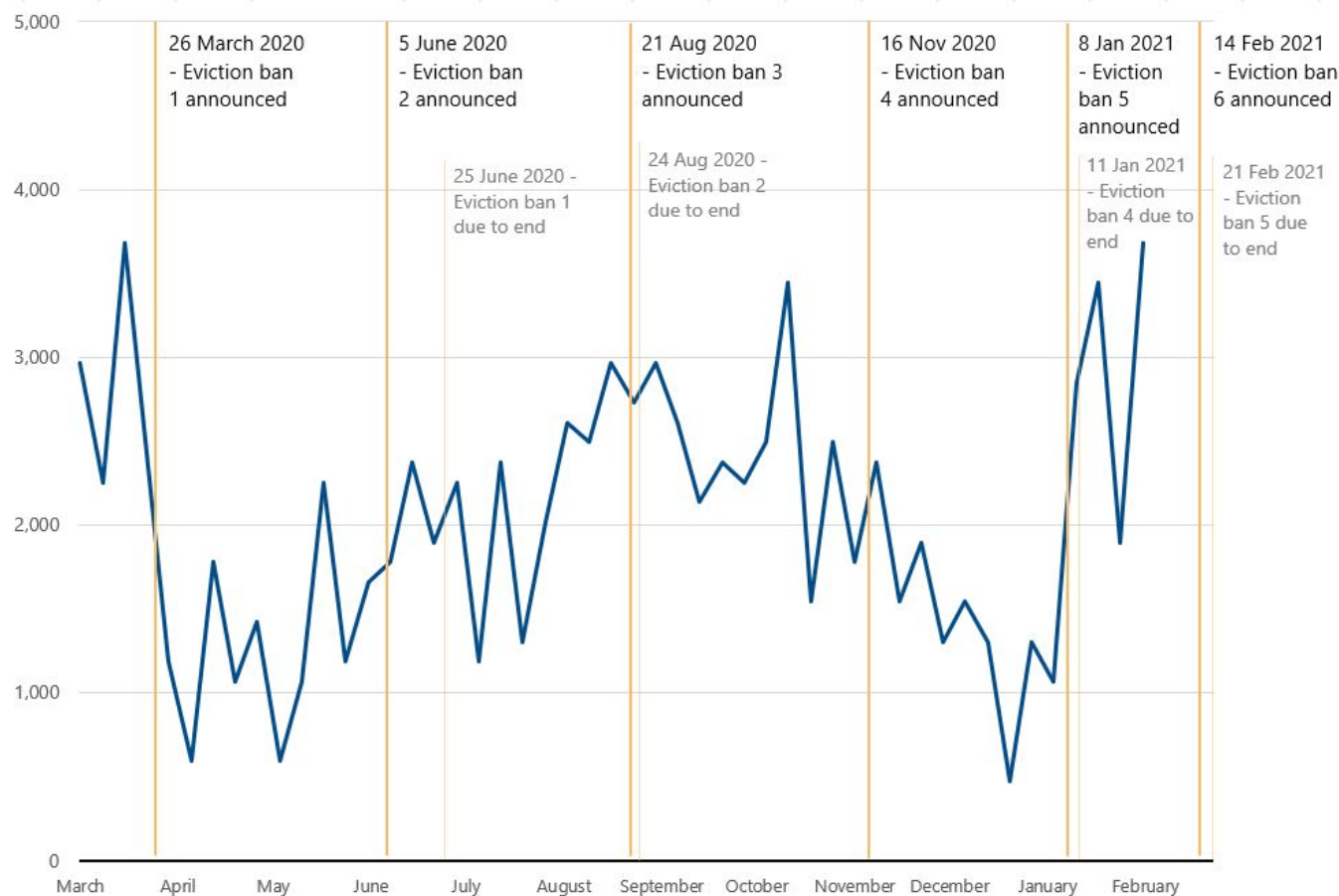
## A year of pandemic policy

Since the first eviction ban was announced on 26 March 2020, protections have been extended 5 times. In August 2020, there was a temporary increase of the minimum eviction notice period to 6 months. These policies have helped to protect people's homes during the crisis. However, tenants who have built up arrears during the pandemic can now be served with an eviction notice. Further, the recurring, looming deadlines have often been a source of anxiety for renters.

**"[The eviction ban] was not reassuring, it was just more anxiety, because what's going to happen at the end of the 6 months?"**

**- Jacob\*, Tenants Voice Panellist**

## Weekly views of the Citizens Advice page, 'if you get a section 21 notice'



## A year of arrears

It has been a difficult financial year for many, with renters being disproportionately impacted. Joseph Rowntree Foundation (JRF) report that before the pandemic, around 35% of private renters worked in the hardest hit sectors (e.g. retail). And, between April and June 2020, 1 in 3 private renter workers were furloughed, losing 20% of their income.<sup>1</sup>

This, plus the high cost of renting has led to a surge in rental arrears. We previously found 58% of renters who were in arrears were not behind before the pandemic. Also, 40% of renters previously in arrears had seen them increase.

**We previously estimated the total value of private rent arrears as over £360 million, with an average value of £730.<sup>2</sup>**

# The pandemic has exposed the cracks in the private rental sector

## Financial vulnerability, high rents and income shocks have driven people into arrears

Last year, we reported that private tenants were the most likely of any housing tenure to experience a negative budget - meaning their income does not cover their basic living costs. With widespread income shocks, it was predictable that a large number of renters could fall into arrears.

## Tenants face long-term insecurity

The eviction ban has helped to prevent a wave of evictions and homelessness. However, for tenants in arrears or financial difficulty, it has just emphasised the insecurity of their housing. While longer notice periods mean the reality of eviction may not be immediate, renters know pandemic protections will soon end. With 1 in 3 renters losing income, and average value of people's rent arrears of £730, renters are anxious about the future.

## Some tenants are forced to endure poor living conditions with no respite

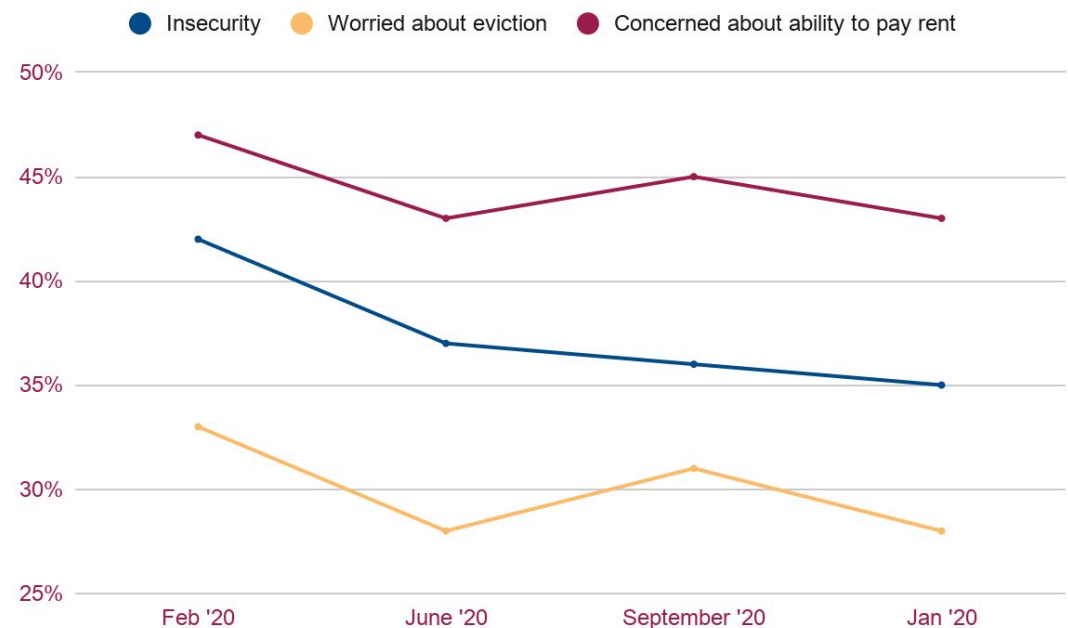
Tenants have long reported difficulties with repairs and maintenance, but with more time at home, unaddressed repairs can take more of a toll on renters' health. The pandemic has also complicated the process of getting repairs done, highlighting the lack of power tenants have over their own living environment.

## The pandemic has highlighted renters' concerns about the private sector

Renters are experiencing a shift in the way they feel about the private sector. Widespread income shocks, lockdowns in poor quality housing, and long term uncertainty has highlighted to renters a lack of protections in the sector.

**56% of renters said that the pandemic has worsened their opinion of living in the private rental sector. This increases to 75% of self employed people and 82% of furloughed workers.**

## Renters concerns about their tenancies have stayed consistently high throughout the pandemic





# The pandemic has exacerbated existing problems

## Tenants are feeling on the edge

It has been 12 months of uncertainty and financial difficulty for many renters. Those who did have savings have already drawn upon them. **Over half of private renters didn't have any financial safety net to begin with.**

Renters know that they could be one missed payment away from an eviction notice, and this causes significant distress. The eviction ban has given many some breathing room, but once this ends renters are at risk again.

**43% of our Tenants Voice panellists were concerned about their ability to pay their rent**

"I cannot sleep. I've been getting some help from the GP. I've been given some anti-depressants. I'm stressed. Overall, I feel absolutely awful."

- Sophia\*, Tenants Voice Panelist talking about the stress her renting issues have caused during the pandemic

## More than 1 in 3

**of our Tenants Voice panellists said their ability to pay their rent worsened due to the coronavirus pandemic**

## Tenants don't want to rock the boat

Even before the pandemic, tenants were feeling insecure in their ability to stay in their homes. This has stayed consistently prevalent during the pandemic.

Although some landlords have been supportive of their tenants, **7% of panellists had experienced, or were threatened with, eviction** as a result of arrears caused by the pandemic.

Tenants don't want to do anything that could cause a negative reaction or retaliation from their landlord. This includes raising issues or asking for help.

## 12 months of renting in coronavirus

### Coronavirus worsened entrenched problems in the sector

With no financial support (outside of Discretionary Housing Payments (DHPs) which many can't access<sup>A</sup>), once eviction bans end renters will have to rely on the 'goodwill' of landlords. Regulators have offered mortgage holidays and business grants which have supported many landlords, but tenants were not guaranteed this support being passed on.

Also, **45% of Tenants Voice renters did not feel confident speaking to their landlord**, an enduring issue that has made accessing support more difficult this last year.

### The pandemic created new ones

Half a million private renters are in arrears due to the pandemic. This level of financial instability is extremely worrying and will continue to have aftershocks in the long term.

Given many have no other option than staying in the private rented sector, we need to ensure tenants' security and make the sector work for renters.

3. What does the Renters'  
Reform Bill need to  
address?

# Tenants need greater security

## Tenants are scared of retaliatory action

Private renting is precarious. Tenants don't feel able or confident to enact their rights, and they feel the power is in landlords' hands. They feel they have nowhere to turn to, with no clear route to redress when things go wrong and that landlords aren't being held accountable. Last year, we found that half of Tenants Voice renters didn't know about their landlord's complaint process. And, tenants who do complain have a 46% chance of being issued with a section 21 eviction notice within 6 months of doing so.<sup>3</sup> Ending no-fault evictions will prevent retaliatory eviction and increase security.

## More than 1 in 3 feel insecure in being able to stay in their tenancy.

Our Tenants Voice panellists told us they feel powerless against landlords and that they are constantly worried about being made to leave their home.

"It's very stressful to think you can be out of the house for no reason. . . 1 day they say I can stay here for 2 years, the next day say they're going to sell the house."

- Anabela\*, Tenants Voice Panelist

## Private renters feel they have no other option

Renters feel they are walking on thin ice, and there is no guarantee that their next home won't bring the same issues. Shelter found that 2.2 million renters fear becoming homeless.<sup>4</sup>

The National Housing Federation show that 1.6 million households are in need of social social housing.<sup>5</sup> The dire lack of social housing means that for many they have nowhere to go other than the private rented sector, and no control if they have problems in their home or it's unaffordable. They must put up with it or risk homelessness.



1 in 3

of our Tenants Voice panellists were worried about eviction in the last 3 months

## Joana's story

Joana\* is 8 months pregnant, and has been told by the council she needs to move to a bigger house due to overcrowding but can't afford one in the private rented sector. She has been told she and her family face a 5-7 year wait for social housing, as the council currently having 1900 households on the waitlist for only 1400 houses. She doesn't know what to do.

# Renting needs better regulation and oversight



**2 in 3 Tenants Voice panellists experienced disrepair or maintenance issues in the last 3 months.**

## Private renters have to put up with disrepair

The majority of renters are experiencing disrepair or maintenance issues in their homes. This includes dangerous hazards such as exposed wiring and leaking roofs. Often, tenants have long waits to get things fixed, and in some cases the issues are never resolved. During the pandemic, this has been even more difficult for tenants to cope with due to having to stay home.

Private renters are also reticent to raise issues, due to experiences of having rent increased after repairs, and the likelihood of retaliatory eviction.<sup>6</sup>

## High cost, low quality

1 in 6 PRS homes contain a Category 1 hazard.<sup>7</sup> If another service had a 17% chance of being dangerous we would deem it a failing service, especially given the high rental cost renters are paying. We need to prioritise regulation and true reform in the sector, to set and enforce standards so tenants are safe in their homes.

## Ruth's story

Ruth\* has lived in her current home for 11 years with her 2 kids. She's a key worker and lost her husband 3 years ago, dramatically reducing their household income.

6 months ago part of the utility room roof caved in, leaking water onto some electrics. Ruth tried to make do herself with tarpaulins as she was too scared to ask for it to be fixed. Everytime she has asked for repairs to be done before, her rent has gone up, and with one less income she can just about afford her rent as it is.

## The problems of quality in the private rented sector have long been an issue:

**2015**

**1 in 6**

privately rented homes in England contain a Category 1 hazard<sup>8</sup>

**2017**

**2 in 5**

tenants waited longer than is reasonable for repairs their landlord was responsible for<sup>9</sup>

**2018**

**1 in 4**

properties in the PRS don't meet the Decent Homes Standard<sup>10</sup>

**2019**

**1 in 5**

tenants spent their own time or money fixing the problem<sup>11</sup>

# Renting can be unaffordable and unsustainable

## Rents were unaffordable before the pandemic.

28% of renters told us they were struggling to pay their rent before the pandemic.

According to ONS data, **the average private sector rent in UK in 2019/20 was £700 per month.** This means, a single person on the average UK salary would be **spending approximately 40% of their take home wage on rent alone.**<sup>12, 13</sup>

## 43% of Tenants Voice renters were concerned about being able to pay their rent.

Many households have suffered income shocks in the last year - 36% of renters reported that their ability to pay rent worsened due to the pandemic. Many renters have fallen into arrears since the pandemic, and many of these renters told us they have cut back on essentials or taken on other debts in order to pay.

## Percentage of private renters who struggled to pay their rent pre-pandemic



**“Where we had [the previous agent], we knew [the rent increase] was coming and roughly how much it would be ... These [new agents], it could be a £50 increase, it could be £100 ... it’s like they pluck a figure out of the air to see if you’ll pay it”.**

- Katherine\*, Tenants’ Voice Panellist

## Ameer’s Story

Ameer is a bus driver. He lives with his wife, who qualified as a nurse last year, and their two young children.

Before the pandemic, they had planned to move across the UK after experiencing racial abuse. This meant their rent **doubled in July from £550 to £1250 per month.**

But during the pandemic, Ameer **lost about 20% of his annual income**, meaning their family struggled financially.

Ameer said paying rent was the priority, working 3 jobs and ‘maxing out’ two credit cards in order to keep up with it. He described sometimes **getting only 3 hours sleep between jobs and eating as little as 1 meal a day.**

Ameer and his wife are now more financially secure, but anticipate having to work multiple jobs again in the coming year and having to pay off the new credit card debt.

## Renting unaffordability is unsustainable

Private renting is unaffordable for many, and rents can be subject to large increases. Tenants also report suffering from retaliatory rent increases in response to a maintenance issues and complaints. The affordability of the market needs to be looked at, in order to ensure those who rely on it can afford to stay in their homes.

# Recommendations

The problems we've seen this year aren't new, and they aren't going away. Insecurity, unaffordability and poor quality are not new issues within the private renting sector. They are enduring problems that have huge detrimental impact on renters.

**The Renters' Reform Bill is an opportunity to truly reform the sector.** It's a package of reforms planned by Government, that's intended to deliver a fairer and more effective rental market.<sup>14</sup> Our recommendations are some of the key elements we think are needed to improve the experience of tenants. The Bill presents a once in a generation opportunity to create a secure, safe and functioning system for renters.

We've seen this year how close to the wire financially many renters are, exacerbated by the unaffordability of the sector. Even with measures to reform tenancies and prevent no-fault evictions, the affordability of the sector needs to be looked at if we want to give tenants security in their homes.



## End 'no-fault' evictions

Abolishing Section 21 will increase security for millions of renters, taking away the risk of losing your home through no fault of your own. However, Section 21 notices are dependent on landlords fulfilling certain legal responsibilities which have often been a safeguard for tenants to enforce their rights. These should be extended to section 8 grounds.



## Improve tenancy security through open-ended tenancies

Tenancy security needs to be improved so renters aren't forced into fixed term contracts that don't meet their needs, or exposed to rent hikes each year. Alongside ending Section 21, introducing indefinite tenancies and limiting the use of fixed terms could help give tenants more longer term certainty and peace of mind.



## Better regulation and oversight

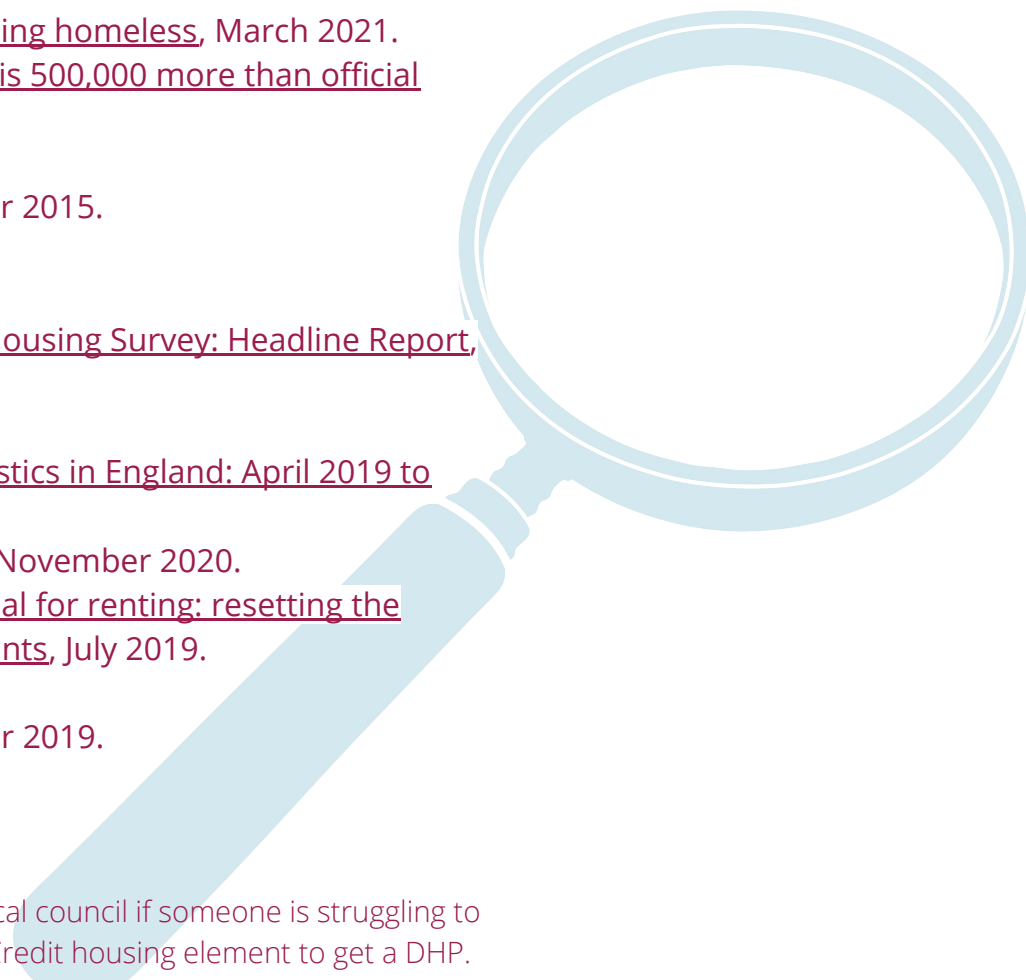
Enforcement isn't working. Tenants aren't aware of their rights or don't feel able to enforce them. And, even when they do complain, their problems often aren't resolved. A national housing body & register should be established to set consistent standards, providing more protection for tenants.<sup>15,16</sup>

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## Notes

- A. A Discretionary Housing Payment (DHP) is an extra payment made by a local council if someone is struggling to pay rent. A renter needs to be receiving housing benefit or the Universal Credit housing element to get a DHP. Many renters therefore can't access DHPs, for example those who are just outside of the boundary of eligibility for welfare and those experiencing short term shocks.



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Published March 2021

Citizens Advice is the operating name of the The National Association of Citizens Advice Bureaux.

Registered charity number 279057.