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Private Rented Housing Needs Study for the Borough of Merton

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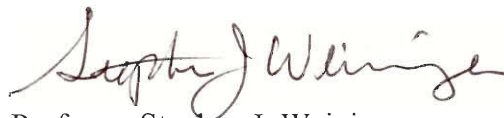
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Abstract

This study of Private Rented Housing Needs for the London Borough of Merton was sponsored by the Merton Council Housing and Social Services Department. It was prompted by accumulating evidence that it has become increasingly difficult for low-income households to find affordable accommodation in the private rented sector of Merton. Through interviews with housing officials and associations we gained a better understanding of their roles in providing affordable housing. We surveyed private landlords and lettings agencies to discover reasons why they prefer not to rent to low-income households on Housing Benefit. We also enquired whether landlords or lettings agencies would be interested in a management scheme in collaboration with housing associations or the Council. Research and case studies of housing schemes were conducted in other London boroughs to explore strategies that will enable or improve low-income households' access to Merton's private rented market. Finally, we assessed the feasibility of management schemes, including forms of management and financial implications, which would be most efficient in the Borough of Merton.

Executive Summary

It has become increasingly difficult for low-income households in the London Borough of Merton to find affordable accommodation in the private rented sector. Merton Council has identified that the low-income tenants of the Borough faced a difficult task in trying to secure privately rented accommodation as a result of many factors, including the reluctance of landlords to rent their properties to low-income tenants on Housing Benefit (HB). Merton Council Housing and Social Services Department sought insight into reasons why landlords and lettings agencies seem to be unwilling to rent to these low-income households. Research was carried out to discover whether landlords and lettings agencies would be interested in a form of management scheme possibly run by the Council or housing associations. It was also necessary to explore strategies and good practices that would enable low-income households to compete in the private sector rented market.

Past research has shown that landlords prefer not to let to tenants on Housing Benefit. This project, completed during March and April 2002 for the London Borough of Merton Council, has identified possible reasons why this is so. To fulfil the objectives of our project, we conducted interviews, administered questionnaires and investigated the private property management schemes and programmes of neighbouring boroughs.

In order to gain a better understanding the operation of Merton's private housing sector, we conducted interviews with representatives of local housing associations and Merton housing officers. We obtained background information about the current housing market in Merton, Housing Benefit system, and the operation of housing associations. Administering a questionnaire to private landlords and lettings agencies enabled us to identify which tenants private sector landlords seem to prefer and why. While surveying private landlords, we also

explored their interest in participating in a scheme associated with housing associations, possibly in collaboration with the Council.

The private landlord survey had a mail response rate of 4.5% and a phone response rate of 40%. Through our survey, we established that 79% of private landlords owned between one and five properties and 73% did not own property in other London boroughs. When analysing we used the 2001 Housing Needs Survey Update, we established that multiple bedroom flats require greater than 30% of the average gross income of the Borough. We also determined that there was a significant influx of tenants from Council Housing and other types of housing, indicating increased competition for available accommodation.

Through ranking questions, we established that ‘Tenant plans to rent for an extended period of time’, ‘Tenant pays the rent on time’, and ‘Tenant takes good care of the property’ were the three most important characteristics of tenants in the view of private landlords.

Previous research showed that landlords preferred not to rent to tenants that were on HB. This preference was confirmed by the finding that the largest group that private landlords had concerns about renting to (33% of respondents) were tenants that were unemployed, on Housing Benefit, or low-income.

Further analysis revealed that of the 92% of landlords not participating in a management scheme, 71% were not aware of a management scheme for which they were eligible. Of the 89% not participating in a landlord forum, 46% were not aware of such a forum. Private landlords also revealed that a better working relationship with local authorities, guaranteed tenants, the possibility of grant aid, and the fast-tracking of HB were the four biggest incentives for them to join an accreditation scheme.

In addition to administering questionnaires and holding interviews, we conducted case studies of existing schemes in other London boroughs. We studied the Private Sector Leasing schemes of Kingston and Croydon, Sponsored Tenancy, Shared Ownership, and the Fresh Start schemes of Croydon. We also researched the Lettings Service scheme of Kingston, Guaranteed Deposit and Grant Assistance schemes of Lewisham, Accreditation Scheme of Kingston and the Private Sector Housing Forum of Richmond. From this research, we were able to determine what types of schemes worked in boroughs with similar housing concerns as Merton and which of these schemes would be feasible in the Borough.

We have been able to draw several conclusions about the reasons it has become difficult for low-income tenants in Merton to find affordable housing. One factor is that the high demand for housing in the Borough has driven up rent levels. Another is that the Council has been selling off its social housing stock, reducing the availability of housing for low-income tenants in the private sector. Also, many private landlords refuse to accept tenants receiving Housing Benefit. This evidence makes it difficult for low-income households to locate landlords who accept the benefits on which they rely.

The Council could address this problem by adopting different schemes existing in other boroughs such as the Private Sector Leasing scheme of Croydon and Kingston, which has been successful at improving tenants' access to the private rented sector. The Sponsored Tenancy scheme of Croydon is appealing to private landlords because it gives them a large cash incentive to lease to tenants on HB. It could be implemented in Merton but it does require funding to be run that the Borough might not have.

The implementation of schemes in the Borough could be coupled with fast tracking HB payments. Fast tracking payments directly from local authority funds to private landlords could

entice landlords to rent to tenants on HB. Also, some type of direct debit from tenants' accounts to private landlords', as part of the tenancy agreement, could be employed to aid landlords in receiving the rent on time and be more convenient for the landlord.

A web page would be an easy way to inform landlords of active leasing schemes or management schemes in the private rented sector currently in use. An overview of the schemes along with incentives for private landlords could be discussed, with a link to a more detailed description of each scheme. Tenants could also find useful information about schemes and strategies that could improve their access to the private rented market. Agendas for Landlord Forums could be posted here. A web page could improve the relationship and communication between private landlords and the Council.

The scope of this project addresses an important topic and our research has the potential to have a significant effect on the private rented sector in the Borough. This study has the ability to influence the entire structure of the private rented housing sector. However, it has been made apparent that there is a need to address this matter more thoroughly. This research can be viewed as a pioneering project, one that can pave the way for further exploration into the private rented sector. Merton Council can now make use of our research to inform policy development seeking affordable accommodation.

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All sections of the report have been jointly edited by all four team members.

1 Introduction

It has become increasingly difficult for low-income households to find affordable accommodation in the private rented sector of Merton. The Council has identified that the low-income tenants of the Borough faced a difficult task in trying to secure privately rented housing as a result of many factors, including the reluctance of landlords to rent their properties to low-income tenants on Housing Benefit (HB). The Housing and Social Services Department of the London Borough of Merton sought insight into reasons why landlords and lettings agencies seem to be unwilling to rent to these low-income households. Research was also necessary to discover whether landlords and lettings agencies would be interested in a form of management scheme, possibly run by the Council or housing associations. It was necessary to explore strategies and good practices that would improve access to or enable low-income households to compete in the private rented market.

Past studies have shown that private landlords prefer not to rent to low-income tenants on Housing Benefit. A majority of private landlords and lettings agencies do not accept tenants on HB. This project has identified possible reasons why landlords are reluctant to rent to this particular group. We explored landlords' interest in participating in a management scheme and evaluated the feasibility of implementing one in Merton. From this research, we identified strategies and good practises that could improve the current housing programme. In order to do this, we had to develop an understanding of the private rented market.

To fulfil the objectives of our project, we first conducted research on government agencies responsible for the provision and regulation of housing. We continued our research to learn more about the Housing Benefit system and the function of management schemes in order to identify current problems with both programmes. We also investigated the current market

conditions in the private rented sector and how those conditions could interact with certain schemes. Upon arriving in Merton, we first interviewed housing associations to gain an understanding of how they function and interact with the Council to provide affordable housing. We then surveyed private landlords and lettings agents to identify reasons why they were unwilling to rent to low-income tenants on HB and also to explore their interest in participating in a management scheme.

Through our research, we were able to advise the Council about the feasibility of developing a management scheme. Merton hopes that the schemes implemented as a result of our recommendations will offer practical ways to grant low-income households greater access to the private rented sector. The Council may be able to use this research if it constructs a management scheme for the Borough. Our conclusions may also prompt Merton to conduct more intensive studies on the issues discussed in this report.

This research will have an impact that extends beyond low-income households and private landlords to the entire Borough of Merton. Low-income households are an integral part of the community and if improved access is not provided, they may be forced to move out of the Borough. The research done in this project may help alleviate some of the problems that these low-income households face. This project could also help to improve the relationship between local authorities and private landlords. A management scheme might help to ensure that low-income households are given better access to the private rented market. In addition, this project may help other local governments to improve their low-income housing programmes.

The remainder of this document includes chapters on the literature review, methodologies, data and analysis, conclusions, and appendices. The second chapter of this report, the background information, is a summary of information necessary to understand the

current housing situation in Merton. In this chapter, the background of many housing organisations in the Borough, the procedure for Housing Benefit distribution, housing acts and laws, and housing schemes are discussed. The third chapter is a discussion and justification of the methodologies we used to approach the problem. Our methods included the collection of statistical data from the 2001 Housing Needs Survey Update, interviews with Merton housing officers, surveys of private landlords and lettings agencies, and research into other management schemes.

Chapter four displays the data and analysis from the private landlord survey. Where applicable, the data collected was compared to the 2001 Housing Needs Survey Update. In addition, chapter four also contains case studies of housing schemes in other London boroughs. The purpose and success of these schemes were evaluated to discover whether they would be of use in the Borough to address these problems. In our final chapter, we were able to identify factors that make it difficult for low-income households to compete in the private rented sector. We have also evaluated the feasibility of a management scheme for Merton that will improve the access of low-income tenants to the private rented market. In addition, policies for addressing these issues are discussed. The appendices provide an overview of the sponsor of this project, a glossary of acronyms, charts and tables from the private landlord survey, and copies of the surveys and interviews that we have administered.

This project was an Interactive Qualifying Project (IQP), a requirement for the completion of a Bachelor of Science degree from Worcester Polytechnic Institute. The objective of an IQP is for students to explore how technology interacts with the structures and values of society. This project meets the requirement of an IQP because it utilises technology and science to approach a societal problem. We utilised technology by creating a database, which was used

to organise and analyse data from our surveys and interviews. The project addressed aspects of society by focusing on the housing needs of low-income households and the relationship between private landlords and local authorities. Although it did not have a direct impact on this project, technology was used to evaluate the results that could make a significant impact on society.

2 Literature Review

This chapter forms an overview of the information needed to understand the current housing situation in Merton. It provides an outline of the demographics of the Borough and includes a brief summary of Merton Council's role in housing. It discusses the Housing Corporation, the National Housing Federation, the Unitary Development Plan, and Merton Council. This chapter also describes Housing Benefit, past and present reforms of Housing Benefit, the Housing Acts of 1988 and 1996, and housing supply in Merton. Tenancy laws in England are highlighted and documented landlord prejudice against certain types of tenants is discussed. Finally, several potential schemes are presented.

2.1 Statistics of the London Borough of Merton

Merton had a resident population of 168,470 in the year 1991, and that population is projected to reach 186,412 by 2011 (London Borough of Merton, 2002). The 1999 Housing Needs Survey describes the average yearly household income for the Borough as £22,961. The average income has risen by 9.3% over the past two years. The average income in Merton was estimated to rise to £25,315 in 2001 (Merton Needs Survey Update 2001, 16). Merton is a borough where there are large income disparities (London Borough of Merton, 2002). The average income is generally the greatest in Wimbledon and the lowest in Mitcham. The unemployment rate is about 2.7%, which is less than the London average of 3.3% (London Borough of Merton, 2002).

In 1991, the proportion of the economically active population aged 16 and over was projected to be 67.1% in Merton by 1999. The Council describes those who are employed,

unemployed, or on a Government scheme to be economically active. The economically active are projected to be 87,000 in 2011.

2.2 Government Regulation of Housing

There are several government and independent bodies involved in the management and production of housing in Merton. On a national scale, the Department for Transport, Local Government, and the Regions (DTLR) is responsible for overseeing housing needs. The Housing Corporation works to raise the quality of housing in communities through the use of Registered Social Landlords (RSLs) under the direction of and funding by the DTLR.

On the local level, the Housing and Social Services Department of the Merton Council (Appendix A) strives to meet housing needs within the Borough. In addition, independent agencies such as the National Housing Federation, which aims to provide a network of independent social housing, work to promote the housing sector.

2.2.1 Department for Transport, Local Government, and the Regions

The DTLR, formerly known as the Department of the Environment, Transport, and the Regions (DETR), works to provide most local government services within the Commonwealth. Its main objective concerning housing is best stated by its policy objective: "To assist Ministers in meeting the aim of offering everyone the opportunity of a decent home and so promote social cohesion, well-being and self-dependence" (DTLR, 2002). The DTLR serves mainly as a regulatory body in regards to housing. Through documents such as the Housing Green Paper (2000) and The Way Forward (2001), the DTLR spells out clearly guidelines for housing strategy, housing planning, and housing policy.

Unitary Development Plans (UDPs) addresses issues raised in the Housing Green Paper (2000) and The Way Forward (2001) are applied on the local level. Merton Council must in turn define how and when they will develop the land in their boroughs. Furthermore, UDPs serve as a means to evaluate the situations of the residential, industrial, and corporate sectors within local communities.

2.2.2 Housing Corporation

The Housing Corporation is a “non-departmental public body” sponsored by the Department for Transport, the Local Government, and the Regions that works to create “safe and sustainable communities,” through the funding and organisation of housing associations (Housing Corporation, 2002). This public body was created in 1964 to promote and regulate Registered Social Landlords. In promoting RSLs, the Housing Corporation hopes to improve the standards of living and services for its residents by bringing the needs and views of the public and private sectors into one forum and provide funding for affordable housing (Housing Corporation, 2002).

2.2.3 Merton Council

Merton Council, through its UDP, establishes the usage of the land in the Borough, which includes provision of housing. The Council is split into five departments; these departments are delegated to control different aspects of the local government. The Housing and Social Services Department deals directly with the housing market in the Borough.

Specifically, the Housing Policy and Consultation Group works to create housing strategies, housing policies, and develop existing housing. The Housing Strategy and Development team in particular manages the policies for the development of housing within

Merton. This group also works collaboratively with the Housing Corporation as well as with independent housing groups to develop useful services for the local community.

The UDP for Merton has three sections relevant to housing concerns within the Borough. In the Housing Provision (HP) section, the Council sets out its goals for housing accommodation until the year 2006. Policy HP.1, which summarises the HP section, states that the Council “will aim to exceed the target of 5,000 additional dwellings between 1992-2006” (Merton’s Second Deposit UDP, 66). The remainder of the section consists of justifications for Policy HP.1 as well as ancillary policies set forth in the section.

The most pertinent section of Merton’s UDP to the housing situation is the Housing Needs (HN) section (Merton’s Second Deposit UDP, 74-82). In this section, the Merton Council states how it will meet the critical housing needs of the Borough in forthcoming years. Policies HN.1 and HN.2 combine data from the Borough’s Housing Needs Survey of 1999 and the Housing Needs Survey Update of 2001. Policy HN.1 discusses creating more affordable housing in the Borough through the regulation of future building sites. The policy requires 30% of residential sites consisting of 15 or more housing units to be retained for affordable permanent housing. Policy HN.2 states that the Council will supplement the housing provided through Policy HN.1 by overseeing the conversion of current housing and other structures to affordable housing. Subsequent policies address the needs of the homeless, the disabled, and the elderly, among others, to be met in carrying out policies HN.1 and HN.2.

The Housing Standards section is the third and final section related to housing concerns in Merton’s UDP (Merton’s Second Deposit UDP, 82). It sets out provisions for ensuring that new housing does not sacrifice the standards of living for the tenants and homeowners involved.

The policies in this section are concerned with the layout of new and existing housing, provisions for gardens, reducing noise, vibration and other forms of pollution, and overall safety.

2.2.4 National Housing Federation

The National Housing Federation (NHF) represents the independent social housing of England. It is composed of over 1,400 independent organizations, and funded through membership fees, conferences and the sale of its publications. The NHF acts as a catalyst in the public housing sector, encouraging members and newcomers to form housing associations or housing co-ops to better serve the needs in their community. The NHF also strives to make government-funded Housing Benefit more accessible and better understood by the public (NHF, 2002).

2.3 Housing Benefit

Most industrialised nations, including Great Britain, have welfare programmes that enable low-income households to have access to affordable housing. A low-income household is defined as one that has an income less than or equal to the national average, which for Merton is £22,961 (London Borough of Merton, 2002). Housing Benefit (also called rent rebates or rent allowances) is an allowance paid by local Councils to subsidise the cost of rent for those on a low income. In order to claim Housing Benefit (HB), a person must both be renting and have a low income.

According to guidelines published on the Department of Social Security's web page, savings in excess of £16,000 usually disqualify a person from claiming the benefit. Savings over £3,000 for individuals, or £6,000 for couples, reduce the amount of benefit that can be claimed.

People living in the homes of close relatives or those that are in the UK to seek asylum do not qualify, nor do full time students unless they are disabled or have children.

When deciding how much benefit a qualified person will receive, the Council reviews the total income of the claimant including earnings and benefits such as tax credits, pension plans, savings, and special circumstances. These circumstances may include the age of the beneficiary, the size of the family in question, and disabilities. The Council will also take into consideration whether or not the rental price is appropriate for the home that is being rented and whether or not the size of the home is reasonable for the size of the family. The amount of Housing Benefit that can be awarded is only up to the maximum eligible rent the Council will pay, which may or may not cover the full cost of the actual rent (DSS, 16 January 2002).

Nearly 4.5 million households in Great Britain receive Housing Benefit. According to the Housing Green Paper published by the DETR, almost 60% of those claiming Housing Benefit in Great Britain live in Council housing, 19% let from RSLs and 22% lease within the private rented market.

Britain's strong economy in the late 1990s and the low levels of unemployment have resulted in a decrease in social security spending (Varley, 17), which includes the distribution of Housing Benefit. However, due to increasing rental costs and numbers of people forecasted to claim benefits, Housing Benefit spending is expected to rise about 1.4% in 2001/02 (Housing Green Paper). According to the findings of the Joseph Rowntree Foundation, the largest social policy research and development charity in the UK (29 April 2001), there has been a 30% decrease in the number of households claiming Housing Benefit since 1996 when new qualifications for eligibility were implemented.

A number of elements may account for this fall. In 2000, about 1 million households claimed the Working Family Tax Credit. This is a 38% increase from 1999. The Rowntree report suggests that this increase has probably contributed to the decrease in the number households claiming Housing Benefit. Also, the fall in unemployment levels has added to a reduction in claims. With more people in the work force earning salaries that can sustain their housing costs, there are fewer people that must rely on the government to meet all of their rent. All of these factors may have contributed to a decline in social spending by the government.

In the 1980s and 1990s, the Conservative government reduced the entitlements of young people to social security benefits. ‘Single room rent’ was introduced in October 1996. ‘Single room rent’ is a policy that restricts the entitlement of single people under the age of 25 to Housing Benefit (Kemp and Rug, 690). Its purpose was to restrict young single people living in the private rented sector who claim Housing Benefit to living in a shared accommodation, rather than in a single occupant accommodation.

As Kemp and Rug note, the ‘single room rent’ is “a ceiling on the maximum rent that can be taken into account when [HB] entitlement is calculated” (690). ‘Single room rent’ applies to the majority of young single people with a few exceptions. These exceptions include people renting from housing associations and local authorities as well as single parents who are under the age of 22 and have been in local authority care.

Since its introduction in 1996, ‘single room rent’ has had a tremendous impact on the ability of young people to access the private rented sector. The introduction of ‘single room rent’ increased the reluctance of landlords to rent to young people on Housing Benefit. The reasons for this reluctance were the slow administration of HB, rent restrictions for HB purposes, and the perceived “undesirable” characteristics of HB recipients (Kemp and Rug, 692). If young

people wish to receive Housing Benefit, the law encourages them to live in shared accommodation. They can no longer live in a single apartment and receive HB (693). Therefore, finding housing in the private rented sector has become increasingly difficult for young people. Furthermore, the reluctance of landlords to let to young people on HB causes some to hide the fact that they are receiving the Benefit. It can take several weeks or even several months for young people to find affordable housing (694).

The government has estimated that 80% of young people receiving Housing Benefit would have their Benefit cut when 'single room rent' was introduced (Kemp and Rug, p.691). Many claimants have experienced financial problems. Young people whose rents have been restricted have experienced a shortfall of £15-20 per week (691).

Another problem encountered by young people lies in the fact that they do not know the maximum eligible rent for a property. Since 1996, claimants have been able to ask the Rent Service to arrange for a "pre-tenancy determination" (PTD) to be made when they want to become tenants of a property. By doing this, claimants can learn beforehand if they can afford to rent the desired property. Many young people, however, are unaware of the PTD despite advertised material distributed by the Housing Benefit and lettings offices. In general, young people have to immediately tell the landlord if they wish to take the property for fear of losing the property. As Kemp and Rug point out, the PTD does not function well in the competitive private housing market faced by young people (695). This is yet another example of the difficulties young single people face upon entering the private sector rented market.

Further changes to Housing Benefit policies were made after the election of the new Labour government. In 1997, the new Labour government that replaced the Conservative government in Britain promised to increase spending on education and health care and promised

not to raise the income tax during its first term. Earlier surveys had shown public support for extra spending to improve the educational and health care systems (Brook et al., 146) but little support for social security and welfare spending (Taylor-Goody, 195). To the New Labour government this meant that the British people desired improvement in education and health care but were not enthusiastic about paying higher income taxes to achieve this reform. The scholar Peter Kemp says that this was the government's motivation for social security cut backs:

This [was] the context behind the New Labour's retrenchment strategy: reducing social security spending was seen as one way of squaring the circle and increasing expenditure on health and education while not raising income tax rates. (Kemp, 267)

Housing Benefit seemed to become the initial target for financial cutbacks (Kemp, 269). This was partially due to the fact that the cost of running the Housing Benefit programme had doubled within the previous ten years. The number of Housing Benefit recipients had increased by half a million from 1988 to 1997. The rising cost of the HB programme was a major factor in the overall increase in social security spending and therefore had to be reduced in order to get the social security budget under control (268). Kemp writes "Housing Benefit also seemed vulnerable because the media frequently ran stories about landlord and tenant fraud and 'abuse' " (268). It was believed that fraud was wide spread in social security, especially in Housing Benefit. In the early 1990s, rent ceilings were put in place on tenants renting (non-regulated) private properties. Finally, structural weaknesses made Housing Benefit a target for reform.

Six major problems were outlined in the welfare reform Green Paper (DSS, 1998):

1. As long as the rent was below the local limit, rent would be fully reimbursed. This made the claimant free from any responsibility.
2. Landlords could automatically set the rent of their properties to be the maximum that HB would cover whether or not the maximum was a fair price for the property.

3. Since the benefit is withdrawn as income rises, people collecting the benefit would have less of an incentive to work and make more money.
4. More and more tenants would sink deeper into poverty because of increasing rental costs and a larger number of claimants.
5. HB was not administered in a uniform, easy to understand manner.
6. Each year about £1 billion was lost due to fraud.

The Labour Government was looking to make drastic cut backs in addition to making radical reforms in the structure of Housing Benefit (Kemp, 270). Serious reform in combination with budget decreases could mean substantial losses for most beneficiaries. The new government then shifted from an approach motivated by cut backs to an approach motivated by reform to improve the social security system. Because other issues in the new government's agenda were of higher priority, welfare reform came in gradual increments of simplifying and streamlining the social security programme.

In 1999 the Chancellor of the Exchequer announced that the government would publish a housing policy Green Paper to deal with the reform of HB and social housing. He suggested that a housing component would be added to the new Working Family Tax Credit, which would apply to working households. At the time, working households accounted for less than 10% of the total number of recipients. This tax credit would expand assistance rather than cut it back because the credit would also apply to low-income homeowners and not just tenants (Kemp, 270).

One suggestion by the Department of Social Security was to implement a flat-rate award system to replace Housing Benefit (Weaver, 247; Hutton, 318). Under this approach it was assumed that the complexity of benefit administration and fraud would be reduced. This way,

more responsibility would be placed on the recipients. Since recipients would now have to pay a portion of their rent out of their own pockets, Kemp (274) says they would be encouraged to shop around for more reasonable rent prices. These suggestions dealt with several of the deficiencies highlighted in the welfare reform Green Paper.

Under the previously existing policy, Housing Benefit covered 100% of the rent for eligible people and decreased proportionally to increased income. These payments were made directly to the tenant from the Housing Benefit office. This procedure placed financial responsibility on the tenant, making it more difficult for landlords to assure collection of the rent. Landlords are given the right to request that the HB be paid directly to them rather than pass through the tenant. Due to problems with receiving HB, landlords were thus opposed to leaving responsibility with the tenants.

When the rent is paid directly to the landlord it is paid four weeks in arrears. In many cases, this is convenient for the tenant, but it means that the landlord has to wait 4 weeks to begin collecting his rent, which automatically makes the tenant behind in his rent.

A major problem lies in the structure of the Housing Benefit system. Over the past several years in London, the demand for social housing has been much greater than the supply and tenants have had little choice in the social housing market. Boyne and Walker note, "As Housing Benefit covers the entire rent, there is little incentive for tenants to search for alternative, cheaper or more responsive providers as they themselves are not contributing towards the cost of their home" (Boyne and Walker, 2238).

In order to strengthen work incentives, an increase in the 'earnings disregard' was proposed. This is the amount of income that a recipient is allowed before Housing Benefit decreases. This would have "pushed eligibility further up the income scale" (Kemp, 275) and

increased DSS spending at a time when the government was trying to reduce the cost of the Housing Benefit programme. In addition, a tax credit for working households would not have increased government spending but rather would have decreased the taxes collected.

More problems with Housing Benefit are incurred by housing associations. According to a recent survey administered by the National Housing Federation, 96% of the housing associations that responded reported having difficulties with Housing Benefit. On average, these housing associations were losing £210,000 a year (National Housing Federation Housing Benefit- Missed Opportunities, 4 April, 2002). This money was lost in terms of court costs for eviction cases, officer time, staff chasing HB arrears and increase in debt due to HB rent arrears.

2.4 Tenancy Reform

Currently, tenancy laws in Britain are a “complex mix” of common law, regulatory statutes, and case law, having been developed through trial and error over the history of the country (Law Commission, 2002). Major revisions have been made to tenancy laws, in the form of the Housing Acts of 1988 and 1996, and yet each of these acts deal with only specific issues within tenancy law. The Law Commission, in its Reform of Tenancy Law: A Scoping Paper, has concluded that a complete evaluation and subsequent revision of housing laws should be made in the near future. This paper also lays out a tentative proposal for a plan of action to reform housing law (Law Commission, 2002). While the system spans several hundred years of revision, it is possible to obtain an overall picture of the state of the law through exploring the major reforms to the housing laws made in recent times. The Housing Acts of 1988 and 1996 are the two most recent major legal revisions to the United Kingdom’s legal system.

2.4.1 The Housing Act of 1988

At the end of the 1980s, the British Government reformed the social housing system. The public housing system was monopolistic in the low-income housing market. The theory of “public choice” argues that monopolistic systems lead to inefficiency and poor performance because officials had little incentive to lower their prices and to improve their market delivery compared to the private sector that always seeks profits (Boyne and Walker, 2238). Bureaucrats could, therefore, provide low quality housing at a high cost, and it was possible to evade incentives to control their services.

In 1988, the British Government introduced the Housing Act. The main feature of that law was the introduction of private financing in the low-income housing market, and the deregulation of the private rented sector since the Housing Association (a non-profit organisation that provides rented housing to low-income households below market price) would set its own rents and lettings. That would enable the Government to reduce revenue subsidies. This new law was also an answer to the monopoly of local authorities.

Due to the creation of tenant-led organisations and the promotion of independent housing associations as the providers of social housing, it was thought that it would be difficult for local authorities to use public funds to increase in size. Housing associations would raise money in the private market (from banks and building companies), set their own rents and manage their internal finances (Boyne and Walker, 2244). The local councils, under the Housing Act of 1988, had the option to gradually transfer their housing stock to housing associations to gain additional government funding. The councils would still be involved in providing affordable housing because housing associations housed tenants from Council waiting lists.

Housing associations were able to provide additional private financing above a fixed grant provided by the Government called the Housing Association Grant (HAG) (now known as

the Social Housing Grant) to enable them to develop additional units at the lowest cost. The difference between the grant and the total cost of a local housing project was to be funded by associations on the private finance market (Whitehead, 661). Housing associations would repay the loan by collecting rents from tenants living in the new properties. The rent would be set by housing associations so that it would be kept below market price.

Competition for Government subsidies in the form of HAG between Housing Associations would also be promoted. The outcome of the transfer of council stocks to housing associations has been an increase in the provisions of low-income housing by housing associations. Now housing associations were providing accommodation for low-income households with the assistance of government subsidy in the form of HAG.

The "Right to Buy" introduced by the Housing Act of 1988 was intended to encourage tenants to buy the council properties they lived in. This was due to the belief that everyone had the right to own his or her own home. Because tenants were now allowed to buy council housing that was previously only available to rent, the "Right to Buy" led to a decline in the quantity of council housing stock (Peju Fabunmi, 15 March, 2002).

2.4.2 The Housing Act of 1996

The Housing Act of 1996 followed the Housing Act of 1988. This later law introduced a tougher regulatory framework, a list of a range of housing association performance indicators, a statutory basis given for the housing associations, and homelessness and allocation reforms. The goal of the new law was to promote a closer adherence to the Housing Act of 1988 by analysing the relative performance of housing associations and highlighting regulatory issues. (Boyne and Walker, 2246).

2.4.3 The Outcome of Housing Reforms

The introduction of private finance could be regarded as partly successful. All projects have been funded at interest rates favourable to those borrowing. However, the government has limited more and more of its involvement in low-income housing projects, and that leads to increasing rents or costs of housing for tenants, which in turn increases government expenditures due to increasing HB (Whitehead, 671). Addressing this issue seems fundamental to decreasing rents and housing prices in the private rented sector. The two reforms had a negative impact on low-income households due to a shift in priorities of government spending in favour of homeless people.

Another feature of the Housing Act of 1996 was the introduction of Assured Shorthold Tenancies. All tenancies could now be ended by two months notice (after a minimum of six months) by the landlord. This was meant to promote investment by landlords, as it was now easier to evict tenants. Unfortunately, this has had a negative impact on all households because they have less security concerning their occupancy of a particular property.

At the end of the 1980s, the British government was increasingly concerned about homeless people. In 1991/1992, 46% of allocated low-income housing went to homeless households. Increasing concerns about efficiency of this allocation of funding led to an important feature directed to homeless in the Housing Act of 1996. However, homeless housing acceptance rates remained very high in England (116,870 in 1996) and the priority assigned to them resulted in long waiting lists for Council housing (Boyne and Walker, 2255).

2.5 Housing Supply and Need

There is a great disparity between the supply and demand for housing in Merton especially in the area of affordable housing. Black and minority groups often have more difficulties accessing the private rented sector than the rest of the Merton's population (London Borough of Merton Web Site, 2002).

2.5.1 Housing Supply in Merton

Housing is divided into three distinctive categories: social rented, private rented, and owner occupied. More than 70% of homes in Merton are owner occupied. Since there is much greater demand for housing than supply in the Borough, the situation is forcing prices up (London Borough of Merton Web Site, 2002). There are approximately 2,000 empty private sector properties and among them more than 800 have been vacant for over six months. Bringing these empty private sector homes back into use could positively affect the housing sector in Merton.

In the public sector, the Council's stock is diminishing. For example, "Right to Buy" sales have increased over the last three years. The reduction in Council housing stock makes it more difficult for people to buy properties since there are fewer available. Another problem facing the Council are empty properties and under-occupation. According to the Council, Merton has to increase the supply of private rented housing in order to start addressing its high demand for low-income housing (London Borough of Merton Web Site, 2002).

The Housing Needs Survey notes that as of 2001 the average property prices in the Borough of Merton ranged from £91,500 for a one-bedroom property to £224,000 for a 4-bedroom property. House prices have risen at a greater rate than the rent prices over the last two

years (between the survey of 1999 and of 2001) with minimum buying costs for a property rising by an average of 62.7% and minimum rent costs by an average of 32.7% (Housing Needs Survey Update 2001, 14).

2.5.2 Housing Need in the Private Sector

In order to know how much housing has to be supplied in the Borough of Merton, the Council needs to establish housing need in the private sector. The Housing is in short supply in all the sectors of Merton for a number of reasons (London Borough of Merton, 2002).

- 25.6% of homes are under-occupied probably due to the fact that elderly live alone in large size family houses after their children have left.
- 15% of private sector households have a disabled family member. Of these, 20% report a need for adaptation.
- There are nearly 2,000 vacant private sector properties, and 891 of these have been empty for over six months (London Borough of Merton, 2002).

In addition to these known problems, there are also concealed households (now termed as potential) in need of housing, which means the previous numbers are inaccurate. The true numbers are higher in reality (Housing Needs Survey Update 2001, 8).

2.5.3 Housing Needs of Black and Minority Ethnic (BME) Communities

Approximately 23% of Merton's population is from a minority ethnic background. This figure is projected to increase to 26% by 2011. Average incomes of Caribbean Black residents are much lower than the Borough average, while those of white Irish residents are nearly £4,000 above the Borough average. Minority groups are more likely to live in social housing and black

communities are more likely to live in unsuitable housing than the average Merton resident (Merton's Second Deposit Unitary Plan, 739; London Borough of Merton Web Site, 2002).

2.5.4 Response to the Housing Need in Merton

The increasing housing problems facing Merton's population could be remedied in part by more affordable housing. As discussed earlier, incomes have not increased, while rents and house prices have increased during the last two years. The 1999 Housing Needs Survey showed that the average gross household income of all households in housing need was £5,830. Approximately 37% of all households in housing need had not earned income while under 1% of households had an income of over £30,000, and even they could not afford 1999 house prices.

Setting a low market price for housing will be more expensive than the cost of shared ownership in the Borough, and accordingly is not a solution to provide low income housing in the to those households on intermediate incomes (Housing Needs Survey Update, 2001). Shared ownership is also considered to enable low-income households to have access to affordable housing. Unfortunately, shared ownership is not a solution for low-income housing because a weekly rent price with a 50% equity stake is higher than the costs of minimum priced housing in the Borough (Housing Needs Survey Update 2001, 22).

2.6 Housing Benefit and the Private Landlord Research Report

In 1999, the DETR published a report on Housing Benefit and private landlords. The research suggested that landlords have different incentives and motivations for their participation in the private sector rented market and that they have different methods of operating in it. Landlords in this study were classified into three groups: personal, agent, and company.

Personal landlords are those who privately own and manage their properties. Agent landlords are self-employed persons who manage a property on behalf of another party. Company landlords manage property that belongs to a company, institution or another organisation such as a church (Housing Benefit and the Private Landlord Research Report, 1999). The research also discovered that generally speaking, personal landlords have the smallest number of rentals, usually 5 or fewer. Company landlords usually had about 50 leases. Management landlords tended to have the most lets; a majority managed 200 or more.

A survey administered in 1998 asked landlords how they decided upon setting the rent. A majority said that in determining a 'reasonable' rent, they considered factors including the nature of the property to be leased, the type of tenant to whom the property was being leased, comparable rents in the area, the cost required to cover the landlord's spending and maintenance of a profit margin.

In this same survey, landlords were asked if there were certain types of tenants or households to whom they preferred to let. Three-quarters of the landlords surveyed indicated a preference. Of this only 1% said that they preferred to rent to households on Housing Benefit. Twenty-six percent mentioned that they especially preferred not to let to Housing Benefit recipients. Table 2.1 shows the breakdown of tenant preference by landlord type: personal, company, agent.

Table 2.1: Tenant Preferences, by Type of Landlord (DTLR, 4 December 2000)

Base:	All landlords in phase 2 survey			
	All	Type of landlord		
		Personal	Company	Agent
	%	%	%	%
Prefer to have particular types of household or individual				
Yes	75	79	69	74
No	25	21	31	26
Mentions of preference for People on HB	1	1	3	1
Mentions of preference not to have People on HB	26	17	11	35
Base	359	125	64	170

The survey also asked the landlords who preferred to not lease to Housing Benefit recipients why this was so. Two reasons emerged: issues with the Housing Benefit bureaucracy and local authority administration, and tenants falling behind on their rent payments. Other problems that the landlords noted were noisiness and concerns about damage being done to their properties by Housing Benefit tenants (Housing Benefit and the Private Landlord Research Report, 4 December 2000).

The study went on to report landlords' experiences with Housing Benefit. Of the 359 surveyed, 78% of landlords had at least one tenant receiving HB. Of those landlords that reported an increase in their number of HB tenants, there was little evidence to show that this was a positive choice on their part. When asked the question of why they had more HB recipients now than in the past, landlords responses seemed to relate to a greater supply of HB tenants: "40% gave responses which related to increases in the number of people on HB such as increases in those eligible for Housing Benefit, more unemployment, more people dependent on

benefit, etc” (Housing Benefit and the Private Landlord Research Report, 4 December 2000).

Only 3% of the landlords said that they actively sought to lease to HB recipients. Half of those who reported a decline in the number of HB tenants said that they purposely avoided HB eligible people.

Even though the study demonstrated that many landlords had preferences about which types of tenants to whom they rented, they did not, in many cases, believe that they had much choice when it came down to actually filling vacancies. According to the report, “ this would suggest that even when landlords know that tenants will be on Housing Benefit from the outset of the tenancy, they still might not feel that they have had a real choice in whether or not to take someone on HB” (Housing Benefit and the Private Landlord Research Report, 4 December 2000). In general, these findings show that landlords do not seek Housing Benefit tenants. It also shows that they do not necessarily let to them by choice, but rather than by necessity. Problems landlords have with Housing Benefit are evident, and the development of a management scheme that would encourage landlords to rent to Housing Benefit tenants would be invaluable.

2.7 Housing Schemes

Local authorities have been attempting to work with private landlords to provide private rented housing to low-income tenants, but because of the size of the private rented sector the need for management standards and conditions is imperative (Department of Environment, Transport, and the Regions, 2002). A management scheme has the potential to give low-income tenants better access to the private rented market. Higher levels of benefit could also aid low-income tenants. A form of fast tracking payments could make the rent payment process between

tenants and landlords more efficient. Landlord Forums discuss issues that effect private landlords, tenants, and local authorities. This would help to improve communication between the groups. Longer tenancy agreements could give security to both tenants and landlords. These options are discussed below.

2.7.1 Management Schemes

The development of a management scheme is one way that private landlords and local authorities are working together to provide affordable rented housing to low-income tenants. Through management schemes, housing associations or possibly the Council would manage a property for private landlords who would be given a guaranteed rent. The housing association, in conjunction with the Council, would then be able to choose to whom they rent the property. The property is assessed and the landlords are given a monthly instalment that may be below the market rate, but landlords are not responsible for the management of the property. The housing association or local authority would be responsible for finding tenants to fill the property, make repairs to the property, and collect the rent from the tenants. This would be advantageous to a landlord who wanted to receive money without the hassle of managing the property.

2.7.2 Longer Tenancy Agreements

As part of a management scheme, longer tenancy agreements can give tenants more stability and eliminate the need for landlords to continually search for new tenants. Tenants can be assured that the rent will not increase during the lease period, which would allow them to feel more secure. They may be apt to treat the property with more respect, as if it were their own. Landlords are also given the comfort of knowing where their rent is coming from and are able to get to know their tenants better. They would also not have to worry about finding replacement

tenants after a short leasing period. However, longer tenancy agreements would not be attractive to landlords who did not want to let their property for long periods of time.

2.7.3 Fast Track Payments

Sometimes there are problems with the payment of rent, which can make landlords unwilling to rent to low-income tenants receiving Housing Benefit (DETR, 2002). A fast track payment system is designed to give structure to the payment process and eliminate problems between tenants and landlords. It could be part of a management or accreditation scheme. Under this scheme, landlords who participate would be given priority when processing HB applications. This would allow landlords to be paid in a more timely manner and make them more apt to let to HB tenants.

2.7.4 Landlord Forums

The objective of a Landlord Forum is to bridge the gap between local authorities and private landlords (DETR, 2002). These Forums, or formal meetings between local authorities and landlords, are established to discuss issues of common interest. Most Forums are administered by local authorities rather than by a collaboration of both parties. This leads to the creation of a monitoring body instead of a cooperative effort.

There are many factors that negatively effect landlord forums (Housing Subsidies, 91). A past history of adverse relationships between local authorities and private landlord can make the early stages of forums difficult. The difficulty to encourage landlords to attend has also hindered the forums' development.

2.7.5 Voluntary Accreditations

A scheme with voluntary accreditations involves private landlords agreeing to submit their property for an assessment against a range of management criteria and conditions (DETR, 2002). If these conditions are met, landlords become accredited, giving recognition to the quality of service that they provide. These schemes attempt to influence physical and managerial standards in private rented accommodation, as well as create a good environment between private landlords and local authorities. A scheme would be advantageous where current conditions are weak and a need for improvement is necessary.

Management schemes with accreditations include criteria related to property condition, management practise, and past management records. These schemes are implemented for those who manage their property well and without past management problems. This appeals to local authorities because landlords are motivated to improve the condition of their property and manage their property more efficiently. If accredited, a landlord would have easily accessible tenants, giving them a clear advantage in the private rented sector over other landlords.

3 Methodology

This project focused on two main objectives. We first sought to discover why it has become increasingly difficult for low-income households in Merton to compete in the private rented market. Second, we have explored the feasibility of Merton adopting management schemes in order to improve access of low-income tenants to the private rented sector. This chapter discusses the methods we used to determine why it is difficult for these tenants to find housing, to explore strategies that will improve low-income tenants' access to the private sector market, and to determine the feasibility of developing a scheme in Merton.

Our primary research included conducting interviews and administering questionnaires. In order to gain a better understanding of Merton's private sector housing structure, we conducted interviews with representatives of local housing associations and Merton housing officers. Administering a questionnaire to private landlords and lettings agencies enabled us to identify reasons why private sector landlords seem to prefer certain types of tenants to others. While surveying private landlords, we probed their interests in participating in a scheme associated with housing associations in collaboration with the Council.

We sought to uncover reasons why low-income tenants are having difficulty finding affordable private sector rented housing. We also evaluated the schemes of other boroughs. The information we obtained could be useful to Merton, should it implement a scheme of its own to improve the existing system. We reviewed existing statistical data for the Borough to obtain a better grasp of its demographics. In order to compare and contrast other boroughs with Merton, we considered the current rented market conditions within those boroughs as well. We then critiqued schemes and practices already employed by other local authorities.

3.1 Interviews

The first primary research method that we used consisted of interviews with several Merton housing officers and housing associations. From these interviews we expected to gain more background information about the housing system and to better understand how housing associations function in collaboration with the local councils and the Housing Corporation. We also hoped to learn what the Borough planned to achieve through the implementation of a management scheme. A member of the strategy and development staff provided us with a list of Merton officers who were able to give us this information.

We held a meeting with Guy Jones, a representative of the Housing Benefit Office to obtain information regarding the Housing Benefit system, and how it affected the private rented market. In this interview we asked a series of questions about HB eligibility, distribution, and fraud. We also were able to recognise the efficiency of the HB system as well as the problems that arise. Mr. Jones was able to provide us with a mailing list of all the private landlords in the Borough accepting HB, which we used to distribute our mail questionnaire.

Our team also interviewed Richard Payze, the Development Director of Presentation Housing Association, which works to provide housing primarily to Black and Minority Ethnic groups. We obtained information regarding the role of Presentation Housing Association in providing affordable housing to those on a low income as well as the problems faced by minority groups in the private rented housing market. The interest of housing associations participating in a management scheme with the Borough was also discussed.

Peju Fabunmi, the Senior Project Manager of Acquisitions for Threshold Housing and Support, was an interviewee. We learned about the operation of housing associations, particularly the manner in which they obtain funding and how tenants are placed into rented

homes. We also discussed the role of the local councils in determining who is eligible to receive the housing. The current housing market and the trends that may have caused these problems were also explored.

A team member interviewed Victor Igbins of South London Family Housing Association over the phone. We learned about the Private Sector Leasing scheme, in which the association participates in cooperation with the Boroughs of Lewisham, Croydon and Bromley. Both the success of the scheme and its implementation in Lewisham were discussed.

Jane McNerney, of Richmond Council Housing Strategy and Development Department, was interviewed over the phone. From her we learned about the Richmond Private Sector Housing Forum. One of the team members asked her questions about the activities, funding and success of the forum.

Two members of the group met Sharon Smail, of the Asylum Seekers Team. From that interview, we learned about the Fresh Start scheme and more on the Sponsored Tenancy scheme. We spoke about future schemes and their expectations, and discussed the problems of tenants in the private rented sector of Croydon prior to the implementation of these schemes.

Zulfiqar Mulak, of the Bed and Breakfast Unit (BBU), working with Croydon Council, was interviewed over the phone. He gave us information about the Private Sector Leasing scheme (PSL) of Croydon, including how the scheme works, its funding and its overall success.

Nick Long, empty homes manager for the London Borough of Lewisham was interviewed over the phone. He provided us with information about their private sector housing unit accreditation scheme, guaranteed deposit, and grant assistance.

The data collected from the interviews were then analysed and used to develop conclusions about the feasibility of a management scheme for Merton. There were a number of

analytical procedures available including interpretative, social anthropological, and collaborative social research approaches (Berg, 239). A collaborative social research approach best suited our needs, as our data were collected in collaboration with interviewees. Berg states that “data are collected, and then reflectively considered both as feedback to craft action and as information to understand a situation, resolve a problem or to satisfy some sort of field experiment.” Following Berg’s guidelines of collaborative social research analysis, after the data were collected they were then transcribed into text.

We had originally intended to conduct face-to-face interviews with many landlords that would have been selected randomly from a list of private landlords provided by the Council. A private landlord interview guide was developed, but as the project progressed it became clear that conducting interviews with landlords would not be as time efficient as administering a phone survey to them. The questions on the private landlord interview guide were used as models to develop the private landlord questionnaire.

3.2 Questionnaires

One purpose of our research was to discover why landlords and lettings agencies seem to prefer not to rent to low-income households on Housing Benefit. Another was to determine whether landlords would be interested in management schemes associated with the Council or housing associations. Two questionnaires were developed: a private landlord questionnaire and a private sector tenant questionnaire. Members of the Department looked at the questionnaires, suggestions were noted, and revisions were made. This helped to ensure that the questionnaires were complete and easy to understand. Some areas of interest dealt with sensitive subject matters and the questions had to be worded in a way that would not offend the landlords.

3.2.1 Administering Survey

Our team looked at many different ways of administering the private landlord survey. We considered posting the questionnaire on Merton Council's web page so that landlords visiting the site could take the survey online and submit their answers electronically. It was determined that this was not feasible because we did not have the time to gain permission from the Information Technology department to post our questionnaire on the Council's web page. Also, there was no feasible way of assuring that only one set of responses was submitted per landlord.

We also thought about going directly to the lettings agency offices in Merton and leaving several copies of our surveys with the agents. We had hoped that the lettings agents would be willing to hand the surveys to private landlords who came to the offices on our behalf. Then, we would have gone back to the offices at the end of the week to collect the completed surveys. We decided against using this method of administering the questionnaire for a few reasons. First, we felt that the lettings agents would probably be unwilling to handle our questionnaires. It would have made extra work and provided no particular benefits for the agents. Second, our team would have no way of protecting the integrity of the data. Since none of us would be at the lettings agent offices we would not know whether or not the data were somehow altered. Lastly, the data would have been skewed by the fact that a third party was distributing our questionnaire.

Email questionnaires were made to send to landlords who wished to take the survey electronically. Two landlords requested the email questionnaire but neither responded. We discovered that this was an inefficient way to conduct our survey because emails can be easily forgotten and deleted. These landlords did not have direct personal contact with our team members and without feeling any obligation to fill out the questionnaire they could easily disregard our request.

A mail questionnaire was deemed to be the best way to obtain information from a large number of private landlords. We were able to survey landlords more easily this way and the questionnaire could be completed at their convenience, which we hoped would improve the response rate. We included a letter of confidentiality assuring the respondent that the questionnaire would remain confidential, and that the responses could not be traced back to the individual. In the interview with Guy Jones, from Housing Benefit, we were given a list of 615 private landlords accepting HB who received a monthly newsletter published by the Council. The questionnaire was sent with a freepost return address in order to give us the best response rate possible. Since these landlords accept HB we thought that they would be likely to complete a questionnaire that might lead to improving the efficiency of the current system.

In order to gain an understanding of local landlords' interests in becoming part of a management scheme run by housing associations, possibly in collaboration with the Council, we conducted a series of phone surveys with private landlords and letting agents. A list was provided of private landlords who had contacted the Housing and Social Services Department enquiring about management schemes. They had been told that no management scheme currently existed but that their contact information was being retained for research purposes. They were then contacted by phone and asked if they were willing to participate in a study about private rented housing in Merton. These landlords were contacted to take the phone questionnaire first because we felt that they would be the most responsive. Twenty-five landlords were called and asked to participate but only thirteen landlords agreed to answer the questionnaire.

The Housing Strategy and Development Department provided a list of lettings agencies with property for rent. Most of these agencies did not accept Housing Benefit. This fact made

their questionnaire answers particularly useful because we gained feedback as to why they did not accept HB and what they perceived the problems with HB to be.

In order to find additional local private landlords we searched the property section of the Merton local newspaper, The Post, and compiled a list of private landlords in the area who had advertised their property. Ten landlords from this list were phoned to take a questionnaire but only one agreed to participate. In addition to this method of locating interviewees, we placed advertisements in the property section of the local Guardian seeking local landlords to participate in the phone survey, but we had no response.

While attempting to survey the landlords and lettings agencies advertising property in the newspaper we understood that the reason for their contact information being listed was to obtain tenants. When calling these landlords, we made clear who we were and what our intentions were. Otherwise, they might not have been willing to complete the survey and could have been angered that we used their contact information for a purpose other than for which it was intended.

We hoped to obtain a list of all the private landlords working with the Council and their phone numbers. Unfortunately we could not obtain such a list from the Council because the Data Protection Act protected landlords' contact information from being used for purposes other than that for which it was originally intended.

3.2.2 Questions

The final version of our landlord survey contained 21 questions. We start the survey by obtaining information about the distribution of landlords within the borough. Our team asked landlords and letting agents how many properties they owned and where their properties were located. Next, we collected information on monthly rents. We also asked the rent levels with

respect to the size of the property. Our group sought to discover what type of tenants they preferred to rent to, and what they felt were good characteristics in a tenant. We then asked whether or not they accepted Housing Benefit, and if not, why. Questions were asked pertaining to their interest in a management scheme or other type of programme in collaboration with housing associations and possibly the Council.

3.2.3 Tenant Survey

A tenant questionnaire was also prepared. This questionnaire was intended to be administered to low-income tenants renting in the private sector. In this survey we asked questions about rent prices, physical conditions of the property, satisfaction with the management of their accommodation, problems that have arisen with the landlord, income levels and tenant movement within the private and social rented sectors.

We considered several ways to administer the tenant questionnaire. Initially we hoped that we would obtain a list of tenants renting in the private sector from our liaison at Merton Council. We learned that this list was not available to us because it was protected under the Data Protection Act.

Our team thought that we could give the questionnaires to tenants that come to the Civic Centre to talk to different departments such as Housing Benefit and Housing Advice. It was suggested to us that we could stand in the waiting room and administer our questionnaire to the private sector tenants as they waited to be seen. There were several problems with this option. First, we did not want to upset people as they were waiting. We felt that there might be a bias if we surveyed these people because they may be at the Civic Centre to discuss a current problem. Also, our team did not have the time to wait for authorisation by Merton Council to conduct our research in this manner.

The only other way to have administered this survey was to go door to door in the Borough and ask people if they were private tenants and if so, whether they were willing to participate in a study about private sector rented housing. We thought that this method was intrusive, unsafe and inefficient. With over 75,000 households in the Borough (1999 Housing Needs Survey, 12) it would be quite difficult to obtain a good representative sample population in less than seven weeks. It would also be very inadvisable for a group of students to go into private homes of strangers.

Since none of the methods of administering our questionnaire were feasible, we decided that we could not realistically conduct the tenant survey. Furthermore, many of the topics that we hoped to cover with our questionnaire could be found in the Housing Needs Survey of 1999. This study, completed by Fordham Research Limited, was thorough and there was no need to repeat their research.

3.3 Secondary Research

In order to better understand Merton's diverse population, we analysed the demographics of the Borough. We obtained demographical data by analysing the latest census conducted in London and its boroughs. This information is available in the UK's statistics website (National Statistics Web Site, 2002). We also analysed past studies completed on the low-income housing market in the Borough of Merton available in the Housing Needs Study of 1999 and its update of 2001. It was important to identify the different conditions in the private rented market throughout the boroughs in order to compare them to Merton.

We have reviewed the Housing Needs Study of 1999 and its update of 2001. The Housing Needs Study update of 2001 helped in determining the current housing conditions in the

private sector, such as rent prices, physical housing conditions, income levels and other housing issues. These reports are particularly useful to us in light of our team not conducting the tenant survey, which was planned initially to address similar topics.

Our team researched the policy used by Merton Council, including the UDP of Merton, Housing Green Paper, and Merton's Housing Strategy. Our group gathered statistics on Housing Benefit from past studies to give us a better understanding of the efficiency of the system. We also used the DTLR private landlord survey and compared its results to ours.

3.3.1 Current Schemes of Other Boroughs

Many other local authorities in London have implemented management schemes to aid low-income households in finding affordable housing in the private rented sector. In order to implement a strategy in Merton, schemes had to be evaluated from other London boroughs. Many areas in London already have landlord forums in operation to help facilitate communication between landlords and local authorities. Merton has such a landlord forum but it has been essentially inactive for the past year. In other boroughs, there are also voluntary accreditation schemes and other types of letting schemes in effect.

Other boroughs were contacted to learn more about and analyse their schemes and strategies. Market conditions were taken into account to ensure that results from other Boroughs were relevant to Merton. Our team then reviewed the effectiveness of different schemes and found how successful they were in providing low-income housing in the private rented sector. Using this information we then assessed each possible scheme for the Borough of Merton.

4 Data and Analysis

This chapter is devoted to displaying and analysing the data collected for this project. It first discusses the results of the private landlord survey, and then the information collected through case studies. For the survey, a largely quantitative approach was taken, focusing on statistics gathered from the responses. The case studies, in contrast, relied mostly upon a qualitative evaluation of the approaches taken by other London boroughs to alleviate low-income housing problems. Based on this analysis, conclusions were drawn about why it has become increasingly difficult for low-income households to find affordable housing in the private rented sector of Merton and recommendations made for the feasibility of schemes within the Borough (Chapter 5).

4.1 Private Landlord Surveys

The following sections detail the results of our survey of private landlords. Throughout this section, percentages were calculated based on the total number of responses. The number of responses do not always equal the number of surveys mailed out, as some surveys contain data that fit into more than one category. Data from short answer questions were also added to graphs of other responses where appropriate, to obtain a more accurate representation of landlords' views.

4.1.1 Response Rate and Sample Pool

We mailed 615 surveys and contacted 35 landlords and letting agents to survey. We received 27 responses from the mail survey, and 14 from the phone. Eleven surveys were returned with invalid addresses or outdated landlord status (people who no longer owned private

rented property). This reduced our potential sample pool to 604. This gives the survey a mail response rate of 4.5% and a phone response rate of 40%.

The private rented sector is in a state of constant change, making it difficult to estimate its size. A calculation of the approximate number of non-owner occupied (a majority of which would be private sector landlords) can be obtained using the figures from the Housing Strategy Statistical Appendix of Merton's Housing Plans 2002-2005 (1). Assuming one private landlord per property, the sample population of this survey would be 9, 292. Using this estimate, our survey sampled 0.44% of the population.

4.1.2 Confidentiality Statement

In order to ensure that landlords surveyed were aware of their rights to confidentiality under the Data Protection Act, we included a question regarding the statement presented on the survey. By answering yes, respondents were indicating that they read and understood the confidentiality statement. All respondents in our sample pool answered yes.

4.1.3 Survey Data and Analysis Logistics

To better analyse the results of our landlord survey, we have grouped the questions by type. Each type of question deals with a specific aspect of our project. The survey breaks down into the following categories:

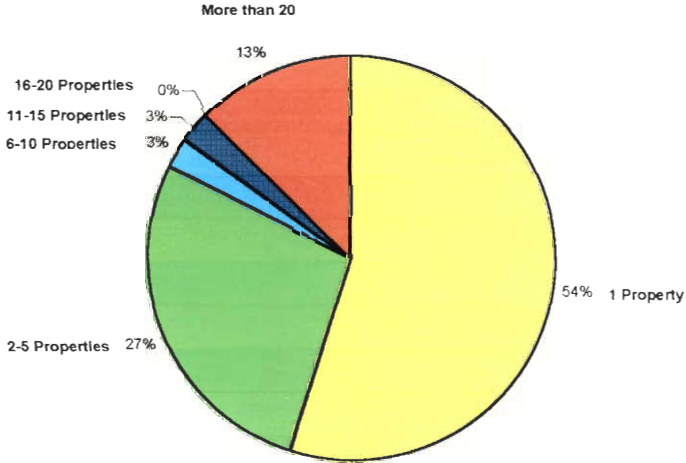
- Property Distribution
- Rent
- Tenant Housing Profile
- Landlord Preferences
- Housing Benefit
- Scheme Participation
- Other Issues

Property Distribution

This category of the survey contained a series of four questions. Each dealt with aspects of property distribution in the Borough of Merton, as well as other boroughs. The first question in the series addressed the number of properties private landlords owned within the Borough (Figure 4.1). As shown, 54% of the respondents owned only a single property, followed by 27% owning between two and five properties. Only 6% of landlords owned between 6 and 16 properties, and none owned between 16 and 20 properties. The remaining 13% represented landlords owning over 20 properties.

We addressed this issue to give us a profile of landlords and understand their preferences. Since 79% of the sample consisted of landlords owning fewer than five properties we considered it to be an essential group to appeal to when considering a scheme.

Figure 4.1: Number of Privately Let Properties Owned Per Landlord



The next question in this series asked landlords about the distribution of the majority of their properties by ward. Those landlords who did not own the majority of their property in one

ward had their properties counted in both categories to ensure that the statistics remained accurate. As shown by Figure A.1, 33% of landlords owned the majority of their properties in Mitcham, 22% in Morden, 16% in Wimbledon, 16% in Colliers Wood, 4% in Raynes Park, 7% in Tooting, and 2% in South Wimbledon. This showed us the distribution of the surveyed landlords within the Borough.

The third question in this series dealt with property management. Landlords were asked whether they managed their property themselves or via a letting agent. A majority of landlords (59%) used a letting agent (Figure A.2). The final question in the series asked private landlords if they owned properties in other London boroughs. Of those responding, 73% did not (Figure A.3). Of those owning property in other boroughs, the highest number of landlords owned properties in Croydon and Lambeth (Table A.1). Several responses also indicated areas outside of London, but no further data was collected on these items.

Analysis of this section revealed a relationship between the private rented sector in Merton and that of adjacent boroughs. Merton is bordered by Croydon, Kingston, Wandsworth, Lambeth, and Sutton. Landlords who own properties in Merton are nearly four times more likely to own properties in adjacent boroughs than in non-adjacent boroughs (Table A.1). These values were found by summing the number of adjacent and non-adjacent boroughs, then averaging the result of each sum.

Rent

Merton's 2001 Housing Needs Study Update revealed that Merton had a large disparity in rent prices. The findings of this study were confirmed by the data collected from this survey. The minimum and maximum rents for 5- plus bedroom accommodation were identical due to the

fact that only one response was received in that size category (Table 4.1). Data in this category were not complete, and therefore was of little use in the analysis of rents for 5- plus bedroom rented property.

Table 4.1: Average Monthly Rents Compared to Merton’s 2001 Housing Needs Survey Update

Average Rents	Min	Max	Median	Yearly Median	Median %	Yearly Min	Min %	Yearly Max	Max %
1 Bedroom	£115.00	£1,040.00	£550.00	£6,600.00	26.3	£1,380.00	5.50	£12,480.00	49.80
2 Bedroom	£110.00	£2,220.00	£722.50	£8,670.00	34.6	£1,320.00	5.30	£26,640.00	106.20
3 Bedroom	£550.00	£7,200.00	£875.00	£10,500.00	41.9	£6,600.00	26.30	£86,400.00	344.60
4 Bedroom	£690.00	£3,800.00	£1,237.50	£14,850.00	59.2	£8,280.00	33.00	£45,600.00	181.90
5+ Bedroom	£2,800.00	£2,800.00	£2,800.00	£33,600.00	134	£33,600.00	134.00	£33,600.00	134.00

Another point of interest in this data involved the minimum rents of one-, and two-bedroom flats. The average monthly rents for these categories are £115 and £110 respectively, values that are extremely low considering the minimum values of the other categories (Table 4.1). In many of the surveys, there was some confusion about the layout of this question. Many respondents filled in the weekly rents instead of monthly rents (as many rents are still collected weekly). This required us to manually compute the monthly rent. Another common practice was to fill in the number of properties owned in each category.

Monthly minimum, median, and maximum rents were multiplied by 12 in order to calculate yearly rents. These yearly rents were then divided by £25,073, the average gross income of the Borough cited in the 2001 Housing Needs Survey Update. The results of these calculations were used to determine what percentage of the average gross income an average tenant would need to spend on rent (Table 4.1). The 2001 Housing Needs Survey Update also stated that 30% of one’s income is expected to be spent on housing (2001 Housing Needs Survey Update, 20). By this standard, multiple bedroom flats require greater than 30% of the average

gross income of the Borough (Table 4.1). While it may still be possible to afford rents above this level, it becomes increasingly difficult for tenants to meet all their needs and still pay their rents. A yearly income of £25,073 would be insufficient to afford a 5+ bedroom flat within the Borough, as shown from the survey data. Percentages of gross income calculated from minimum values for one-, two-, and three-bedroom flats fall under the 30% benchmark laid out in the 2001 Housing Needs Survey Update. None of the percentages of gross income calculated from maximum values fall below the 30% benchmark.

Tenant Housing Profile

The questions in this section of our survey were designed to obtain information regarding trends in tenant movement. The first question in this series asked landlords what fraction of tenants moved into Merton from adjacent boroughs. Of those responding, 59% said that none of their tenants had moved into Merton in the past 2 years, 14% said that less than half moved, 3% said more than half moved, 5% said all had moved, and 19% didn't know from where their tenants had moved (Figure A.4).

The second question asked tenants what housing market the majority of their tenants had moved from (Figure A.5). We determined that 34% of landlords said that the majority of their tenants moved from other private rented properties, 13% from Council Housing, 16% from other types of housing, and 37% didn't know. Among the 'other' types of housing cited were YMCA and housing association housing.

From the results of these questions, we determined that there was not an influx of people from other boroughs flooding the private rented market. However, we feel that our survey does not adequately represent the population and that it is possible that people are moving from

Central London to escape the increasing costs of living. We also determined that there was a significant influx of tenants from Council Housing and ‘other’ types of housing, which may increase the competition within the market.

Landlord Preferences

This section of our survey contained questions to collect data about landlords’ views of tenants. The first question dealt with the types of tenants that private landlords are currently housing. Of those responding, 28% rent to young professionals, 33% to families, 7% to young couples, 9% to elderly tenants, and 23% to other types of tenants (See Figure A.6). In the ‘other’ category, 7% of respondents rented mostly to young individuals, and the remaining 16% included Iraqi refugees, DSS tenants, and the unemployed. The next question in this series asked if the aforementioned groups were the landlords’ preferred tenants. Of those responding, 89% of landlords said they were renting to their preferred group (Figure A.7).

The following question required landlords to rank a set of criteria (the last of which is a landlord-specified ‘other’ category) on a Likert scale from one to five, one representing a ‘most important’ tenant characteristic, descending in importance to five, representing a ‘least important’ tenant characteristic. For each category, a pie chart representing the distribution of the responses was created (See Figures A.8-A.14). Figure 4.2 depicts the number of the responses that fell into each of the categories.

Figure 4.2: Tenant Characteristics Rankings

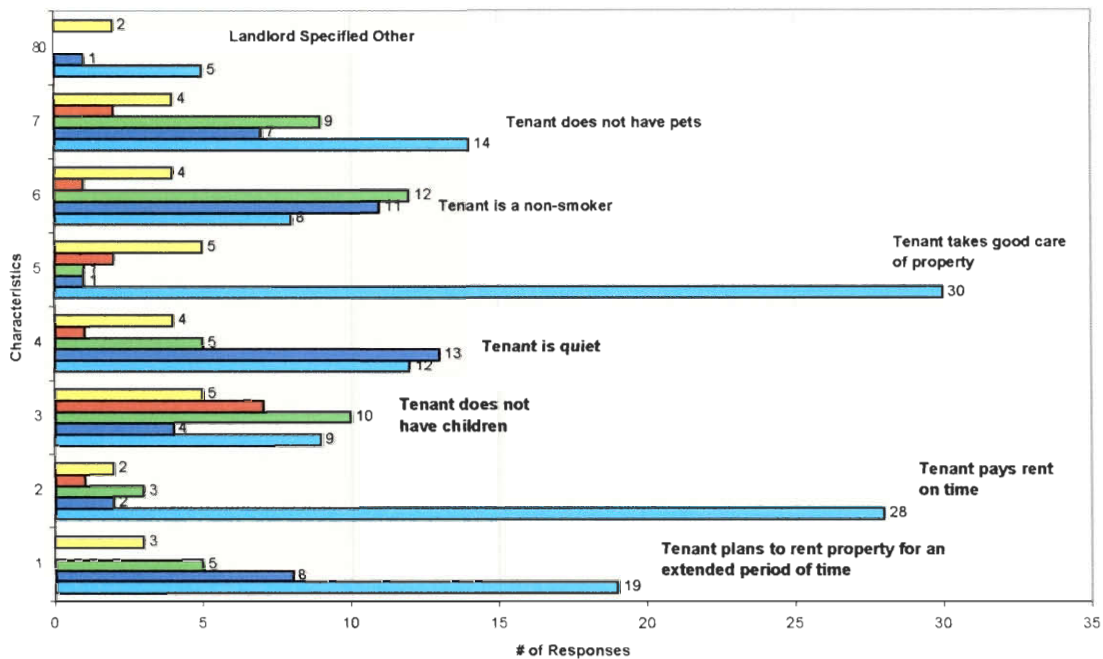


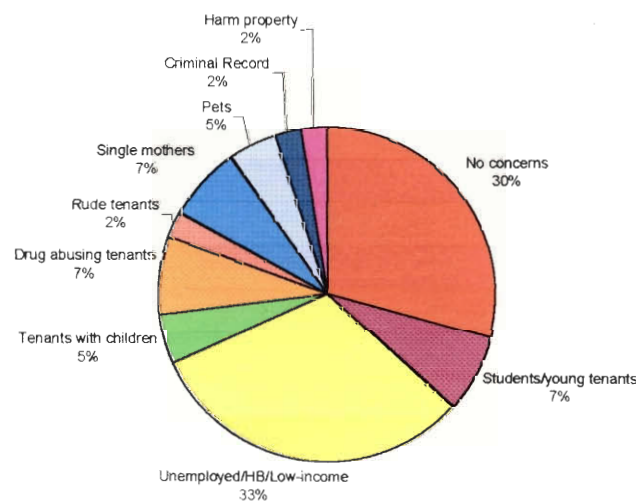
Figure 4.2 allowed us to visualise the overall perception of tenant criteria within our sample pool. Three of the tenant characteristics were perceived as most important, showing their importance to private landlords: ‘Tenant plans to rent for an extended period of time’, ‘tenant pays the rent on time’, and ‘tenant takes good care of the property’. The characteristics ‘tenant does not have pets’ and ‘tenant is quiet’ were viewed as important, but not as strongly as the top three characteristics. There was not enough distinction to draw conclusions from ‘tenant is a non-smoker’, ‘tenant does not have children’, and the ‘other’ category.

When taken as a whole, these questions tell us a great deal about the viewpoint and motivation of the landlord. Of the landlords surveyed, nearly 54% felt that tenants who rented for an extended time period were more desirable, 78% felt that tenants who paid their rent on time and tenants who took good care of the property were more desirable, 34% favoured quiet tenants, 39% favoured tenants who did not have pets, 22% favoured non-smokers, and 26% favoured tenants with no children.

Through analysis of the survey data (Figure A.15), a connection was found between landlords favouring tenants who pay rent on time and tenants who take good care of the property. Besides having nearly identical response patterns on all categories of the Likert scale, these two categories each represented 17% of the sample population for a favourable response. The third largest favourable category, tenants who rent for an extended period of time, was favoured by 16% of landlords surveyed. Together, these three categories represent the three most important qualities for tenants to have in the view of private landlords.

The final question in this series asked landlords if there were any particular groups to which they had concerns renting. The following graph shows unfavourable tenant characteristics as a percentage of the sample population.

Figure 4.3: Unfavourable Tenant Characteristics



Of those responding, 30% had no concerns renting to any type of tenant, 33% were concerned about renting to unemployed, HB, or low-income tenants, 7% each were concerned about renting to single mothers, drug abusers, or students and young tenants, 5% each were

concerned about renting to tenants with pets or children, and 2% each were concerned about renting to tenants with criminal records, rude tenants, or tenants that would damage the property (Figure 4.3).

Previous research showed that landlords preferred not to rent to tenants that were on HB (Housing Benefit and the Private Landlord Research Report, 1999). We confirmed this finding by the fact that, in our survey, the largest group that private landlords were concerned to rent to (33% of respondents) were tenants that were either unemployed, on Housing Benefit, or low-income.

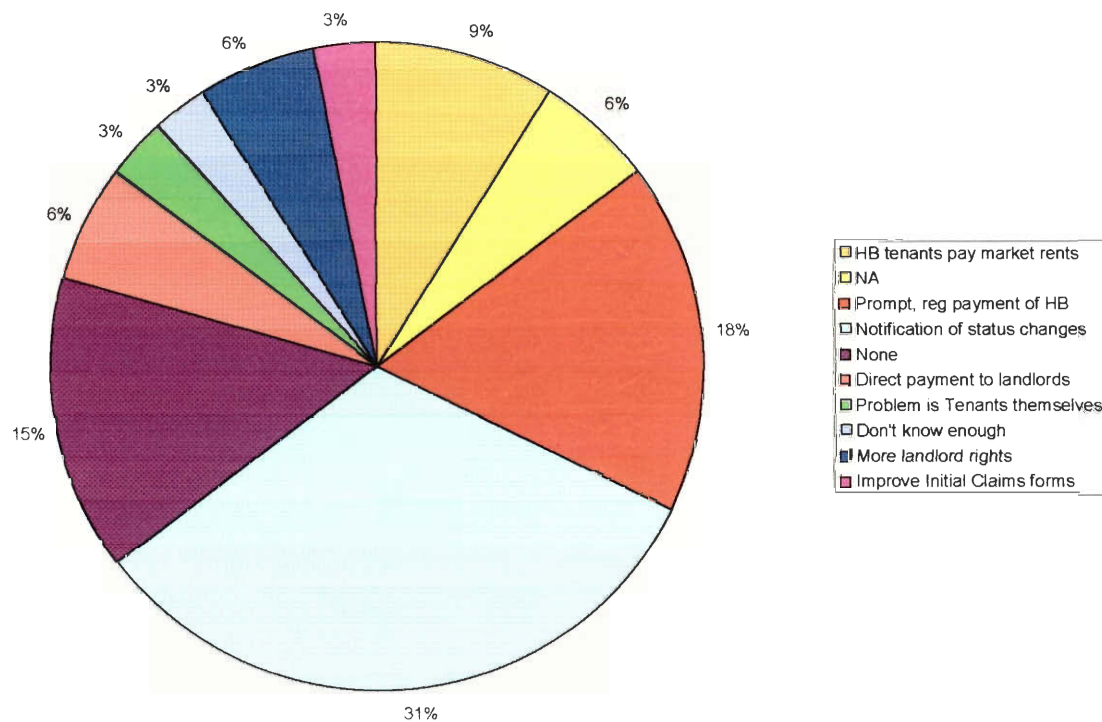
There appeared to be a particular bias towards ‘students and young people’ as well, for none of the respondents currently rented to this group (Figure A.6). This group was the second largest group to which landlords were concerned renting (7% of the responses). No further data were collected on the reason for the bias.

Housing Benefit

Additional data were collected concerning landlords’ preferences towards HB. As shown in Figure A.15, 86% of those responding accept HB. This contradicts previous research showing that landlords did not like renting to tenants on HB (Housing Benefit and the Private Landlord Research Report, 1999). These data can be readily explained by looking at the composition of the sample pool of this survey. The mail survey, which comprises the majority of the data collected, was sent out to a list of private landlords that accepted HB. However, the phone interviews, which accounted for 34% of the sample pool, were conducted from a list of landlords inquiring about management schemes in Merton, and these landlords did not necessarily accept HB. This biases the data collected in favour of those who accept HB.

Despite the fact that the majority of the sample pool accepted HB, 25 landlords surveyed were unhappy with the current system of administering and distributing HB. Landlords were asked to comment upon what should be improved in the HB system, and provided us with a useful list of suggestions (Figure 4.4). The most common suggestions were to better notify landlords of HB status changes (31% of respondents), followed by requests to receive prompt and regular payment of HB (18% of respondents).

Figure 4.4: HB Improvement Suggestions



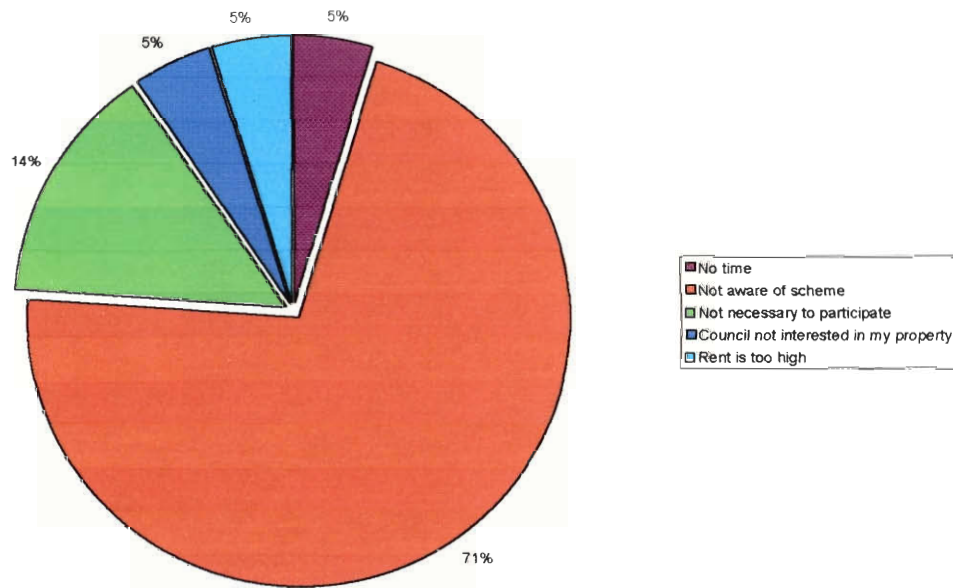
The last question of this series dealt with tenants' HB status prior to moving into their current property (Figure A.16). Of those landlords responding, 46% said the majority of their tenants were receiving benefits previously, 36% said most began receiving HB only after moving into their property, and 18% didn't know the prior status of their tenants' HB.

Scheme Participation

This section of the survey focused on collecting data about the current knowledge and amount of participation in local management schemes (not necessarily in Merton) as well as discovering what might motivate landlords to join an accreditation scheme.

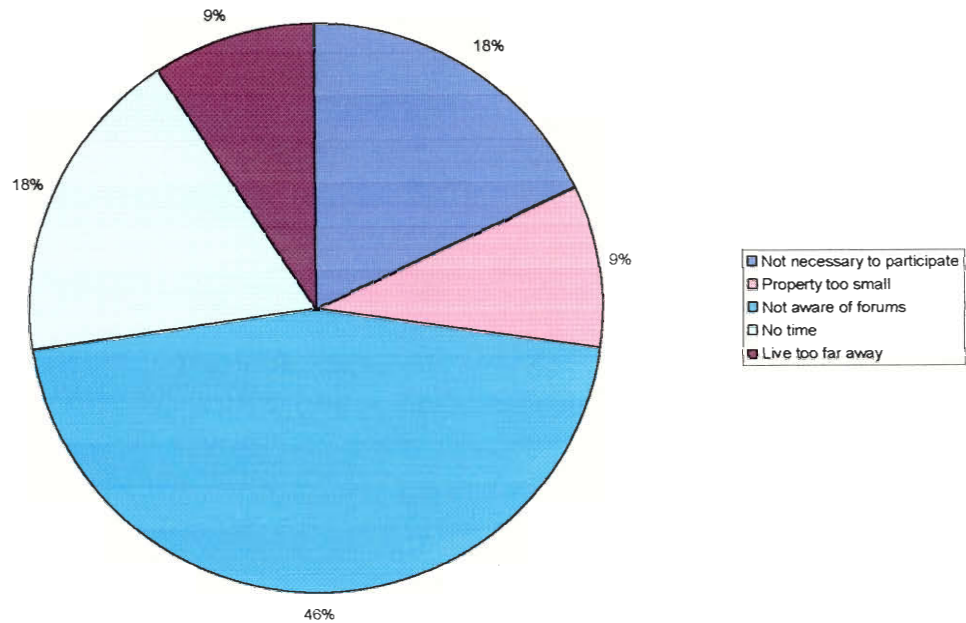
Of those responding, 92% of landlords are not currently participating in a management scheme (Figure A.17), and 89% are not currently participating in a landlord forum (Figure A.18). Further analysis revealed that of the 92% not participating in a management scheme, 71% were not aware of a management scheme for which they were eligible, 14% said schemes were not necessary, 5% each said they did not have time for a management scheme and that their rents were too high to join such a scheme (Figure 4.5).

Figure 4.5: Reasons for Not Participating in a Management Scheme



Of the 89% not participating in a landlord forum, 46% were not aware of such a forum, 18% each felt they did not have time to participate in a forum and that it was not necessary, and 9% each said that their property was too small and they lived too far away to participate in a forum (Figure 4.6).

Figure 4.6: Reasons for Not Participating in Landlord Forum

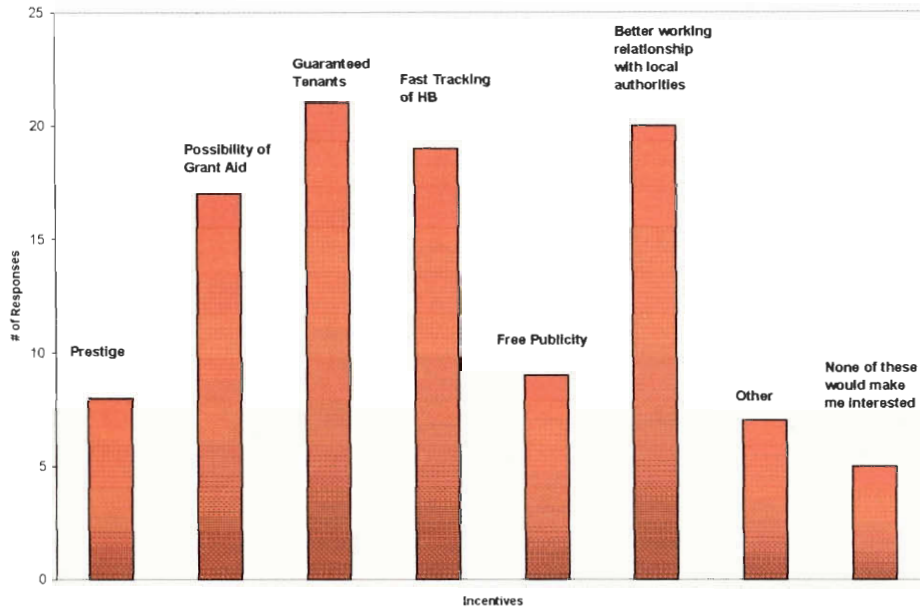


These questions reflected the fact that no management scheme existed in the borough at the time of the survey, and that the landlord forum in Merton has been inactive for a year. While this result told us little new information about landlords' views of schemes and forums, it allowed us to ask follow-up questions probing landlords' interests in these areas. The follow-up questions, besides indicating a large percentage of landlords were not aware of schemes or forums; these questions indicated other reasons why landlords do not participate in forums and schemes. Both Figure 4.5 and Figure 4.6 indicate that landlords either do not feel the need to participate, have no time, or set their rents too high to house low-income tenants.

Private landlords were asked to rank what they considered to be incentives to join an accreditation scheme. The results indicated that a better working relationship with local

authorities, guaranteed tenants, possibility of grant aid, and fast-tracking of HB were the four biggest incentives for private landlords to join an accreditation scheme (Figure 4.7).

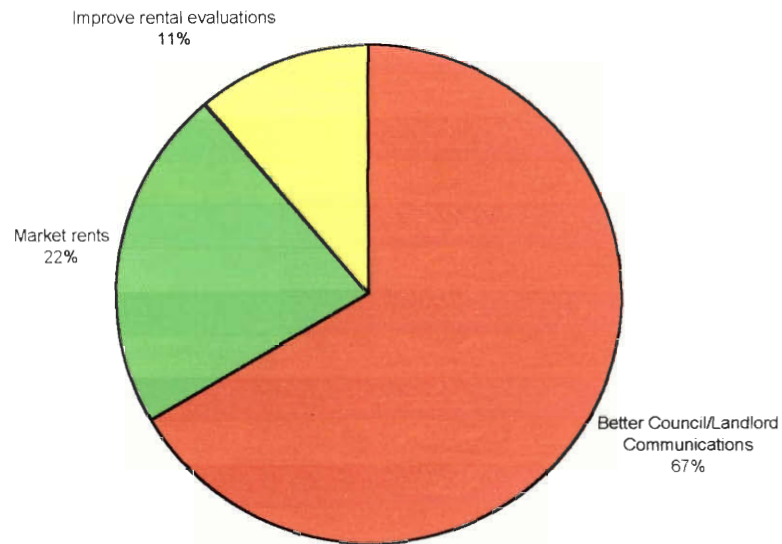
Figure 4.7: Landlord Accreditation Scheme Incentives



Other Issues

An ‘other issues’ question was added to the end of the survey to allow landlords to address issues not covered by the survey questions. Of those responding, 67% wrote that better communications should be established between Merton Council and private landlords, 22% wanted HB tenants to pay full market rent, and 11% argued for an improved method to perform and establish rent evaluations (Figure 4.8).

Figure 4.8: Other Issues Not Covered By This Survey



4.2 Analysis of Case Studies

Over the past years, there has been a significant increase in rent and housing prices throughout London. The outcome has been an increased difficulty for low-income households to find affordable housing in the private rented sector. This problem is magnified by HB difficulties such as delayed payments and extensive paperwork. Several London boroughs have developed different schemes to face these problems and some have been very successful in providing more affordable housing to low-income households. We have assessed the activities of local authorities in other London boroughs to evaluate the ability of low-income households to access the private rented sector.

4.2.1 Assured Lettings Scheme

The Borough of Brent is located in North London and it is a little bigger than Merton in size with a population of 247,000 people. Our team chose Brent because it is another London borough that developed schemes in response to the problems faced by low-income tenants in the private rented sector, and has a size and population comparable to these of Merton.

Brent recently developed a management scheme between private landlords and the Council. The goal of this Assured Lettings scheme was to attract private landlords and lettings agents interested in letting to tenants on HB but withdrew themselves because of the many problems involved. The main feature of this scheme is that it offers free insurance to these private parties if they accept low-income households on HB. This free insurance covers damage to their property, loss of rent, and legal costs incurred in relation to letting and repossessing the property.

Under the Assured Lettings scheme, Brent Council finds tenants for private landlords and offers to pay the free insurance premium for the first year of the tenancy or a cash incentive called a Retainer Fee. The contract includes an Assured Shorthold Tenancy. Before the tenancy agreement the property to be let is inspected by the Rent Service, which sets a rent depending on the conditions of the property and the rented market. If the landlord is not satisfied with the rent proposed, he is free to refuse a possible tenancy contract.

When a tenancy contract is carried out, the Council pays the rent directly to the landlord. The rent is paid four weeks behind to comply with the HB system, though the landlord will still receive the full 52 weeks rent. Under the tenancy agreement, the landlord is responsible for the management of the property; therefore, he has to deal with issues relating to central heating/hot water, cooker and fridge. The landlord also needs to be contacted at all times if any problem relating to the property arises. If the landlord does not wish to manage his property, he needs to

employ a managing agent. The Council compiles a list of managing agents who provide services at a modest rate, usually 3% of the charged rent compared to private sector firms that can charge up to 17%.

Brent Council funds the scheme through their local budget. It has become very popular among private landlords. The scheme has been running for three years and there are more than 400 landlords participating, with 23 new landlords last year. It has resulted in fewer tenants being evicted in the private rented sector of the Borough. There is also a greater supply of private rented housing. A strong relationship has formed between the Council and private landlords.

Brent Council has taken the financial burden off the private landlords and has had to spend a lot of money to implement the scheme. There are also pressures in finding the financial resources that will keep the scheme running. Since Merton faces similar problems as Brent did three years earlier, and has a comparable size and population, the Assured Lettings scheme could be pursued in Merton.

The disadvantage of such a scheme will be a financial burden for the Council if the funds are taken directly from its budget unless it finds other means to fund the scheme, and an important time commitment for the person running the scheme if there is not a specific team devoted to the project.

4.2.2 Private Sector Leasing Scheme

A Private Sector Leasing (PSL) scheme is one under which suitable privately owned properties are leased to the Council or a Housing Association for a period of time with a guaranteed rent and no commission fees to the landlord. The property is assessed and an appropriate rent is determined. The Council or Housing Association guarantees to pay the rent

monthly. Rent is paid directly by the tenant to the Council, which deals with any problems with Housing Benefit or late payments. The Council then uses the property to provide accommodation to tenants.

A detailed schedule of conditions is prepared before the lease commences. This schedule forms part of the lease agreement, in which the Council undertakes to return the property in the same condition as it was prior to the occupancy. The landlord is still responsible for the building and must keep it maintained and insured, but any other repairs, as well as the day-to-day management of the property, would be carried out by the Council.

The Royal Borough of Kingston upon the Thames borders Merton to the west and shares similar private rented market conditions. It is similar in size and population to Merton and was experiencing some of the same problems of providing affordable accommodations within the Borough. Although it is a more affluent Borough with higher rent levels, we felt that Kingston was comparable to Merton.

Kingston currently employs a Private Sector Leasing scheme to help provide accommodation to low-income tenants. The scheme has been running since 1986 with good participation, and has been very successful in providing low-income housing within the Borough. The Council advertises this scheme in the local newspaper to gain the interests of private landlords. A list of low-income households seeking accommodation is provided by the Housing Department.

The Private Sector Leasing scheme offers many incentives for landlords to participate and, if it were well advertised, it could be very effective. The rent is paid to the landlord in advance and the Council pays the Council tax and water rates. The gas and electric bills are taken over by the occupant. The landlords are still responsible for repairs or problems with

water, gas, and electricity but many times private landlords have contracts with utility companies covering any repairs.

Many private landlords have contacted Merton's Housing Strategy Department regarding a leasing scheme. This indicates that there is already some interest within the Borough. Funding is needed to pay the Council tax and water rates and a small staff is required to run such a scheme. This scheme has met success in Kingston and has the ability to be effective in Merton as well.

The Borough of Croydon is located in South London and has a population of more than 300,000 people. It borders Merton to the southeast and is approximately three times its size. Though the Borough has a much larger housing stock than Merton, it is still beneficial to consider its schemes. Prior to the implementation of the schemes, Croydon was experiencing similar problems to Merton. It was difficult for low-income tenants to access the private rented sector and landlords were reluctant to let to tenants on HB.

Croydon implemented a PSL scheme in conjunction with Hyde Housing Association and others that is now popular among private landlords letting to low-income tenants (Sharon Smail, 16 April, 2002). The Association advertises in their local newspaper requesting private landlords' participation in the scheme. Interested landlords then contact the Housing Association. If the landlord accepts the proposed rent he is guaranteed to have tenants for a period of three to five years. When the tenancy contract is signed, the tenant pays the rent directly to the Housing Association. The housing association helps tenants solve problems that relate to renting the property, such as difficulties receiving HB.

There are many advantages in PSL schemes. They enable low-income tenants to find affordable housing in the Borough rapidly with the help of the Council and housing associations.

Delayed payments are not a concern for the landlords because they are paid directly by the HA, which is obligated to pay the rent on time under the tenancy contract.

Unfortunately, these schemes also have limitations. Landlords could obtain higher rents in the private market. This factor is most significant for landlords who own only one or two properties that provide them with their only income. In these cases, the landlord would benefit more by finding tenants paying market rents, which are usually higher than those paid by housing associations or the Council. Furthermore, landlords who do not have problems finding tenants for their properties in the more affluent wards of the Borough will probably not be attracted by these schemes.

4.2.3 Sponsored Tenancy Scheme

Under a Sponsored Tenancy scheme, the Council finds properties on behalf of the tenants, but tenants who are eligible are also encouraged to find their own properties, and the Council will then negotiate with the landlord. Landlords receive a sum of money in addition to the deposit as an incentive to sign a housing contract with the tenant. Croydon currently runs such a scheme (Sharon Smail, 16 April, 2002). Under Croydon's scheme agreement, which lasts for two years, the landlord receives a cash incentive of £2,000 to participate. The tenant is expected to pay the rent every month and the Housing Benefit is paid directly to the landlord under the tenant's application to HB entitlement.

There are also incentives for tenants to participate. After the two year period, the tenant can decide to remain in or leave the property, and if there have not been any problems of rent arrears or damage to the property, the tenant claim the deposit paid by the Council to the landlord when the tenancy agreement was signed. The landlord also has the option to continue leasing to the tenant.

The Sponsored Tenancy scheme has been running for eight months and there are currently 50 landlords and 65 tenants participating. Croydon hopes to house 125 tenants by April 2003 under this scheme. The scheme aims to save the Council money, which is now spent on housing tenants in Bed and Breakfast units.

4.2.4 Deposit Guarantee Scheme

A Deposit Guarantee scheme is implemented to help tenants having problems paying the first month rent and deposit that Housing Benefit does not cover. The Council guarantees the security deposit, which can be used to pay for up to £400 in damages to the property. Tenants are given the responsibility of finding landlords who accept the deposit guarantee, which can be difficult.

The Private Sector Housing Unit of Lewisham currently employs a Guaranteed Deposit scheme. The Borough is located to the northeast of Merton and is similar in size and population. Lewisham lies below the Thames and has a comparable private rented market to Merton. They have also experienced similar problems with providing affordable accommodations to low-income households and have attempted to remedy this problem in a number of ways. This scheme has not met much success because most landlords rely on the security deposit and would rather have the money as opposed to a guarantee.

Since Lewisham's Deposit Guarantee scheme has not had much success, it would not be beneficial for Merton to undertake such a scheme. There are, however, aspects of the scheme that can help improve low-income tenants' access to the private rented market and that is why discussing the scheme was useful. Tenants on HB do have a problem producing the first month's rent and security deposit. This issue could be addressed by the Housing Strategy Department and part of the scheme could be utilised.

4.2.5 Private Sector Letting Service

Kingston has recently provided a free letting service for landlords to rent their properties. The Council offers the identification and introduction of suitable tenants, advice about the reasonable market rent for the property, preparation of tenancy agreements, and a detailed record of the conditions of the property prior to and following the occupancy. The service was also established to answer any queries about the rights and duties of landlords and tenants. The Tenant Finder Service supports and encourages private landlords to overcome the problems that can arise and help landlords to let properties. Kingston Council feels that many property owners decide not to let due to complications that renting can sometimes involve. The main advantages to landlords are that they do not pay any fees and properties can be let very quickly. This service is directed predominantly toward providing accommodations to families with children. Because the service is in its early stages, its success is difficult to measure.

A letting service could be very efficient in the Borough of Merton, since it would require very little funding and a small staff to run. There are already many tenants who contact the Council seeking accommodations. This scheme would encourage landlords who do not want to deal with the hassle of finding tenants to fill the property. If the service does not meet much success, the Council does not risk anything.

4.2.6 Grant Assistance

The Lewisham Grant Office provides landlords assistance to improve the state of their properties. It is funded through the Council and its main objective is to provide tenants with better living conditions. The Council requests most repairs after complaints from tenants and all claims are made by the discretion of the Council. Landlords have to apply and can receive up to 50% of the cost of repairs or up to £30,000 (Nick Long, 15 April, 2002). The agreement states

that the rents must be kept at a reasonable level for five years following the repairs. However, if the property is sold within five years of the repairs being made the Council is fully reimbursed for their contributions. There is an empty homes provision to the grant service as well; landlords can receive up to £10,000 to bring their property back into the private rented market, but the property must have been unoccupied for more than a year.

4.2.7 Accreditation Schemes

The London Borough of Lewisham currently runs a property based accreditation scheme. It provides a forum and opportunity for exchanging information, sharing best practises, and raising standards where necessary. It also provides a practical assistance with repairs and development to private sector properties. Its aims are to:

- To promote responsible renting
- To assist in the provision of affordable accommodation for residents
- To improve health and safety for tenants
- To develop and share good practice across the sector
- To promote awareness of the private sector
- To encourage consistency of high quality management standards and practices
- To build on the foundations of existing communities and promote their sustainability

The application process is fast and simple. Interested parties complete an application form, which is sent to the scheme co-ordinator (Nick Long, 15 April, 2002). Additional checks are carried out to ensure that the property is not subject to the Enforcement Notices under relevant legislation. The Council also makes sure that neither the property nor the property owner has been subject of proceedings for harassment, illegal evictions, Housing Benefit fraud,

or other offences relating to the housing standards. Where the property is found to be below standard the Council will provide the landlords with a schedule of works and encourage them to carry out necessary repairs. A small grant may be possible to assist with these works.

Upon successful completion of the process the Council awards the landlord with a Certificate of Accreditation to display in the properties (Nick Long, 15 April, 2002). The Scheme's logo is also provided to use on stationary and in advertising. In order to apply for registration, a landlord must have a completed application form, gas safety certificate, proof of safe electrical instalment, model tenancy agreements, signed pledge, and the registration fee. The cost of applying for accreditation is £58.75, which covers the costs of administration, and is payable upon application.

An accreditation scheme would be capable of influencing the physical and managerial conditions in the private rented sector. This can be effective but private landlords have to see a clear market advantage for it to receive support. Furthermore, there is a need to set clear objectives and to understand the private rented market in order to ensure that private landlords do not partake in accreditation schemes for the wrong reasons.

The market can influence the reasons private landlords are interested in accreditation schemes (DETR, 2002). In areas of low demand, where there is a surplus of accommodations, landlords might be more inclined to take part in such a scheme because it assures that they will have tenants recruited for them. Local authorities could have problems finding tenants for the landlords. These considerations attract landlords who are otherwise not interested in forming a working relationship with the local authorities. In order to overcome this problem, there needs to be clear documentation and procedures outlining scheme standards, incentives, and recruitment procedures.

It is important to have consistency across schemes, particularly the standards of the physical conditions and facilities, property management and tenancy conditions, and the ability of the landlord to manage (DETR, 2002). Consistent standards would make enforcement easier. Schemes with high standards ensure that the properties are in good condition and well managed. These high standards can work against recruiting landlords but are nonetheless necessary for the success of the scheme. Accreditations appeal to responsible landlords owning properties that are in good condition, but landlords must still see a clear market advantage in order to be willing to participate.

The assurance that tenants would be secured through advertising or listings can be a strong incentive. Other incentives such as grant aid and discounted cost insurance would help landlords to make physical improvements to their property. The provision of advice and information, enhanced access to local authority staff, and possibly help with Housing Benefit problems could be implemented to assist the landlords to manage their property more effectively.

Ensuring that an accreditation scheme is implemented and followed is the responsibility of the local authorities (Housing Subsidies, 91). They must set clear objectives within an overall strategy for private rented housing. It is important to evaluate a scheme against its objectives and secure continuing support from stakeholders providing funding. Claims of success must be supported by quality information. Reports on progress should be provided to stakeholders, and schemes should be publicised more widely to maintain awareness.

Schemes would have to receive local political support in order to ensure that adequate resources are available and to enable accreditation of staff to secure cooperation from other departments on issues affecting landlords (DETR, 2002). There needs to be an adequate level of staffing and administrative support as well. Local authorities should have an understanding of

the local private rented market, including levels of supply and demand to ensure that the scheme is effective and that the incentives provided are adequate. They should also provide active publicity and promotion to maintain recruitment of landlords and to ensure that tenants are aware of the scheme.

Although it is not currently a viable solution to Merton's problem, an accreditation scheme could be an effective approach in the Borough's changing housing market. The private rented market in the Borough is currently experiencing a period of low supply and high demand. In such a market, landlords have no difficulty finding tenants or competing with other landlords, which is the main incentive for landlords to participate. This would make it difficult for the Council to foster interests of private landlords because there would be no clear advantage of an accreditation scheme. There would have to be other incentives for landlords to participate but there does not seem to be any problems that landlords are currently facing that could be solved by an accreditation scheme. There is still recognition for the quality of service that they provide, but more than prestige must be offered in order to have active cooperation.

4.2.8 Landlord Forum

In order to address its objective of providing quality housing and meeting local housing needs, Richmond Council's Housing Department created a Private Sector Housing Forum. It was established in 1995, and meets twice a year to bring together landlords, housing associations, developers, building societies, surveyors, and the Council to increase the effectiveness of the private rented sector. Its aim is to make the most efficient use of all the Borough's housing resources and to sponsor good practice in the private rented sector of Richmond.

The Forum's responsibilities include providing legal advice to tenants and landlords, encouraging the owners of empty properties to bring them back into use in the private rented sector, and promoting better relations with the housing organisations and homeless agencies to better understand the problems and needs of the community. A newsletter is published twice a year with a report of the latest meeting, professional articles related to housing issues, and information on grants and other schemes that are available to private landlords.

According to the Private Sector Housing Forum's action plan, the Forum established many goals to be accomplished in 2001/2002 (Forum Terms of Reference, 1). First, a more widespread marketing of the Forum was planned to bring new members into the Forum. Forum organisers wanted to advertise with the Revenues and Benefits Departments to attract more private landlords. Both of these departments also planned to more actively make an effort to have better communication and relationships with private landlords.

According to Jane McInerney, an organiser of the Richmond Private Sector Housing Forum, the Forum is active and successful (Jane McInerney, 10 April, 2002). There are usually about 25 people in attendance at the meetings, including about 12 local private landlords, which are held once every six months. There are 80 landlords on the newsletter mailing list and in the year 2000, 1,500 copies of "Forum Focus" were distributed to landlords, members of the Forum, doctors' and dentists' surgeries, local libraries, solicitors, accountants, surveyors, architects, estate agents and lettings agents.

The Forum is advertised through the "Forum Focus". The Small Landlords Association of London also advertises the Richmond Forum by placing the agenda and meeting information for the Forum in its newsletter. Richmond does not, however, place paid advertisements in the local newspapers.

Richmond's Private Sector Housing Forum is funded through Richmond Council's resources. According to the director, the Forum costs very little to operate. No additional staff is needed to run it, all the speakers attend on a volunteer basis, and since no paid advertisements are placed, the Forum has no publicity costs. The newsletters are produced out of the department's printing budget.

Merton Council runs a private landlord forum to deal with many of the issues similar to those discussed in Richmond's Forum. Though Merton's Private Landlord Forum exists, it has been inactive for the past year. The biannual forum had been funded through internal Council resources. Speakers were invited to talk about current and pertinent issues facing the private sector rented community.

The organisers of the forum went to great lengths to gain new membership and to advertise meetings. Advertisements were placed in the local newspaper publicising the time and location, and briefly describing discussion issues of the upcoming forums. "Let's Talk", the newsletter of the Merton Private Landlords Forum, was published and distributed to 110 people on the Forum's mailing list, describing the discussions of the previous meeting.

In an attempt to improve the Forum, feedback questionnaires were given to the attendees to discover which methods of advertising the Forum were most effective, whether or not they wished to be included on the Forum's mailing list, which topics they would like to have reviewed at the meetings, and any other suggestions they may have had regarding improvement of the Forum. Despite all these efforts, 46% of the landlords that responded to our survey said that they did not participate in the Merton Forum because they were unaware that such a forum existed.

Unfortunately, the lack of participation by the landlords in Merton eventually led to the breakdown of its Forum. According to our data, 18% of landlords that responded to our questionnaire said that they did not have enough time to become involved in the Forum, 18% said that they had no reason to participate because they had no problems or issues that they wanted to discuss, 9% said that they did not own enough property to bother attending the forum, and 9% said that they lived too far away to come to the meetings.

If Merton wished to revive its Private Landlord Forum it would have to appeal to the 54% of the private landlords who know about the programme but chose not to participate, and convince the 60% of landlords that own only one property that it is worth their while to attend the Forum meetings. The Council would also have to reach the 46% of landlords surveyed that said that they were not aware that a Forum existed in Merton.

Merton may be able to address the landlords who are unaware of the Forum by placing advertisements that include a detailed description of the agenda for the meetings so that the landlords can see the importance of the issues being discussed. The Council may also consider including information about the Forum in the newsletter that is distributed to the landlords and letting agents through the Housing Benefit Office. One logical way to increase participation is to improve the publicity.

The Council could form a committee of landlords that would propose the Forum's agenda topics. This could help to ensure that the topics addressed at the meetings are important to the landlord community. The Council may improve landlords' willingness to attend the forum by holding discussions about the Council's housing policies and by agreeing to give landlord feedback to the policy makers. Landlords could also be invited to discuss the problems they perceive with Housing Benefit. These landlords would have a say in what they would like to see

the Central Government do to change the system if Merton would use their suggestions to lobby for HB changes.

In the past, organisers have done a thorough job of promoting the Forum but in spite of these efforts, landlord involvements in the Forum have fallen short. After further investigation into the possibility of re-implementing the Private Landlord Forum, Merton may find that there is very little that it can do to increase the landlords' desire to engage in the opportunity to discuss important topics in a forum setting.

5 Conclusions

From our research and analysis we were able to draw several conclusions about the reasons why low-income households are finding it increasingly difficult to find affordable housing in the Borough. We were able to discover which types of tenants landlords prefer and why. Our team was also able to make conclusions regarding the feasibility of developing a scheme to help address the current low-income housing situation in Merton. Finally, we have made suggestions regarding procedures Merton Council could use to improve the housing conditions.

5.1 Factors Influencing Low-income Housing Difficulty

Several factors support the evidence that it has become increasingly difficult for low-income tenants to find affordable housing in the private rented sector of Merton. One is that the social housing stock in Merton has decreased over the recent years, and housing prices have been driven up by high demand. Also, private landlords are unwilling to rent to low-income households collecting Housing Benefit. Many private properties in Merton that could be used to house low-income households remain empty.

5.1.1 Decline of Social Housing Stock

The social housing stock has shrunk within the past years, causing an insufficient amount of accommodations for those on a low-income. This can be attributed to a number of factors. Merton Council has been losing its Council Housing stock. Under the Housing Act of 1988, “Right to Buy”, Council accommodation has been bought by tenants who were given the right to buy their Council property. Also, the Council no longer builds new units. Even though the

housing associations have been building new accommodations, they have not been building them at a rate that can replace the Council's diminishing supply. The Housing Needs Survey of 1999 showed that there were 7,748 Council Households (13). By the year 2001, Merton Council had only retained 7,331 of these 7,748 units. In 2000/2001, Merton council sold 216 of its housing units to tenants under "Right to Buy"(Housing Revenue 2002-2005, 10-14). Over this same time, the 40 Housing Associations in Merton only built or acquired 67 new dwellings (14). As can be seen, there has been a net loss of 149 units in the social housing sector. This reduction in number of accommodations available to low-income tenants in the social sector has required many to seek housing in the private sector.

5.1.2 High Demand and Rising Rents

Housing in the private sector has become further limited due to high demand and rising rents. According to John Stewart, consumer analyst, "household growth, the main component of need, has been rising at record rates in recent years" (Stewart, 8). This has affected all of Great Britain, including London. The housing market boom has caused housing prices to rise. "Housing price inflation in January [2002] was the fastest since mid 1989" (Stewart, 8). According to Stewart, the price/earnings ratios in London have reached levels close those at the peak of the housing boom of the late 1908s (Stewart, 8). Because of the skyrocketing housing prices in London, many people have moved out of Central London into its outer boroughs, including Merton, in search of more affordable accommodations. Merton may be a very convenient location for this group because it is away from Central London's high prices but is close enough for commuters to travel into the City on a daily basis. Many of the new residents include young professionals who, even though may not have been able to afford to live in Central London, can sometimes afford to live in boroughs such as Merton. This has increased the

demand for housing in Merton, allowing private landlords to raise the rent for their property. More and more of the housing units are being rented to people migrating into Merton, making accommodations less available to local low-income households.

5.1.3 Poor Perception of Housing Benefit System

Another reason that people on a low-income may be having a difficult task in securing private rented housing is that many landlords in Merton are unwilling to rent to people receiving HB. According to Richard Payze, director of Development at Presentation Housing Association, Housing Benefit has a poor reputation in Merton. As our research has shown, a significant number of private landlords surveyed do not accept HB tenants for one reason or another. With 12,435 people in Merton relying on Housing Benefit (HB Office, 17 April, 2002) to pay their rent and only 615 of the private landlords in Merton accepting Housing Benefit, low-income households on HB may have a very difficult time locating a landlord that will accept their benefit.

5.1.4 Vacant Housing

There are almost 2000 empty homes in Merton. Nearly eight hundred of these have been vacant for six months or more (Housing Strategy, 24). There are numerous reasons that these properties remain unoccupied even in light of the shortage of affordable housing for people on a low income. Sometimes they are in such a condition of disrepair that the property is unsuitable for habitation. The owners of these properties usually cannot afford the maintenance of these homes so they have no other choice but to leave them vacant. Lastly, there are a group of vacant-property owners who simply do not wish to bring their empty homes back into use.

In Merton, as in other boroughs, there is a programme aimed at bringing these empty properties back into use. These empty property schemes usually grant empty-property owners aid to repair and renovate their vacant homes in exchange for a guarantee that the landlord will keep the rent “affordable” for low-income tenants for a set number of years. However, Merton’s grant money is limited and funding for empty homes is not a high priority for grant distribution.

5.1.5 Suggestions for Merton

In order to improve the access of low-income tenants to affordable private housing, these issues must be addressed. There is little that the Council can do to replace the number of houses lost due to “Right to Buy” since the Council no longer builds additional social housing. Merton Council also can do nothing to change the economic conditions that are driving up the housing prices in the Borough.

The Council should, however, work to improve private landlords’ perceptions of the Housing Benefit system if it hopes to increase the number of landlords that accept Housing Benefit in the future. It is widely believed in the rented community that the HB system must be improved at the Central Government level. In the long term, Merton will reap the benefits of an improved HB system. Merton must make an effort to lobby the Central Government to reform the current Housing Benefit policies. When these improvements have been made, Merton should make every effort to inform the private landlords of the new policies and to persuade them to accept Housing Benefit. It may take a very long time for the Central Government to make the necessary reforms to the HB system. Private landlords might even be persuaded to participate in petitioning the Central Government if they believed that the system would be reformed. Landlords might be invited to a forum in Merton to discuss the issues they would like Merton to

address. In the meantime, Merton Council could make an attempt to offer landlords incentives to accept HB now.

The other way that the Borough may improve the access of low-income tenants to the private sector rented market is to bring uninhabited properties in the Merton into use. We realise that grants to fund the renovation of empty homes is limited but, the Council should look at prioritising funding for such a programme.

5.2 Implementing Schemes and Programs

In this section we discussed other alternatives that Merton could consider to provide low-income tenants with a better access to the private rented sector. These schemes were evaluated in previous sections and their effectiveness within the Borough was projected.

5.2.1 Private Sector Leasing Scheme

Merton could implement the Private Sector Leasing (PSL) scheme existing in Croydon and Kingston, where the Council and housings associations work together to help individuals with a low income to access the private rented sector. The PSL scheme guarantees participating landlords that their rents will be paid on time and that they will have guaranteed tenants during the time period established on the tenancy agreement. However, the interested landlords will have to house HB tenants and manage their own properties. Such a scheme could be implemented in Merton because it has been very successful in Croydon and Kingston at providing low-income tenants with affordable housing in the private rented sector and Merton shares similar conditions with these boroughs.

5.2.2 Assured Lettings Scheme

Another scheme that Merton could implement is the Assured Lettings scheme of Brent Council, in which participating landlords have insurance against property damage, loss of rent, and legal costs incurred in relation to letting and repossessing their property provided by the Council. The scheme has a good participation rate among private landlords in the Borough of Brent. Merton could also implement a scheme grouping the features of the Assured Lettings scheme and the PSL. In that case, the landlord will be guaranteed to have a rent during an extended period of time (which was rated as very important by landlords), and will be insured against any loss of income.

5.2.3 Guaranteed Deposit Scheme

The guarantee deposit scheme of Lewisham could be implemented in Merton. The scheme guarantees landlords a security deposit of up to £400 in cases where the tenants cannot afford the deposits themselves. The scheme has not been very popular among landlords because they prefer cash rather than a guarantee. Both the Housing Strategy and Housing Benefit departments could consider developing a scheme whereby the tenant would be paid the entire security deposit, and would have to reimburse the Council in monthly instalments.

5.2.4 Sponsored Tenancy Scheme

There is currently a Sponsored Tenancy scheme in Croydon where the Council pays the landlord a cash incentive of £2,000 to lease to people on HB. The Housing Department requires that the HB be paid directly to the landlord. The scheme has been quite successful at providing private housing to low-income tenants and could be implemented by Merton. In order to implement such a scheme, Merton would have to find a substantial amount of money.

5.2.5 Shared Ownership Scheme

The Shared Ownership scheme is run by housing associations in Croydon. In this program, a tenant buys part of his property from a Housing Association and pays monthly rents towards the acquisition of his property. This scheme is very appealing to low-income tenants because they can buy part of their property without raising an enormous deposit. The tenants can easily find properties if they are eligible and there is no loss of equity since the rent paid to the HA goes toward the purchase of the property. Merton currently has such a scheme run by housing associations, which is quite successful in the Borough. It would still be useful for Merton to look into Croydon's scheme and use some aspects of it that will augment the success of the scheme.

The implementation of schemes in the Borough could be successful provided the Council shows very convincing incentives for landlords to participate in them. If the schemes are successful, the problem of low-income tenants having difficulties accessing the private rented sector could be lessened over the next years.

5.2.6 Landlord Forum

Merton could implement the different schemes discussed above. However, in order for the schemes to be even more successful than the Council might expect, the Landlord Forum could be revived to underline the opinions of private landlords, housing associations and all other parties involved in the housing sector of the Borough. If Merton were able to do this it might prove to be beneficial to the landlords and low-income tenants, as well as the Council. It would be valuable for landlords because, if they were to discuss issues surrounding Housing Benefit

and other housing policies, and give their feedback to the Council, they might feel as though they were playing a role in shaping the policies that affect them.

Tenants would also reap the benefits of the forum. If the landlords' discussions at the forums were used to lobby Central Government to make changes to the Housing Benefit system, landlords might become more likely to accept the benefit, thus low-income tenants may have an easier time locating housing. The Council would also profit from the forum because, if it were to receive feedback from the landlord population, it might be able to better serve the needs of the tenants and landlords.

Before the Council takes on the task of reviving the landlord forum, it should conduct more research into whether or not local landlords would be willing to participate in it. Merton Council should also review the current forum to see what aspects, if any, could be improved upon. It is possible that the Council will find that there is not enough interest by the landlord community to revive the activities of its forum.

Although our research has shown that a majority of landlords did not participate in Merton's Private Sector Landlord forum, we think that it could be a valuable addition to the Council's current efforts, if it were to have greater participation.

5.2.7 Longer Tenancy Agreements

Our research showed that over 65% of the landlords surveyed felt that extended rent periods was an important tenant characteristic. This would give landlords the comfort of knowing that their property is occupied. The problem with this is that most tenancy agreements last for six months to a year. Assured Shorthold Tenancy Agreements could be a solution to this problem. However, landlords are more concerned with changes to the private rented market and the evaluation of rent, rather than having a tenant sign a longer lease. Advantages to longer

tenancy agreements could be illustrated to help promote the idea. Tenants could also be made aware of the benefits of signing a longer tenancy agreement.

5.2.8 Fast Track Payments

Through our research we have found that over 46% of landlords would be interested in fast track payments, which leads us to believe that they are experiencing problems with receiving HB payments. This could be a reason why landlords are reluctant to rent to HB tenants. Sometimes there is a delay in processing HB payments and if payments were fast tracked landlords would be given a priority when processing HB payment. Also, direct debit from tenants' accounts to private landlords', as part of the tenancy agreement, could be employed to ensure that landlords receive the full rent on time.

5.2.9 Web Page

A possible short-term action to help remedy some current problems would be a web page for private landlords. This could help to improve communication with local authorities and housing associations. It could act as a way to inform landlords of housing schemes within the Borough, provide better access to the HB system, advertise a landlord Forum, and list the possible grants available to them.

A web page would be an easy way to inform landlords of active leasing schemes or management schemes in the private rented sector currently in use. An overview of the schemes along with incentives for private landlords could be discussed with a link to a more detailed description of each scheme. Statistics of the success of a scheme could be displayed in Merton or in other boroughs. This might foster interests and improve participation in the schemes.

On the web page, there could also be a section dealing with the functioning of the Housing Benefit system and a link to the HB web page. Here landlords could find a list of housing associations working with the Borough. This could make dealing with problems with HB more accessible, which might encourage landlords to accept HB tenants.

A web page would also be a free way to advertise a Private Landlord Forum. Main objectives of the meeting could be highlighted and the issues to be addressed could be listed on the agenda. There could be copy of the last meetings minutes and what was accomplished in the meeting. A copy of the newsletter might also be available to illustrate these key topics.

A list of grants that are available for private landlords should be displayed on the homepage with links to the grants' criteria and conditions. This could notify landlords and offer incentives for landlords for them to make improvements to their property. An overview of the current empty homes property scheme should also be advertised, encouraging landlords to bring their abandoned property back into use and bring more units into the private rented market.

5.3 Feasibility of a Management Scheme

A management scheme, in which landlords lease their property to be managed on behalf of housing associations, or possibly the Council, is feasible in Merton. This could prove to be an effective way to alleviate the problem that low-income households are having finding affordable accommodations within the Borough. Housing associations could work with the Council to provide accommodation for low-income tenants in the private rented sector. However, incentives must be documented for housing associations as well as private landlords in order for a management scheme to prosper.

Landlords do have many incentives to participate in a management scheme. They would have the luxury of a guaranteed rent, paid directly from the housing association regardless of whether or not the property is occupied. Also, landlords would not have to deal with the difficulties of managing a property. They could be assured that the property will be returned to them in the same condition as prior to the occupancy, as stipulated by the lease. There might need to be a financial incentive for landlords to participate, such as grant aid given to improve the condition of the property.

Incentives for housing associations are more difficult to identify. Housing associations are non-profit organisations that are established to provide housing and support for people in need. Priorities for the homeless and unemployed have made it more difficult for other low-income tenants seeking affordable accommodations. This matter might foster interest in a management scheme to help low-income tenants. Housing associations might have to receive grant aid from the Council to finance such a scheme.

5.3.1 Evaluating a Management Scheme

An essential aspect of implementing a scheme is evaluating its success. A gauge to measure success must be established (DETR, 2002). Objectives should be recognized from the onset and new goals should also be considered. Data should be collected prior to and following the implementation of a scheme to assess its effectiveness. Success in the development and management of a scheme can be analysed in a number of ways.

The measurement of success is linked to the objectives set for the scheme. Simple output measurements of numbers of landlords and properties included in a scheme are one measure of success. Changes over time in the output numbers show progress. Details about landlords who have dropped out of a scheme and their reasons for doing so provide valuable feedback. The

proportion of the target market that accredited properties represent is a better indication of the impact of the scheme than absolute numbers, because absolute numbers can be misleading.

Outcomes are often more difficult to measure. Scheme outcomes generally require comparisons with baseline data obtained before the scheme came into operation. Steps should be taken to ensure that data is collected. Improvements in the overall standard of privately rented property measured by fitness or disrepair require frequent inspections. This information from inspections may be difficult or expensive to collect. A proxy for improvements in condition may be landlord expenditure to reach standards, or analysis of the types of work carried out. Improvements in management practices can be measured by reductions in the level of complaints received. A survey could be conducted among the tenants of landlords in the scheme to evaluate the management of the property. Others may not be satisfied with this and want to see different indicators.

Local Authorities may need indicators to be identified in advance to enable data to be collected. They will need to monitor the schemes' success and see tangible results. Landlords might want to see evidence of quicker and more consistent assistance by local authority departments (Housing Subsidies, 94). This could be more difficult to document.

5.4 Feasibility Recommendations

We have been able to make several recommendations about the feasibility of implementing a scheme in Merton to address the difficulties faced by low-income tenants trying to find private rented housing. We feel that a Private Sector Leasing scheme, an Assured Letting scheme, a Letting Service, Sponsored Tenancy scheme and a revival of the landlord forum are all viable solutions that Merton should further explore. Below we have included a chart that

compares several of the aspects that are important to take into account if Merton should continue to consider developing a scheme.

Table 5.1: Scheme Descriptions

Schemes	Boroughs Concerned	Description	Participants
Private Sector Leasing scheme	Croydon	Private properties leased to HA	Council and Hyde Housing Association
	Kingston	Private properties leased to Council	Council
Sponsored Tenancy scheme	Croydon	Cash incentive paid to private landlords to house tenants on Council's list for two years	Council
Landlord Forum	Richmond	Interested parties meet twice a year to discuss about private sector issues	Council, private landlords and lettings agents
Deposit Guarantee scheme	Lewisham	Council guarantees first month rent and deposit	Council
Assured Lettings Scheme	Brent	Free insurance to landlords against damage to property, loss of rent and legal costs related to repossess the property if they let to HB tenants	Council
Grant assistance	Lewisham	Financial assistance to private landlords to put empty properties back to use	Council
Private Sector Letting Service	Kingston	Free lettings service to assist landlords in letting their property	Council

Table 5.2: Comparisons of Schemes

Schemes	Landlords' Incentives	Advantages	Disadvantages	Success
Private Sector Leasing scheme	Continuous income	Low-income tenants find affordable housing rapidly, no delay payments to landlords.	Not necessarily great interest from landlords because they can find higher rents on the rented market.	Scheme is quite successful among landlords
Sponsored Tenancy scheme	Cash deposit of £2,000, rent deposit paid	Low-income tenants find affordable housing easily thanks to the Council's help	Success of the scheme relies heavily on a good participation rate of tenants: there is currently only 10% participation rate from homeless when a property has been found by the Council	There are 50 landlords and 65 tenants on the scheme, but the overall success cannot be determined yet since the scheme is recent
Landlord Forum	Better communication and relationship with the Council and concerns addressed to the Council	Issues of the private rented sector are directly discussed by the concerned parties that give useful feedback to the Council	Success relies on a good participation rate of the landlords and other interested parties	25 people in attendance at the meeting, forum has a good participation rate from landlord
Deposit Guarantee scheme	Guaranteed deposits by the Council	No advantage determined	There is only a guarantee of payment: landlords would rather have the money of the deposit than a guarantee from the Council	The scheme is not successful
Assured Lettings Scheme	Continuous income	There is an easier access of low-income tenants to the private rented sector	Financial burden for the Council as the money comes from its local budget and that may mean more taxes for the local residents	The scheme is very successful: there are 400 landlords participating in the scheme
Grant assistance	Cost of repairs covered by the Council for up to 50%	There are more private properties available to low-income tenants and better living conditions for tenants housed in properties with a high degree of disrepair	It requires a significant sum of money to be run	The scheme is quite successful
Private Sector Letting Service	Property is let quickly; suitable tenants found by the Council; landlords helped by the Council to overcome lettings problems	Better access to the private rented sector for families with children, requires little money to be operated	No disadvantage determined	The scheme is quite successful

5.5 Final Thoughts

The goal of an Interactive Qualifying Project is to explore how technology and science interact with the structures and values of society. This project addresses a societal problem that has a significant impact on the inner workings of the Borough. Through our skills developed at

WPI, and from research conducted for this project, we were able to approach an issue. A professional etiquette was essential in a business atmosphere. We were able to interact in such an environment, which will prove to be valuable after graduating.

Our team gained a better understanding of the power technology and science can have when used to confront an issue. We utilised our skills in the field of technology and improved our skills in the science of research. We were able to identify each other's strengths and weaknesses in order to complete our project.

We were fortunate enough to have the guidance and contribution of our advisors and liaisons to allow our project to reach its full potential. Our advisors were able to critique the grammar and structure while our liaisons focused on the content of our report. The advisors provided insight and valuable advice into our project. Good collaboration and communication allowed us to make the most of the recommendations of our liaisons and advisors.

We feel that we have completed the objectives and achieved the goals of the project in its entirety. Research was conducted into the private rented sector and we surveyed private landlords and lettings agents to identify reasons why low-income tenants are finding it difficult to compete in the private rented market. Through case studies of housing schemes in other London boroughs we recognised strategies and good practises that could improve the current housing programme. This information was clearly documented to ensure that the Council could make full use of it. The current private rented market conditions in Merton were taken into account when determining the feasibility of a management scheme.

The scope of this project addresses an important topic and our research has the potential to have a significant effect on society. This study has the ability to influence the entire structure of the private rented housing sector. However, it has been made apparent that there is a need to

address this matter more thoroughly. This research can be viewed as a pioneering project, one that can pave the way for further exploration into the private rented sector. Merton Council can now make use of our research to implement schemes to aid low-income tenants seeking affordable accommodations.

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Appendix A: Profile of the Merton Council

I Size and Budget of Merton Council:

A Draft Budget for 2002

- £1.2 million to Children's Care
- £100,000 for older people
- £300,000 for family support services
- £800,000 to deal with increased pupil numbers
- £560,000 for the Schools Standards Fund
- £650,000 for increased work tackling fly tipping, abandoned vehicles and additional town centre cleaning
- In addition the Cabinet is recommending Corporate savings over £2.0 million, as well as £2.8 million savings in departments.
- The Corporate savings include £500,000 from the implementation of the new Human Resources strategy and £680,000 from efficiency savings across the Council.

B Size

- The Merton Council currently employs approximately 5500 people. 2500 of these are working in Central Departments of the Council, another 2500 work in the area schools, and the remaining 500 are temporary staff.

II Function of the Merton Council:

The Merton Council serves the London Borough of Merton

III Structure of Merton Council:

A. The council is split into 5 Departments

1. Chief Executive's Department
2. Education, Leisure and Libraries
3. Environmental Services
4. Financial Services
5. Housing and Social Services

B Structure of Housing and Social Services Department

1. A single director heads the department, supported by assistant directors in the following areas:
 - a. Children's Services
 - b. Community Care

- c. Information and Business Support
 - d. Housing Policy
- C Structure of Housing Policy - This section of the Merton Council, specifically the group dedicated to Housing Strategy & Development, is the source of our Housing Needs Study Project.
- 1. Housing Strategy & Development- Kathy Bucknill is the Department Manager.
 - 2. Commissioning Section

Appendix B: Glossary of Terms

DETR	Department of the Environment, Transport and the Regions
DTLR	Department of Transport, Local Government and the Regions
HA	Housing Association
HAG	Housing Association Grant
HB	Housing Benefit
HN	Housing Need
HS	Housing Strategy
LPAC	London Planning Advisory Committee
NHF	National Housing Federation
OSS	Open Space Study
RSL	Registered Social Landlord
TRS	The Rent Service
UDP	Unitary Development Plan

6. Currently, what fraction of your tenants has moved to Merton from other London boroughs within the past 2 years? (Please circle one)
- None
 - Less than half
 - About half
 - More than half
 - All
 - I don't know
7. Where have the majority of your tenants moved into your property from? (Please circle one)
- Private Rented Housing
 - Council Housing
 - Other _____
 - I don't know
8. Into which bracket do the majority of your tenants fall? (Please circle one)
- | | |
|-------------|------------------------|
| a. Family | d. Young couples |
| b. Elderly | e. Young professionals |
| c. Students | f. Other _____ |
9. Is this the group you prefer to rent to? Yes No
10. Please rate the following characteristics of a tenant on a scale of 1 to 5 (1 being the most important and 5 being the least).
- | | |
|--|-----------|
| a. The tenant plans to rent the property for an extended period of time. | 1 2 3 4 5 |
| b. The tenant pays his or her rent on time | 1 2 3 4 5 |
| c. The tenant does not have children. | 1 2 3 4 5 |
| d. The tenant is quiet. | 1 2 3 4 5 |
| e. The tenant takes good care of the property. | 1 2 3 4 5 |
| f. The tenant is a non-smoker. | 1 2 3 4 5 |
| g. The tenant does not have pets. | 1 2 3 4 5 |
| h. Other _____
(please specify and give a number) | 1 2 3 4 5 |
11. Do you accept tenants on Housing Benefit? Yes No
- If no, accept HB tenants, why don't you accept them?
- I have problems collecting the benefits on time.
 - I have had a bad experience with HB tenants in the past. Please specify _____

 - People on HB cannot afford to rent my property.

d. Other, please specify _____

e. I do not wish to answer this question.

-If yes, what fraction of your tenants receives Housing Benefit (HB)? (Please circle one)

- | | |
|--------------------|-------------------------|
| a. None | d. About three quarters |
| b. About a quarter | e. Almost all |
| c. About a half | f. I don't know |

12. Who makes the decision to accept or decline tenants on Housing Benefit?

- a. You as a landlord
- b. The letting agent

13. Most of your tenants on Housing Benefit:

- a. Were receiving benefit before they began renting your property
- b. Only began receiving benefit after they began renting your property
- c. I don't know

14. What, if any, part of the Housing Benefit system would you like to see improved?

15. Are you currently participating in any type of management scheme associated with a council or housing association? (A scheme where the property is managed on behalf of the landlord by housing associations or local authorities)

Yes No

- If yes, where and please describe the scheme _____

- If no, why? _____

16. Are you currently participating in any landlord forums? (A landlord forum is a meeting involving private landlords, local authorities and other interested parties to discuss issues of common interest.)

Yes No

- If yes, where and please describe the scheme _____

- If no, why? _____

17. What benefits would make you as a landlord interested in joining an accreditation scheme? (A scheme where property is assessed against a range of management criteria and conditions and gives tenants an assurance that the property is kept in good condition and that the landlord manages the property well) (Please circle all that apply)

- a. Prestige
- b. Possibility of grant aid
- c. Guaranteed tenants
- d. Possibility of fast tracking HB
- e. Free publicity
- f. Better working relationship with local authorities
- g. Other _____
- h. None of these would make me interested

18. What particular types of tenants, if any, do you have concerns letting to?
Please specify which groups and why you have concerns.

19. What other issues or concerns not covered by this survey would you like to comment on?

Appendix D: Merton Private Landlord Mail Questionnaire

1. Do you understand and do you agree to the confidentiality statement on the previous page? Yes No

2. How many rented properties do you own within the Borough of Merton?
(Please circle one)

- | | |
|---------|-----------------|
| a. 1 | d. 11-15 |
| b. 2-5 | e. 16-20 |
| c. 6-10 | f. More than 20 |

3. In which area is the majority of your rented properties? (Please circle one)

- | | |
|------------------|--------------------|
| a. Morden | e. Raynes Park |
| b. Wimbledon | f. Tooting |
| c. Mitcham | g. South Wimbledon |
| d. Colliers Wood | h. Other _____ |

4. Do you use a letting agent? Yes No

5. Do you let property in other boroughs of London? Yes No

Please specify which, if any:

6. In Merton, what is the range of your rent levels relative to the size of the property? (Please fill in the table below)

Number of Bedrooms	Average Rent Per Month
1	£
2	£
3	£
4	£
5+	£

7. Currently, what fraction of your tenants has moved to Merton from other London boroughs within the past 2 years? (Please circle one)

- | | |
|-------------------|-------------------|
| a. None | d. More than half |
| b. Less than half | e. All |
| c. About half | f. I don't know |

8. Where have the majority of your tenants moved into your property from?
(Please circle one)
- | | |
|---------------------------|-----------------|
| a. Private Rented Housing | c. Other _____ |
| b. Council Housing | d. I don't know |
9. Into which bracket do the majority of your tenants fall? (Please circle one)
- | | |
|-------------------------------|------------------------|
| a. Housing Benefit recipients | e. Young couples |
| b. Family | f. Young professionals |
| c. Elderly | g. Other _____ |
| d. Students | |
10. Is this the group you prefer to rent to? Yes No

11. Please rate the following characteristics of a tenant on a scale of 1 to 5
(1 being the most important and 5 being the least).
- | | |
|---|-----------|
| a. The tenant plans to rent the property
for an extended period of time. | 1 2 3 4 5 |
| b. The tenant pays his or her rent on time | 1 2 3 4 5 |
| c. The tenant does not have children. | 1 2 3 4 5 |
| d. The tenant is quiet. | 1 2 3 4 5 |
| e. The tenant takes good care
of the property. | 1 2 3 4 5 |
| f. The tenant is a non-smoker. | 1 2 3 4 5 |
| g. The tenant does not have pets. | 1 2 3 4 5 |
| h. Other _____
(Please specify and give a number) | 1 2 3 4 5 |

12. Who makes the decision to accept tenants on Housing Benefit?
(Please circle one)
- You as the landlord
 - The letting agent

13. What fraction of your tenants receives Housing Benefit (HB)?
(Please circle one)
- | | |
|--------------------|-------------------------|
| a. None | b. About three quarters |
| b. About a quarter | c. Almost all |
| c. About a half | |

14. Most of your tenants on Housing Benefit: (Please circle one)
- Were receiving benefit before renting your property
 - Only began receiving benefit after they began renting your property
 - I don't know

15. What, if any, part of the Housing Benefit system would you like to see improved? _____

16. Are you currently participating in any type of management scheme associated with a council or housing associations?

Yes No

If yes, where and please describe the scheme

If no, why?

17. Are you currently participating in any landlord forums? (A landlord forum is a meeting involving private landlords, local authorities and other interested parties to discuss issues of common interest.)

Yes No

If yes, where and please describe the scheme

If no, why?

18. What incentives would make you as a landlord interested in joining an accreditation scheme? (A scheme where property is assessed against a range of management criteria and conditions and gives tenants an assurance that the property is kept in good condition and that the landlord manages the property well) (Please circle all that apply)

- a. Prestige
- b. Possibility of grant aid
- c. Guaranteed tenants
- d. Possibility of fast tracking HB
- e. Free publicity
- f. Better working relationship with local authorities
- g. Other _____
- h. None of these things would make me interested

19. What particular type of tenant, if any, do you have concerns letting to? Please specify which groups and why you have concerns.

20. What other issues or concerns not covered by this survey would you like to comment on?

Appendix E: Private Landlord Interview Guide

1. In which neighbourhoods of Merton do you own property to let?
2. Do you let in other boroughs of London as well?
3. How many rented properties do you own?
4. What is the range of your rent prices and size of your properties (# of bedrooms)?
5. In the past two years, have you noticed an increase in the number of tenants that come from central London or other boroughs of the city?
6. Into what bracket do the majority of your tenants fall?
 - Family
 - Young single people
 - Elderly
7. How do you select your tenants?
 - Use a lettings agency?
 - Screen your tenants? If so, how?
8. Do you accept Housing Benefit?
 - Who makes the decision (landlord or lettings agency)?
 - If yes, are any of your tenants on Housing Benefit (HB)?
 - If no, what are the reasons for not accepting them?
9. If you do accept them, do you ever have any problems receiving HB?
 - What kinds of problems (receiving payments on time, dealing with administration)?
10. What part of the Housing Benefit system would you like to see improvements in?

11. Are you currently participating in any type of management scheme in collaboration with the Council or Housing Association?
- If yes, please describe
 - If no, would you be interested in a scheme with possible incentives (Accreditations, fast-track payments, grants for low-income housing)
 - If no, what are your reservations?
12. What do you plan to do with your property or properties in the future?
- Continue renting
 - Sell the property because of favourable market conditions
13. Do you have any concerns in leasing to any particular group of people?
- Ethnic group
 - Age group
 - Class group

Appendix F: Interview Guide for Peju Fabunmi

Threshold Housing Association Representative

Friday, 15 March 2002 2:30pm

1. What are the priorities of this housing association?
2. How does the association function?
3. How do you fund your low-income housing development project?
4. Do you manage any private properties?
 - If yes, what is your role in managing these private properties?
 - If not, do you have any interest in participating in a private property management scheme?
5. How do you feel low-income tenants can gain a better access to the private rented market?
6. What can the Council do to gain the interest of housing associations to cooperate in a management scheme?

Appendix G: Interview Guide for Richard Payze

Director of Presentation Housing Association

Tuesday, 19 March 2002 11:00am

1. How do you provide housing to Black and Minority Ethnic groups (BME)?
2. What are the problems encountered by BME in the private rented sector?
 - Do you think that it is especially hard for BME groups to find affordable rented housing in Merton?
 - If so, what are the factors that make it especially hard?
 - Do you think that discrimination plays an important role in BME access to private rented housing?
3. Do certain types of BME tenants (families, disabled, single) have more difficulties than other BME tenants?
4. Are you currently participating in or do you have knowledge of any type of management scheme with private landlords and lettings agents to respond to the problems faced by BME tenants?
5. How do you feel the Council could improve the access of BME tenants to affordable housing in the private rented sector?

Appendix H: Interview Guide for Guy Jones

Director of Housing Benefit for Merton Council

Thursday, 21 March 2:30pm

1. Who is eligible to collect Housing Benefit?
 - Does one have to be a citizen of the UK?
 - If one does not have to be a citizen, how long does one have to live here to be considered a resident and to collect the benefit?
 - What are the income limits according to family size (is there are chart that you could give us)?
 - In which circumstances does HB cover the entire cost of rent?
2. In the private sector, how are benefits distributed?
 - Is HB usually paid directly to the landlord or to the tenant?
 - Who decides to whom it gets paid?
 - If it gets paid to the landlord, how is it paid? Is a check sent in the mail, direct deposit, or does the landlord have to collect it himself?
3. How long after a person applies for HB does he have to wait before he learns that he is eligible and if he is eligible, how long does it take before he receives the first HB payment?
4. If there is a change of status in a recipient's income level, unemployment, marriage, pregnancy etc., how long does it take to process a new claim?
5. How are changes in status monitored? How do you know when a person's income exceeds that which is eligible for HB?

6. If a person is looking for a property, he may have to take the first property that he comes across for fear that he won't find another. He then may learn that the rent exceeds that which he can afford. How does HB deal with this type of problem? Is this a big problem in Merton?
7. What types of fraud is this system susceptible to?
8. Do you feel that the HB system lessens work incentives for recipients?
9. What sort of problems do landlords face while trying to collect the benefits?
10. What sort of problems do tenants face in trying to collect the benefits?

Appendix I: Interview Guide for Victor Igbins

South London Family Housing Association

Wednesday, 3 April 2002 11:00am

1. What schemes do you currently participate in with Croydon Council?
2. In what other boroughs do you have that scheme running?
3. How does the scheme work?
4. How did you go about implementing that scheme?
5. How successful is the scheme in the boroughs where you run it?
6. What do you do if the tenant does not pay the rent under the Tenancy Contract?

Appendix J: Interview Guide for Zulfiqar Mulak

Bed and Breakfast Unit

Wednesday, 10 April 2002 12:00pm

1. What were the problems low-income tenants were facing before the scheme was implemented?
2. How did the Council come about implementing this scheme?
3. How is the scheme funded?
4. How does the scheme work?
5. How successful is the scheme and what do landlords think about the scheme?
6. How has the scheme improved the problems?
7. What are the disadvantages of that scheme?

Appendix K: Interview guide for Sharon Smail

Croydon Council

Tuesday, 16 April 2002

1. What schemes do you currently have in Croydon?
2. How are they funded?
3. How do the schemes work?
4. What kinds of problems were Croydon having before implementing these schemes?
5. How did you go about implementing that scheme?
6. How have the schemes improved the problems faced by tenants in the private rented sector?
7. What do landlords think about the schemes?
8. What is their participation rate?
9. How successful are the schemes?
10. What are the advantages and the disadvantages of these schemes?
11. What do you do if the tenant does not pay the rent under the Tenancy Contract?

Appendix L: Private Landlord Survey Table

Table A.1: Number of Private Landlords Owning Properties in Other London Boroughs

(Those numbers bolded represent adjacent boroughs)

Barnet	1
Brent	1
Barking	1
Bexley	1
Croydon	5
Camden	1
Ealing	3
Enfield	1
Harrow	1
Hillingdon	1
Hounslow	1
Richmond	2
Kingston	2
Lewisham	2
Newham	1
Redbridge	1
Havering	1
Greenwich	1
Wandsworth	3
Islington	1
Southwark	2
Hackney	1
Tower Hamlets	1
Lambeth	6
Haringey	2
Westminster	1
Hammersmith	1
Kensington & Chelsea	1
Sutton	3
Bromley	3
Outside	6

Appendix M: Private Landlord Survey Graphs

Figure A.1: Private Rented Properties by Area

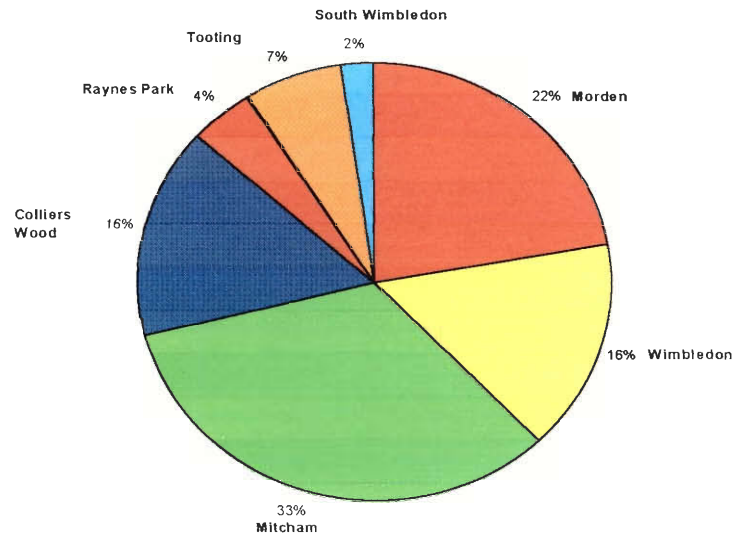


Figure A.2: Percentage of Private Landlords Using A Letting Agent

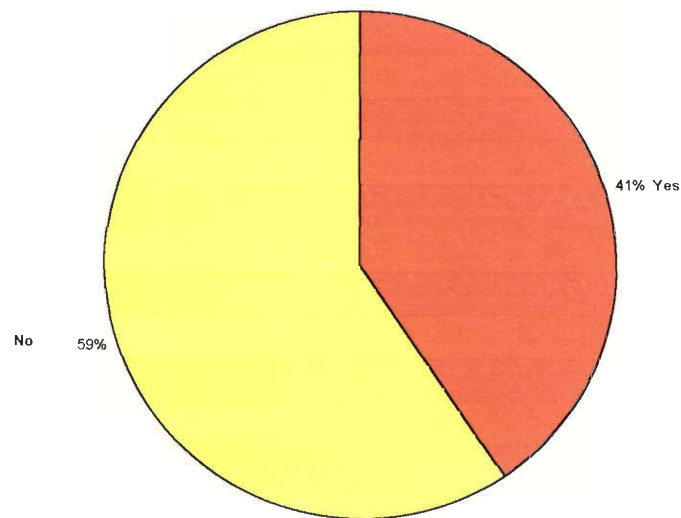


Figure A.3: Percentage of Private Landlords Letting Property in Other London Boroughs

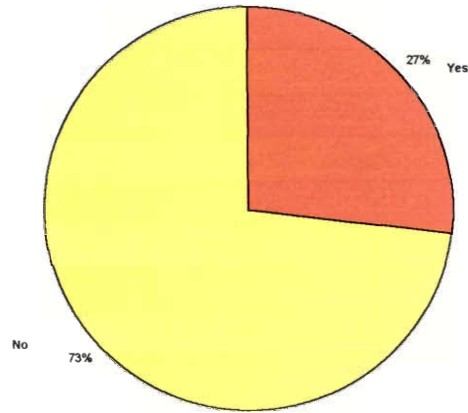


Figure A.4: Fraction of Tenants Moving to Merton from Other London Boroughs (past 2 years)

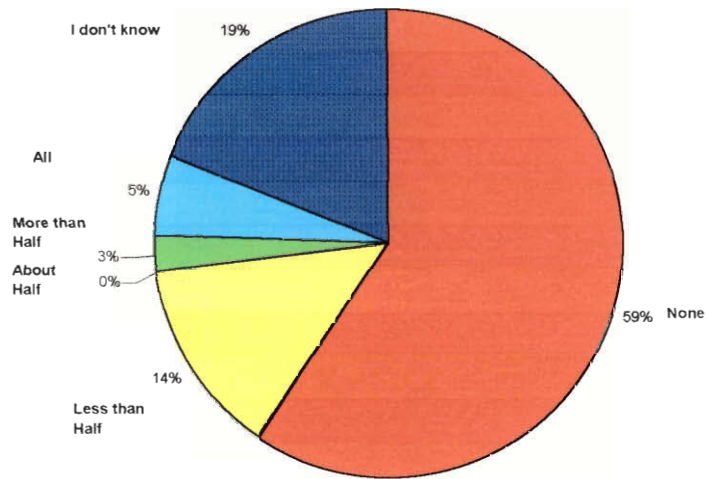


Figure A.5: Previous Property Type

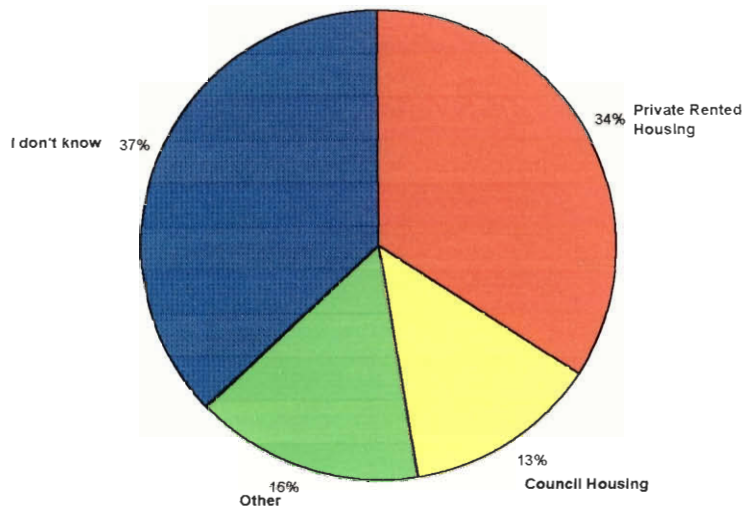


Figure A.6: Current Types of Tenants

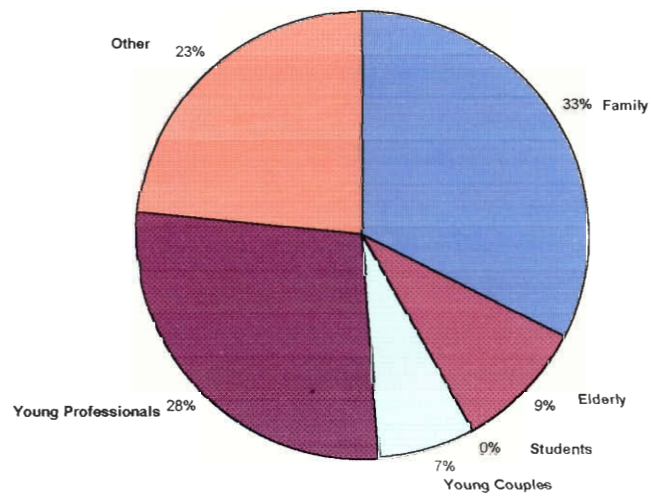


Figure A.7: Satisfaction with Current Tenant Type

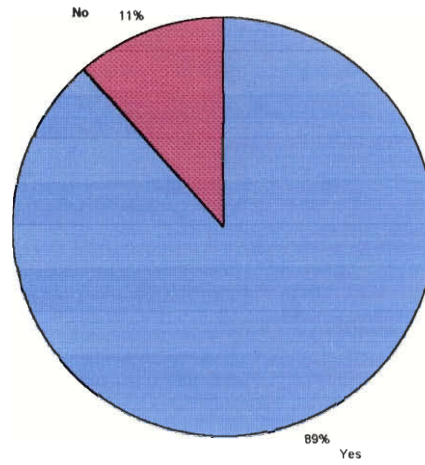


Figure A.8: Extended Time Rented Period Tenant Ranking

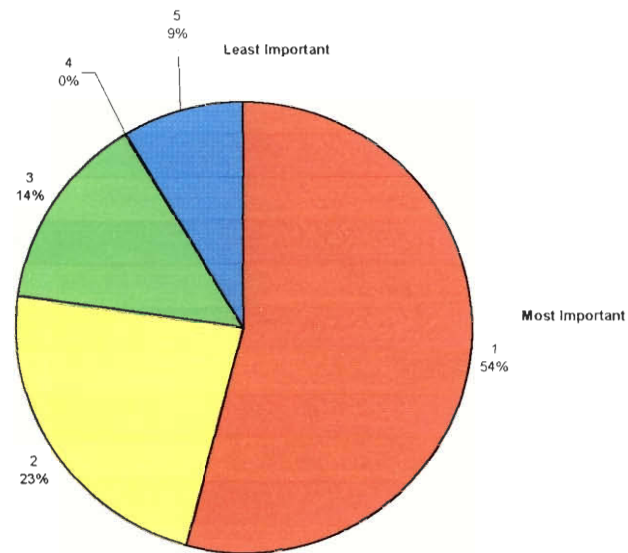


Figure A.9: Tenant Pays Rent on Time Ranking

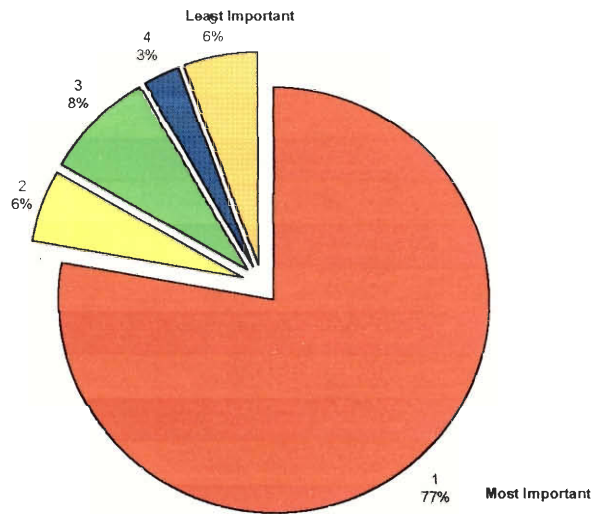


Figure A.10: Tenant Does Not Have Children Ranking

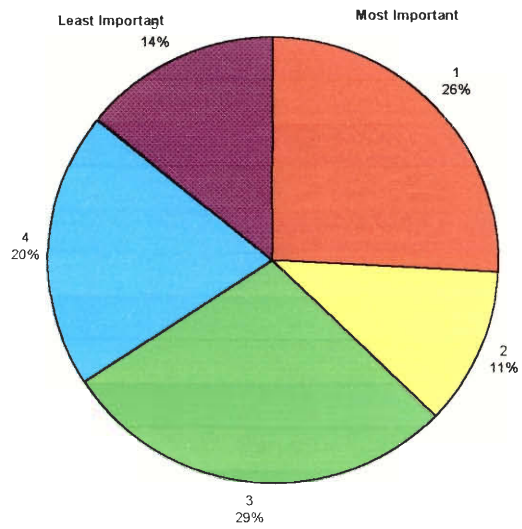


Figure A.11: Tenant is Quiet Ranking

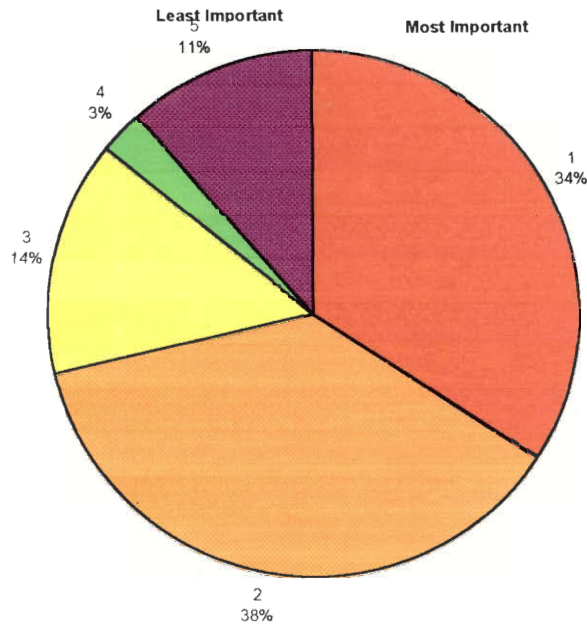


Figure A.12: Tenant Takes Good Care of the Property Ranking

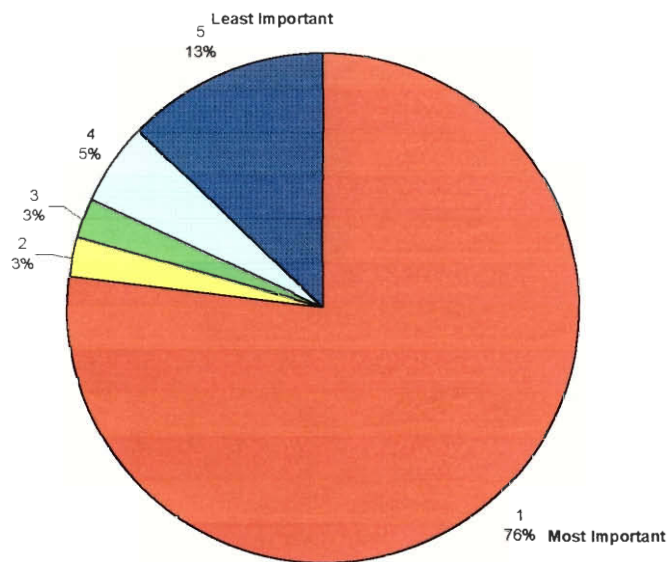


Figure A.13: Tenant Is a Non-Smoker Ranking

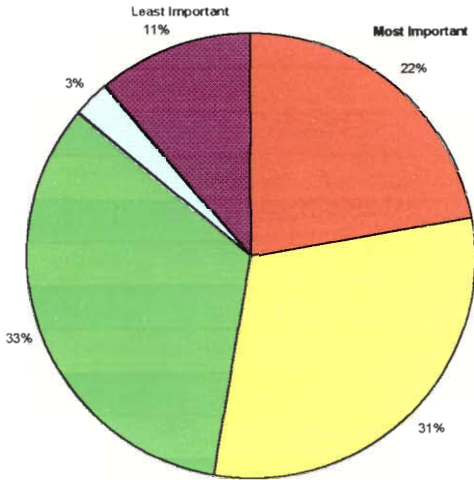


Figure A.14: Tenant Does Not Have Pets Ranking

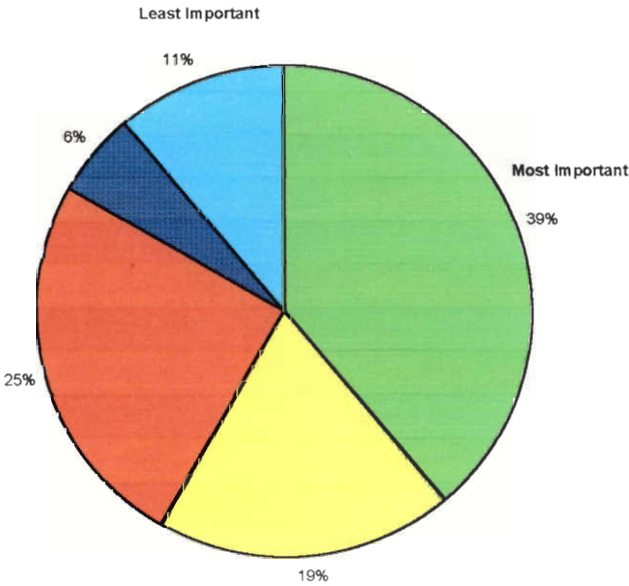


Figure A.15: Percentage of Private Landlords Accepting and Declining Housing Benefits

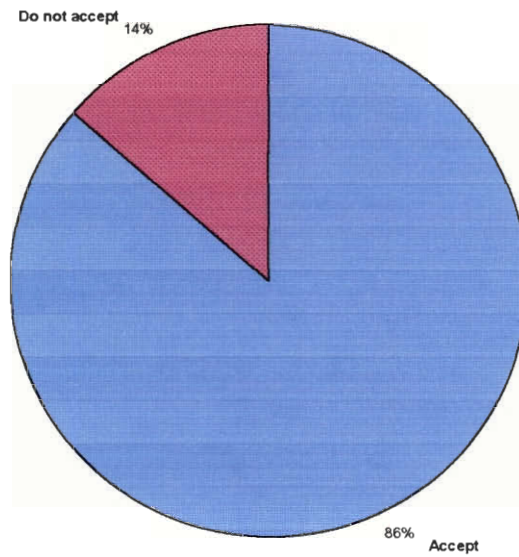


Figure A.16: Housing Benefit Status of Tenants Before Moving into Current Housing

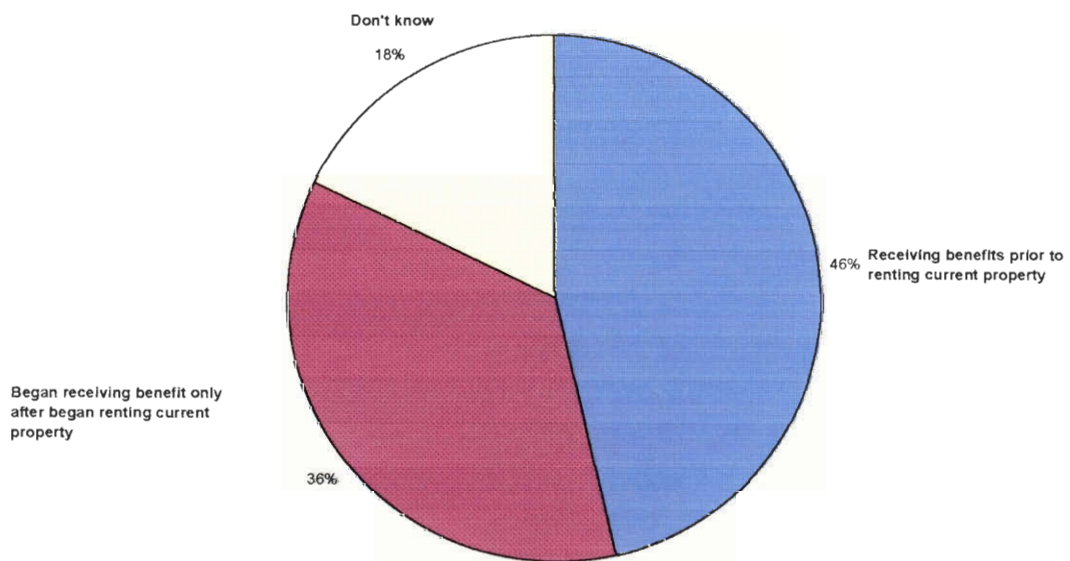


Figure A.17: Percentage of Private Landlords Currently Participating in a Management Scheme

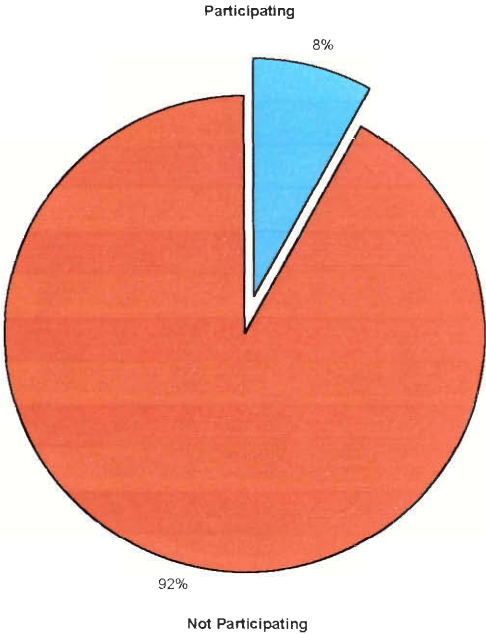


Figure A.18: Percentage of Landlords Currently Participating in a Landlord Forum

