

Avoiding homelessness among private rented sector tenants

Graham Martin
for Brent Private Tenants' Rights Group



Further information

This report is available as a free pdf on the Friends Provident Foundation website (www.friendsprovidentfoundation.org). A summary of the report is also available as a free pdf on the website, and is also available in print from Friends Provident Foundation, Pixham End, Dorking, Surrey RH4 1QA (foundation.enquiries@friendsprovident.co.uk).

Published 2008 by

Friends Provident Foundation

Pixham End

Dorking

Surrey

RH4 1QA

© Graham Martin 2008

ISBN 978-1-906249-26-7 (pdf)

All rights reserved. Reproduction of this report by photocopying or electronic means for non-commercial purposes is permitted. Otherwise, no part of this report may be reproduced, adapted, stored in a retrieval system or transmitted by any means, electronic, mechanical, photocopying, or otherwise without the prior written permission of Friends Provident Foundation.

Friends Provident Foundation

Friends Provident Foundation is a grant-making charity working to create the conditions throughout the UK for improved access to appropriate financial services for those who are currently excluded, particularly those on low incomes or otherwise vulnerable to market failure. It particularly wants to encourage thinking that deals with the cause of the problem. Established as part of the demutualization of Friends Provident Life Office in 2001 and the flotation of Friends Provident plc, it is independent and has its own board of Trustees.

www.friendsprovidentfoundation.org

Brent Private Tenants' Rights Group

This research, funded by Friends Provident Foundation, was carried out on behalf of Brent Private Tenants' Rights Group, (BPTRG). BPTRG is a voluntary housing advice agency that has delivered services to private tenants and homeless families for over twenty years. It was represented on the London Mayor's Housing Commission (Homes for a World City) in 2000 and is a member of his Housing Forum, which advises on the development of regional housing strategy. BPTRG is widely regarded as a national leader in policy development in the private rented sector and is taking forward some of the key findings from this research in the new Homeplan project. This will test initiatives for practical support for families in private renting to sustain their tenancies, and to attain their aspirations for better housing by moving within the sector or into low-cost home ownership.

Edited and designed by Magenta Publishing (www.magentapublishing.com)

Contents

Executive summary	4
1 The study	9
2 Findings: Differences and similarities between families in the private rented sector and those in temporary accommodation	15
3 Findings: Families' housing aspirations and realistic options	28
4 Findings: Predictors and causes of families ending up in the homeless system	30
5 Conclusions	34
6 Recommendations	36
References	42
Appendix: Key tables	43

Executive summary

SUMMARY

The private rented sector property accessed by low-income families in London has high rents, poor conditions, unprofessional management and little security of tenure, but it does offer immediate access and more choice than social renting.

The typical family living at the lower end of the private rented sector has access to a basic bank or building society account, but beyond that experiences significant financial exclusion, with a large minority (40 per cent) having no other mainstream financial product, and only a minority having credit cards (40 per cent) or bank loans (28 per cent), or any form of savings account (20 per cent). Lack of access to savings or affordable credit was found to be a major reason for families becoming homeless when their existing private rented sector tenancy ended. Many families had limited financial capability, but responded positively to basic money and budgeting advice. Attachment to the sector was not great, with more than half the private rented sector families indicating they would consider presenting as homeless if they lost their current tenancy.

Widespread use of the private rented sector for temporary accommodation is feeding the 'buy to let' market, risking increased rents and house prices, and further homelessness.

There is acute scarcity of social rented homes, and 'statutorily' homeless families wait many years in unsatisfactory temporary accommodation, with little control of their lives, financial circumstances or personal development.

The traditional way to stem demand is homeless 'prevention', which kicks in when families are threatened with homelessness. Our research looked at the scope for empowering more families to sustain private rented sector tenancies and move within the sector – what we term homeless 'avoidance'. We organized in-depth interviews and focus groups with families living in the private rented sector, and families in temporary accommodation (those who are homeless and in temporary accommodation, having lost a private rented sector tenancy).

We didn't find marked differences between the households in the two groups. There was some evidence of better coping skills and financial inclusion among private rented sector families, but both groups struggled financially, and private rented sector families were more likely to have a shortfall in their weekly income and expenditure, often because Housing Benefit did not cover the full rent. Lack of access to money for deposits, rent in advance and other moving costs were the biggest barriers to moving within the private rented sector. On the other hand, the relative lack of importance of finding a deposit to those households who had either savings accounts or bank loans serves as very powerful evidential support for financial inclusion and access to mainstream savings and credit in **avoiding** homelessness.

EXECUTIVE SUMMARY

We concluded that if the private rented sector is to continue to accommodate low-income families, to relieve pressure on social rented homes, radical changes must be made to improve conditions in the sector and to provide a range of proactive and 'joined up' support for families. Our recommendations to Government include legislative changes to regulate and professionalize the sector, and to address rent levels through benefits or subsidy. There must be more affordable childcare. Local government should take account of low-income private rented sector families in their housing strategies and provide adequate resources for enforcement. Local initiatives should target a range of advice and support, including basic money management and financial advice, provision of affordable credit, and training and employment schemes, to families in the private rented sector.

The study

London's private rented sector, as accessed by low-income families, is characterized by high rents, poor conditions, unprofessional management and insecure tenancies. However, it does offer immediate access and greater choice than social renting.

The scale of homelessness in London is enormous. Increasing reliance on private rented sector homes leased as temporary accommodation fuels the 'buy to let' market, pushing up housing costs and risking further displacement into homelessness.

The gap between supply and demand for social rented homes means that few who are not 'statutorily' homeless are likely to obtain a social tenancy. Even those accepted as homeless face a wait of many years in temporary accommodation. During this period, families have little control over their lives and face barriers to personal development.

Pressures of demand and Government targets to reduce temporary accommodation result in a growing number of low-income families in the private rented sector. It is therefore imperative to meet their needs and empower them to avoid homelessness. The traditional approach is homeless 'prevention', which kicks in when private rented sector tenancies are under threat. Our research examined the scope for empowering families to sustain tenancies and to move within the sector – or homeless 'avoidance'.

The research was conducted in Brent, north-west London, and sought to establish the differences between families who survive in the private rented sector and those who became homeless. We did this through in-depth interviews with families in the private rented sector, and with families in temporary accommodation who became homeless after losing a private rented sector tenancy. We tested our findings through focus groups. We sought to identify causes and predictors of homelessness; the extent of financial exclusion; families' housing aspirations; how the private rented sector could become more appropriate for low-income families; and how families could be supported.

Findings: Differences and similarities between families in the private rented sector and those in temporary accommodation

We found broad similarity between the two groups, with more families in employment in the private rented sector and more single parents living in temporary accommodation. Ethnicity across both groups was diverse. A much higher percentage of families in temporary accommodation had parents in social housing.

EXECUTIVE SUMMARY

There was a high level of dissatisfaction with property conditions in both groups. Seventy per cent of private rented sector families do not receive rent receipts or rent statements.

Most private rented sector tenancies lasted up to four years but there was a sharp cut-off point after that. Most families in temporary accommodation had been in their current accommodation for one or two years.

Forty-two per cent of families in temporary accommodation had only one private rented sector tenancy before becoming homeless, but 64 per cent of private rented sector families had moved regularly within the private rented sector since 2000, for both positive and negative reasons. The tenancies that seemed to be most sustainable were those found through lettings agencies.

Most non-working families in both groups would like to work, lack of affordable childcare being the biggest barrier. There were few differences in educational attainment.

Financial exclusion appeared higher among families in temporary accommodation, but both relied primarily on cash for purchases and avoided credit wherever possible. Both groups struggled financially.

A budgetary exercise revealed higher shortfalls between income and expenditure among private rented sector families, which appeared to be linked to Housing Benefit shortfalls. Over half at least of non-working families were receiving less Housing Benefit than they were paying in rent, with very clear indications that a similar proportion of those in work were adversely affected by restrictions on Housing Benefit levels. Additionally, there was evidence that around 20 per cent of families were under-claiming on other benefits to which they were entitled.

There was a high level of naivety about what the homeless process entailed, and how long it would take to obtain a permanent social rented home.

Findings: Families' housing aspirations and realistic options

Over half the families in the private rented sector said they would look to the 'homeless system' if they lost their current tenancy. For those who would remain in the private rented sector, many would do so for negative reasons – stigma of homelessness; not eligible for social housing, or 'only choice'.

The main reasons for not wishing to continue in the private rented sector were high rents and insecurity of tenure. A quarter of families gave poor conditions as a reason.

The minority who might be able to afford to buy would be prepared to move away from the area, but most families wanted to remain in the locality, mainly to avoid disrupting the children's schooling.

Findings: Predictors and causes of families ending up in the 'Homeless System'

The main predictors of homelessness were:

- parents living in social housing at the time the interviewee left home, implying either lack of aptitude for living in private rented sector or desire to return to a familiar tenure;

EXECUTIVE SUMMARY

- last rented property was found through small ads, likely to be because less competent landlords advertise in this way;
- British citizenship and having English as a first language, perhaps because of greater knowledge of how to access the homeless system, and also because this group would be the most likely to be eligible for social housing;
- lack of access to savings, ‘wealth bearing products’ or credit, so that finding a deposit or rent in advance would be difficult;
- a first tenancy in the private rented sector, indicating coping issues.

Joint predictors and causes were:

- a belief that ‘going homeless’ will ultimately result in a family acquiring a lower rent, secure social tenancy in a reasonable property, though often this was the result of naive expectations about what the ‘homeless system’ entails;
- lack of ability to raise a deposit for a replacement tenancy, which links to the lack of access to savings referred to above;
- overall coping capability of household, and intermeshing of problems;
- earned income of less than £1,200 a month, which again would make finding money for another private rented sector home difficult, though this finding could be because, for some, homelessness itself triggers a loss in earned income.

Conclusions

The research did not confirm marked differences between the families in the private rented sector and those in temporary accommodation. Private rented sector families had not found distinctive ways to survive in private renting that families in temporary accommodation had not accessed but could acquire.

While families in temporary accommodation showed higher levels of financial exclusion and lower coping abilities, the homelessness process itself could account for much of the difference. Both groups struggled financially, exacerbated for some by poor money management skills, and for over half at least of non-working families because they were probably not in receipt of their full Housing Benefit entitlement. More private rented sector families were in employment, possibly because job loss can be both the cause and the result of homelessness.

The level of dissatisfaction with property conditions in both groups was high and, based on the reported conditions, justified. Lower rent, better managed, and therefore more sustainable, private rented sector homes were found through letting agents. Lack of access to money for deposits, rent in advance and other moving costs were the biggest barriers to moving within the private rented sector. On the other hand, the relative lack of importance of finding a deposit to those households who had either savings accounts or bank loans serves as very powerful evidential support for financial inclusion and access to mainstream savings and credit in *avoiding* homelessness.

If low-income families continue to access the private rented sector to relieve pressure on social housing, radical changes are needed to improve conditions in the sector and provide proactive, ‘joined up’ support for private rented sector families.

Such measures would greatly increase the chance of homeless ‘avoidance’. They might also allow the private rented sector to become tenure of choice.

EXECUTIVE SUMMARY

Recommendations

Support for low-income families

We ask the Government:

- to encourage financial inclusion measures for private rented sector families. These should include basic money management and financial advice, and increased availability of affordable credit and savings schemes. Linking advice and products to the Housing Benefit application process would be an efficient way of targeting households most likely to benefit;
- to expand affordable childcare.

Locally, we recommend:

- proactive targeted support for families in the private rented sector including housing and homelessness advice, debt, welfare benefits and money management, and financial inclusion initiatives;
- training and employment initiatives to be targeted towards private rented sector families;
- a loan or grant scheme;
- a named individual or organization families can rely on for coordinated support;
- allowing families who were in the private rented sector and had been accepted as homeless to retain their priority for social housing if they find alternative homes in the private rented sector;
- measures to increase access to sustainable private rented sector tenancies through letting agencies and good landlords.

A private rented sector fit for purpose

We ask the Government:

- to enact the Rented Homes Bill to professionalize private renting;
- to consider the Law Commission's proposals for regulating the private rented sector through a central regulator;
- to build flexibility into Housing Benefit/Local Housing Allowance thresholds;
- to explore rent subsidies as piloted by Working Future and to encourage an expansion of intermediate renting;
- to investigate the impact of temporary accommodation and qualifying offers on the buy-to-let market;
- to review the poverty trap created by sharp reduction in benefits as income increases.

Local government housing strategies should take account of the growing number of families living in the private rented sector. London councils should agree Pan-London standards for qualifying offers.

Local authorities should put adequate resources into improving private rented sector standards through enforcement.

Housing alternatives

Eligibility for assisted purchase should be widened and a national mobility scheme introduced. Information on local affordable housing schemes should be targeted towards families in the private rented sector.

Information channels

Information could be targeted through Housing Benefit mailings and text messaging.

Chapter 1

The study

SUMMARY

London's private rented sector, as accessed by low-income families, is characterized by high rents, poor conditions, unprofessional management and insecure tenancies. However, it does offer immediate access and greater choice than social renting.

The scale of homelessness in London is enormous. Increasing reliance on private rented sector homes leased as temporary accommodation fuels the buy-to-let market, pushing up housing costs and risking further displacement into homelessness.

The gap between supply and demand for social rented homes means that few who are not 'statutorily' homeless are likely to obtain a social tenancy. Even those accepted as homeless face a wait of many years in temporary accommodation. During this period, families have little control over their lives and face barriers to personal development.

Pressures of demand and Government targets to reduce temporary accommodation result in a growing number of low-income families in the private rented sector. It is therefore imperative to meet their needs and empower them to avoid homelessness.

The traditional approach is homeless 'prevention' that kicks in when private rented sector tenancies are under threat. Our research examined the scope for empowering families to sustain tenancies and to move within the sector – what we have termed homeless 'avoidance'.

The research was conducted in Brent, north-west London, and sought to establish the differences between families who survive in the private rented sector and those who end up homeless. We did this through in-depth interviews with families in the private rented sector, and families in temporary accommodation who became homeless after losing a private rented sector tenancy. We tested our findings through focus groups. We sought to identify causes and predictors of homelessness; the extent of financial exclusion; families' housing aspirations; how the private rented sector could become more appropriate for low-income families; and how families could be supported.

Setting the scene

The private rented sector in London, and in particular that part of it which is accessible to low-income families, can broadly be summarized as follows.

Rent levels are roughly double those in social housing (council and housing association homes) and most require a deposit equal to a month's rent plus a month's rent in advance. For a family this can mean finding over £1,000 up front. Landlords owning fewer than ten properties predominate, and most are not professional, full-time

THE STUDY

landlords. Many are hazy about landlord and tenant law, with the result that both property management and landlord/tenant relations often leave a lot to be desired. Lettings are on shorthold tenancies, which rarely provide security of tenure for longer than a year. Many landlords find it easier to end tenancies if problems arise than to address those problems. The practice of seeking possession when tenants complain about things like disrepair (known as retaliatory eviction) has recently been documented in a Citizens Advice Bureau report (Crew 2007).

A positive feature that distinguishes the private rented sector from social renting is that it can be accessed immediately and without a needs assessment, and can offer families greater choice (within the constraints of rent levels) of location and property type.

Families renting in London experience much higher rents than in the rest of the UK, and a noticeably higher cost of living even after London specific factors such as commuting are removed. A 2003 study comparing the cost of living in London, Manchester and Edinburgh found the cost of living (excluding housing and commuting) to be 8 per cent higher than Edinburgh, and 6 per cent higher than Manchester, rising to around 26 per cent if housing and commuting were included (Oxford Economic Forecasting 2003).

The 2003 Brent Housing Needs Study found that private tenants in Brent had an average gross income of £18,044 per annum (excluding benefits), or £294 per week net (including non-Housing Benefits), with average savings of £1,131. These figures are much higher than those in our sample (median earned income £870–£979pcm), but well below the £37,300 per annum gross income of owner occupiers with a mortgage (£554 per week net). Savings figures (all Brent private tenants) do not, however, greatly exceed the £800 average savings of all UK tenants (as reported by the Human City Institute in Gulliver 2007).

While there are higher levels of private renting in Brent and London than most other places in England, available supply (at least at the lower end of the market) is much lower due to the very high levels of demand and lack of other options for lower to average income households.

The scale of homelessness among families in London is enormous.¹ In June 2007 there were 59,130 homeless families in London in temporary accommodation, nearly 70 per cent of the total for England, of whom 75 per cent had dependent children. While 16 per cent of families accepted as homeless had lost their privately rented tenancy, 63 per cent (37,500) had been placed in properties leased from the private rented sector (usually by housing associations) for use as temporary accommodation. This added demand for private rented sector homes fuels buy-to-let investment, putting upward pressure on rents and house prices, leading to higher costs and reduced supply for other households, such as first-time buyers. This, in turn, risks more displacement into homelessness.

The enormous gap between the demand for social rented homes and the supply means that few who are not 'statutorily homeless' (those who local authorities have a duty to re-house) or in equally dire housing need, are likely to obtain a social housing tenancy. Even families accepted as homeless face years in (usually leased private rented sector) temporary accommodation. Rents are at or above market levels. The accommodation is often unsatisfactory and families may be moved many times. During this period, families

¹ Throughout this report, we use the term 'families' to mean households comprising one or more adults with dependent children.

THE STUDY

lose control over a significant part of their lives, such as where they live, (and therefore choice of schools, for example). They are uprooted from family and social networks. They have no say in who their landlord is, or how much rent they pay. The combination of very high rents, lack of local support, and uncertainty over the future, represents a major barrier to personal development, including employment.

Councils are now required by Government to reduce use of temporary accommodation by 50 per cent by 2010, which has encouraged them to make 'qualifying offers' to homeless families. A qualifying offer (introduced by the Housing Act 2002) is an assured shorthold tenancy with a private landlord that has been approved and arranged by the council. Families have a right to refuse the offer, but if they accept the Council's rehousing duties are deemed to have been discharged.

The above factors mean that there is an increasing number of families living in insecure forms of rented housing (private rented sector and temporary accommodation) who, but for these factors, could have expected to find themselves in social rented homes offering security of tenure. This raises interesting issues, particularly in the light of emerging findings from other research into the social housing/dependency culture (Hills 2007; Cave 2007; Maclennan 2007). The debate about whether social housing fosters dependency or whether the dependency culture arises from the high level of dependent households placed in social housing is still open. Conversely, the extent to which private renting can foster independence, and how far this might go to counter the negative aspects of the private rented sector (rent levels, lack of security, etc.), is a debate that has yet to begin. Whatever the answers, we must accept that there are now large numbers of low-income families in the private rented sector and we must do all we can to create a sector that meets their needs. We must also provide appropriate support to empower families to avoid homelessness.

While Brent has an unusually high proportion of rented properties, and other factors may be Brent- or London-specific, it is likely that many of the findings, and particularly those relating to homelessness prevention, financial exclusion and money management skills, are not untypical of families living at the lower end of the private rented sector elsewhere in Britain.

The traditional approach to 'homeless prevention'

For the last ten years or more, local authorities have been developing policies designed to prevent homelessness. These include mediation where homelessness might result from relationship breakdown; 'sanctuary schemes' involving security measures to protect victims from violence; and negotiations with private landlords to dissuade them from taking possession action. Homeless prevention has also come to mean assisting families to secure alternative accommodation through means such as rent deposit guarantee schemes, or fast-track Housing Benefit payments. These measures normally kick in when a family contacts the local authority because they are under threat of losing their home.

We wanted to explore what it would take to enable more families to survive in the private rented sector with sufficient control over their lives to sustain tenancies and/or move within the sector. In other words, should we focus less on homeless 'prevention' and more on homeless 'avoidance'?

Location, reasons and aims of the research

The research was carried out in the Borough of Brent, north-west London, where the 2001 Census showed that just over 20 per cent of households were living in private

Table 1
Housing tenure in Brent

<i>Tenure</i>	<i>Number of families</i>
Council tenancies (arm's length management organizations)	3,500
Housing associations	6,000
Temporary accommodation	4,500
Private renting	4,500

rented accommodation. The council accepts high numbers of households as homeless and has the third highest number of homeless households in temporary accommodation in London.

In Brent there are comparable numbers of families living in insecure tenancies (temporary accommodation or private rented sector) as in settled homes in council or housing association social renting (Table 1).

We had noted from our Housing Advice Centre clients that some families appear able to survive in the private rented sector, while others seem permanently in danger of losing control. When tenancies end some families find another private rented sector home, with the notion of 'being homeless' not even occurring to them, but others see no alternative but to present themselves to the council as homeless. We wanted to explore the differences between these two groups by talking directly to the families themselves.

The research set out to establish:

- the likely causes and predictors of families in the private rented sector becoming homeless;
- the extent of financial exclusion among both groups, and how financial inclusion could be increased;
- families' housing aspirations and whether these are or could become realistic;
- how the private rented sector could become a more appropriate tenure for low-income families; and
- what measures could be taken to inform, support and empower families to manage their own (re)housing and avoid homelessness.

Approach and method

There were two main stages to the research.

The first comprised in-depth interviews with families living in the private rented sector (families in the private rented sector) and with families living in temporary accommodation following the loss of a private rented home (families in temporary accommodation).

Successful interviews were carried out with 85 families in the private rented sector and 61 families in temporary accommodation.

THE STUDY

Families were identified from client lists of local advice agencies, including our own; through publicity information given to families visiting Brent Housing Resource Centre, and some direct approaches to those awaiting homelessness interviews; through a mailing to families in temporary accommodation managed by Pathmeads Housing Association; and through a mailing to Housing Benefit claimants in the private rented sector conducted by Brent Revenue and Benefits Service.

Brent is a very diverse community, and the ethnic mix of families in temporary accommodation and those in the private rented sector fully reflected this. The main ethnic groupings were Black African (25 per cent), Asian (18 per cent), Black Caribbean (13 per cent), White British (8 per cent), White other (non-UK) (8 per cent), and Arab (including Palestinian) (7 per cent).

The method for selecting families targeted those on no or low-income and/or experiencing a problem with their tenancy, so the sampling method will not have captured a truly representative sample of families in temporary accommodation and the private rented sector. There was some bias against households with poor reading skills.

All families were offered a small incentive of £12.50 for participating in the survey. They were also offered a detailed 'budgetary exercise' on their finances. This was a mechanism to capture very detailed information on household finances. It also provided a practical way of assisting families in financial difficulty with money advice. A total of 64 families accepted this offer, with acceptance spread across both groups.

Interviewers were selected for their interviewing skills, and their detailed knowledge of housing, the benefit system and money advice.

Similar but separate questionnaires were used for each group, designed to collect information on:

- household structure, ethnicity and nationality;
- current accommodation and tenancy agreement;
- satisfaction with property, landlord and repairs;
- housing history, moves and tenures, parental home and how current (or last rented) home was found;
- family income, employment status, level of educational achievement, and attitudes to employment;
- family finances, including degree of financial inclusion;
- perspectives on current and other tenures, including preferences and expectations for future accommodation (next moves);
- knowledge and expectations of the homeless process;
- families' perspective on (re)housing options, barriers and assistance.

On completion of the interviews, and preliminary analysis, focus groups were convened to explore and test key issues that had emerged. The focus groups were facilitated by Stephen Williams of Stratosphere. Four focus groups were structured as shown in Table 2.

Families were drawn on a random basis from those on the original interview list who had indicated they were willing to participate in further research.

Table 2
Structure of the four focus groups in the study

<i>Group number</i>	<i>Employment status</i>	<i>Housing sector</i>
1	Unemployed	Private rented sector
2	Unemployed	Temporary accommodation
3	Employed	Private rented sector
4	Employed	Temporary accommodation

Themes the focus groups explored were:

- attitudes and barriers to employment, particularly for the unemployed families;
- attitudes to becoming homeless;
- housing aspirations, including the attraction of social housing and assisted purchase, and security vs. affordability;
- aptitude for financial management and attitudes to credit.

An incentive of £30 plus expenses was offered to householders to attend the focus groups. However, it was noticeable that the private tenant groups disproportionately included families who had proven adept at surviving the private rented sector, including being able to find replacement tenancies when their previous one was terminated. Significant numbers of those who were unemployed and living in temporary accommodation failed to attend (despite the incentive and reminders).

The results therefore need to be interpreted in the light of the bias in self-selection. While most findings would appear to be robust, the sessions were not able to shed any added light on childcare as a barrier to employment.

Throughout the report we have woven in material from the focus groups and the 'budgetary' exercise. A separate report of the focus groups' discussions is available from BPTRG or the author.²

2 The report can be downloaded from the website of BPTRG www.bptrg.org, or can be obtained on request from the author (email GJMartin@blueyonder.co.uk tel. 0151 475 0726).

Chapter 2

Findings: Differences and similarities between families in the private rented sector and those in temporary accommodation

SUMMARY

We found broad similarity between the two groups, though more private rented sector families were in employment and there were more single parents in temporary accommodation. Ethnicity across both groups was diverse. A much higher percentage of families in temporary accommodation had parents in social housing.

There was a high level of dissatisfaction with property conditions in both groups. Seventy per cent of families in the private rented sector do not receive rent receipts or rent statements.

Most private rented sector tenancies lasted up to four years but there was a sharp cut-off point after that. Most families in temporary accommodation had been in their current accommodation for one or two years.

Forty-two per cent of families in temporary accommodation had only one private rented sector tenancy before becoming homeless, but 64 per cent of families in the private rented sector had moved regularly within the private rented sector since 2000 (for both positive and negative reasons). The tenancies that seemed to be most sustainable were those found through lettings agencies.

Most non-working families in both groups would like to work, lack of affordable childcare being the biggest barrier. We found few differences in educational attainment.

Financial exclusion appeared higher among families in temporary accommodation but both relied primarily on cash for purchases and avoided credit wherever possible. Both groups struggled financially.

A budgetary exercise revealed higher shortfalls between income and expenditure among families in the private rented sector, which appeared to be linked to Housing Benefit shortfalls. Over half of non-working families were receiving less Housing Benefit than they were paying in rent, with clear indications that working families were experiencing similar reduced levels of benefit compared to the rent they had to pay. Additionally, around 20 per cent of all families were probably under-claiming on other benefits to which they were entitled.

There was a high level of naivety about what the homeless process entailed, and how long it would take to obtain a permanent social rented home.

Overview

Across the 143 families in the study there was broad similarity between families in the private rented sector and those in temporary accommodation. More families in the private rented sector were in employment (62 per cent compared to 48 per cent) and

there were more single parents in the group living in temporary accommodation (54 per cent compared with 46 per cent). Among the families in temporary accommodation in employment there were notably fewer earning over £1,080 per month [see **Appendix Tables A1–A3, page 43**].

Families in temporary accommodation were slightly older, on average, than the families in the private rented sector [**Table A4, page 44**]. This could reflect the greater resilience of younger parents. It may just reflect sequencing – families needed a family tenancy *before* they became homeless. However the age disparity dispels any suggestion that homelessness is a direct consequence of youthful inexperience.

There was pronounced diversity of ethnicity and nationality across both groups. Only 23 households identified themselves as ‘white’.

There was a small (but significant) locality factor in that more families in temporary accommodation were British citizens (probably to be expected), and also had parental homes within five miles of where they lived [**Tables A5–6, page 45**].

The ethnic identification of the adult family members was recorded according to a formal ethnic categorization chart, but also (and this was asked first) by asking them to identify their ethnic origin in their own words. The families gave 38 different ethnic identities, showing the great diversity of people who have a home in the private rented sector and temporary accommodation sectors in Brent [**Table A7, page 45**].

For 46 per cent of families English was their first language [**Table A8, page 45**], but one in seven had limited English (involving in most cases the use of an interpreter).

In terms of the tenure of their parents there were significant differences [**Table A9, page 45**]. A far higher percentage of families in temporary accommodation had parents who live or lived in social rented accommodation (mainly council housing) than families in the private rented sector group (27 per cent compared to 11 per cent). While this is statistically significant it may reflect the impact of immigration; many of the interviewees had parental homes outside of the UK.

The data were therefore reworked to include only families whose parental home was within the UK. The results were quite stark [**Table A10, page 46**]. Over twice as many families in temporary accommodation (65 compared to 30 per cent) had been living in social housing when the interviewee left their parental home.

This was an unexpected finding, and raised questions as to whether families whose parents grew up in social housing either lack the appropriate skills/knowledge for living in another tenure, or are motivated to return to the tenure they grew up in or understand.

Current accommodation and tenancy agreements

We found little difference in the size and type of accommodation [**Tables A11–A12, page 46**]. Most was self-contained and had gas central heating. Over a half the families in both groups had a private or shared garden. The majority of properties were fully or part furnished, with only 13 per cent of private rented sector accommodation and 8 per cent of temporary accommodation unfurnished [**Table A13, page 46**]. Almost exactly half of both groups considered they had their preferred level of furnishing provided. However, around a third (31 per cent) of families in temporary accommodation were living in fully or part-furnished accommodation, and would have preferred unfurnished [**Table A14, page 47**].

Nearly all families in the private rented sector said their landlords were private individuals. Most families in temporary accommodation correctly believed housing associations were their landlords [Table A15, page 47], although most of these properties would be on short leases from private landlords who would be receiving the rental income, less the housing associations' management costs.

The great majority of families interviewed (91 per cent in the private rented sector group and 83 per cent in the temporary accommodation group) claimed to have a written tenancy agreement [Table A16, page 47].

While landlords may have had their contract in place this did not always translate into tenants having a 'real' address or contact number for their landlord, or regular rent statements (or equivalent).

It is easier for families in temporary accommodation than families in the private rented sector to contact their landlord to report repair problems, etc. There were, however, some interviewees from the temporary accommodation group who were unaware of their landlord's address and seemingly not in receipt of rent statements. The research was not able to identify whether this was a coping/engagement issue on the households' part, or a reflection of poor administration.

We found six families in the private rented sector who appeared to have no effective means of contacting their landlord other than when the landlord contacted them. Additionally, 70 per cent of families in the private rented sector reported that they do not receive receipts or rent statements [Tables 17–19, page 48].

Satisfaction with the property, landlord and repairs

We found low levels of general satisfaction among families with their property and with the state of repair [Table A20–21, pages 48–49]. Half were dissatisfied or very dissatisfied with their property, and families in temporary accommodation were more dissatisfied with the state of repair.

The level of satisfaction was much lower than in comparable surveys.³ Despite this, over 70 per cent of families identified positive features about their property, many relating to location and gardens, and one temporary accommodation family mentioned the 'kindness of the landlord'.

The main causes of dissatisfaction included damp (24 per cent), disrepair (20 per cent), vermin (20 per cent), overcrowding – cramped (32 per cent), overcrowding – too few rooms (22 per cent), and 'unsuitable for children' (17 per cent), with little difference between private rented sector and temporary accommodation groups. There were fewer complaints about noise (15 per cent) and problems with other residents (7 per cent). Four families expressed concern about intrusion by the landlord and six families registered that their property was unsuitable for family members with a disability.

The types of disrepair were similar for both groups, with two exceptions: faulty kitchens (12 per cent in the private rented sector and 3 per cent in temporary accommodation)

³ For example, the 2003–04 *Survey of English Housing* reports 77 per cent of Private Rented Sector tenants as being very or fairly satisfied.

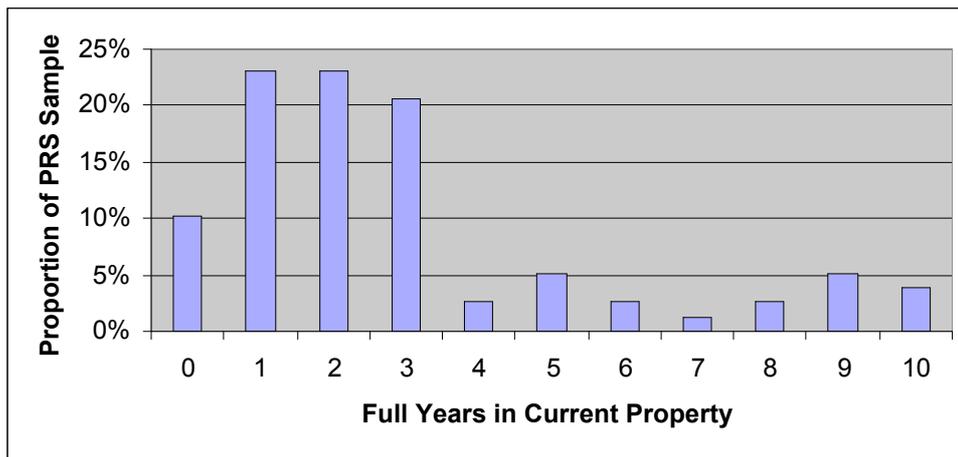


Figure 1

Time families in the private rented sector have spent in their current property

and insecure entrances (5 per cent in the private rented sector and 23 per cent in temporary accommodation).

Families' housing history, and how current (private rented sector) or last rented (temporary accommodation) home was found

Families were asked how long they had lived in their current property and how many times they had moved since the year 2000.

It appeared 'normal' for families to be able to live up to four years in the same property [Table A22, page 49]. However, we found that there was then a sharp discontinuation after that period, when families moved on. This is shown in Figure 1.

Only 23 per cent of families in the private rented sector had retained their tenancy longer than four years. The sampling method would not have produced this sharp discontinuation, and the alternative scenario, of this distribution being caused by a sudden in-surge of families into private renting four years ago, seems equally unlikely.

When we traced the housing history of the families in the private rented sector, a similar pattern is repeated in their previous tenancy. Again there was a very sharp cut-off. Three-quarters of households had lived in their previous accommodation for fewer than four years.

As expected, the time families in temporary accommodation had spent in their *current* accommodation was skewed heavily to one and two years but some families will be in the same dwelling for up to six years. Over half the families appeared to have been in temporary accommodation for over three years, although our findings indicated a stay of at least six years to be very likely.

We found a noticeably higher chance of a household's first tenancy failing. Families that had successfully moved at least once in the private rented sector were less likely to end up in temporary accommodation.

Families in the private sector tended to have moved regularly over the six years from year 2000 [Table A23, page 49]. While not all these moves will necessarily have been as a

FINDINGS: DIFFERENCES BETWEEN FAMILIES

family, the data show a high rate of mobility, much of which is clearly involuntary. Forty of the families interviewed had only moved within the private rented sector, only 12 families had lived exclusively in another tenure since 2000. Those who had not lived exclusively in the private rented sector had lived mainly with other relatives, parents or former spouse/partner, or occasionally in social housing.

Over 60 per cent of the families in the private rented sector had moved at least twice in the previous six years, not always directly from private rented sector tenancy to private rented sector tenancy, though most have managed this. This suggests a substantial ‘community’ of families able to move within the private rented sector successfully, albeit not always voluntarily, as considered below.

The reasons households gave for leaving their previous accommodation were explored, and categorized as ‘positive’ (private rented sector group only) and ‘negative’ (both groups). For families in the private rented sector there could be both positive and negative factors (Tables 3 and 4).

Table 3
Reasons for moving (positive)

<i>Stated reason for move</i>	<i>In the private rented sector</i>
Move to better accommodation/area	21
Set up first home	6
For work (opportunity)	4
Other positive (e.g. care for relative, move closer to school)	9
Total	40

Table 4
Reasons for moving (negative)

<i>Stated reason for move (negative)</i>	<i>In the private rented sector</i>	<i>In temporary accommodation</i>
Landlord gave notice to quit	16	21
Pregnant/had child	9	6
Relationship breakdown (spouse)	6	7
Relationship breakdown (other)	2	4
Could not afford rent	2	3
Too small/overcrowded	8	–
Poor condition	10	–
Other (e.g. domestic violence, racial harassment, etc.)	10	5
Total	63	46

FINDINGS: DIFFERENCES BETWEEN FAMILIES

The proportion of families in the private rented sector who definitely had to move is probably around a third. Families in temporary accommodation had no option but to move.

Families in both groups were asked how they found their current (last private rented) home. A summary is provided in Table 5, with full findings in **Table A24, page 50**.

It is significant that families who were re-housed through letting agencies are much more likely to survive in the private rented sector than families who found their own accommodation through other routes, particularly advertisements.

One probable reason is that agencies are screening out applicants assessed as likely to fail their tenancy; another is that the households who ended up homeless are less likely to approach letting agencies in the first place.

We asked about *all* the ways families had looked for their current (last) home [**Table A25, page 50**]. This shows that families in temporary accommodation tended not to approach agents to the same extent as families still in the private rented sector. While families in the private rented sector *looked* at small ads more than families in temporary accommodation, they actually *found or accepted* their accommodation to a far lower degree through advertisements.

Another explanation for the link between a successful private rented sector tenancy and use of an agency is that agents offer better-managed properties with more competent landlords. It is very likely that this trend is reinforced by a degree of self-selection among would-be tenants, but the figures appear too stark to be explained solely on this basis.

There is evidence, supported by focus group discussion, that many agents do not accept unemployed or Housing Benefit tenants. However, 87 per cent of families in the private rented sector who found their current property through agents *were* claiming Housing Benefit (only a very slightly lower proportion than for all other ways of finding property). Similarly, exactly the same proportion of tenants who *were* unemployed found their properties through agents as found them by other means.

Table 5
How families found their current home (or their last home if in temporary accommodation)

	<i>In the private rented sector (%)</i>	<i>In temporary accommodation (%)</i>	<i>Total (%)</i>
Estate/lettings agency	47	16	35
Voluntary and council advice centres	27	41	33
Advertisements	5	18	11
Contacts	21	25	22
Number of families	77	49	126

Table 6

Comparison of the earned income of families in the private rented sector and those in temporary accommodation

<i>Income band per calendar month</i>	<i>In the private rented sector (%)</i>	<i>In temporary accommodation (%)</i>
Below £540	22	38
£540–£1,079	41	44
£1,080–£2,599	37	18
Total families	60	34

Focus group participants who found their properties through agents reported some bias against Housing Benefit claimants but this was not seen as unreasonable, but as a barrier to be overcome. Ways of doing so included persuading the agent to allow the actual landlord to interview the applicant, and being able to pay the deposit and rent in advance.

By contrast, families in temporary accommodation expressed far more negative views towards agents. Those who had tried and been rebuffed were more likely to assume that they would not be successful, so had not made further approaches.

Income and employment status, educational achievement and attitudes to employment

Half of all single parents in the temporary accommodation group were unemployed, which accords with the higher proportion of families in temporary accommodation with no earned income. A high proportion of two-parent households in the private rented sector group had at least one wage earner, compared to the two-parent families in the temporary accommodation group (77 per cent compared to 54 per cent).

Table 6 captures the main differences between the earned incomes of families in the private rented sector and those in temporary accommodation.

Households with lower earned incomes are over-represented in the ‘temporary accommodation’ group. However the incomes of all families are low, with only 28 families in total reporting earned income above £1,080 per calendar month.

While at a certain level higher earning households will be less likely to end up homeless, the difference between the two groups may be as much to do with disruption to earning ability that occurs with homelessness as the level of income of the ‘higher earners’ in private renting being able to fully support a private tenancy.

All but the highest earning households will have been eligible for Housing Benefit, and we found that this was the case for 88 per cent of families in the private rented sector and 94 per cent in temporary accommodation, and in practice the figures may be higher [Table A26, page 50]. (Similar numbers failed to report receiving child benefit, which is an almost universal benefit.⁴)

⁴ A very small number may not have been eligible due to benefit restrictions on recent arrivals to the UK, but this was not identified as a significant factor.

FINDINGS: DIFFERENCES BETWEEN FAMILIES

The focus groups highlighted that some families with members in employment (a) thought they would be better off being unemployed and living on benefits only; and (b) felt unable to access sources of support (including advice on where to live) as this often appeared to be for the unemployed only.

Although rents are higher in Brent than elsewhere in England outside of London, the way in which Housing Benefit works for lower income households means that for families on Housing Benefit who have equivalent earned income but different rent levels their disposable income will be the same (assuming that their landlords are equally cavalier or restrained in terms of charging rent higher than the upper benefit limit). Non-housing living costs are slightly (around 6 per cent) higher than living in other UK cities, and the income profile is probably similar to what would be obtained from equivalent selection methods in other UK cities. In large part this will be due to the impact of the minimum wage. While other factors will be different (e.g. alternative housing solutions and possibly quality of accommodation), the actual finances of the households in the survey are unlikely to be very different from similar families elsewhere (one probable exception being the size of deposit needed to secure a rented property).

Using the budgetary exercise, we explored the variation in actual disposable income and found that from the families’ recorded income and expenditure it was possible to calculate their notional surplus/shortfall after all basic costs have been met. In this calculation expenditure included regular repayments on loans, but not ad hoc contributions to pay off unstructured debt (such as credit cards), or debt that was being ‘avoided’. The figures reported in Table 7 are therefore only ‘true’ if the household had no additional debt to repay.

While the sample sizes are small, Table 7 shows the difference between families in the private rented sector and those in temporary accommodation, in terms of their notional shortfall/surplus (after essential expenditure). The highest rates of reported shortfall all occurred in the private rented sector group, and mainly for single-parent households whose parental home was abroad. The level of shortfall appeared to be linked to

Table 7
Shortfalls/surplus income over essential expenditure per calendar month

	<i>In the private rented sector (%)</i>	<i>In temporary accommodation (%)</i>
Shortfall over £500pcm	12	–
Shortfall between £100–£500pcm	9	7
Shortfall between £1–£100pcm	12	3
Total with shortfall	33	10
Surplus between £1–£50pcm	24	39
Surplus between £50–£100pcm	6	11
Surplus between £100–£200pcm	18	21
Surplus over £200pcm	18	18
Total with (nominal) surplus	66	89

Housing Benefit shortfall, though there was also limited evidence of financial recklessness amongst some tenants with high shortfalls.

Families in the private rented sector clearly had a far wider range of disposable income (after essential expenditure). Families in the temporary accommodation group appeared to have lower absolute shortfalls in income. This is probably explained by their Housing Benefit being both more certain, and also guaranteed to cover the rent (less any deduction for earnings).

Evidence from the focus groups, however, indicated that (on balance) established tenants in the private rented sector group appeared to be noticeably more in control of their finances, and particularly their ability to manage debt and budgeting.

There was a good, but not perfect, relationship between families' self-assessment of how they were managing, and the outcome of the budgetary exercise. It is possible that the sub-sample of families participating in the budgetary exercise was (on average) under greater financial pressure than families who did not participate. That said, it was very clear that of these families, over a quarter appeared to be moving into ever-increasing debt, and only around a third could be described as in any way having an adequate margin of income over essential expenditure.

One of the suggestions at the start of this research was that there might be a relationship between educational attainment and ability to avoid becoming homeless. Perhaps surprisingly, there appeared to be no linkage [Table A27, page 51]. Analysis of interviewees' partners/spouses responses produced similar results. There was also no relationship between studying for further education and homelessness.

Where adult household members were not working, interviewers probed to establish their attitude to employment. The results were positive, and 76 per cent of families in both groups wanted to work, either full or part time. Reasons for not working related mainly to caring responsibilities or to personal health or disability.

Lack of affordable childcare was the dominant reason given by adults who would have liked to work. This was also the main reason for adults working part time who would prefer to work full time. There was no obvious relationship between attitudes to employment and families being in temporary accommodation. The lack of affordable childcare was perceived to be far more important than benefit claw-back by most families [Tables A28–31, pages 51–52].

Family finances and financial inclusion

The extent to which families were able to access mainstream financial products and how they chose to manage their finances were explored through questions relating to spend patterns, and questions about specific financial products. Families were first asked how they usually paid their electricity bill [Table A33, page 52].

Significant differences were found between the temporary accommodation and private rented sector groups. Over half the families in temporary accommodation had a pre-payment meter. The high level of cash payments by all families was notable, as was the much higher proportion of families in the private rented sector paying by direct debit. With pre-payment the most expensive way to pay, and direct debit the cheapest, it is clear that the great majority of families are paying more than necessary for their electricity, and families in temporary accommodation significantly more.

FINDINGS: DIFFERENCES BETWEEN FAMILIES

Families were also asked how they paid rent [**Table A34, page 53**]. We noted a high level of cash payments, and a relatively low level of direct debit and standing order payments, which could indicate financial exclusion, landlords' preference for a cash economy or, quite probably, both.

Expenditure patterns on normal household shopping (groceries, etc.) and larger, more expensive purchases were also explored. Almost all families (90 per cent) relied on one or two weekly trips to the supermarket for their normal household shopping, with some topping this up in daily trips to corner shops. Only 10 per cent of families reported that they shopped daily at corner shops as their main way to buy food and household goods. Several families made regular use of markets, and one did weekly shopping on the Internet.

Families were asked how they would manage to purchase a larger item, such as a washing machine. Replies indicated a high degree of financial prudence [**Table A35, page 53**]. There was little enthusiasm for credit of any variety, with the majority of families indicating they would either do without, or not purchase until they had saved up.

This degree of financial parsimony was a recurrent theme in the interviews. Many tenants had a fear of, or strong desire to avoid, debt, and some perhaps realised that their credit was effectively exhausted.

This approach was pushed a little harder by seeking families' responses to how they would manage an unexpected bill of £500 that 'had' to be paid [**Table A36, page 53**]. Most families seemed very keen to avoid use of any form of established credit, with the main choices being just not paying, and in extremis borrowing informally from friends or family to make ends meet. A small number of families clearly had access to mainstream credit, which they use, and which is identified later. However, they were a minority.

Where families were actually paying for a large item, cash (or debit card) was clearly the preferred option [**Table A37, page 54**], with only a minority (17 per cent) of those who would purchase a larger item possibly using credit cards. A small number of families reported the use of store catalogues (though elsewhere in the survey there was evidence of higher use). With smaller purchases (for example weekly shopping), cash was more frequently used [**Table A38, page 54**].

A total of 72 families (50 per cent) had credit cards, with no difference between the two groups. There was a reluctance to use credit cards; less than 5 per cent of families used them routinely to purchase items and paid them off monthly. A significant minority appeared to be able to use them as genuine credit (8 per cent), but a clear minority of just under 15 per cent had exhausted their credit and were only making repayments. Proportionally there were slightly more of these families in the temporary accommodation group. Most families avoided having a credit card, or if they had one they only used it when it was the only way to purchase an item [**Table A39, page 54**].

From a general trawl of all the financial products held by interviewees (and their partners), we found that the great majority of families (89 per cent) had access to a basic bank or building society account. With stratification to omit the very small minority of families who had no banking at all, we found a large group with just a basic bank account, a large group who have the benefit of a full bank account and probably other services, and a small fully enfranchised group with a range of financial products [**Table A40, page 55**].

FINDINGS: DIFFERENCES BETWEEN FAMILIES

Of note was the significant number of families with a proper bank loan (22 per cent of respondents, with a clear bias towards families in the private rented sector), 51 households with a credit card loan (minimal bias to the private rented sector group), and a very low number of families (admitting to) incurring catalogue debt and using 'door to door' loans. We think that in practice households may be understating their exposure to catalogue debt, as elsewhere in the questionnaire 28 families confirmed using catalogues to purchase goods.

Fifteen families were purchasing through catalogues at least several times a year (and 13 less-frequent users) [Table A41, page 55], and it is likely that they were carrying significant debt, and almost certainly overpaying for the credit provided. However, it seemed common for people, and catalogue users in particular, to only consider repayments to be 'debt', or even a loan, when they are behind with the payments.

Use of catalogue purchases was explored further to see if there was any relationship with wider financial inclusion, or exclusion. For example, were catalogues used more by families with no access to credit cards, or were they a way of obtaining yet more credit from financially included households? There was some evidence that some families in temporary accommodation may be using catalogues as a preferred, or only, source of credit. However, families in the private rented sector were as likely to be using credit cards if they had access to other financial products as if they did not.

Other data in the survey provided some indication that there may be informal or cultural sources of credit and savings clubs, and there was a strong possibility of this form of credit being used by the different ethnic groups in the sample.

Only a minority of households had any form of pension or savings (though it is possible that works' pensions are slightly under-recorded, due to a general lack of financial awareness).

Families in temporary accommodation had fewer 'wealth bearing' products (ISAs, saving accounts), slightly less access to 'mainstream' credit, and probably more recourse to loan products with higher interest rates. However, the differences were not stark, and could arguably be as much a consequence (or secondary predictor) as a cause of their condition.

The very high stated preference for managing on a 'cash' basis may in part be involuntary. Interviewer debriefing and the focus groups indicated that a proportion of families operating on a 'cash only' basis are doing so due to historic problems of old debt.

Most households felt under financial pressure and nearly one-third had real problems [Table A32, page 52]. In practice this was probably underestimated, as indicated by the information on disposable income considered earlier, and the families who stated they were just able to manage, but then indicated this was only achieved by avoiding debt collectors.

While not directly supported by analysis of income and expenditure, evidence from the focus groups was that families in temporary accommodation were less competent at the financial juggling that is necessary to survive on a tight budget.

Families' knowledge and expectations of the homelessness process

A consideration at the start of this project was the hypothesis that households may be attracted to the homeless process as a route to affordable, secure, desirable housing. Understanding of the homeless option and process were explored with families in both groups

A majority of families in the private rented sector (70 per cent) were aware that the council would have a duty to re-house them if they were homeless; a further 18 per cent thought they might be eligible for re-housing. Only 12 per cent of families appeared to have no knowledge of eligibility or the process. Almost all families knew who their council was, and 80 per cent knew or were confident they could find where to go to get help if they became homeless.

Interviewers were asked to discuss the homeless option with all the families, and assess their understanding. Well over half had no knowledge of their entitlement (56 per cent), or had a dangerously naive view (6 per cent). Only around 40 per cent had any significant idea about what the homeless process would actually involve.

Of those families who felt able to suggest how long it might take to be permanently re-housed through the process, nearly a third thought it would take six months or less, with another third thinking it might take up to two years.

Similarly, around two-thirds thought the quality of permanent accommodation would be significantly or a lot better than their current home.

Overall it can be summarized that around a third of families in the private rented sector had a reasonable understanding of what the homelessness process entailed, around a quarter had a dangerously naive and optimistic view, with the remainder having a level of expectation significantly greater than the reality.

For a significant proportion of families in the private rented sector it would appear that the belief in the 'social tenancy at the end of the rainbow' is strong and is likely to influence their future housing actions if their tenancy came under threat.

This projection can be checked against the recollections of the families already in temporary accommodation. Of the 46 households answering this part of the questionnaire only 13 (28 per cent) did not know when they presented as homeless whether they would be eligible for a social tenancy or not. Of the remainder, 27 (59 per cent) believed the council would find them a (permanent) home, the remaining 6 (14 per cent) thought it was possible.

Once accepted into temporary accommodation, expectations of the time likely to be spent there changed quite dramatically. Over 80 per cent of families expected to be in temporary accommodation at least two more years, with over a quarter expecting a wait of five years or longer. Given that the median year in which families in the temporary accommodation group became homeless was 2003, these figures look quite credible.

Despite the realism of the families in temporary accommodation about how long it may take before they are offered a permanent home, there was a sharp polarization in attitudes on the private rented sector vs. homeless option. Twenty-four (of 44) families expressed the view that 'Despite everything, I would rather be here.' This compares with eight families for whom 'Any private rented sector is better than here', and another eight

FINDINGS: DIFFERENCES BETWEEN FAMILIES

for whom an 'OK' private rented sector landlord would be better than their current situation.

Many, possibly a majority, of potential homeless families from the private rented sector still have unrealistic expectations of the homeless process. For a large minority of the families that were accepted as homeless, the actual experience compared adversely with the private rented sector from which they had come.

From the focus group discussions, we noted that for a proportion of the families (perhaps the more fortunate ones in terms of where they ended up) their temporary accommodation has become a permanent way of life, with clear benefits compared to private renting.

Chapter 3

Findings: Families' housing aspirations and realistic options

SUMMARY

Over half the families in the private rented sector said they would look to the 'homeless system' if they lost their current tenancy. For those who would remain in the private rented sector, many would do so for negative reasons – the stigma of homelessness, not being eligible for social housing, or it was their only choice.

The main reasons for not wishing to continue in the private rented sector were high rents and insecurity of tenure. A quarter of families gave poor conditions as a reason.

The minority who might be able to afford to buy would be prepared to move away from the area, but most families wanted to remain in the locality, mainly to avoid disrupting the children's schooling.

We explored families' perspectives on current and other tenures, and preferences and expectations for future accommodation. The views of families in the private rented sector on remaining in this sector showed up starkly when they were asked what they would do if their current landlord gave them notice. The majority choice was anything but a vote of confidence in the sector. Over half indicated they would at least be 'looking to' the homeless option.

Table A42, page 56 records what families would do if their landlord actually gave them notice. There was polarity between families who would clearly choose to remain in the private rented sector, as either a reluctant or positive choice, and those who very clearly 'want out' and are prepared to ride the consequences.

Families who were in any way positive about remaining in the sector were asked to give their reasons [**Table A43, page 56**]. For a minority, the private rented sector is seen as having clear benefits, not least speed of access, the availability of furnished accommodation and a clear aspirational element. However, many of the stated positives were more 'double negatives' (fear, avoid stigma, not eligible) and stark reality (only choice) than an expression of real preference.

Families who were negative about continuing in the private rented sector expressed some predictable views [**Table A44, page 57**]. All but one of the 57 families who gave at least one reason for not wishing to continue in private renting gave unaffordable rents (44 families, or 77 per cent) or high rents (12 families, or 21 per cent) as a reason. This is far higher than the next reason, of insecurity of tenure (58 per cent), and pointed to affordability as a stronger negative than security of tenure for many tenants. This was tested with the focus group participants. On balance, security of tenure appeared to be more important than rent levels, but not for all participants.

FINDINGS: HOUSING ASPIRATIONS AND OPTIONS

Unsurprisingly, property quality issues (condition, overcrowding and disruption) feature strongly with almost half of the families, and landlord-related issues (lost deposits, harassment) affected about one-quarter of the families interviewed.

In an ideal world the majority of the families would prefer to be home-owners. Many would be willing to part-own their property and many to move away from Brent, or even London, if this was an achievable objective. It is possible that for a small proportion of families assisted purchase would be a practical solution, and may well be achievable with an appropriate advice and support package. This finding applied to higher income temporary accommodation and private rented sector families.

Where families could not achieve any form of home-ownership the great majority wished to remain living locally – either in Brent (33 per cent) or in or around the borough (53 per cent). Only 5 per cent wished to move away from London. The focus groups indicated attachment to the local school, and desire not to disrupt their children's education as key anchors to their current locality.

A small proportion of families clearly *preferred* the private rented sector, with the rest split more or less evenly between viewing private renting as 'the only practical option', and being willing to contemplate homelessness as a route into their preferred option of a social tenancy.

From the focus groups we found that for most families a social housing tenancy would be very desirable, though for some the private rented sector was a clear and positive choice. Interestingly, some of the families in temporary accommodation said that on balance their temporary accommodation was better than living in the private rented sector.

Chapter 4

Findings: Predictors and causes of families ending up in the homeless system

SUMMARY

The main predictors of homelessness were:

- parents living in social housing at the time the interviewee left home, implying either a lack of aptitude for living in the private rented sector or a desire to return to a familiar tenure;
- last rented property was found through small ads, likely to be because less competent landlords advertise in this way;
- British citizenship and having English as a first language, perhaps because of greater knowledge of how to access the homeless system, and also because this group would be the most likely to be eligible for social housing;
- lack of access to savings, 'wealth bearing products' or credit, so that finding a deposit or rent in advance would be difficult – there is a very strong relationship between having either a savings account and/or a bank loan, and the ability to move to a new tenancy;
- a first tenancy in the private rented sector, indicating coping issues.

Joint predictors and causes were:

- a belief that 'going homeless' will ultimately result in a family acquiring a lower rent, secure social tenancy in a reasonable property, though often this was the result of naive expectations about what the 'homeless system' entails;
- lack of ability to raise a deposit for a replacement tenancy, which links to the lack of access to savings referred to above;
- overall coping capability of household, and intermeshing of problems;
- earned income of less than £1,200 a month, which again would make finding money for another private rented sector home difficult, though this finding could be because, for some, homelessness itself triggers a loss in earned income.

Main predictors of homelessness

Because the research was geared to finding out why some families survived in the private rented sector and others became homeless, the analysis focused on identifying predictors and/or causes of families likely to end up homeless when a tenancy ended instead of being able to find another one. From our analysis we distilled the following predictors.

Parents living in social housing at the time the interviewee left home

The analysis was adjusted so that only families with UK-born parents were considered, and the results are quite stark [Table A10, page 46]. Over twice as many families in the temporary accommodation group had been living in social housing when the interviewee left the parental home compared to families in the private rented sector group (65 per cent vs. 30 per cent). Although the sample is small, this was a statistically significant result.

The implication is that the families whose parents grew up in social housing either lack the appropriate skills/knowledge for living in another tenure, or are motivated to return to the tenure they grew up in and understand.

Last rented property found through small advertisements (Loot, newsagents, etc.)

The results indicated an important complementary predictor – that tenants who found their home through an estate agent or lettings agent are more likely to remain in the private rented sector successfully, and not become homeless.

Reasons include:

- properties found through agents appeared to have lower rents than those found by other means. The difference was between £20 and £30 per week, when analysed by number of bedrooms;
- property let through agents is likely to be more competently managed;
- if a tenant has previously lived in a property let through agents, either the agent may offer replacement property and/or the original deposit is returned/transferred to the replacement tenancy. The focus groups and feedback from the interviewers reinforced these speculations.

British citizenship with English as a first language

British citizens made up about half the families in the private rented sector, but two-thirds of the families in temporary accommodation. Similarly, families with English as their first language were over-represented in the temporary accommodation group. These findings probably reflect actual and perceived eligibility, though there may also be an issue of public communication. There will also be an overlap with the finding that growing up in social rented housing is a predictor for families ending up homeless and in temporary accommodation.

Lack of access to savings, 'wealth bearing products' or credit

Only 18 private rented sector tenants reported they had proper savings accounts or ISAs. Where families in the private rented sector were asked what they saw as the biggest barrier to finding a new private rented sector tenancy if they had to move, 46 (56 per cent) indicated finding the deposit for the new property. However, of the 18 tenants with savings accounts and/or ISAs only 4 (22 per cent) said finding the deposit was their biggest barrier. While there is clearly a relationship between disposable income, money management and ability to save, the much lower concern over ability to fund a deposit amongst tenants with mainstream savings accounts is very significant. This is considered further under 'lack of ability to raise a deposit on move' below.

Twenty-two families in the private rented sector reported having bank loans. Six of these also had savings accounts. Of the remaining 16 families with bank loans but no reported savings, very interestingly 11 (69 per cent) also did not consider finding a deposit the biggest barrier to finding a new private rented sector home. Comparable findings were found when having savings accounts and bank loans were compared to finding a deposit being any barrier (at all) to securing a new tenancy.

Failure of a first private rented sector tenancy

A household's first private tenancy is the one most likely to fail and result in homelessness. Over 70 per cent of families' first private tenancies lasted less than four years, and the risk of becoming homeless in these early years is high.

FINDINGS: PREDICTORS AND CAUSES OF BECOMING HOMELESS

The focus group discussions emphasized four main issues or life events that propel people into difficulties that could lead to homelessness:

- loss of livelihood;
- family breakdown;
- illness;
- debt problems (although this can be an outcome of the other issues rather than the primary cause).

The survey did not identify ill health, which can be both physical and stress related, as a contributing factor to homelessness, although it was seen as a barrier to employment.

The focus group participants also confirmed that some 'behaviours' also increased the likelihood of not being able to survive in the private rented sector, including:

- poor money management skills, including spending beyond means and excess debt and/or unsafe borrowing;
- lack of motivation to help oneself.

From the discussions it was noted that problems had a tendency to intermesh and end up in failure to cope with private renting because of personal crisis and financial difficulties. Nevertheless, those in the focus groups conceded that some people also face difficult circumstances yet manage to cope, including surviving in private renting.

Joint causes and predictors

In terms of joint predictors and causes we found the following.

A belief that 'going homeless' will ultimately result in a family acquiring a lower rent, secure social tenancy in a reasonable property

There was clear evidence from the survey interviews that the majority of families in temporary accommodation expected that they would ultimately obtain a social tenancy. Similar expectations/ beliefs were held by around two-thirds of families in the private rented sector, with around a quarter having very naive (i.e. optimistic) expectations about what would happen if they became homeless.

Around one in ten families in temporary accommodation stated that if they knew then what they know now they would have avoided becoming homeless, again indicating that expectation is very different from the reality. Feedback from the focus groups suggests that this effect is less now than in the recent past, probably because of the information Brent now gives to homeless applicants.

Lack of ability to raise a deposit for a replacement tenancy

The most important practical measure that would help families in the private rented sector to relocate within the private rented sector, and families in temporary accommodation to avoid homelessness, was access to funds for a deposit (Table 8). The table summarizes neatly the need for 'finance, information and advice', the need for financial assistance with the cost of the deposit, and to a lesser extent rent in advance and the cost of the move.

Lack of access to formal or informal credit (or savings) sufficient to fund the deposit on a replacement property (and by implication any rent in advance) was a major cause of families being unable to manage their own housing solutions when losing their current property.

Table 8

What would most help/have helped families find a replacement private rented sector home? Multiple answers were allowed

	<i>In the private rented sector (%)</i>	<i>In temporary accommodation (%)</i>	<i>All families (%)</i>
Deposit	81	67	74
Short-term 'friendly' loan (to cover cost of move, etc.)	19	12	16
Introduction to an 'OK' landlord	47	33	40
List of 'good' landlords	45	40	42
Rent in advance	34	35	34
Support and advice (temporary accommodation only)	N/a	28	–
Nothing (temporary accommodation only)	N/a	28	–
Other	11	14	12
Number responding	47	43	90

The relative lack of importance of finding a deposit to those households who had either savings accounts or bank loans, as considered earlier, serves as very powerful evidence of the importance of financial inclusion and access to mainstream savings and credit in *avoiding* homelessness, and the barriers to surviving in the private rented sector for households without access to mainstream financial products.

Overall coping capability of household, and intermeshing of problems

A number of the families in the study had generally chaotic lifestyles with limited organizational and planning abilities. Around one in ten families appeared to be struggling to cope with normal living. It seems a reasonable assumption that these families will struggle to sustain a private tenancy, which leads to a greater chance of them reporting as homeless.

Analysis of household spending showed about 10 per cent of households with expenditure exceeding income by over £200 per month. Discussion within the focus groups further highlighted the manner in which problems can intermesh, and indicated the need for support services to be 'joined up' and able to deliver a range of housing and financial advice and support.

Earned income

We found some evidence that families with earned income (take home pay) of more than £1,200 per month were less likely to end up in temporary accommodation. We caution care with this projection, as it is clear that for some families the process of losing accommodation and becoming homeless also results in the loss of higher earning employment.

Chapter 5

Conclusions

SUMMARY

The research did not confirm marked differences between families in the private rented sector and those in temporary accommodation. Families in the private rented sector had not found distinctive ways to survive in private renting that families in temporary accommodation had not accessed but could acquire.

While families in temporary accommodation showed higher levels of financial exclusion and lower coping abilities, the homelessness process itself could account for much of the difference. Both groups struggled financially, exacerbated for some by poor money management skills, and for over half (at least of non-working) families because they were probably not in receipt of their full benefit entitlement. More families in the private rented sector were in employment, possibly because job loss can be both the cause and the result of homelessness.

The level of dissatisfaction with property conditions in both groups was high and, based on the reported conditions, justified. Lower rent, better managed, and therefore more sustainable, private rented sector homes were found through letting agents. Lack of access to money for deposits, rent in advance and other moving costs were the biggest barriers to moving within the private rented sector.

If low-income families continue to be placed in the private rented sector to relieve pressure on social housing, radical changes are needed to improve conditions in the sector and provide proactive, 'joined up' support for families in the private rented sector.

Such measures would greatly increase the chance of homeless 'avoidance'. They might also allow the private rented sector to become the tenure of choice.

When this research was planned, we had assumed that we might find differences between the private rented sector group and the temporary accommodation group that could be addressed in order to transform some of the families typified by the temporary accommodation group into those in the private rented sector group who were managing to avoid homelessness.

In fact, there were few marked differences in the characteristics of each group in areas such as educational attainment, or attitudes to employment. Both groups displayed a range of types of financial exclusion, and of coping abilities. While families in the private rented sector appeared to be slightly better at budgeting, the gap between the rent and the Housing Benefit left them with less after paying for weekly essentials than families in temporary accommodation. The higher percentage of families struggling to cope in the temporary accommodation group, and the notable lack of self-motivation among those unemployed in temporary accommodation might either be a result of the disempowering effect of the homeless system or a factor that increased the likelihood of their becoming homeless, or a combination of both.

CONCLUSIONS

As observed elsewhere in this report, the process of becoming accepted as statutorily homeless involves the forced loss of the families original home, almost certainly at least one move into hostel accommodation, and after an indeterminate time a 'no choice' move into first one, then further temporary properties which could be far away from the families' home area. During this time the family are told what to do, and have very little say over timing or choice of property, and may not even be aware of the rent or who is the owner of their temporary accommodation. This process would seem designed to disempower and demotivate households. It is therefore impossible from this element of the research to form any conclusion on the extent to which lack of motivation found is a cause or consequence of homelessness.

Two stark differences to emerge were the higher representation of UK citizens and those with English as their first language among the temporary accommodation group, and the high percentage whose parents had lived in the social rented sector when they first left home. It is therefore possible that, for some, the homelessness route was entered because of a desire to return to the social rented sector for reasons of familiarity or dependence; the increased likelihood of being eligible; and an understanding of how the homeless system works as a route to social housing.

Over half the families in the private rented sector said they would consider accessing the homeless system if their current tenancy ended. This may, in part, relate to unrealistic expectations of the homeless process. It is also likely to indicate their perception that conditions in the private rented sector, and the struggle to survive financially, make a move to another private rented sector property unlikely to be a satisfactory or even possible option. This conclusion is underpinned by the negative (and often well-founded) attitudes to the private rented sector that were shared by both groups.

Another notable difference did not relate to the families themselves, but to how they found their private rented sector accommodation. The better management and lower rents of tenancies found through lettings agents opens up one possible route for increasing the sustainability of private rented homes.

We concluded that, if low-income families are to continue living in the private rented sector, and be encouraged to do so to relieve pressure on the demand for social rented homes, radical changes must be made on a national level to introduce professionalism and regulation to the sector and to address affordability. To meet the range of needs including housing and homelessness advice, money management skills and opportunities to increase incomes, there should be a range of proactive and 'joined up' support for families. Such measures would greatly increase the chance of homeless 'avoidance'. They might also allow the private rented sector to become the tenure of choice.

Chapter 6

Recommendations

SUMMARY

Support for low-income families

We ask the Government:

- to encourage financial inclusion measures for families in the private rented sector;
- to expand affordable childcare.

Locally, we recommend:

- proactive targeted support for families in the private rented sector including housing and homelessness advice, debt, welfare benefits and money management, and financial inclusion initiatives;
- training and employment initiatives to be targeted towards families in the private rented sector;
- a loan or grant scheme to fund the cost of a deposit on a new tenancy and removal costs;
- a named individual or organization that families can rely on for coordinated support;
- allowing families formerly in the private rented sector who are accepted as homeless to retain their priority for social housing if they find alternative homes in the private rented sector;
- measures to increase access to sustainable private rented sector tenancies through letting agencies and 'OK' landlords.

A private rented sector fit for purpose

We ask the Government:

- to enact the Rented Homes Bill to professionalize private renting;
- to consider the Law Commission's proposals for regulating the private rented sector through a central regulator;
- to build flexibility into Housing Benefit/Local Housing Allowance thresholds;
- to explore rent subsidies as piloted by Working Future and to encourage an expansion of intermediate renting;
- to review the poverty trap created by the sharp reduction in benefits as income increases.

Local government housing strategies should take account of the growing number of families living in the private rented sector. London councils should agree pan-London standards for qualifying offers.

Local authorities should put adequate resources into improving private rented sector standards through enforcement.

Housing alternatives

Eligibility for assisted purchase should be widened and a national mobility scheme introduced. Information on local affordable housing schemes should be targeted towards families in the private rented sector.

Information channels

Information could be targeted through Housing Benefit mailings and text messaging.

Our recommendations fall into three broad categories:

- those required to make the private rented sector 'fit for purpose' by improving conditions and management of the private rented sector, and tackling affordability;
- those that will provide targeted support for low-income families living in the private rented sector;
- those designed to increase access to housing alternatives.

Within each category are measures we ask the Government to consider; and local initiatives, by which term we include regional, sub-regional and local government and partner agencies in the statutory and voluntary sectors.

Finally, we recommend channels of communication by which families in the private rented sector might best be reached.

Support for low-income families

The Government

Financial inclusion

The Government has a clear strategy for financial inclusion, most recently spelt out in *Financial Inclusion: The way forward* (HM Treasury 2007) and much has already been achieved. However, because most financial inclusion initiatives are, understandably, targeted at those neighbourhoods demonstrating the highest levels of deprivation, they rarely reach those in the dispersed private rented sector. Some initiatives should be targeted to financially excluded families in the private rented sector.

The Government has shown a lot of interest in recent housing association initiatives aimed at tackling worklessness among their own tenants. We would like to see encouragement for similar work with private tenants. The Government could perhaps set up a fund for such initiatives.

Affordable childcare

This was the single most important barrier to employment. The Government should make childcare affordable for low-income families in the private rented sector, especially those in employment-related training.

Local initiatives

Preserved priority for social housing

Local councils should allow families formerly in the private rented sector who have been accepted as homeless to retain their priority for social housing if they find alternative homes in the private rented sector.

RECOMMENDATIONS

Relating conditions to priority for social housing

Local councils should give due consideration to housing conditions when assessing rehousing priority.

Increasing accessibility to 'OK' landlords

Access to a list of landlords who let family-size accommodation to an acceptable standard and who will accept benefit claimants would benefit significant numbers of families who need to move.

The means by which landlords are deemed to be 'OK' would need consistency to avoid challenge. A place to start might be those landlords who are accredited by the London Landlords Accreditation Scheme.

Local authorities should explore how more letting agents could be encouraged to let to families claiming benefits, and households should be given advice about the advantages of finding rented accommodation through letting agents. It may be possible for advice agencies to assist families to prepare themselves for the agents' vetting process and/or to provide references. Alternatively it may be possible for advice agencies to develop relationships with one or more agents who would agree to take referrals from them.

Employment and training

Local work incentive schemes, training and employment opportunities should be targeted at families in the private rented sector. Even though such schemes are often open to all, the dispersed nature of the private rented sector means that private tenants often fail to hear about them.

Debt and money management advice

Most welfare benefits and money advice work consists of advertising and providing advice to households who seek it. From the budgetary exercise and interviewer feedback it is clear that proactive outreach reaches a substantially higher proportion of households able to benefit from the advice. We note that this finding is fully in accord with the recent research (Buck et al. 2007). Ways should also be found to ensure that working families can access such advice.

Information on obtaining affordable credit, and the hidden cost of catalogue purchases and other forms of readily available credit should be targeted at families in the private rented sector.

Loan or grant scheme

A fund that could be used for deposits, rent in advance, and other essential relocation costs would greatly increase the ability of families to relocate on loss of their tenancy. Funding could be provided as a loan or a grant, or a mix of both. We distinguish this proposal from existing rent in advance and deposit guarantee schemes that rely on local authorities finding the accommodation, as these diminish choice and independence.

Good practice could be taken further, using, for example, the point of application for Housing Benefit as a route to encourage families in the private rented sector to consider opening basic savings accounts, and looking to use existing debt as an opportunity to obtain a low-interest consolidated bank loan. Establishing savings and/or formal debt with regular repayments helps establish credit scores, and provides funds or a track record to assist with relocation costs and deposits when a move becomes necessary or desirable.

RECOMMENDATIONS

Co-ordinated family support

Unlike their counterparts in social renting, families in the private rented sector do not have a housing officer to contact when they need advice and support. Lack of security of tenure makes it inappropriate for families to raise personal or financial matters with the landlord. Families should therefore be able to have access to a named individual or agency for support.

A private rented sector fit for purpose

The Government

The Rented Homes Bill

In 2000 the Government commissioned the Law Commission to review the complexities of landlord and tenant law with a view to simplifying it. The Law Commission responded by drafting the Rented Homes Bill, which would abolish the current jungle of housing law and replace it by two landlord-neutral tenancy types – one that bears most of the features of council secure tenancies, the other of which equates to assured shorthold tenancies. Both require clear and comprehensive statutory occupancy contracts that clarify and give transparency to the rights and obligations of both parties. We believe this would have an unprecedented impact by blurring the sharp distinction between private and social tenancies, and in divorcing the landlord and tenant relationship from its feudal past and placing it on a firm consumer footing. In short, it would professionalize the sector.

We therefore strongly recommend that the Government enacts the Rented Homes Bill.

Private rented sector conditions

The Law Commission also has proposals for regulation of the private rented sector through a central regulator and have recently completed a public consultation on these (October 2007). We hope that, in due course, the Government will consider the potential for such regulation to improve private rented sector standards.

Market rents and welfare benefits

Measures we would ask the Government to consider are as follows.

- **Housing Benefit, and the Local Housing Allowance** It is essential that Housing Benefit/Local Housing Allowance levels reflect market rents and provide sufficient flexibility to accommodate market variations within areas.
- **Rent subsidy** In preparation for our research we looked at Working Future, a government funded pilot in East London aimed at assisting people in temporary accommodation to find employment. The pilot sought to mitigate the work disincentive created by the impact of increased income on tax credits and the sharp benefit tapers (the 'poverty trap') by injecting rent subsidies, effectively reducing market rents to the level of social housing rents. We understand that the pilot is to be extended to another London borough. We would like to see a parallel pilot for families in the private rented sector.
- **Intermediate renting** We would like the Government to give more focus to the provision of intermediate renting (accommodation let on sub-market rents) within its affordable housing strategy.
- **The poverty trap** The causes of the poverty trap should be reviewed, and measures taken to reduce its impact, for example by flattening the Housing Benefit taper.

RECOMMENDATIONS

The buy-to-let market

There should be an urgent investigation into the extent to which temporary accommodation and qualifying offers are having an impact on the buy-to-let market.

Local initiatives

A strategic approach

Local government housing strategies must take account of the growing number of families in the private rented sector. Strategies should contain clear means of implementation, and effective means of monitoring progress should be put in place.

Private rented sector conditions

Qualifying offers

The high level of dissatisfaction with property conditions is likely to include families who have accepted qualifying offers. We recommend that local authorities in London agree standard criteria for property condition and landlord competence as key components in what is regarded as suitable accommodation for qualifying offers.

Enforcement and joint working

Conditions would be improved significantly by putting a realistic level of resources into enforcement, as well as developing more joint working between council departments such as environmental health, planning, building control, pest control and social services, and improved liaison with the voluntary and community sectors.

Benefits and the Local Housing Allowance

Benefit checks and take-up campaigns should be targeted at families in the private rented sector, exploring the potential for outreach work.

Housing Benefit/Local Housing Allowance claims should be processed with all speed. We are concerned that certain claimant groups are sometimes 'fast-tracked', indicating a 'slow track' for the rest. The Government has estimated that it should be possible for the Local Housing Allowance to be processed within four days from receipt of full details of a claim. We hope that local authorities will set 4 days as their target.

Where Housing Benefit/Local Housing Allowance shortfalls occur, claimants should be told about discretionary housing payments.

Alternatives to renting

The Government

Assisted purchase schemes

We would urge the Government to broaden eligibility for assisted purchase schemes to include more low-income families in the private rented sector. As well as assisting the families themselves, it will help to stabilize the buy-to-let market.

A national mobility scheme

Although a clear majority of Brent families wish to remain in the local area, a move would be more likely to be contemplated if, by this means, families could access assisted home purchase schemes. We recommend that the abandoned scheme MovesUK should be replaced as a matter of urgency.

RECOMMENDATIONS

Local initiatives

Assisted purchase schemes

Although only a small minority of the families in our survey would qualify for any form of low-cost home ownership, almost none was even aware of such schemes. Targeting information at families in the private rented sector would not only benefit the minority who are eligible, it would also provide an aspiration for others and might, for example, motivate take-up of the targeted employment and training opportunities recommended above.

Information channels

One means of targeting information to families in the private rented sector would be a newsletter, which could, for example, be included with mailings to families in receipt of Housing Benefit/Local Housing Allowance. Single pieces of information could be conveyed to this group by text message if benefits departments routinely collected claimants' mobile phone numbers.

References

- Buck, A., Tam, T. and Fisher, C. (2007) *Putting Money Advice Where the Need Is: Evaluating the potential for advice provision in different outreach locations*, Legal Services Research Centre Research Paper No. 16, London: Legal Services Commission.
- Cave, M. (2007) *Every Tenant Matters: A review of social housing regulation*, London: Communities and Local Government. Online at <http://www.communities.gov.uk/documents/housing/pdf/320365>.
- Crew, D. (2007) *The Tenants' Dilemma: Warning – your home is at risk if you dare complain*, Liverpool: Crosby, Formby and District CAB. Online at <http://www.sheilamckechne.org.uk/Tenants%20%20Dilemma.pdf>.
- Gulliver, Kevin (2007) *A New Deal for Tenants: Improving well-being in social housing by tackling tenure inequality and promoting asset ownership*, London: Human City Institute. Online at <http://www.humancity.org.uk/reports/mediaCentre/20062007INSIDEHOUSINGNEWDEALFORTENANTS.pdf>.
- Hills, J. (2007) *Ends and Means: The future roles of social housing in England*, CASE report 34, London: ESRC Research Centre for Analysis of Social Exclusion, LSE. Online at <http://sticerd.lse.ac.uk/dps/case/cr/CASEREport34.pdf>.
- HM Treasury (2007) *Financial Inclusion: the way forward*, London: HM Treasury. Online at http://www.hm-treasury.gov.uk/media/7/B/financial_inclusion030407.pdf.
- Humphrey, A., Hewton, J., Wall, D., Oliver, R. and Bose, S. (2005) *Housing in England 2003/04 Part 3: Social renters and private renters*, December, London: Office of the Deputy Prime Minister. Online at <http://www.communities.gov.uk/documents/housing/pdf/142748>
- MacLennan, D. (2007) *Better Futures for Social Housing in England: Looking forward, aiming higher*, York: Joseph Rowntree Foundation. Online at <http://jrf.org.uk/bookshop/eBooks/2025-future-social-housing.pdf>.
- Mayor of London's Housing Commission (2000) *Homes for a World City: Report of the Mayor's Housing Commission*, November. Online at http://www.london.gov.uk/mayor/housing_commission/pdf/hsgcomfullrep.pdf.
- Oxford Economic Forecasting (2003) *Cost of Living Comparisons Between London, Edinburgh and Manchester: Case for London Technical Report*, London: GLA. Online at http://www.london.gov.uk/mayor/economic_unit/case_for_london/costofliving_exec_summary.pdf.

Appendix

Key tables

PRS = private rented sector

TA = temporary accommodation

Table A1
Household type

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Small single-parent household	28	23	51
Larger single-parent household	10	10	20
Small two-parent household	25	14	39
Larger two-parent household	17	11	28
Three generations household	0	1	1
Other household	2	2	4
Total	82	61	143

Table A2
Anyone in household in paid employment

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
No	29	31	60
Interviewee	30	21	51
Spouse/partner	8	7	15
Both	8	0	8
Maternity leave	1	0	1
Total	76	59	135

Table A3
Income per calendar month for those in paid employment

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Less than £220	0	2	2
£220–£329	2	2	4
£330–£429	6	3	9
£430–£539	5	6	11
£540–£649	9	3	12
£650–£749	6	4	10
£750–£869	2	2	4
£870–£979	2	4	6
£980–£1,079	3	2	5
£1,080–£1,189	7	2	9
£1,190–£1,299	5	1	6
£1,300–£1,519	5	1	6
£1,520–£1,729	1	0	1
£1,730–£2,599	4	2	6
Total	57	34	91

APPENDIX: KEY TABLES

Table A4
Interviewee – age band

<i>Age</i>	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
16–24	1	4	5
25–34	22	9	31
35–44	34	22	56
45–59	21	16	37
60–74	0	1	1
Total	78	52	130

Table A5
Citizenship status

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
UK citizen	41	41	82
EU citizen	18	10	28
Exceptional/indefinite leave to remain	18	6	24
Other	4	3	7
Total	81	60	141

Table A6
Distance from parental home to own home (when tenant first left parental home)

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Within 1 mile	2	2	4
Within 5 miles	2	9	11
5–10 miles	7	6	13
10–50 miles	6	4	10
Rest of UK	10	5	15
Europe	11	7	18
Rest of world	39	26	65
Total	77	59	136

APPENDIX: KEY TABLES

Table A7
Ethnic identity (interviewee's own words)

	<i>Number</i>		<i>Number</i>
African	11	Iraqi	1
Afro-Caribbean	1	Jamaican	1
Algerian	1	Mauritian	1
Arab	4	Mediterranean	1
Ari	1	Middle Eastern	1
Asian	14	Mixed	1
Black African	20	Mixed Moroccan	1
Black British African	10	Palestinian	1
British African	1	Polish	1
British Arab African	1	Refused	4
British Asian	1	Sri Lankan	4
British Pakistani	1	Tamil	1
British	1	West Indian	1
Caribbean	7	White	8
Chinese	1	White British	5
Ghanaian	1	White European	4
Human	1	White Irish	1
Indian	2	White Italian	1
Indian Portuguese	1	White Latin American	1
Iranian	1	White Other	2

Table A8
English as first language (interviewee)

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Yes	34	31	65
No but fluent	35	20	55
Limited	13	7	20
Total	82	58	140

Table A9
Parents' tenure

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
n/a	0	1	1
PRS	9	4	13
Social rented	8	15	21
Owned by parents	53	32	85
Other	3	3	5
Total	73	55	128

APPENDIX: KEY TABLES

Table A10
Parents' tenure (UK only)

	<i>PRS group</i> %	<i>TA group</i> %	<i>Total</i> %
PRS	9	4	7
Social rented	30	65	48
Owned by parents	57	30	43
Other	4	0	2
Actual numbers in sample	23	23	46

Table A11
Number of bedrooms

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
0 (bedsit)	4	4	8
1	18	9	27
2	34	23	57
3	25	21	46
4	2	1	3
Total	83	58	141

Table A12
Property type

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Flat (converted)	27	13	40
Flat (purpose built)	18	17	35
Bedsit	5	3	8
Maisonette (converted)	3	4	7
Maisonette (purpose built)	5	3	8
Whole house	27	14	41
Total	85	54	139

Table A13
Furnished or unfurnished?

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Furnished	32	32	64
Part furnished	40	23	63
Unfurnished	11	5	16
Total	83	60	143

APPENDIX: KEY TABLES

Table A14
Preference for furnished or unfurnished accommodation

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Happy with current situation (whether furnished or unfurnished)	49	28	77
In unfurnished or part-furnished but would prefer fully furnished	22	11	33
In furnished but would prefer unfurnished	12	18	30
Total	83	57	140

Table A15
Type of landlord

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Local authority	0	7	7
Housing authority	0	42	42
Private individual	78	8	86
Resident landlord	1	0	1
Company	3	1	4
Other	1	1	2
Total	83	59	142

Table A16
Written tenancy agreement

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Yes	78	51	129
No	1	3	4
Uncertain	2	5	7
No reply, etc.	4	2	6
Total	85	61	146

APPENDIX: KEY TABLES

Table A17
Contact phone number for landlord

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Yes	68	52	120
Yes (but not answered)	3	0	3
No	7*	0	7
Uncertain	1	4	5
Total	79	56	135

Note:

* The seven tenants who did not have a telephone number for their landlord had a satisfactory way of making contact if needed, for example the landlord lived nearby.

Table A18
Know address of landlord?

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Yes	63	46	109
No	14	11	25
Uncertain	6	2	8
Other	1	0	1
Total	84	59	143

Table A19
Tenant has rent book or receives regular statements

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Yes	20	34	54
Have to ask for receipt	4	2	6
No	56	16	72
Uncertain	0	2	2
N/a ('Council arranges everything')	0	4	4
Total	80	58	138

Table A20
How satisfied with property?

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Very satisfied	11	6	17
Fairly satisfied	18	15	33
Neither/nor	13	7	20
Fairly dissatisfied	18	12	30
Very dissatisfied	22	19	41
Don't know	2	2	4
Total	84	61	145

APPENDIX: KEY TABLES

Table A21
Satisfaction with state of repair of property

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Very satisfied	15	3	18
Fairly satisfied	19	12	31
Neither/nor	15	7	22
Fairly dissatisfied	3	1	4
Very dissatisfied	13	20	33
Don't know	18	15	33
Total	83	58	141

Table A22
Years at current address (and also at last private rented sector address if temporary accommodation)

<i>Full years</i>	<i>Private tenant (current home)</i>	<i>TA group – time in last PRS tenancy</i>	<i>TA group – time in current (TA) property</i>	<i>TA group – years since became homeless</i>
0	8	8	15	9
1	18	7	11	4
2	18	5	4	4
3	16	7	9	6
4	2	6	6	7
5	4	0	5	7
6	2	1	3	1
7	1	1	0	1
8	2	1	0	0
9	4	0	0	1
10+	3	2	0	1
Total	78	37	53	41

Table A23
How many other places lived in since start of 2000

	<i>Private tenant group (only)</i>
None	12
1	17
2	22
3	16
4	6
5	0
6	1
Total	74

APPENDIX: KEY TABLES

Table A24
How found home (last home if in temporary accommodation)

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
n/a	0	4	4
Estate agency/letting agency	36	8	44
Advice centres	2	4	6
Council advice	19	16	35
LOOT	3	5	8
Small ads, newsagents	1	2	3
Small ads, newspapers	0	2	2
Already knew landlord	3	0	3
Friends	12	11	23
Relatives	1	1	2
Total	77	53	130

Table A25
All routes tried when looking for current home (last home if in temporary accommodation)

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
n/a	0	4	4
Estate agency/letting agency	38	11	49
Advice centres	6	4	10
Council advice	24	17	41
LOOT	18	6	24
Small ads, newsagents	17	4	21
Small ads, newspapers	9	3	12
Already knew landlord	6	0	6
Friends	20	14	34
Relatives	5	3	8
Total	143	66	209

Table A26
Benefit take-up

	<i>PRS group</i>	<i>TA group</i>	<i>All</i>
Maximum response possible	85	61	146
Housing Benefit	75	58	133
Council Tax Benefit	50	48	98
Income Support	13	24	37
Child Benefit	77	56	133
Child Tax Credit	69	51	120
Working Tax Credit	44	24	68
Pension Tax Credit	0	1	1
Incapacity Benefit	6	1	7
Disability Living Benefit	4	2	6
Jobseeker's Allowance	4	2	6

APPENDIX: KEY TABLES

Table A27
Education attainment of interviewee

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Degree or higher	15	10	25
'A' level or equivalent	17	14	31
5+ GCSEs/'O' levels	16	10	26
1+ GCSE/'O' level	3	6	9
NVQ/trade certificate	11	6	17
None	16	10	26
Total	78	56	134

Table A28
Wish to be in work?

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Yes	33	35	68
No	10	6	16
N/a	2	2	4
Don't know	1	0	1
Total	46	43	89

Table A29
Like to work – full or part time

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Part time	17	19	36
Full time	15	16	31
n/a	0	2	2
Total	32	37	69

Table A30
Positive reasons and negative barriers to not working

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Care for child	19	18	37
Care other adult	2	0	2
Enjoy life not working	1	0	1
Not eligible to work	2	0	2
Other	5	4	9
n/a	0	2	2
Total	29	24	53

APPENDIX: KEY TABLES

Table A31
Barriers to working (where attitude toward work is positive)

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Lack affordable childcare	18	13	31
Lack suitable work opportunities	4	4	8
Could only get low-paid job	3	1	4
Impact of 'benefit claw-back'	3	0	3
Other	4	1	5
N/a	0	1	1
Total	32	20	52

Table A32
Managing assessment profile

	<i>PRS group</i>	<i>TA Group</i>	<i>All</i>
We are comfortably able to manage on the amount of money we have, and have no difficulty paying our rent, gas, electric and other household bills	2	2	4
While money is tight we are just about able to manage and occasionally afford a small luxury or treat	26	19	45
While we can just about manage there are weeks when we have to go short or have to avoid paying bills	33	18	51
We have real problems with money and always have bills that we have not paid	16	14	30
Our finances are so bad that we are having to avoid debt collectors	8	8	16
Total	85	61	146

Table A33
How electricity is paid for

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Prepayment card	20	32	52
Cash at Post Office/bank	32	16	48
Cheque at Post Office/bank	5	2	7
Direct debit	16	4	20
Some other way*	8	4	12
Total	81	58	139

Note:

*Included 'budget card'

APPENDIX: KEY TABLES

Table A34
How rent is paid to landlord

	<i>PR S group</i>	<i>TA group</i>	<i>Total</i>
Housing benefit direct to landlord	46	50	96
Cash to landlord/agent	33	7	40
Cheque to landlord/agent	12	0	12
Standing order	12	4	16
Direct debit	5	4	9
Some other way*	3	12	15
Total**	111	77	188

Notes:

* The high level of 'some other way' amongst the group in temporary accommodation is due to tenants paying in at the Post Office with payment cards.

** Totals come to more than 100 per cent as many tenants have their Housing Benefit entitlement paid direct to the landlord, but also have to pay additional money to top up the Housing Benefit.

Table A35
Funding larger purchases

	<i>PR S group</i>	<i>TA group</i>	<i>Total</i>
Save to buy	29	27	56
Use credit	16	11	27
Use social fund	1	2	3
No major purchases	33	20	53
Total	79	60	139

Table A36
How would manage unexpected bill of £500 (more than one response allowed)

	<i>PR S group</i>	<i>TA group</i>	<i>All</i>
Just could not pay...	12	25	37
Stop spending until paid	13	15	28
From savings	5	5	10
Borrow from family or friends	13	12	25
Overdraft	3	4	7
Bank loan or similar	4	4	8
Loans company (high street)	1	1	2
Loans company (postal/telephone)	0	1	1
Credit card	2	5	7
Pawn broker	2	1	3
Credit union/saving club	2	1	3
Doorstep lender	1	0	1
Work (informal economy)	2	2	4
Other	5	7	12
Total	65	83	148

Note:

'Other' was mainly negotiating payments by instalments, and one tenant said they would borrow from their rent payments, and explain to their landlord.

APPENDIX: KEY TABLES

Table A37
Payment method – big purchases

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Cash	24	28	52
Cheque	2	3	5
Debit/cash card	18	12	30
Credit card	13	6	19
Store catalogue	3	3	6
Total	60	52	112

Table A38
Payment method – smaller/routine purchases

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Cash	57	46	103
Cheque	3	2	5
Debit/cash card	25	18	43
Credit card	4	3	7
Other	1	2	3
Total	90	71	161

Table A39
Families' views on having/using a credit card

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Would like, but not been able to get one	10	3	13
Would not want – can get into debt too easily	33	27	60
Do have, but would only use in emergency, for example if it was the only way I could buy something I needed	20	13	33
Use regularly, but make sure pay off each month	4	2	6
Use regularly, and pay off what I can afford	8	5	13
My card is at or near its credit limit	10	10	20
Total	85	60	145

APPENDIX: KEY TABLES

Table A40
Interviewee or partner has one or more of these financial products

	PRS group	TA group	All
Refused/declined/no answer	6	6	12
Therefore maximum response possible	79	55	134
Bank account	58	45	103
with cheque book	36	19	55
Building society account	10	6	16
with cheque book	7	6	13
Other savings account	16	4	20
Life insurance	9	2	11
Endowment, ISA or similar	2	0	2
Pension – from work	6	4	10
Pension – personal/freestanding, etc.	3	0	3
Savings club	1	1	2
Credit cards	31	20	51
Applied (unsuccessfully) for credit card (if had none)	6	3	9
Bank loan	22	8	30
Other loan (high street lender)	3	2	5
Catalogue loan	1	1	2
'Door to door' loan	1	2	3
No bank account – not applied	1	2	3
No bank account – applied (last 3 years)	1	2	3

Table A41
Catalogue purchases

	PRS group	TA group	Total
<1 time year	6	7	13
Several times a year	5	5	10
Most months	4	1	5
Total	15	13	28

APPENDIX: KEY TABLES

Table A42

Existing tenant's stated intentions if served with a valid notice to quit by current landlord

	<i>First Response</i>	<i>Second response</i>	<i>ALL responses</i>
Seek to find somewhere else to rent as <i>preferred</i> option	9	11	20
Seek to find somewhere else to rent as <i>only realistic</i> option	23	15	38
Use as opportunity to look for completely different (non-PRS) solution to my housing needs, such as moving away or buying a property	5	4	9
While would look for another property to rent, would not expect to be successful and may end up homeless	9	7	16
Never want to rent from a private landlord again, and would probably choose to go to the council as homeless	23	12	37
Total	69	49	120

Table A43

Stated reasons why existing tenants who were in any way positive about the PRS would seek a new PRS tenancy (more than one answer allowed)

	<i>Number</i>
Only option	23
Want or need furnished accommodation	9
Speed of access	14
Direct access/quick decision	6
Know landlord (or someone who does)	7
Aspiration/link to better quality of life	10
Prefer letting agent to council	3
Avoid stigma of homelessness (process)	7
Fear of council estates, harassment, anti-social behaviour	10
Believe not eligible for social tenancy	7

APPENDIX: KEY TABLES

Table A44

Stated reasons why existing tenants were negative about the PRS (more than one answer allowed, 57 families responded)

	<i>Number</i>
Unaffordable rents	44
High rents (not unaffordable)	12
Cannot afford cost of move	10
Lost deposit(s)	14
Poor condition of PRS properties	24
Overcrowded/cramped accommodation	18
Insecurity of tenure	33
Disruption of regular moving	19
Impact on children's schooling	20
Harassment by landlord	2
No idea where may find replacement tenancy	13
Total respondents	57

Table A45

What would most help/have helped families find a replacement PRS home (more than one answer allowed)

	<i>PRS group</i>	<i>TA group</i>	<i>All</i>
Number responding	47	43	90
Deposit scheme	38	29	67
Short-term 'friendly' loan (to cover cost of move, etc.)	9	5	14
Introduction to an 'OK' landlord	22	14	36
List of 'good' landlords	21	17	38
Rent guarantee	16	15	31
Support and advice (TA only)	n/a	12	12
Nothing (TA only)	n/a	12	12
Other	5	6	11

APPENDIX: KEY TABLES

Table A46
Relocate out of London? (rented)

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Negative (strong)	55	44	99
Negative (weak)	9	2	11
Don't know	1	3	4
To think about	11	2	13
Tell me more!	6	1	7
Total	82	52	134

Table A47
Attitude to suggestion of assisted home purchase

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
Negative	14	15	29
'Nice but impossible'	31	25	56
Don't know	0	1	1
To think about	7	5	12
Tell me more!	14	3	17
Total	66	49	115

Table A48
Where families willing to consider assisted purchase would consider buying

	<i>PRS group</i>	<i>TA group</i>	<i>Total</i>
	18	5	23
Out of London	6	1	7
Out of Brent or out of London	3	1	4
Not interested	28	12	40
Total	55	19	74