

Q1. Who are you responding as

We are responding as an organisation - Generation Rent.

Q3. Which of the following best describes you?

A sector representative body

Q10. Do you think that the protection for tenants from retaliatory eviction introduced in the Deregulation Act 2015 has been successful? Please explain.

No, the protection against retaliatory eviction introduced in the Deregulation Act 2015 is inadequate.

Tenants are only protected if they have made a written complaint to the landlord, the council has inspected the property, found it to be unsafe, and issued an improvement notice. However many local authorities lack the capacity to inspect homes and there is a real gap between the number of complaints about PRS housing conditions and action taken by councils, leaving tenants unprotected against retaliatory eviction.

Generation Rent carried out Freedom of information requests to 100 local authorities on the numbers of PRS complaints received, inspections carried out, and improvement and prohibition notices issued. Among the 83 councils that provided both complaints and inspections figures for 2016-17, there were 58,586 complaints but just 39,148 inspections – and many of those were proactive, rather than responses to individual tenants' requests, so this understates the number of distressed tenants left in the lurch. Similarly, the 72 councils that reported figures for Category 1 hazards found 12,962 of them, but only issued 2959 improvement notices, leaving 77% of tenants unprotected if their landlord served an eviction notice. Indeed, recent research by Citizens Advice found that tenants receiving a section 21 eviction notice are five times as likely to have complained to their local authority about disrepair in their home.¹

A poll commissioned by Generation Rent² in August 2018 found that more than four out of five people agreed that tenants should expect the same level of consumer protection from their housing as they would from other services, such as gas and energy providers (81%). Comparatively poor conditions in the PRS mean consumers may find problems in their home, yet a 2017 survey found that 44% of tenants said fear of eviction would stop them from continuing to negotiate with their landlord over disrepair.³

Furthermore, the Deregulation Act only protects tenants from a Section 21 eviction for a very limited period of six months, and a landlord is still able to use a rent increase within this time period to force a tenant out economically.

Q11a. What do you consider to be the main benefit of a longer tenancy for landlords? Assign a score out of 10 for the importance of that factor with 10 being the most important

Less risk of void periods - 9

¹ Roger, C., Isaksen, M., and Brindle, B. (2018) Touch and Go: How to protect private renters from retaliatory eviction in England. Citizens Advice.

² Survation polling for Generation Rent (2018) Of 1045 adult respondents in the UK, 81% agreed with the statement that should expect the same level of consumer protection from their housing as they would from other services, such as their gas or electricity providers

³ Isaksen, M. (2017) [It's broke, let's fix it.](#) Citizens Advice

Tenants more likely to take care of property - 10

Landlords save on costs of finding new tenant - 9

Other (please explain):

Landlords would have more confidence that their tenants want to look after the property as a result of the tenant having more confidence to ask landlords about repairs or decoration as a result of feeling more secure in their home. – 9

Fewer opportunities for letting agents to increase rents and charge landlords and tenants for renewals - 10

Q11b. What do you consider to be the main benefits of a longer tenancy for tenants? Assign a score out of 10 for the importance of that factor with 10 being the most important.

Greater security for tenants - 10

Tenants saving money as they do not have to sign new tenancies or renew so frequently – 9

Tenants have greater assurance they can afford any rent increase – 9

Tenants more empowered to challenge poor practice - 10

Other (Please explain):

More confidence in treating the house as a home - 8

Q12. Do you consider that there are any further benefits of longer tenancies that are not covered in question 11?

Longer tenancies will reduce the financial burden on renters. Moving house is expensive with a typical household needing to find £2306 in letting fees, van hire, cleaning services, the first months' rent and a new deposit upfront before receiving the old deposit back.⁴ Most renters don't have savings and many end up in debt as a result of an unplanned house move at short notice.

Longer tenancies will reduce educational disruption for children. Private renting families who have to move house as the result of their tenancy ending may struggle to find affordable housing in the same neighbourhood (especially if they receive housing benefit), resulting in children have to move schools. Research⁵ has found that the attainment of pupils who make in-year school moves is markedly lower than their peers, and lower still among pupils who make multiple in-year moves. Housing insecurity can have a negative impact on school attainment and damage a child's life chances.

Longer tenancies with limits on rent rises will dampen rent rises across the rental market, improving affordability and benefiting the public purse in the long run through reduced housing benefit spend. This is particularly important as the number of older renters is set to increase significantly. The majority of pensioners depend on the state to cover their housing costs and the pensioner housing benefit bill was £6.3 billion in 2016. Modelling by the Resolution Foundation suggests that the pensioner housing benefit bill will more than double by 2060 from £6 billion to £16 billion if we fail to take significant action to address the housing crisis.⁶

Longer tenancies will enable private renters to invest in their communities through volunteering and political participation. A Generation Rent survey of elected councillors in London in August 2018

⁴ The Sun (2017) [Renting Trap: Little-known clause in renting contracts is costing tenants thousands of pounds extra per year](#). 1st November 2017

⁵ Rodda, M., Hallgarten, J., and Freeman, J. (2013) [Between the cracks: Exploring in-year admissions in schools in England](#). RSA.

⁶ Judge, A. and Tomlinson, D. (2018) [Home Improvements: Action to address the housing challenges faced by young people](#). Resolution Foundation.

found that private renters are underrepresented in councils. Some of those who were currently or previously private renting noted the negative impact of housing insecurity of their work as a councillor.

Longer tenancies will reduce stress and anxiety about housing insecurity for private renters. This will reduce the cost of the resulting mental and physical health problems to the NHS and to wider economic productivity. A 2017 Joseph Rowntree Foundation study⁷ found that the stress of evictions and forced house moves caused new physical and mental health problems for individuals affected, as well as triggering old conditions. Similarly, a longitudinal study⁸ by JRF found that housing stability had positive psychological and physical health benefits for tenants. On the flipside, anxieties about the possibility of eviction and short notice periods were detrimental to tenant wellbeing. This impact was noted in children, either directly or indirectly through picking up on adults' concerns, with stress in the household leading to changes such as sleeplessness, bedwetting and behavioural problems (including problems at school). Over a quarter of families with children in England are privately renting, yet almost half of renting families say that they're worried about losing their current home.⁹

Longer tenancies can help reduce homelessness. The end of an AST is now the leading cause of homelessness. Improving housing security via longer tenancies would reduce the number of individuals becoming homeless as a result of landlords evicting as a way to avoid their repair obligations, or to raise the rent. Moreover, if there was a disincentive for landlords to evict tenants to sell or move back into a property, and blameless tenants who were evicted were financially compensated, this would further reduce the numbers of households presenting as homeless.

We encouraged supporters to tweet about their experiences of renting using the hashtag #VentYourRent. Many of the responses covered issues that tenants have with the limited security they enjoy. We have collated some of the responses online.¹⁰

Q13. What do you consider to be the main barriers to landlords offering longer term tenancies?

- X Time taken to gain possession of property
- X Agents' advice
- X Landlords want to retain ability to increase rent
- X Mortgage conditions
- X Other (please list):

Lack of market information: Tenants may want a longer tenancy, but don't know if the landlord is interested in the same. With high competition for rental properties but without information on the landlord's tenancy length preference, tenants can feel it's too risky to ask the landlord for a longer tenancy when they find a property they wish to live in. Rather than appear to be a demanding tenant they will tend to accept the industry default tenancy.

Tenants need flexibility: Many tenants moving into a new property will not know how long they will want to stay – their personal or professional life might be uncertain, and the property might turn out to have problems. That means that many will view a longer tenancy with no flexibility as overly

⁷ Clarke, A., Hamilton, C., Jones, M., and Muir, K. (2017) [Poverty, Evictions and Forced Moves](#). Joseph Rowntree Foundation

⁸ Smith, M., Albanese, F., Truder, J. (2014) [A roof over my head: The final report of the Sustain project](#). Crisis and Shelter

⁹ Shelter (2016) [Time for reform: How our neighbours with mature private renting markets guarantee stability for renters](#).

¹⁰ http://www.generationrent.org/section_21_and_ventyourrent

restrictive. Most tenants value flexibility if they need it, but also the knowledge that as long as they pay their rent they can live there.

Q14. Do you think that a three year tenancy with a six month break clause as described above is workable? Please explain.

Key advantages of the proposed three year tenancy model with six month break clause are that it would offer some flexibility for the tenant and increased tenant confidence to request repairs or make complaints without fear of retaliation for the majority of the tenancy. Similarly, limits to rent rises would mean tenants can report disrepair without fear that the landlord will retaliate with an increase in rent to drive them out economically.

However, the break clause does mean that there is little security for the tenants or landlord until the six month point has passed. Six months is currently the legal minimum time period for an AST. It may well discourage tenants from reporting disrepair within the first six months for fear of this causing the landlord to invoke the break clause. The break clause should be dropped completely to ensure that tenants feel confident to request repairs from the date of moving in, so that the tenant is not trapped in a potentially unsuitable tenancy for six months, and to provide flexibility for those who may need shorter term rental contracts (e.g. for work placements). In Scotland, a break clause after the initial six month period was in the Bill introducing indefinite tenancies, however the break clause was removed completely in the final legislation in recognition of these issues.

Furthermore, a three year tenancy (or any time period) is arbitrary. For many tenants, especially families with children in school and older renters, a three year tenancy is simply not long enough. Once three years has ended, tenants would find themselves in the predicament of most renters now, without security that they cannot be evicted at any point under section 21 without the landlord providing a reason nor compensation, and just two months' notice to find another suitable property to move into.

A workable alternative would be indefinite tenancies, as introduced in Scotland in 2017, with landlords only able to evict tenants by serving a Notice to Leave with specified legal grounds. In Ireland private tenancies are six years, with automatic renewals to a further six year tenancy. Following the first six months of the initial tenancy, the landlord can only terminate the tenancy on legal grounds. Indeed in nine European countries, tenants get permanent protection from eviction for no reason and can only be evicted on legal grounds such as rent arrears or the landlord needing to sell.¹¹

Abolishing section 21 no fault evictions is necessary to significantly improve security of tenure. Landlords would be still able to evict tenants at fault under Section 8, but court delays which prevent landlords repossessing their properties under section 8 would need to be addressed. This could be included as part of the forthcoming consultation on housing court reform.

To improve security of tenure, landlords should be discouraged from treating the property as anything other than the tenants' home. The proposed three year tenancy model introduces a mechanism which enables landlords to evict tenants in order to sell the property or move back. In 63% of cases¹² where the tenants is evicted currently this is because the landlord wishes to move in or sell the property, meaning that the majority of evictions could continue under the Government's proposed model, even within the three year tenancy period (whereas landlords cannot currently

¹¹ Shelter (2016) [Time for Reform: How our neighbours with mature private renting markets guarantee stability for private renters](#)

¹² DCLG (2017) [English Housing Survey: Private Rented Sector, 2015 – 16](#)

evict within an AST for these reasons). To ensure this provision isn't abused and really does improve the tenant's position, landlords should be required to provide evidence of selling or moving in, pay tenants' compensation (which for simplicity could be set at three months' rent) to ensure they are not financially penalised by an unwanted house move, and a longer notice period should be offered to give tenants longer to find a suitable property. This way a landlord would still always be able to repossess their property if needed, but this would better balance out the financial and time needs of a tenant required to make an unwanted house move. Landlords also have the option sell to another landlord (this could be incentivised), or consider renting elsewhere.

Generation Rent surveyed over 1000 supporters and to ask whether a model in which landlords compensated blameless tenants when evicting them in order to sell or move in would improve their situation. 85% of respondents felt compensation would take the strain off a no fault eviction - 58% of respondents agreed it would help a lot and a further 27% said it would help a little.¹³

Polling for Generation Rent in August 2018¹⁴ found that:

- Three in five (59%) UK adults agree that tenants who pay their rent and take care of their home should have an automatic right to stay in it.
- Just one in five people (21%) thought that landlords should be able to evict a tenant without giving a reason.
- Three in five (61%) agreed that if a landlord evicts a tenant in order to sell or move back in, they should pay the tenant's costs of moving.
- Seven in ten (72%) believe that landlords should not be allowed to raise rents by more than the rate of inflation.

Limits on rent rises are welcome, but it's important that any cap reflects what tenants can afford. Inflation does not mean wage growth has occurred.

Q16. How long do you think an initial fixed term tenancy agreement should last (not considering any break clauses or notice periods)? Please explain.

No limit set (indefinite tenancies)

Q17. What do you think is an appropriate length of time for a break clause?

The break clause should be removed completely so that the tenant has security of tenure sooner, along with increased confidence to request repairs. The Private Housing (Tenancies) (Scotland) Act 2016 which introduced indefinite tenancies included no break clause in recognition of the fact that to do so would significantly weaken both security and flexibility for tenants. With a break clause the tenant has less confidence to request repairs and may find themselves trapped in unsuitable properties until any break clause period has passed.

If the tenant is at fault then the landlord will be able to use Section 8 to remove them.

Q18. How much notice should landlords be required to give to tenants when they want to recover their property to sell or move into?

6 months or 24 weeks

¹³ Generation Rent (2016) [Secure tenancies, strong families, stable communities: reforming private renting.](#)

¹⁴ [Survation polling for Generation Rent \(2018\) 1045 UK adults surveyed.](#)

The longer the notice period, the more likely a landlord is to choose the option of selling to another landlord (tenants could stay in situ) or renting elsewhere. A longer time period would therefore increase tenant security by decreasing the risk of eviction, as well as ensuring that tenants have significantly more time to find a suitable affordable home. The current two month notice period is insufficient in such a competitive market, especially for families who need to stay close to schools.

Compensating tenants for such evictions (could be set at three months' rent) would improve the financial resilience of tenants finding themselves unexpectedly in this situation as well as boosting their market power to find a suitable new home. Two thirds of renters have no savings with which to cover a new deposit, letting fees, and removals costs. This is a real barrier to finding a new home for many tenants.

Generation Rent analysis of MOJ and MHCLG figures has found that the most common cause of homelessness is a section 21 eviction.¹⁵ The majority of section 21 evictions take place because a landlord is selling or moving back into the property. To tackle the growing burden of homelessness, we must disincentivise landlords evicting for these reasons and improve the situation of those blameless tenants to whom it happens by providing them with more time and financial power to find a new home. By requiring compensation for the tenants involved, the Government would encourage landlords to sell properties to another landlord with tenants in situ, as is common in countries with thriving rental markets and similar proportions of individual landlords, such as Germany.

Q19.

How much notice should tenants be required to give to their landlords when they want to leave their tenancy?

1 month

Q20. Do you think that the grounds for a landlord recovering their property during the fixed term under any longer term tenancy agreement should mirror those in Schedule 2 of the Housing Act 1988, with the addition of the right for the landlord to recover their property when they wish to move in or sell it?

No. The landlord wishing to move into the property is already a mandatory ground for evicting tenants under Schedule 2 of the Housing Act 1988. 63% of section 21 evictions already happen because the landlord intends to sell or move back in. If the Government wants to offer tenants more security of tenure then we should be discouraging landlords from evicting on these grounds rather than introducing an accelerated route to do so within the tenancy agreement. Currently landlords aren't able use the accelerated possession process to evict within the statutory tenancy period, thus opening up this route to landlords in any new model designed to improve security of tenure would undermine the aim of the model. If a new ground for landlords to evict tenants in order to sell is introduced, there should certainly be a minimum time period after beginning the tenancy during which use of this ground is prohibited.

A landlord could retain the right to evict tenants move in through Section 8. However housing court needs to be reformed to improve this process. In order to protect landlords from the possibility of longer time periods waiting to evict tenants in arrears, and protect more risky tenants by ensuring landlords are still willing to rent to them, a rent insurance guarantee scheme could be introduced which would be part of a national registration scheme.

¹⁵ Generation Rent (2018) [No fault evictions drive up homelessness](#)

The Government should explore how landlords can be encouraged to sell to other landlords with tenants in situ as commonly happens in other countries with comparable rental markets such as Germany.

If landlords are able to evict tenants in order to sell or move in then there should be several conditions introduced to disincentive this and protect the tenant in the case of occurrence. There must be some burden of proof that the landlord has sold or moved in, there should be a longer time period than two months notice, and landlords should be required to pay compensation to a tenant to cover relocation costs and reduce the likelihood and cost to the public purse of tenants presenting as homeless. This already happens in other places, for example in San Francisco where a number of the legal grounds for eviction entitle tenants to payments for relocation costs. Three in five members of the public support tenants receiving compensation for relocation costs when they are evicted but not at fault.¹⁶

Q21. Do you think that there should be any restrictions on how often and by what level the rent should be increased in a longer tenancy agreement? And if so what is the maximum that these restrictions should be (Tick up to two)

X Yes – rent increases should be limited to once every 18 months

X Other: Rent increases should be linked to national average earnings

It's important to note that limiting rent rises to inflation may support security, but it will not necessarily improve affordability for tenants as price inflation does not necessarily mean wage inflation has occurred. We suggest that rent increases should be capped at national average wage growth as that would better reflect what tenants can afford to pay. Limiting to local average earnings risks driving rents well beyond affordability for those on lower wages in rapidly gentrifying areas, so it would be better to limit to national average earnings which better reflect the variation in earnings.

By limiting rent rises to this ceiling, rather than making them index-linked, there would still be an element of negotiation. If wider market rents rose by less than wages, and tenants could therefore get a lower rent elsewhere, they could negotiate an increase lower than the national cap with their landlord. If rents were index-linked, the tenant would move out and the landlord would face a void.

Q22. What do you think is the best way to ensure that landlords offer longer term tenancies to those that want them or need them? Please explain.

The Government should change the law to require all landlords to offer longer tenancies.

Voluntary measures haven't worked. The Government's Model Tenancy Agreement was introduced in 2014 to promote longer tenancies but the market forces preventing its widespread adoption continue.

Financial incentives only reward landlords for what they should be doing anyway, and risks creating two tiers of housing security with those who currently are disadvantaged in the housing market (such as those on benefits) also likely to receive less security

¹⁶ [Survation polling for Generation Rent \(2018\) 1045 UK adults surveyed.](#)

Q23. Which types of tenancy should be exempted from the proposed system?

There is no need for exemptions as renters who need to move out have the flexibility to exit the tenancy. Scrapping the break clause would ensure the necessary flexibility for those on visas, short term work contracts, and students. Purpose-built student accommodation doesn't need an exemption because they are let under licences rather than as tenancies.

Properties rented out full time as holiday lets (where this is allowed – London has banned more than 90 days) should be registered on a national database, preferably alongside a national landlord registration scheme. This would enable Government to monitor the market and make adjustments in the event of sharp rise in holiday lets leading to a loss of PRS supply. If this did happen, many property owners who did this would be in breach of their insurance, mortgage and/or leasehold agreements. In tourist hotspots like central London, Edinburgh and national parks, there must clearly be adequate regulation and taxation of holiday lets, whether they are in the traditional market, or on Airbnb and its ilk, to mitigate ill-effects on the local community and encourage landlords to stay in the long-term homes market. Empowering local authorities to license and tax holiday lets as businesses would support communities and long-term landlords.

Q24. What do you think would be the benefits and disadvantages of changing the law to require all landlords to offer the longer term tenancy model?

Most landlords value long term tenants so making this compulsory will merely formalise widespread practice and raise minimum expectations within the industry. Right now, tenants rarely know how long their landlord is truly willing to let to them for. It is difficult to ask, and harder to get anything legally binding. By changing the law to require all landlords to provide long-term tenancies, tenants would no longer be put in a position where asking for a longer tenancy risks them losing the tenancy altogether.

Legislating for long-term tenancies would ensure that two tiers of tenants security do not emerge, with those already disadvantaged in the market not seeing the benefits of longer tenancies.

We do not believe that longer tenancies will mean landlords will no longer rent to lower income tenants. Half of landlords already don't accept housing benefit, so this is clearly a problem beyond the nature of the standard tenancy length. The government must make it easier for tenants to nominate their housing benefit to be paid to the landlord, and to ensure that LHA rates rise in line with local rents so they do not disadvantage poorer residents of expensive areas. This approach must be supported by building more council housing. We further discuss in Q29 how a landlord rent guarantee scheme could further protect access to the PRS those who are perceived as more risky tenants, such as a single parent receiving housing benefit.

Q25. What, if any, financial incentive could encourage longer tenancies? Please explain.

If a landlord wishes to evict a tenant who is not at fault, either in order to sell or move back in, they should compensate the tenant with three months' rent. This would alleviate tenants' moving costs, while also encouraging landlords to take an alternative course of action, such as selling with sitting tenants, or living elsewhere. It may also reduce the numbers of tenants becoming homeless following an unwanted move at short notice as a result of the landlord selling or moving back in

Q26. If there were a financial incentive to offering longer tenancies, what conditions should a landlord have to comply with to be eligible? (Tick all that apply)

X - Meet all legal requirements

X - Agree to certain restrictions about frequency and level of any rent increases

X - Comply with a minimum property standards, including gas safety checks and tenancy deposit protection

X – Other: Landlord licensing – would enable proactive, cost-effective enforcement of all the above as well as the market data required on landlords and tenancies to implement a financial incentive

Q27. What other options to promote longer tenancies should be considered?

The Government should consider introducing indefinite tenancies as in Scotland, with eviction only allowed on specific legal grounds and (unlike Scotland, but as happens in San Francisco, Portland and other US cities) with tenants entitled to compensation. Section 21 should be abolished and tenants entitled to a reason if they are evicted. 50,000 people have signed a petition in support of this, which was handed into the Ministry of Housing on 23 August¹⁷. Even when evicting on specified legal grounds, the burden of proof should be high and not permitted for a certain time frame, tenants should be given first refusal on sales, and tenants should receive longer notice periods and compensation.

There is no evidence that sensible limits on landlord flexibility would reduce PRS housing supply nor increase rents. In Germany, the Netherlands and Denmark more than a third of people rent privately, yet tenants can only be evicted on legal grounds. UK tenants spend 39% of their income on rent (the joint highest in the EU with Spain) compared to 25% in Germany, 29% in the Netherlands, and 30% in Denmark.¹⁸ These countries illustrate that a thriving rental market is able to provide better security from eviction for tenants whilst keeping rent costs low.

A mandatory rent guarantee insurance scheme should be considered alongside the abolition of section 21. This insurance could be part of a national landlord registration scheme, and would alleviate landlords' concerns that they may lose a significant amount of money in the case of rent arrears when evicting through section 8. It should be noted however that the average time between landlord possession claims and final repossession is actually shorter under section 8 than section 21. In 2017 the median length of time to obtain possession under section 8 was 16 weeks, compared to 17 weeks under section 21.¹⁹

Q28. Do you consider that any of the above would impact on people who share a protected characteristic, as defined under the Equalities Act 2010, differently from people who do not share it? If yes, please provide details.

Yes. – age, disability

A growing proportion of private renters have disabilities,²⁰ or are older renters or families with young children. For these groups, moving house is especially difficult and expensive. A JRF report notes the particularly negative impact of house moves as a result of evictions on children with

¹⁷ <https://you.38degrees.org.uk/petitions/end-unfair-evictions-abolish-section-21>

¹⁸ City Lab (2015) [Where Europeans Spend the Most on Rent, Mapped](#)

¹⁹ MOJ (2018) [Mortgage and Landlord Possession Statistics Quarterly: April to June 2018](#)

²⁰ [English Housing Survey](#) (2018)

autistic, who struggle to adjust to new homes, communities and schools.²¹ An Age UK report notes the impact of housing insecurity on older renters and calls for the abolition of section 21 evictions.²²

Q29. Do you have any other comments that have not been captured elsewhere in this consultation?

Improving access to the PRS for vulnerable tenants through landlord rent guarantee insurance

As noted in Q24, there are already PRS access issues for low income tenants which the government must address through the welfare system and possibly court reform. The main problem is that landlords perceive tenants on housing benefit as more risky for rent arrears, and some have claimed that mandatory three year tenancies will make landlords even less likely than they currently are to accept such tenants. In the short-term this could be ameliorated through a mandatory rent guarantee insurance scheme for landlords.

First we assume 50,000 private tenants would face eviction for arrears per year (this is roughly the number of Accelerated and Private Landlord repossession claims in 2017, so is a high estimate), and it takes an average of 24 weeks or six months to evict them. Add the initial two months before serving notice, and, at an average rent of £800, that means arrears cost landlords up to £320m a year. If the annual insurance of £68 (plus admin costs) was paid for every private rented home in England then it could cover the losses of every landlord whose tenant went into arrears while they went through the eviction process (or the tenant paid back the rent). This could be part of a national landlord registration scheme. Because a lot of landlords already pay insurance – a minimum of £120 a year, according to AXA – they could actually save money under a registration and rent guarantee scheme. If the government were to lead this then more could be saved by integrating it with the housing benefit system.

To prevent abuse, the landlord would be required to get appropriate tenant references and ensure possession claims were pursued in a timely fashion.

Housing supply

Some suggest that greater regulation of tenancies means that landlords will leave the market, leading to fewer PRS homes, and higher rents. We disagree with this analysis. The market for new lets is competitive, which means that landlords are constrained in what they can charge new tenants. Rent is set by supply and demand in the wider housing market.

If a landlord leaves the market he will sell his property, which can only be bought by another landlord or a first-time buyer (directly or via a chain). First-time buyers will normally be leaving another rental property, so there will be no net effect on the balance of supply and demand for housing.

In addition, landlords cannot unilaterally raise the rent in response to regulation as it is set by the balance of supply and demand in the wider housing market. If a landlord does respond to longer tenancies by trying to charge more than the prevailing rent, then they will be undercut by landlords whose business models are unaffected by the new regulations.

²¹ Clarke, A., Hamilton, C. Jones, M., and Muir, K. (2017) [Poverty, evictions and forced moves](#). Joseph Rowntree Foundation

²² London Age UK (2017) [“Living in Fear:” Experiences of Older Private-Renters in London](#)

Demand for rentals increased in 2008-10, following the credit crunch, then supply of rentals fell following the government's tax changes in 2015-17. On both occasions, real rents did not rise but fell, which supports our analysis. We expand on this further in the paper submitted alongside this response.

We also disagree with any suggestion that any reduction in the number of landlords will cause investment in homes to dry up. Landlords are only a small proportion of the sales market. There will always be buyers for new houses, although the price may fall to reach that point, and if they do, residential property will still be a viable investment. If developers decide they no longer want to build homes, then there is a role for the government in building new homes, which should be focused more on poorer tenants anyway – lower land values will help achieve this.

Three tests for significant improvements in tenant security

Generation Rent has three tests for measures that seek to introduce significant improvements in tenant security. A successful policy will:

- Reduce the risk and prevalence of unwanted moves
- Increase tenants' confidence in pursuing complaints against their landlord
- Minimise the cost to tenants of an unwanted move

We believe the government's proposals meet only the second one. Ours – abolition of Section 21 and compensation of relocation costs – would meet all three.