

Crisis Debate briefing



House of Lords Debate: The availability and affordability of housing.

A House of Lords debate will take place on **Thursday 12th October, 11.00am** on the availability and affordability of housing, tabled by Lord Smith of Leigh. I hope you will be able to attend and raise some of the following points.

The debate on availability and affordability of housing provides an opportunity to discuss the barriers for homeless people in accessing social and rented accommodation. Below are some suggested Parliamentary Questions you may wish to consider asking:

- To ask the minister if he will establish a 'National Rent Deposit Guarantee Scheme'
- To ask the minister what discussions he's had with the treasury about the cost effectiveness of Help to Rent projects.
- To ask what steps the Government are taking to make it easier for low income households to access the private rented sector.

The number of households who experience the most acute forms of homelessness in England on any given night is **around 143,000**, this includes **8,000 rough sleepers**, **39,000 households living in hostels, refuges and night shelters** and **60,000 households sofa surfing**.

Building new homes is essential to making housing more available and affordable, and the private rented sector (PRS) is an increasingly important route out of homelessness. Whilst the relative size of the social rented sector has fallen, the PRS has doubled in less than 20 years. As it's grown, the sector has become increasingly important as a source of housing for homeless people, accounting for around a third of mainstream housing for this group.

To help with availability and affordability of housing, Crisis are calling for funding ahead of the 2017 Budget to help with **Help to Rent** projects and a **national rent deposit scheme**.

Help to rent and national rent deposit projects

Help to Rent projects de-risk the Private Rented Sector, and make it a viable option for landlords and tenants by supporting homeless and vulnerable people into the private rented sector.

The tenant receives structured support throughout the tenancy, to ensure the accommodation remains suitable and gets help gaining and maintaining employment,

Inexperienced landlords are given training on how to manage complex tenancies and a named point of contact if something goes wrong.

A rent deposit guarantee is a written commitment in place of cash deposit, from a Help to Rent project to a landlord. It covers costs that the landlord may incur at an end of a tenancy including damages and rent arrears.

Accessing the private rental market can be difficult for anyone. It costs as much as £2,290 just to gain access to a one bedroom flat, and the average cost of a deposit is £1,197.63. A national deposit scheme would lighten that burden, and mirror initiative such as the Help to Buy scheme.

The recent Residential Landlords Association report revealed that four out of five landlords would be more willing to let to under 35s working with a rent deposit project.

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The costs:

Funding these projects is relatively cheap. The Westminster Policy Institute (WPI) has identified £31 million per annum would be required over a three period, made up of:

- Annual cost of rent deposit guarantee project - £6.7m
- Annual cost of Help to Rent projects - £24.1m

In the first year, costs are assumed to be higher as 60% of households already in temporary accommodation would take up the service, bringing costs for both these initiatives for the first year to £47 million.

Our rationale:

These projects work. From 2010-2014, with funding from the DCLG, Crisis ran the Private Rented Sector Access programme. Projects created over 8,000 tenancies with 90% lasting over six months. Evaluation showed that in three months, 92 projects saved more than 13 million in non-housing costs, to the public purse.

These projects help tenants gain employment. This, along with the financial support they receive to make Universal Credit more sustainable. They also support tenants to save a credit union. This makes tenants less dependent on the welfare state and more independent in the future.

These projects open the rented sector market to low income households and help manage demand by easing the pressure on the social housing market. They also widen the market for Housing First by supporting people with lower needs than those that typically require such an intensive approach

Quality marketing projects improves sustainability and landlord confidence, this is crucial for projects that support some of the most at risk groups, including prison and care leavers.

Transferring the risk of rent deposit to national government will provide Help to Rent projects with greater financial security so they can support more people.

The Conservative and Labour parties committed to ending rough sleeping in their manifestos and these projects help achieve that goal by creating more opportunities for people to move on from rough sleeping and into the private sector. The support offered by these projects ensures it's a sustainable transition.

Help to Rent projects will enable local authorities to deliver on their new duties in the Homelessness Reduction Act.