

**No room available:**  
study of the availability of shared  
accommodation

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## About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change. Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives. We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

Crisis has worked to open up access to the private rented sector for homeless and vulnerable housed people all over the UK since 1997. With the support of the Department of Communities and Local Government Crisis manages the Private Rented Sector Access Development Programme which funds and supports local community organisations across England to help single homeless people find and then keep a private rented home. We also work with the Scottish Government to support the development of rent deposit guarantee schemes. Crisis has a wealth of experience and practical resources on private renting available at [www.privaterentedsector.org.uk](http://www.privaterentedsector.org.uk)

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## Key findings

- On the 14<sup>th</sup> and 15<sup>th</sup> November 2012 Crisis conducted a snap-shot survey of the number of private rented lettings available, affordable and accessible to people claiming the Shared Accommodation Rate (SAR) in three areas: Birmingham, Leeds and the London Borough of Lewisham. The aim of the exercise was to test the ability of a typical 18-35 year old reliant on Local Housing Allowance (LHA) to find accommodation in a shared property.
- Across the three locations 4360 shared properties were advertised as available, yet only 13% (560) of them were affordable within the Shared Accommodation Rate. Perhaps more worryingly, upon inquiry only 12% (66) of the 560 affordable private lettings that, in principle, should be open to SAR recipients were in fact accessible to them because the vast majority of landlords/agents were unwilling to let to Housing Benefit claimants. This means that only a shocking 1.5% (66) of the 4360 shared properties advertised in the three locations were in fact accessible to SAR recipients.
- In Birmingham we found 1813 shared properties available on the day of the search, yet only 188 (10%) of them were affordable within the SAR. Moreover, upon inquiry only 29 (15%) of the 188 affordable properties advertised were accessible to SAR recipients. So just 1.6% of the 1813 private lettings we found were in fact accessible to people who are subject to SAR.
- A similar picture emerged in Leeds, where on the day of the search we initially found 1877 shared properties available only to establish that a mere 15% (290) were affordable within the shared accommodation rate. What's more, only 31 (11%) of the 290 'technically' affordable private lettings were open to Housing Benefit recipients. This means that only 1.7% of the 1877 shared properties advertised were accessible to SAR recipients.
- Perhaps unsurprisingly, findings in Lewisham in South East London were consistent with those in the two other locations: we found 670 shared properties available, yet only 12% (82) of them were affordable within the SAR. More worryingly, upon enquiry just 6 (or 7%) of those 82 shared properties in reality were available to SAR recipients because the vast majority of landlords/agents would not let to Housing Benefit claimants. This means that only a shocking 0.9% (6) of the 670 shared properties in Lewisham advertised were in fact accessible to SAR recipients.
- On the day of the search we found that Birmingham had 3937 properties of all types available to rent at the time of the search, Leeds had 2727 and Lewisham had 1859

rented properties listed.<sup>1</sup> Of this rented stock, Leeds had the largest proportion of its private rented sector (PRS) as shared accommodation (69%) out of the three areas; almost half of Birmingham's PRS was shared (46%) and in Lewisham just over a third (36%) of available PRS accommodation was shared.

- This study raises serious questions about the ability of SAR claimants (and LHA claimants more generally) to find private rented accommodation. Contrary to what the Government says, a third of properties are simply not available, affordable and accessible to rent.
- It is shocking that only 1-2% of properties were available, affordable and accessible to a Housing Benefit claimant. This is a serious concern, particularly when further LHA cuts are to be introduced (including the move to annual uprating of rates by Consumer Price Index and then pegged to 1%), against a backdrop of the number of people being housed in the PRS set to continue to rise.
- The study also highlights concerns about how the SAR has been calculated, given the very low levels of shared accommodation which

are affordable and fall within the SAR.

- The PRS is increasingly being looked to by central and local government to meet housing need so it is very worrying that so few properties are available, affordable and accessible to those on benefits. There are questions to be answered not only about the affordability of accommodation but about why there appears to be such reluctance amongst landlords to let to those in receipt of Housing Benefit.

<sup>1</sup> For this search only rightmove and gumtree websites were used because sparerroom lists only shared accommodation and does not list self-contained rented property.

## 1. Background

The Coalition Government has made a series of cuts to Housing Benefit, starting with setting a cap on and reducing the rates of benefit paid to those renting in the private sector and claiming Local Housing Allowance (LHA). Despite the changes Ministers have always asserted that people who rely on LHA will still be able to find properties to rent:

*'Even with our reforms, housing benefit will meet rents of up to £21,000 a year and apart from the most expensive areas in London around a third of properties will still be available to rent', a spokesman said. 'Our reforms restore fairness to a system that was left to spiral out of control'.<sup>2</sup>*

One of the groups worst affected by the recent changes are single people aged under 35. Shared Accommodation Rate (SAR) claimants can only claim the cost of renting a single room in a shared house, rather than the rate for a self-contained one bedroom property. In January 2012 the maximum age for SAR was increased from 25 to 34. According to the Department for Work and Pension's own estimate, 62,500 people will be affected by the extension.<sup>3</sup> The average loss being £41 a week with many people having to find new accommodation in shared properties,

placing further pressure on an already limited pool of shared accommodation.

Crisis wanted to test the Government's claim that properties are still available, affordable and accessible for claimants looking for shared accommodation by undertaking a mystery shopping exercise that was comparable to a typical rental search in three areas. The areas we did chose – Leeds, Birmingham and Lewisham (South East London) – were selected because they represent areas with substantial private rented sectors, have high numbers of Housing Benefit claimants and together provide a cross section of different housing markets. Lewisham as a London borough is part of a housing market featuring high demand and higher than average property prices but is itself a relatively affordable part of the capital compared to other boroughs.<sup>4</sup> Different to this is Leeds which is part of a northern housing market where demand is less intense and housing more affordable with house prices below the UK average.<sup>5</sup> Birmingham, in the West Midlands, is England's second city and has pockets of expensive housing alongside more affordable housing. Housing affordability is better than the national average.<sup>6</sup> The city is ranked highly in terms of levels of deprivation.<sup>7</sup>

<sup>4</sup> It is ranked 21<sup>st</sup> out of the 32 London boroughs in terms of highest household incomes required to meet median rent for a local two bedroom house  
[http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0008/4/25708/London\\_Rent\\_Watch.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0008/4/25708/London_Rent_Watch.pdf)

<sup>2</sup> BBC news website 1/11/12  
<http://www.bbc.co.uk/news/uk-politics-20162617>

<sup>5</sup><http://www.rightmove.co.uk/news/files/2012/11/november-2012.pdf>

<sup>6</sup> *ibid.*

<sup>3</sup> <http://www.dwp.gov.uk/docs/eia-hb-shared-accommodation-age-threshold.pdf>

<sup>7</sup> Index of Deprivation 2010 – an analysis of Birmingham local statistics

Whatever the particular make-up of a local housing market, the principle of how LHA rates are calculated is based on looking at all published local rents within a defined Broad Rental Market Area (BRMA) and then setting the LHA rate at the 30<sup>th</sup> percentile of market rents. Ministers have regularly claimed this means nearly a third of properties will be available in an area. However, this does not take account of demand – those properties may already have been filled by others in need of accommodation. It also relies on the process of collecting information on local rents and then calculating the LHA rate (and specifically the SAR), working effectively. Finally, it assumes that when properties are affordable the landlord is willing to let to housing benefit claimants.

## 2. How the snap-shot survey was conducted

The study was designed to replicate a typical search for property by a person who can only claim the Shared Accommodation Rate – beginning by searching online three main property websites and then following up with telephone calls or emails to the landlord or letting agents (if it was unclear whether the affordable rooms would be available to housing benefit claimants).

Any prospective tenant would normally define a geographical area in which they would search for accommodation and, in this study, that was defined by the boundaries of the Broad Rental Market Area (BRMA) in each location.<sup>8</sup> Four searches were run across each of the three locations on two consecutive days. The first three searches were carried out on day one and the fourth search, which involved the prospective tenant contacting the landlord or letting agent, was carried out on the second day. The searches helped us establish:

- Search 1: the total availability of private rented sector property in the area;
- Search 2: the number and percentage of available properties that are shared;
- Search 3: the number and percentage of these properties that are affordable on SAR; and

<sup>8</sup> In Leeds and Birmingham two BRMAs covered the cities. In the search we concentrated on one BRMA; selecting the BRMA that covered the centre and main parts of the city.

City/area	BRMA	Search 1: Total properties in BRMA PRS	Search 2: Total shared accom within BRMA (% of PRS)	Search 3: Total shared accom affordable within SAR (% of shared PRS)	Search 4: Total available and affordable within BRMA accepting claimants (%)	Total shared accom. available and affordable to SAR claimants within BRMA PRS (%)	SAR for BRMA	Min/max rent pw used for SAR calculation
Leeds	Leeds	2727	1877/69%	290/15%	31/11%	1.7%	£61.5	£38.54/£96.46
Birmingham	Birmingham	3937	1813/46%	188/10%	29/15%	1.6%	£55	£26.54/£116.58
Lewisham	Inner South East London	1859	670/36%	82/12%	6/7%	0.9%	£86.54	£28.5/£379.47
<b>TOTAL</b>		8523	4360/51%	560/13%	66/12%	1.5%		

Area	No. of BRMAs	Total stock <sup>9</sup>	PRS Size/% of total stock <sup>10</sup>	HB recipients in PRS <sup>11</sup>	HB recipients in shared accom. (Aug' 11) <sup>12</sup>		
					Under 25	Over 25	HB claimants in shared accom. (%)
Lewisham	2	208 278	31 941 (15%)	11 420 (36%)	470	1 390	16%
Birmingham	1	419 932	55 858 (13%)	27 390 (49%)	1 360	2 310	13%
Leeds	2	324 069	29 323 (9%)	20 400 (69%)	1 500	1 689	16%

<sup>9</sup> Total stock and PRS size come from the Valuation Office Agency BRMA information available here <https://lha-direct.voa.gov.uk/search.aspx>

<sup>10</sup> Ibid.

<sup>11</sup> [http://statistics.dwp.gov.uk/asd/asd1/hb\\_ctb/hbctb\\_relea\\_se\\_aug12.xls](http://statistics.dwp.gov.uk/asd/asd1/hb_ctb/hbctb_relea_se_aug12.xls)

<sup>12</sup> <http://www.dwp.gov.uk/docs/eia-hb-shared-accommodation-age-threshold.pdf>



- Search 4: the number and percentage of properties in the area that are both affordable and accessible to those on SAR.

Total numbers of available accommodation was recorded for searches 1 and 2 but for search 3 accommodation details were recorded on a spreadsheet log to then enable search 4 to proceed.

The three property websites were chosen because they are amongst the most commonly used. Rightmove's website is estate and letting agent oriented<sup>13</sup> with very few private landlords advertising on it while Gumtree is often the first port of call for those looking for private rented accommodation advertised by private landlords. Sparesroom, by contrast, is a specialist website for shared properties. All three websites have been used by other organisations conducting similar snap-shot surveys of private rented accommodation.<sup>14</sup>

#### *Search 1: The supply of private rented sector accommodation*

This search provided us with a raw figure of the number of properties available to rent within the areas on that given day and involved a simple search for all rented property on each website.

#### *Search 2: the number and percentage of available properties that are shared*

This search involved refining the initial search we did in the previous search by setting our search criteria on each website to 'shared property only' and then running the search again. The results gave us the number of all forms of shared accommodation available within the areas enabling us to establish the proportion of the PRS, on that day, that was shared.

#### *Search 3: the number and percentage of these properties that are affordable on SAR*

Having identified the number of shared accommodation properties within each areas PRS we then refined the search criteria further to discover how many of those shared properties were affordable i.e. falling within the BRMA's SAR.

This part of the exercise was complicated by the large number of landlords/agents that will often advertise rooms/accommodation with bills included in the rent. Housing benefit does not cover bills but we did not want to exclude properties that might be affordable and accessible to claimants by this. So when searching for affordable shared accommodation, £10pw for bills was added to an area's SAR and then the search run. The properties returned in the searches were checked and rent recalculated if bills were included in rent with property logged as 'affordable' (as long the rent now fell within the SAR).

#### *Search 4: the number and percentage of properties in the area that are both affordable and accessible to those on SAR*

With the number of shared properties that fall within the SAR identified across the three websites for each area, the researchers then had to investigate further

<sup>13</sup> Rightmove claim that over 90% of all UK estate agents are members and advertise on their site.

<sup>14</sup> Hackney, Solihull and Manchester Citizens Advice Bureau's have all conducted 'mystery shopping' surveys in their respective areas recently.

to find out whether the accommodation was indeed accessible to claimants. This involved two elements:

- 1 – Reading the advert details carefully to see if there were outright rejections of claimants e.g. ‘No DSS’, ‘students only’, ‘Working professionals only’ etc.
- 2 – Ringing the agent/landlord of affordable rooms within the SAR where ambiguity remained to determine whether they would let to a person on Housing Benefit.

The second element involved researchers playing the role of a prospective tenant when talking to landlord/agents: the researchers asked if the accommodation was still available and, if so, told the landlord/agent that they were claiming housing benefit and asked if that was ‘ok’.

The results were recorded against the affordable properties logged from search 3 allowing us to calculate, of those affordable shared accommodation properties in each BRMA, how many landlords/agents would be willing to accept Housing Benefit claimants and therefore which properties were available, affordable and accessible to a prospective tenant claiming SAR.

The study has certain limitations, common to this type of research, that need to be taken into account when considering its contribution. With Gumtree, because of the sheer number of adverts there were to check, it was not always possible, on the day, to speak to a landlord or agent. At the fourth stage we had 9 non-responses from landlords in Birmingham, 25 landlords in Leeds and 14 in Lewisham. Each landlord was called twice and if not contactable recorded as a non-response.

To allow for the number of non-responses we had during these Gumtree searches, once the final figures and percentages had

been calculated the assumption was made that the same proportion of properties would be available out of the non-responses. So for instance, in Birmingham we found 9% of shared properties affordable and accessible to single people claiming the SAR and there were 10 non-responses – 9% was therefore calculated i.e. 0.9 and added to the final overall total of properties available.

The early searches of stage one and two on Gumtree will include some duplicates of adverts/properties but it was not possible given time constraints and staff resources to cross-check the vast number of properties these searches returned. In searches three and four, however, all duplicated or repeated adverts were removed.

These limitations aside, it seems very likely that the findings of the study broadly reflect the experience that a typical prospective tenant on SRA would face.

### 3. The property searches

The PRS in Leeds as a proportion of total housing stock is the lowest of the three areas we looked at (9%) but it has the highest proportion of Housing Benefit claimants in it (69%). On the day of the search, Leeds also had the highest proportion (15%) of affordable shared accommodation out of the three locations. This is hardly surprising given the less pressurised housing market in the North of England. There has also been change in Leeds’ rental market with significant recent investment and the building of large purpose designed student accommodation by commercial property developers. This has seen students move from renting from private landlords in certain areas and has contributed to creating an over-supply of

student housing. It has been estimated the number of bed spaces needed by Leeds students has declined from 31500 in 2006 to 23000 in 2013.<sup>15</sup> This higher proportion of affordability in Leeds was found across all three property websites searched (see Table 3). On the day of the search, we also found Leeds had the largest proportion of shared accommodation at 69%.

Lewisham, in South East London, has the largest PRS of the three locations (15% of total housing stock) but has the lowest number of Housing Benefit claimants within it (36%). We found only 12% of shared accommodation was affordable and available to claimants despite Lewisham being a relatively cheap London borough in terms of housing costs. The relative affordability of Lewisham and high demand for rented property in London may account for something else we noticed when conducting the mystery shopping: namely, shared accommodation on Gumtree older than 10 days would invariably have already been taken when calls were made.

Birmingham is a large city of over a million whose PRS as a proportion of its housing stock is 13%. Almost half (49%) of its Housing Benefit claimants are housed in the PRS. Birmingham had the highest proportion, of the three areas, of affordable shared property available to Housing Benefit claimants at 15% perhaps reflecting the large number of claimants that are housed in the PRS. Birmingham

house prices and affordability are also better than the national average.<sup>16</sup>

#### 4. The experience of contacting landlords and agents

The final stage of the research involved contacting landlords to ascertain whether they would let to someone claiming Housing Benefit. The vast majority of telephone calls researchers made were to landlords and the experience was a particularly interesting one. Initial contact with the landlords enquiring about the availability of the property was upbeat if it was still available – they seemed pleased that they had a potential tenant for the room – but the tone would change to one of hesitancy and uncertainty when told that the caller was currently claiming housing benefit.

As set out above, most would not let to claimants and either issued a quick straightforward rebuttal and rang off (*'Sorry I don't let to claimants'*); or gave an awkward, apologetic justification along the lines that they would like to help but wanted working tenants: *'The state doesn't pay'* or *'You'll be hanging around the house all day'*. Interestingly, one landlord in Leeds said that the terms of his mortgage meant he could not let to claimants.

The experience of talking with letting agents was typically more straightforward and they quickly confirmed, in business-like fashion, whether the accommodation was available or not to benefit claimants.

<sup>15</sup> <http://www.yorkshireeveningpost.co.uk/news/latest-news/top-stories/mass-student-exodus-could-lose-leeds-millions-of-pounds-1-5096581>

<sup>16</sup> <http://www.rightmove.co.uk/news/files/2012/11/november-2012.pdf>

**Table 3: Results of SAR mystery shopping by websites**

Searches made 14/11/12. Calls made 15/11/12

\* NRs = non responses from landlords

City/area	BRMA	Search 1: Total properties in BRMA PRS	Search 2: Total Shared accommodation within BRMA (% of PRS)	Search 3: Total Shared accommodation affordable within SAR (% of affordable shared PRS)	Search 4: Total available & affordable within BRMA accepting claimants (% of affordable shared PRS)	Total Shared Accom within BRMA PRS available and affordable to SAR claimants (%)
<b>Leeds</b>	Leeds	<b>rightmove</b>				
		1300	187/14%	64/34%	3/5%	1.6%
		<b>gumtree</b>				
		1427	1076/75%	82/8%	17 (25 NRs*)/21%	1.6%
		<b>spareroom</b>				
		n/a	614	144/23%	11/8%	1.8%
	<b>Total</b>	<b>2727</b>	<b>1877/69%</b>	<b>290/15%</b>	<b>31/11%</b>	<b>1.7%</b>
<b>Birmingham</b>	Birmingham	<b>rightmove</b>				
		1458	53/4%	14/26%	9/64%	17%
		<b>gumtree</b>				
		2479	998/40%	98/10%	10 (9 NRs)/10%	1%
		<b>spareroom</b>				
		n/a	762	76/10%	10/13%	1.3%
	<b>Total</b>	<b>3937</b>	<b>1813/46%</b>	<b>188/10%</b>	<b>29/15%</b>	<b>1.6%</b>
<b>Lewisham</b>	Inner South East London	<b>rightmove</b>				
		1305	173/13%	8/5%	0	0%
		<b>gumtree</b>				
		554	405/73%	69/17%	6 (14 NRs)/9%	1.5%
		<b>spareroom</b>				
		n/a	92	5/5%	0	0%
	<b>Total</b>	<b>1859</b>	<b>670/36%</b>	<b>82/12%</b>	<b>6/7%</b>	<b>0.9%</b>
	<b>Overall total</b>	<b>8523</b>	<b>4360/51%</b>	<b>560/13%</b>	<b>66/12%</b>	<b>1.5%</b>



## About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives. We measure our success and can demonstrate tangible results and value for money.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

We have ambitious plans for the future and are committed to help more people in more places across the UK. We know we won't end homelessness overnight or on our own. But we take a lead, collaborate with others and together make change happen.

## Get in touch

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