BRIEFING FOR LUHC COMMITTEE MEMBERS ON SUPPLY OF PRIVATE RENTED HOUSING

NRLA
NATIONAL RESIDENTIAL LANDLORDS ASSOCIATION

The NRLA has been approached by The Guardian to comment on a story regarding remarks made by its Chief Executive, Ben Beadle, in a recent online interview about the private rented sector.

The Guardian has suggested that Ben's comments on the number of landlords leaving the market and the supply of private rented housing contradict what he told the Select Committee in his oral evidence to it on 5th September 2022.

As the statement below from Ben Beadle and provided to The Guardian makes clear this was not the case. At no point has he ever provided misleading information to the Committee.

STATEMENT TO THE GUARDIAN FROM BEN BEADLE – CHIEF EXECUTIVE OF THE NRLA

Supply/Demand in the Private Rented Sector

"My comments to the Select Committee were made before the most recent English Housing Survey was published. At the time, the latest figures showed that that the number of households in the private rented sector had fallen by almost 260,000 between 2016/17 and 2020/21.

"I did not mislead the Committee.

"Since my appearance before the Committee, new English Housing Survey data has been published, which has suggested the number of households in the private rented sector increased between 2020/21 and 2021/22. It was to this that I was referring on the webinar. However, my comments did not provide the full context. The latest English Housing Survey data remains an outlier when compared to all empirical evidence and other key industry data.

"According to Zoopla, compared to the five year average, demand from tenants for rental housing is up 46%, whilst the number of available properties is down by 38%.

"The Royal Institution of Chartered Surveyors has noted that whilst tenant demand continues to increase in the lettings market, the number of new landlord instructions continues to fall.

"Savills has warned that "surging demand and dwindling supply are driving rental value growth".

"According to our quarterly survey of members, run by the research consultancy BVA-BDRC and in accordance with Market Research Society Standards, in the final quarter of 2022, 65 per cent of landlords in England and Wales said that demand for private rented housing had increased. This was up from 56 per cent who reported the same the year before. Despite the strong demand, 30 per cent of landlords said they plan to cut the size of their portfolio in 2023, **the highest level of planned disinvestment seen in more than six years.**

"And finally, despite what the official English Housing Survey shows, even the Government has admitted that there is a supply problem in the sector. In a letter to the Housing Select Committee at the end of last year the Minister for the Private Rented Sector noted that 'demand is currently outstripping the supply of properties available to let'."

Briefing MPs and the Bank of England

"We publish data on a regular basis, providing both proactive and reactive briefing to MPs and a range of stakeholders to inform policy debate and discussion alongside all other groups representing tenants, letting agents and landlords. It is clearly right that those making policy hear from all sides of an argument to understand the impact reforms and policies might have.

“The same is true of the Bank of England. Whilst they take evidence, and receive insights from the NRLA, this is alongside all other stakeholders. It is then up to the Bank what it decides to conclude based on the range of contacts and data at its disposal.”

-ENDS-

Notes:

- On **5th September 2022** Ben Beadle told the Levelling Up, Housing and Communities Select Committee that: *“You can slice and dice them as much as you like, but the fundamental issue we have in our sector is that landlords are exiting the sector, and those properties are not staying in the sector—260,000 properties have left the private rented sector in the last five years.”* He went on to say: *“We are already seeing landlords and, critically, homes leave the sector. I quoted the figure of 260,000 homes in the past five years. The exodus is well under way.”* See https://committees.parliament.uk/oralevidence/10658/html/.

- At the time, the most recently available English Housing Survey was for 2020/21. This showed that in the five-year period between 2016/17 and 2020/21 the number of households in the private rented sector had fallen by 260,000 from 4,692,000 to 4,434,000, a fall of 258,000 (rounded to 260,000). See annex table 1.1 at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1060130/2020-21_EHS_Headline_Report_Section_1_Households_Annex_Tables_revised.ods.

- It was only on **15th December 2022**, after Ben Beadle had given oral evidence to the Select Committee that the most recent English Housing for 2021/22 was published showing that the number of households in the private rented sector had increased from 4,434,000 in 2020/21 to 4,611,000 in 2021/22. See annex table 1.1 at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1139366/2021-22_EHS_Headline_Report_Section_1_Households_Annex_Tables.ods.