



Northern Ireland
Assembly

Committee for Communities

OFFICIAL REPORT (Hansard)

Private Tenancies Bill: Renters' Voice

2 November 2021

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Ms Paula Bradley (Chairperson)
Ms Kellie Armstrong (Deputy Chairperson)
Mr Andy Allen
Mr Stephen Dunne
Mr Mark Durkan
Mr Paul Frew
Ms Áine Murphy

Witnesses:

Ms Claire Maddison	Renters' Voice
Ms Jenni Millar	Renters' Voice
Mr Glenn Willis	Renters' Voice

The Deputy Chairperson (Ms Armstrong): We welcome Renters' Voice. We have with us Claire Maddison, Jenni Millar and Glenn Willis. Folks, you are very welcome. We are so thankful that you can join us to help us with our deliberations on the Bill. We have a short time with you, so I will not hold you back. If you want to give us a quick presentation, we will then get to questions from the Committee.

Ms Jenni Millar (Renters' Voice): On behalf of the entire Renters' Voice groups, I extend our thanks to the Committee for the invitation to present our evidence this morning and in the written documents previously submitted.

Renters' Voice represents a core group of private renting tenants who meet regularly to lead activities and respond to issues affecting tenants within the private rented sector. For example, we conducted a survey in October 2020 regarding people's long-term experience of renting in Northern Ireland as well as the effect of the COVID-19 pandemic. The results from that survey formed many of our recommendations for the Bill.

We welcome the Bill. It is a very workable starting point when it comes to providing people with a warm, safe and secure home with improved relationships between landlord and tenant. In particular, we welcome the fact that the Bill contains some first steps regarding affordability of rent and deposits, property standards and increased security for tenants.

Our October 2020 survey found significant issues. For example, 58% of respondents cited difficulty in finding affordable properties. The current increase in the cost of food, fuel and property prices, alongside the £20 per week cut in universal credit, will further compound that problem. We expect that percentage to rise during the next year.

Six of the top 10 changes that private tenants would like to see, according to our survey, are not addressed by the Bill. Those include increased checks on landlords when they register; increased legal fitness standards for rental properties; and a scheme to help people with tenancy deposits and letting agent fees.

Much more is needed to make the private rented sector truly fit for purpose. To speak only of fitness standards and repairs, I say that members of our group have lived with black mould, leaks and broken heating systems. The survey also supports the group's lived evidence, with three of the top answers relating to repairs and poor treatment by landlords.

I will turn to specific clauses. We welcome the clauses concerning tenants being given more notice on matters, but further steps need to be considered, including tenant information packs, working with tenants and landlords on how to increase awareness of rights and responsibilities, and, as I said, a co-design process.

We welcome the limit on tenancy deposits to no more than one month's rent. It is also necessary to limit the rent required to be paid in advance. Most of our members experience difficulty in raising what amounts to a large sum of money for a deposit and a first month's rent, and they have faced hardships because of those requirements. When added to other movement costs, that brings incredible stress.

Regarding the restriction of rent increases to a maximum of once every 12 months, we welcome the intention behind the clause, but it is necessary to have stronger and more effective mechanisms to limit the amount by which rent can be raised.

On security of tenure, we have been campaigning throughout 2021 for a longer notice-to-quit period of six months. We encourage the Committee to read our gathered information, which we have included in our full written evidence. In the evidence, we also talk about the precarity that the lack of security can bring and the impact that we have experienced on our health and mental well-being as a result. Current insecurity is the root of many further issues for renters, such as not being able to ask for repairs or to stick up for our rights, as we feel that we can just be asked to leave.

Increasing tenants' security of tenure will lead to improvements in every area of life: physical health, mental health, productivity and capacity to thrive. It will reduce instances of homelessness, lessen the burden on other services and, most certainly, save lives. Six months' notice is not an unreasonable ask; in fact, it would still leave Northern Ireland behind the rate of progress in most jurisdictions across the UK and Ireland. For private tenants, the change cannot wait.

I could speak about much more this morning, and possibly well into the afternoon, but, as we are, understandably, under time constraints, I urge members to read the written submission. Again, on behalf of all at Renters' Voice, I thank you for the opportunity to speak this morning. I reiterate: these changes cannot wait.

The Deputy Chairperson (Ms Armstrong): Thank you very much, Jenni. That was very useful, as is the paper. I will ask a few questions, and then I will open up the discussion. I ask any members on StarLeaf who wish to speak to raise their hand, and I ask the same of those in the room. I will try to keep my eye out for the raised hands.

Your paper mentions:

"The Top 10 changes that people said they would like to see to private renting".

The paper states that at least six out of the top 10 changes that private tenants want to see are not addressed in the Bill. We know that a range of issues needs to be dealt with in the longer term, but has the Bill missed the opportunity to deal with some of those further matters? If so, which ones would you like to highlight?

Mr Glenn Willis (Renters' Voice): As Jenni said in her opening address, the overall view is that we welcome the Bill. Many of the issues are addressed to an extent. However, some areas [*Inaudible owing to poor sound quality*] protections for tenants, for example with regard to rental deposits [*Inaudible owing to poor sound quality.*]

The Deputy Chairperson (Ms Armstrong): Glenn, sorry, may I stop you for a moment? We are not hearing you very clearly here. Can we bring Glenn into the spotlight? It might be easier then. Sorry, Glenn. We want to make sure that we can hear you properly.

Mr Willis: No problem.

Mr Frew: Chair, it may be because there are two people in the same room.

The Deputy Chairperson (Ms Armstrong): Yes.

Mr Willis: Jenni, are you muted?

The Deputy Chairperson (Ms Armstrong): Yes. That is better.

Mr Willis: Jenni, are you muted now?

The Deputy Chairperson (Ms Armstrong): That is better now. Thank you, Glenn.

Mr Willis: The question was whether a chance has been missed to address some of the points. We have stated quite clearly that reform cannot wait, and some of the clauses lack the substantive and necessary protections for tenants. For example, while tenancy deposits are limited, rent in advance is not limited. The chance has not necessarily been missed in the long term, but this package is quite limited. While that is welcome, our overall position is that further protections will be needed eventually. The Bill is extremely welcome, but it needs to be seen in the context of a wider reform package.

The Deputy Chairperson (Ms Armstrong): Jenni mentioned letting agent fees. Can you expand on that, please?

Ms Claire Maddison (Renters' Voice): I can come in for that one. We have three people in the same room, so I hope that you can hear me.

The Deputy Chairperson (Ms Armstrong): We can.

Ms Maddison: Letting agent fees clearly need to be legislated for. There is a lot of agreement among politicians that that needs to happen. We understand that there are blocks to that happening under the current legislation because more than one Department is involved. Therefore, our response has not concentrated on letting agent fees, except to say that legislation needs to happen.

We have flagged up the changes that we would like to see, including those from our top 10 changes that people highlighted. However, in our response, we have tried to focus on strengthening some of the areas that are already being looked at such as notice to quit. Our position is that those areas need to be strengthened now. As Jenni said, from a tenant's perspective, it cannot wait. We heard Mark Durkan mention that we do not know when the next phase of reforms will happen. That is another reason that some of the clauses need to be strengthened now, but we also appreciate that the Bill cannot cover everything that we would like to see happen, and letting agent fees might be one of those areas.

The Deputy Chairperson (Ms Armstrong): I understand that. Thank you. I will open up to the floor now so that I do not hog the questions. Does anyone in the room have questions for Renters' Voice?

Mr Durkan: I thank the team from Renters' Voice. You have made a very useful submission. I am glad that we sought that, and it was you, Kellie, who pointed out that the Committee should hear from Renters' Voice. The group has a very important voice, perhaps the most important voice for this legislation.

The top 10 asks look at controlling the frequency of rent increases. I have stated my position on that before, and it is shared by others who would like to see controls on how much an increase can be. Do you have a view on that?

Mr Willis: We feel strongly that rent increase control reform is needed. We will reiterate a point that Housing Rights made earlier: it is not clear whether simply reducing the frequency at which rents can

increase has a positive influence to the extent that is needed. We also have general concerns about affordability in the private rented sector. That type of reform would be a sensible way to ensure not only affordability but security of tenure. Tenants are seriously concerned that a property that they move into will subsequently become unaffordable to them. It is a really key piece of reform.

Mr Durkan: We have seen an awful lot of that while we have been working under the emergency 12-week notice-to-quit legislation. I have dealt with a huge number of constituent cases where people are, basically, being evicted because of affordability issues. Landlords are seeing the increase in property values and slapping on huge increases in rent that have not been matched by increases in local housing allowance. It is putting people into debt and out of their home. We really need to look at putting in a set of protections that are as robust as possible.

Ms Maddison: We have used the term "shadow evictions" in our evidence paper. That is a situation in which a tenant's rent has increased and it means, essentially, that they have no choice but to move out. That is one of the reasons that we have cited as a need for rent caps rather than just the yearly limit on rent increases.

The Deputy Chairperson (Ms Armstrong): Just on that point about the private rented sector, housing benefit and landlords increasing rent beyond housing benefit levels, is there, from your evidence from other renters, a point after which that becomes impossible? Is it, say, X% above housing benefit rates or X% of a monthly increase? It is a hard one to quantify, but do you have any thoughts on the percentage by which you would like the limit on the amount of rent to be increased?

Ms Maddison: It is a good question, but it is a tricky one because of the specifics. We could ask about that again more specifically. Jenni might be able to speak about her experience.

Ms Millar: When your rent increases, your housing benefit does not; it stays static. There is the option to apply for discretionary payments, but they are very rarely made. If you are already on a tight budget, your housing benefit does not even cover your rent to start with. If that increases even more, it puts a tenant in a more precarious situation, and, again, there is the possibility of homelessness or having to find a shelter. It is another way for landlords to have a shadow eviction.

The Deputy Chairperson (Ms Armstrong): Jenni, just so that we have it on record, in your experience, how often does housing benefit increase?

Ms Millar: I have been on housing benefit for six years and have never had an increase.

The Deputy Chairperson (Ms Armstrong): I thought that.

Ms Millar: The rent has increased, but the housing benefit has not.

The Deputy Chairperson (Ms Armstrong): We now have that on record. Thank you very much.

Mr Allen: Thanks very much for your presentation and your answers, which have been helpful. I am curious about six of the top 10 asks or feedback topics from renters. I would like to delve into the deposit scheme a bit more. It is not included in the legislation, but it is very important. All the time, I see individuals who are priced out of the private rented sector but need to access it. Have you had any engagement with the Department on that? Has there been any feedback regarding such a scheme?

Ms Maddison: We have certainly raised the issue with the Department. We had a meeting earlier this year with senior departmental officials, and we raised the findings of our survey, including the top 10 changes. We received a lot of information about what was going to be in the Bill and what was down the line. When we spoke to them, they did not particularly concentrate on the deposit scheme, and we would very much support more conversations around a better deposit support scheme than the current one. I am not sure whether Jenni wants to add anything because I know that she has had some personal experience.

Ms Millar: Six years ago, I was classed as homeless. I was in a domestic violence refuge. It was at a time when the Housing Executive list was the longest ever, and I ended up deciding that I would take a private rental, but, obviously, having been homeless and the great financial stress of that, I did not have the deposit. There was an organisation called Smartmove — I think that it just lost a bit of

funding recently — and it provided the deposit up front and dealt with rental properties and landlords who were happy to take new tenants. Once you were in situ, the deposit was just added to the rent. It was a very low amount. I think that it was £20 a month on top of my rent to clear the deposit. Without that, I am not entirely sure where I would have ended up. I certainly would have been in the hostel environment for a lot longer.

Hostels and refuges do fantastic work, but, after 14 months, you really need your own space and your children need their own space. You have to get your life back. At the minute, the private rented sector is just not helpful in doing that. It goes back again to lessening the burden on everyone.

Mr Allen: Absolutely. Hopefully, the legislation will go some way to curb the deposit amounts, which will have a positive impact. I am curious about the increased checks on landlords when they register. Will you give us more detail on what that would entail?

Ms Maddison: We asked about that because it was one of the proposals that was discussed in the previous consultation on what should be included in the reform legislation. We asked quite specifically about some of those issues to see how tenants felt about them. We were not surprised that that came out most strongly because other findings from our surveys state that people have experienced issues with landlords and letting agents. We were not surprised that people went for an option that looked as if there would be increased checks on landlords. We think that that statement on its own is not enough. It needs to be fleshed out. Our evidence references a better registration scheme and, ideally, a licensing scheme for landlords. A big theme in our evidence is the need for greater regulation in the sector, and we think that a licensing scheme could really help with that.

We have also pointed out in our evidence the disparity between the general private letting sector and the regulation there and the case for HMOs. We would take that point from our survey and expand on it to say that what we are really interested in are more checks on landlords and, ideally, a greater licensing scheme.

Mr Allen: My last point is on dispute resolution. You said that there are more ways to resolve disputes between tenants and landlords. Are there any models that you would point to that work well in other jurisdictions?

Ms Maddison: We are getting some questions and points that we are less well prepared for than some of the main points in our evidence, perhaps because you have read our main evidence, so you are interested in other aspects. We are aware of things like the mediation service, supported by Housing Rights, which we think is a good model. We would be interested in models from outside being looked at, but one of our big challenges as a group is that there is always so much to talk about. There are so many issues in the private rented sector for us to talk about, and that is not one of the points that we have come back to and had a lot of time to expand on the views of the group, but we think that it is really important at the same time.

Mr Allen: Apologies. I strayed from the legislation, but they are important matters. I look forward to continuing the conversation. It is an important conversation.

The Deputy Chairperson (Ms Armstrong): I will ask one final question. Clause 3 is entitled "Tenant to be provided with a rent receipt for payment in cash". We have heard from Housing Rights that it is not just about rent receipts, but any cash receipts. If a tenant complains about a landlord not providing a receipt, where is that complaint currently shared? Where would you like it to be shared?

Mr Willis: The consensus in the group is that tenants are unaware of where they should complain. It is largely unregulated. I am not sure where tenants should complain. Mostly in Northern Ireland, it is through services like Housing Rights.

The Deputy Chairperson (Ms Armstrong): One of the issues that I have with the legislation is that it is not very clear on who would take on that responsibility. I wanted to check that with you.

Mr Frew: On the back of the Deputy Chair's very good question, how prevalent or common is it that tenants hand over cash without receiving any sort of proof of payment or receipt?

Ms Millar: It is incredibly prevalent. You will find that some landlords and letting agencies, including one that I have used in the past couple of years, accept only cash. You can try to get a receipt, but

you might as well ask for the moon on a stick. They might promise you that you will get a receipt, but, even if you do, it does not stand up to much.

Mr Frew: I want to be clear about what you said. Did you say that some letting agents accept only cash?

Ms Millar: Yes, especially for deposits and first month's rent. Most of them will accept bank transfers for subsequent rent. I had a situation in which I had to walk down the Ravenhill Road with the guts of £1,000 in my handbag to take to the agency. I was absolutely petrified. That was two years ago. I am still waiting for a receipt. I will be waiting until doomsday. Quite a few members of the group have said that their landlord calls at the door every month and expects the cash payment there and then.

The Deputy Chairperson (Ms Armstrong): On that stark note, we now understand why the requirement for a cash receipt needs to be provided in the legislation. I do not see any more raised hands. Your evidence has been extremely useful. It has shown why it is so important in the Committee's scrutiny of the legislation that it hears from the people at the coalface — the renters. We asked you a few questions for which you did not have the answer, but you are welcome to go away and have a think about them. If you have any further evidence to provide to us, we would be more than happy to receive it, but, please, get it to us as soon as possible because our time is limited. Anything that we can scope out that may improve the Bill would be welcome. Claire, Jenni and Glenn, thank you for your time. It is much appreciated.

Ms Millar: Thank you very much for the opportunity.