

## Generation Rent

### Costs of moving analysis, August 2021

#### Introduction

For private renters in England, the Assured Shorthold Tenancy allows the landlord to seek eviction without providing or proving their grounds for doing so, through Section 21 of the Housing Act 1988. Tenants cannot challenge a valid notice to quit and bear the costs of moving home. The government intends to abolish Section 21 and introduce a new tenancy, but some tenants will still face eviction for reasons outside of their control if their landlord wishes to sell or move back in. The welfare of these tenants must be addressed as the government develops its proposed reforms.

In this document, we estimate the typical moving costs of moving from one rented home to another, and consider the non-financial costs involved in moving, and the number of tenants who bear these costs for reasons outside their control.

First, we estimate the moving costs for the median household in England, and for different types of household. We find that single parents bear the greatest cost per adult, and tenants in a shared home the least. We estimate that it costs the median household £1,709 to move home.

Then we look at the English Housing Survey for the number of people who faced an unwanted move in 2019-20, finding that 134,000 moved home when they may not have needed to in a reformed system.

Finally, we highlight findings of a recent survey of Generation Rent supporters, which asked about other impacts of moving home within the rental market and found that paying a higher rent and moving away from family and friends were the most common experiences.

#### Moving costs components

In July 2021, Generation Rent carried out an online survey of 884 supporters who had rented from a private landlord in the last five years. Common expenses included a deposit, hire of a van and rent on a second property for the overlapping period between tenancies. Many had also paid for cleaning and a new broadband connection.

We estimated what each of these items would cost. The bulk of the cost would be a deposit, which is capped at five weeks' rent, and extra rent paid during the overlap period. Suration polling in 2019 found that 40% of private renters who paid rent on two properties at the same time did so for more than two weeks.<sup>1</sup> We used ONS Private Rental Market Summary Statistics to find median rents in England for each type of property.<sup>2</sup>

We used Gumtree to find the cost of two hours cleaning (or three hours in the case of a three-bedroom shared home), EasyVan to find the cost of hiring a van for a day, and broadbandchoices.co.uk to find the cost of a broadband installation.<sup>3</sup>

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<sup>1</sup> <https://www.suration.com/wp-content/uploads/2019/09/Suration-Generation-Rent-Poll-Tables.xlsx>

<sup>2</sup>

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalmarketsummarystatisticsinengland/april2019tomarch2020>

<sup>3</sup> <https://www.gumtree.com/domestic-cleaning-services/uk/per+hour>

We also know that moving home takes time that you don't get back – either through lost wages when you would have preferred to be working, or less leisure time if you needed to take annual leave from work. The 2019 Survation polling found that most private renters (52%) took more than four days to pack, move and clean at the end of a tenancy. We value this time based on the minimum wage at £8.91 per hour, giving £250.<sup>4</sup>

We estimated what each of these costs for the median household, assuming two adults taking four days to view properties, pack and move, and for a single parent household (11% of the private renter population), a couple without children (22%) and flatsharers (10%) – both renting a room as an individual and sharing a three-bed home with friends. For the latter we have assumed that the sharers would move separately, using separate vehicles.

### Moving costs estimates

Here is a summary of the estimated figures:

Type of renter	Median household (2 adults)	Single parent	Couple, no children	Single (room in HMO)	Three sharers
Size of property	All sizes	2-bed	2-bed	Room	3-bed
Monthly rent	£700	£695	£695	£400	£795
Calculation per:	household	individual	individual	individual	individual
Two weeks' rent	£323	£321	£160	£185	£122
Deposit (5 weeks' rent)	£808	£802	£401	£462	£306
Cleaning for two hours (*three)	£24	£24	£12	£24	£12*
Van hire	£34	£34	£17	£34	£34
Broadband installation	£20	£20	£10	£20	£7
Cost of time	£500	£250	£250	£250	£250
<b>TOTAL</b>	<b>£1,709</b>	<b>£1,451</b>	<b>£850</b>	<b>£975</b>	<b>£731</b>

### Unwanted moves – evidence from the English Housing Survey

The government's English Housing Survey asked private renters in 2019-20 if they had moved home in the past year and the reasons for doing so. The results, in Table 3.7 of the private rented sector report, found that 57,000 households moved after being evicted from a private tenancy, 66,000 moved due to a fixed-term tenancy ending, and a further 11,000 moved due to a rent increase.<sup>5</sup> This makes a total of 134,000 home moves a year that were unwanted. Given the cost of moving for each household is £1,709, these unplanned moves are costing renters £229 million a year.

While evictions are clearly unwanted, we should note that renters are often led to believe that they must move out after their fixed term ends if it is not renewed. The introduction of open-ended tenancies would give tenants the assurance that they could stay put for as long as they paid the rent. A rent increase can also force a tenant to move if it is unaffordable and the tenant is unable to

<sup>4</sup> <https://www.gov.uk/national-minimum-wage-rates>

<sup>5</sup> <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-private-rented-sector>

negotiate it down or a Tribunal upholds it based on prevailing market levels. Challenging a rent increase can also lead to a Section 21 eviction.

Reforms to require landlords to prove their grounds for eviction, introduce open-ended tenancies which tenants don't feel obliged to leave, and keep rent increases affordable would serve to reduce these unwanted moves and keep more money in renters' pockets.

### Indirect costs of moving

In July 2021, Generation Rent conducted a survey of its supporters, including 884 people who had rented from a private landlord in the past five years. Some of the questions concerned costs of moving. It found that over half (56%) paid more rent when they last moved home. Alongside financial costs, almost half (44%) reported having to move further away from friends or family, 15% were further from a hospital, and 5% had to move their children's school.

A summary of the questions follows:

#### Thinking about the last time you moved, what did you need to pay for? Please select all that apply

Cost incurred	Respondents	Percentage (n=849)	Who have been evicted since March 2020 (n=37)	
Deposit	675	80%	31	84%
Van	595	70%	32	86%
Rent on second property	305	36%	19	51%
Letting fees	382	45%	10	27%
Cleaning	170	20%	16	43%
Storage	119	14%	6	16%
Never moved	35			
Total	884			

#### Thinking about the last time you moved home, were you affected by any of the following?

Impact of move	Respondents	Percentage (n=849)	Who have been evicted since March 2020 (n=37)	
Changed doctors	571	71%	18	49%
Changed school	44	5%	4	11%
Further from hospital	122	15%	7	19%
Further from family	188	23%	5	14%
Further from friends	232	29%	15	41%
Further from family/friends	356	44%	-	-
Longer commute	143	18%	6	16%
Paid more rent	454	56%	22	59%
Stayed with family/friends	83	10%	5	14%
None	121	15%	4	11%