



GENERATION RENT

The national voice of private renters

9 million renters: who is listening to them?

- *Private sector rents increased by 12% between 2010 and 2012, while wages stagnated*
- *Two in five renters are cutting back on heating and a third are eating less because of the cost of rent*
- *A third of renters are living in unacceptably damp conditions*
- *200,000 renters were evicted through no fault of their own in 2013*
- *Thirty percent of renters have had to pay an unexpected fee to a landlord or letting agent*

Why are renters having such a hard time? What can be done to make their housing cheaper, more secure and more comfortable?

Change might be nearer than we thought...

Introduction

In the past decade, the private rented sector has nearly doubled in size, from around five million in 2001 to nine million now. A fifth of families with children now live in private rented housing.

Traditionally, the private rented sector has been seen primarily as a tenure for students and young professionals who are living in a city temporarily, or are saving up for a deposit on their first home.

However, the past decade saw huge changes in the dynamics of the housing market which have resulted in a more diverse private rented sector that cannot be dismissed as a niche housing “option”.

As house prices started rising again after the recession of early 1990s, some investors started seeing houses as a safe place to put their wealth. Investors entering a market where the products are both a basic human need and in limited supply inevitably causes prices to go up. Rising house prices vindicated the investors while attracting more.

By the early 2000s, when house prices were over five times the average income, the number of first time buyers started falling as they could no longer afford to match the prices that investors were offering.

More would-be homeowners became stuck in the private rented sector as landlords bought more properties – essentially creating their own customers.

Despite the financial crash of 2007-08 temporarily causing house prices to dip, the shortage of mortgage credit kept first-time buyers in the rental sector – and with nowhere else for people to go, buy-to-let continued to be a sound investment.

The private rented sector is no longer a stopgap for students, recent graduates and new arrivals living in flatshares with several housemates. A new ComRes poll, commissioned by Generation Rent, finds that 67% of private renters would prefer to buy their home but cannot afford to.¹

Because so many people are renting privately out of necessity rather than choice, it is easy for suppliers to the market – the landlords and the letting agents – to exploit them.

Tenants can be evicted with no requirement for the landlord to demonstrate fault – this means there is nothing stopping an unscrupulous landlord from evicting tenant if they request improvements or repairs to their home.

Tenancies typically last only 12 months, giving landlords and letting agents frequent opportunities to charge renewal fees and raise the rent.

Before signing a tenancy agreement, renters can be charged hundreds of pounds in fees, meaning that many will opt to accept a rise in the rent rather than incur the cost of moving.

Landlords enjoy the perks of being an investor and a business. They can evict tenants with only two months’ notice if they want to cash in their investment, but they can also claim their mortgage interest as a business expense for tax purposes. This gives them an advantage over people who just want to buy a house to live in.

¹ See www.comres.co.uk for the full findings.

The private rented sector is part of the economy where the consumer has very little power. If consumers had this scant level of protection in health, education, food, transport, banking or energy, there would be outrage and politicians would step in to fix it.

But with housing, politicians have long ignored the needs of renters. In their electoral calculations, renters tend to be young, apathetic, and disengaged from their community – in short, they don't vote, so they're not worth politicians' time.

The shift in the electoral landscape over the last ten years means that this complacent attitude is a relic. The nine million renters in England include millions aged over 30, parents and professionals – exactly the sort of people who vote and to whom Labour, the Conservatives and the Liberal Democrats are trying to appeal in other policy areas. This number also includes first-time voters who may be wondering what politics offers them. One thing unites these private renters: expensive and insecure accommodation. And according to our poll, 35% of them say they tend to change who they vote for between elections.

More than one third of private renters professing no party allegiance should set alarm bells ringing in Westminster. What does this mean for each party's election prospects in 2015? How much should they do to get private renters on side?

We decided to find out.

Methodology

We wanted to establish how many constituencies could be affected if the 35% of the private renter population that has no party allegiance voted in one particular way.

Some parliamentary seats are more marginal than others; and some seats have a larger private rented sector than others. Our aim was to identify the seats where these characteristics aligned.

There are 171 constituencies where the 2010 parliamentary majority was less than 5000. The size of the private rented sector as a proportion of total households ranges from 42% in Cities of London and Westminster to 7% in Sefton Central, with an average of about 16%, or roughly 7000 households.²

We aimed to calculate the number of private renter votes in each constituency that would be cast by swing voters.

While there are on average 1.8 adults per household in the private rented sector, not all would be eligible to vote. We have been highly cautious in our analysis, presuming only one eligible vote per private rented sector household. This means that the actual number of seats affected is likely to be higher than in our findings.

We also exercised caution in the analysis by excluding any private renter effect in Scotland and Wales. The SNP government has already banned letting agent fees to tenants and imposed Scotland-wide registration of landlords and the Labour administration in Wales is currently considering similar measures.

² Data available from the English Housing Survey <https://www.gov.uk/government/collections/english-housing-survey>

For each constituency we calculated 35% of the number of private renter households and compared this number to the parliamentary majority at the 2010 election. If this figure was higher than the incumbent MP's majority, we considered the private rented sector vote to be decisive in that seat at the 2015 general election.

Findings

Using the above approach we found 86 seats in England where potential swing voters in the private rented sector outnumber the votes by which the incumbent MP won the 2010 election. These seats – “private renter marginals” – are spread around the country, but 49 congregate in eight areas: London, two urban areas on the south coast, Devon and Cornwall, and four conurbations in the north and midlands.

Area	Private renter marginals
London	16
Devon & Cornwall	8
West Yorkshire	6
West Midlands county	5
Nottingham	4
South Hampshire	4
Greater Manchester	3
Brighton & Hove	3

A full list of seats is available in the appendix.

Of the 86 seats, 38 are currently held by Conservative MPs, 32 by Labour MPs, 15 by Liberal Democrats (including one who has lost the party whip), and one, Brighton Pavilion, held by the Green Party's only MP. These seats could easily change hands if private renters unite in support of a particular party, and the number of seats at stake could change the balance of power at Westminster.

If the Conservatives won round the wavering private renters, they could realistically gain 37 of the seats on the list that they do not currently hold – this would give them an overall majority. Labour could win the same number if they can make a compelling enough offer to private renters, which would make them the biggest party in the Commons. The Liberal Democrats could land 17 of the seats if they can appeal effectively to private renters, and thereby strengthen their hand in coalition negotiations, preventing either major party from forming a majority. The reason these numbers total more than 86 is that five of the seats are potential three-way contests.

Of course, many factors determine the outcome of a General Election, and seats will change hands where the private renter vote is not as significant. However, all three parties should consider the risk of neglecting private renters when they have so much to lose.

Conclusion

Unusually for an incumbent party, the Conservatives need to gain seats in 2015 in order to win an overall majority – rather than simply defend what they’ve got. Labour are searching for a new electoral coalition to bring them back to power, and the Liberal Democrats are trying to convince their 2010 voters that they deserve re-election.

None of this is easy for any party: Labour’s mid-term poll lead is dissipating, the Conservatives are failing to fend off UKIP encroachment and the Lib Dems face potential annihilation.

Our findings should convince each of the three parties that a credible pitch to the country’s private renters would reap dividends at election time, and failure to make one would be a disaster.

We know from our ComRes polling that 67% of private renters would buy a house were they able to afford it, and that the cost of rent is by far the largest concern for renters (52%).

So far, the Coalition partners appear to be banking on the Help to Buy scheme to give private renters a lifeline to home-ownership, but to date the low-deposit mortgages have helped only around 17,000 households – a drop in the ocean compared to the 4 million in the sector.

The reality is that rising house prices mean that the vast majority of private renters will be stuck in the sector for years to come, and they cannot be bought off with the prospect of a subsidised home sometime in the future when they are facing high rents, insecure tenancies and miserable conditions now.

All these pitfalls of the private rented sector can be fixed by government policies, but they won’t take action unless they know there are votes in it. Until now, political pundits have dismissed the concerns of private renters, claiming “they do not vote”, but 64% of respondents to our poll said they voted – only slightly lower than the national turnout of 65%. And if politicians offered policies that would benefit private renters, even more of them might turn out on Election Day.

With 35% holding no allegiance to a particular party, private renters’ votes are valuable – especially when it means they hold the deciding vote for at least 86 seats.

At past elections, parties have competed for certain voter types like Worcester Woman, Basildon Man and Mondeo Man in order to reach Downing Street. Next year will be the turn of Generation Rent.

Generation Rent is campaigning to fix the multiple problems that private renters face, including high rents, poor conditions, short-term and insecure tenancies and mistreatment by landlords and letting agents. Politicians need to offer renters better protections including minimum standards as a precondition of renting out a property, a national register of landlords, licensing of letting agents, longer and more secure tenancies and a much greater supply of affordable, privately rented housing.

Over the next year, Generation Rent will be working to convince candidates for the 2015 General Election to court the vote of private renters. We will be establishing groups in local areas to organise the voice of renters and raise their concerns in the local debate. We will also be running national campaigns to highlight problems facing private renters and proposing policies to alleviate them.

Join the campaign today at www.generationrent.org

Appendix

The 86 private renter marginals in full.

Constituency	Sitting MP	Party	Nearest party/parties	Vote Margin 2010	Private Rented Households	35% of PRS	35% of PRS as percentage of majority
Hampstead and Kilburn	Ms Glenda Jackson CBE MP	Labour	Lib Dem/Con	42	21066	7373.1	17555.00%
Hendon	Dr Matthew Offord MP	Conservative	Labour	106	11386	3985.1	3759.53%
Sheffield Central	Mr Paul Blomfield MP	Labour	Lib Dem	165	16196	5668.6	3435.52%
Camborne and Redruth	Mr George Eustice MP	Conservative	Lib Dem	66	5709	1998.2	3027.50%
North Warwickshire	Mr Dan Byles MP	Conservative	Labour	54	4250	1487.5	2754.63%
Thurrock	Miss Jackie Doyle-Price MP	Conservative	Labour	92	7070	2474.5	2689.67%
Bolton West	Ms Julie Hilling MP	Labour	Conservative	92	4458	1560.3	1695.98%
Southampton, Itchen	Rt Hon John Denham MP	Labour	Conservative	192	9251	3237.9	1686.38%
Oxford West and Abingdon	Ms Nicola Blackwood MP	Conservative	Lib Dem	176	7880	2758	1567.05%
Norwich South	Mr Simon Wright MP	Liberal Democrat	Labour/Con	310	9895	3463.3	1117.18%
Ashfield	Ms Gloria De Piero MP	Labour	Lib Dem	192	5453	1908.6	994.04%
Solihull	Ms Lorely Burt MP	Liberal Democrat	Conservative	175	4383	1534.1	876.60%
Bradford East	Mr David Ward MP	Liberal Democrat	Labour/Con	365	7892	2762.2	756.77%
Sherwood, England	Mr Mark Spencer MP	Conservative	Labour	214	4566	1598.1	746.78%
Lancaster and Fleetwood	Mr Eric Ollerenshaw OBE MP	Conservative	Labour	333	6727	2354.5	707.04%
Truro and Falmouth	Mrs Sarah Newton MP	Conservative	Lib Dem	435	7020	2457	564.83%
Stockton South	Mr James Wharton MP	Conservative	Labour	332	5347	1871.5	563.69%
Broxtowe	Ms Anna Soubry MP	Conservative	Labour	389	5907	2067.5	531.48%
Kingston upon Hull North	Ms Diana Johnson MP	Labour	Lib Dem	641	8937	3128	487.98%
Mid Dorset and North Poole	Mrs Annette Brooke OBE MP	Liberal Democrat	Conservative	269	3623	1268.1	471.39%
Plymouth, Sutton and Devonport	Mr Oliver Colvile MP	Conservative	Labour	1149	15251	5337.9	464.56%
Derby North	Mr Chris Williamson MP	Labour	Lib Dem/Con	613	7433	2601.6	424.40%
Brent Central	Ms Sarah Teather MP	Liberal Democrat	Labour	1345	16257	5690	423.04%
Brighton, Pavilion	Dr Caroline Lucas MP	Green Party	Labour	1252	14625	5118.8	408.85%
Newton Abbot	Ms Anne Marie Morris MP	Conservative	Lib Dem	523	5975	2091.3	399.86%
Great Grimsby	Mr Austin Mitchell MP	Labour	Conservative	714	7580	2653	371.57%
Chesterfield	Mr Toby Perkins MP	Labour	Lib Dem	549	5331	1865.9	339.86%
Westminster North	Ms Karen Buck MP	Labour	Conservative	2126	19663	6882.1	323.71%
Waveney	Mr Peter Aldous MP	Conservative	Labour	769	6866	2403.1	312.50%
Lincoln	Mr Karl McCartney MP	Conservative	Labour	1058	9237	3233	305.57%
Wolverhampton	Mr Paul Uppal MP	Conservative	Labour	691	6017	2106	304.77%

South West							
Wells, England	Ms Tessa Munt MP	Liberal Democrat	Conservative	800	6644	2325.4	290.68%
Amber Valley, England	Mr Nigel Mills MP	Conservative	Labour	536	4338	1518.3	283.26%
Morecambe and Lunesdale	Mr David Morris MP	Conservative	Labour	866	6620	2317	267.55%
Hove	Mr Mike Weatherley MP	Conservative	Labour	1868	14045	4915.8	263.16%
Harrogate and Knaresborough	Mr Andrew Jones MP	Conservative	Lib Dem	1039	7800	2730	262.75%
Brentford and Isleworth	Ms Mary Macleod MP	Conservative	Labour	1958	13599	4759.7	243.09%
Manchester, Withington	Mr John Leech MP	Liberal Democrat	Labour	1894	13145	4600.8	242.91%
Rochdale	Mr Simon Danczuk MP	Labour	Lib Dem	889	6161	2156.4	242.56%
Carlisle	Mr John Stevenson MP	Conservative	Labour	853	5693	1992.6	233.59%
Brighton, Kemptown	Mr Simon Kirby MP	Conservative	Labour	1328	8645	3025.8	227.84%
Nottingham South	Ms Lilian Greenwood MP	Labour	Conservative	1772	11404	3991.4	225.25%
Hastings and Rye	Ms Amber Rudd MP	Conservative	Labour	1993	12752	4463.2	223.94%
Birmingham, Edgbaston	Ms Gisela Stuart MP	Labour	Conservative	1274	8026	2809.1	220.49%
Wirral South	Ms Alison McGovern MP	Labour	Conservative	531	3228	1129.8	212.77%
Telford	Mr David Wright MP	Labour	Conservative	978	5831	2040.9	208.68%
St Austell and Newquay	Mr Steve Gilbert MP	Liberal Democrat	Conservative	1312	7788	2725.8	207.76%
Bedford	Mr Richard Fuller MP	Conservative	Labour	1353	7972	2790.2	206.22%
Blackpool South	Mr Gordon Marsden MP	Labour	Conservative	1851	10662	3731.7	201.60%
Watford	Mr Richard Harrington MP	Conservative	Lib Dem/Lab	1425	8189	2866.2	201.13%
Tooting	Rt Hon Sadiq Khan MP	Labour	Conservative	2524	14139	4948.7	196.06%
Southampton, Test	Dr Alan Whitehead MP	Labour	Conservative	2413	12618	4416.3	183.02%
Halifax	Mrs Linda Riordan MP	Labour/Co-operative	Conservative	1472	7523	2633.1	178.88%
Luton South	Mr Gavin Shuker MP	Labour/Co-operative	Conservative	2329	11684	4089.4	175.59%
Ipswich	Mr Ben Gummer MP	Conservative	Labour	2079	10404	3641.4	175.15%
Morley and Outwood	Rt Hon Ed Balls MP	Labour/Co-operative	Conservative	1101	5222	1827.7	166.00%
Hammersmith	Mr Andy Slaughter MP	Labour	Conservative	3549	16716	5850.6	164.85%
Sutton and Cheam	Rt Hon Paul Burstow MP	Liberal Democrat	Conservative	1608	7455	2609.3	162.27%
Streatham	Mr Chuka Umunna MP	Labour	Lib Dem	3259	15099	5284.7	162.16%
Enfield North	Mr Nick de Bois MP	Conservative	Labour	1692	7780	2723	160.93%
Walsall North	Mr David Winnick MP	Labour	Conservative	990	4538	1588.3	160.43%
Dudley North	Mr Ian Austin MP	Labour	Conservative	649	2937	1028	158.39%
Ealing Central and Acton	Miss Angie Bray MP	Conservative	Labour	3716	16812	5884.2	158.35%
Stroud	Mr Neil Carmichael MP	Conservative	Labour	1299	5256	1839.6	141.62%
Burnley	Mr Gordon Birtwistle MP	Liberal Democrat	Labour	1818	7267	2543.5	139.90%

Weaver Vale	Mr Graham Evans MP	Conservative	Labour	991	3821	1337.4	134.95%
St Ives	Mr Andrew George MP	Liberal Democrat	Conservative	1719	6623	2318.1	134.85%
Dewsbury	Mr Simon Reeve MP	Conservative	Labour	1526	5563	1947.1	127.59%
Blackpool North and Cleveleys	Mr Paul Maynard MP	Conservative	Labour	2150	7752	2713.2	126.20%
Islington South and Finsbury	Ms Emily Thornberry MP	Labour	Lib Dem	3569	12665	4432.8	124.20%
Weston-Super-Mare	Mr John Penrose MP	Conservative	Lib Dem	2691	9538	3338.3	124.05%
Wakefield	Ms Mary Creagh MP	Labour	Conservative	1613	5656	1979.6	122.73%
Exeter	Rt Hon Ben Bradshaw MP	Labour	Conservative	2721	9482	3318.7	121.97%
Gloucester	Mr Richard Graham MP	Conservative	Labour	2420	8387	2935.5	121.30%
Warrington South	Mr David Mowat MP	Conservative	Labour	1553	5375	1881.3	121.14%
Somerton and Frome	Mr David Heath CBE MP	Liberal Democrat	Conservative	1817	5910	2068.5	113.84%
Croydon Central	Mr Gavin Barwell MP	Conservative	Labour	2969	9455	3309.3	111.46%
Eastbourne	Mr Stephen Lloyd MP	Liberal Democrat	Conservative	3435	10758	3765.3	109.62%
Eastleigh	Mr Mike Thornton MP	Liberal Democrat	Conservative	1771	5537	1938	109.43%
Harrow West	Mr Gareth Thomas MP	Labour/Co-operative	Conservative	3143	9792	3427.2	109.04%
Walsall South	Ms Valerie Vaz MP	Labour	Conservative	1755	5388	1885.8	107.45%
Pudsey	Mr Stuart Andrew MP	Conservative	Labour	1659	4990	1746.5	105.27%
Poplar and Limehouse	Mr Jim Fitzpatrick MP	Labour	Conservative	6030	18102	6335.7	105.07%
Gedling	Mr Vernon Coaker MP	Labour	Conservative	1859	5570	1949.5	104.87%
Richmond Park,	Mr Zac Goldsmith MP	Conservative	Lib Dem	4091	11819	4136.7	101.12%
Portsmouth South	Mr Mike Hancock CBE MP	Independent	Conservative	5200	15005	5251.8	101.00%