

## **Written evidence submitted by Living Rent [IOC 140]**

### **Acknowledgements**

This submission was written collectively by members of Living Rent. Thanks go to our friends at Better Than Zero, who co-organised the survey, and all of our respondents, who shared personal and often distressing details of their lives during and before the pandemic.

### **Introduction**

#### **a) Who we are**

Living Rent is Scotland's democratic union run by and for tenants. We aim to tackle the power imbalance between landlords and tenants. Housing is often used as an investment or means to make profit for the few, whilst the many are left in substandard living conditions. Living Rent believes that housing is a fundamental human right and must be restored as such in order to ensure everyone has access to safe, secure and affordable homes. We believe that the collective and organised power of tenants is essential in pursuing these goals, for which we use various methods, including direct action. Our main activities include member defence, supporting our members through disputes with their landlords or letting agents, campaign work, and outreach. We have active branches in Edinburgh and Glasgow, and members and groups in Dundee, Aberdeen, Stirling and elsewhere. At the time of writing we have over 1000 members.

#### **b) Our reasons for submitting evidence**

We are submitting evidence to this Committee because we are deeply concerned by the impact of the Covid-19 outbreak in the UK on private tenants (we see social and public tenants equally affected, but have focused this submission on the PRS as demanded by the guidelines). Not only are we experienced in organising, campaigning for and winning better rights for tenants, but as we are all renters, we are 'experts by experience' in what it means to be a renter in Scotland. We represent over 1000 tenants in Scotland and we are contacted daily by renters who are struggling following some of the consequences that have resulted from measures to curb the pandemic. We have a critical but productive relationship with local and devolved governments and housing providers and have recently successfully lobbied the Scottish Government to put a ban on evictions for six months from April 2020.

#### **c) About the evidence used in this submission**

Along with campaign group Better Than Zero, we launched a survey of renters and workers on 7th April 2020. While the survey is ongoing, this submission draws on data submitted from 7th-27th April 2020, with responses from 765 people. It thus functions as a snapshot of the difficulties faced by Scottish renters during the 'lockdown' aimed at slowing the spread of the virus. Around 50% of responses come from Living Rent members. While the survey was open to renters of all tenures, the majority of respondents (72%) are in the private rented sector (PRS). The testimonies we draw on in this submission all come from those in the PRS. We also cannot specifically comment on homeless people and/or rough sleepers, but our members are often at risk of or have experience of homelessness. In addition, we want to ensure that no one is made homeless during or at the end of the pandemic. This

submission draws on data from our survey and from our member defence work since the pandemic began. The majority of the member defence work has been in tenants supporting each other to individually negotiate *non-repayable* rent reductions and rent suspensions with private landlords and letting agents. All information presented is anonymised.

## Responses to questions from the HCLG Committee

### 1. How effective has the support provided by MHCLG and other Government departments been in addressing the impact of COVID-19 on those in the private rented sector, rough sleepers, and the homeless?

In terms of security of tenure, the support provided by MHCLG has meant renters are currently safe from evictions. However, unless the government implements further emergency measures related to rent, tenants are facing a huge surge in evictions once restrictions are lifted. Renters across Scotland are *already* unable to pay their rent. Many find themselves in very vulnerable circumstances, with the longer-term economic fallout from the pandemic still to be determined.

The UK Government has so far given tenants in the PRS these options: apply for Universal Credit, furlough, negotiate with your landlord. Here we outline the limitations of this approach, as discussed by our survey respondents.

#### a) Universal Credit

Our survey indicates that the current welfare support system is ineffective in helping many tenants make ends meet. With waiting times for Universal Credit payments at around five weeks, tenants are falling into debt. As a tenant who already has successfully negotiated a reduction comments: *'Now as this month's rent payment approaches I worry about being able to pay this as my overdraft is almost maxed out. I would like to ask for a further [rent] reduction but do not want to jeopardise the reduction that we already have'*.

In addition, both the Benefit Cap and the low levels of Local Housing Allowance mean that tenants in the PRS who are (or will be) receiving the Housing Component of Universal Credit will likely find there is a shortfall in their actual rent. This problem is compounded by the lack of rent caps or effective rent regulation in Scotland. Moreover, *not all tenants or residents are eligible for welfare benefits*, meaning many will fall through the cracks without further action from the Government. Respondents who are international students or who have no recourse to public funds highlighted that they receive no support from Universal Credit. Landlords and letting agents have ignored this during negotiations, asking their tenants to claim benefits that they are not eligible for.

#### b) Furlough

The furlough scheme has been essential in providing baseline security for many workers, including a quarter of those in our survey. However, it is not a catch-all solution. Not all workers have been eligible for this scheme due to not working in their employment long enough, working zero-hours contracts, or having to leave their work to protect their health. Many tenants work in insecure employment or the service sector, and those who rely on tips or commission are only receiving 80% of their base salary, which is often minimum-wage

and insufficient to cover the cost of their housing and other needs. *'Despite being furloughed, my pay is technically cut in half because I relied on tips. I have no means of paying my full rent'*.

### **c) Negotiate with your Landlord**

In our survey, 28% of respondents are actively pursuing a rent reduction or suspension at this time, and 76% of respondents are prepared to negotiate with their landlord. Our testimonies show that many landlords have been unwilling and inflexible in negotiations to establish rent reductions for private tenants who are struggling. Many tenants are receiving no leniency, with landlords demanding that they pay rent in full or threatening to use their deposit to cover unpaid rent. One respondent stated that they received *"no empathy for our situation, just cold instructions on how to pay up."* Furthermore, negotiations are often slow, putting tenants in positions of extreme anxiety. The negotiation process is unsuitably informal and unregulated, and moreover concentrates the power of negotiation with the landlords, who are free to reply when and how they choose.

Our testimonies have revealed that tenants are disadvantaged in negotiations because they have less power than landlords: *"My concern is if we raise an issue with the landlord, they might contact the guarantor or assume we have financial support and not take us seriously... We're worried about flagging ourselves as problem tenants!"*. The threat of eviction and the fear of a hostile relationship with a landlord are seriously obstructing tenants in the negotiation process.

Furthermore, while some landlords have agreed to suspend at least some rent, they have demanded that this be paid back when the 'Coronavirus period' ends. This means tenants are agreeing to place themselves in debt despite having no guarantee their income will be stable in the future. *"The worrying thing for us now is that even a reduction will only delay our troubles"*. Many negotiations are an unsustainable solution to a crisis whose effects on income and employment will be felt long after the 'Coronavirus period'.

Finally, while many landlords are entitled to mortgage holidays, it is clear that this benefit is not being passed on to tenants, who, without similar help from the government, are at risk of debt and eviction.

## **2. What problems remain a current and immediate concern for these groups?**

Overall, nothing has been done to protect renters from getting into rent arrears. The Government has said that landlords and tenants should agree repayment plans, but have not legislated for this or given renters any security. Our research shows that impact on some renters' incomes has been immediate and severe, and as the welfare system struggles to keep up, a huge gap has emerged. Some sectors may yet see heavy job losses and the employment problems of renters will likely worsen in the near future.

The words of a single parent with a young child outline the ways in which many of our tenants' problems intersect:

*'As soon as the virus hit, I was laid off from my PT [part-time] employment and also lost all my freelance work for the next few months, leaving me with zero income. I managed to pay April's rent with my last paycheck from my job but I am now waiting on my Universal Credit claim to be processed,*

*leaving me without income until the beginning of May. I was already struggling and now everything is ten times worse.'*

It is notable that the vast majority of respondents (90%) are in some form of paid employment, though given the responses, we expect that number to fall. Of those in work, the largest share (38%) are full-time workers. Around a quarter of workers in our survey are furloughed. As the responses show, the pandemic will drastically change the financial situations of many renters, and has done so for some already. This situation is exacerbating tenants' existing difficulties and proving our long-standing claim that many in the PRS are just one step away from homelessness.

Below, we outline specific concerns of these renters in Scotland.

#### **a) Lack of money to pay rent, leading to eviction**

As indicated, our renters' greatest fear is inability to pay rent. More than a quarter (26%) report that the measures to curb the pandemic have *already* affected their ability to pay, and another 48% say they fear it will soon. In other words, nearly three-quarters of renters in our survey are or will likely soon be in difficulty with rent payments. Indeed, *already* 7% of respondents are in arrears due to Covid-19 and a further 28% expect to be soon. This gives us a total of 35% of respondents facing real problems within the next few rental periods, likely by June. Despite measures by the Scottish Government to protect renters with a 6 month freeze on evictions, currently 16% of tenants fear eviction at the end of the crisis. Lodgers are particularly vulnerable to eviction.

#### **b) Fear of not being able to pay for food and necessities**

Food and necessities are more important to life than rent, but the fear of eviction means these are deprioritised. One respondent comments: 'They [the landlord] offered a small reduction, leaving me with only £33 for food monthly.'

#### **c) Getting into debt with utilities and council tax**

There is a widespread fear of getting into debt from council tax and/or utility bills (46%). Some local authorities have implemented council tax relief schemes, but private utility companies may be less flexible.

#### **d) Health issues, both mental and physical**

Private tenants with health-related issues are especially vulnerable. First, they are putting their health at risk by going to work in unsafe environments to continue paying their rent: *"My employer is unwilling to furlough me, but conditions do not respect the two metre social distancing in work. I am part of the vulnerable category so need to be careful"*. This shows that current support for tenants such as furlough are not supporting those with vulnerable health: *"I am working in a precarious contract where I receive no sick pay. If I contract the virus or get sick I will receive no support"*. The need to pay rent is leading tenants, especially those in unstable job markets, to make unsafe decisions knowing they will not receive

government support if they are unable to work; These actions in turn increase the virus's potential to harm the population.

Second, those without work but suffering from health issues feel unable to go out and look for work, therefore decreasing their income and ability to pay rent: *“My partner has OCD and anxiety, and for her the thought of working during this pandemic reduces her to tears and causes her huge stress, as does the idea of me working out there and potentially bringing back the virus to the house”*. The government does not have adequate support in place for tenants who are unable to work due to their health. Some of our most vulnerable citizens are being forced to make unsafe decisions in order to pay their rent, with many already suffering economically due to their health.

#### **e) Hygiene in managed flats**

15% are worried about lack of cleaning services increasing the possibility of contracting the virus, along with other health risks. In Scotland these issues do not only apply to the social rented sector; many private renters also have cleaning agreements with building management bodies.

#### **f) Crucial/urgent repairs not being done**

One third of renters are worried about crucial repairs not being carried out. Whilst the lockdown measures imposed are of course necessary, we have seen a number of cases whereby landlords and letting agents are using the lockdown as an excuse to neglect essential repairs which are just as crucial to health and wellbeing:

*‘We have been in discussions with our landlord about incomplete repairs since last year... The landlord failed to come round on a planned date before the lockdown, nor has he given any communication on what he would be repairing or a time-frame on the rest. He has also refused to do some vital repairs, like a broken shower, leaving us with one shower between ten [people].’*

Essential repairs should not be neglected during the pandemic.

### **3. What might be the immediate post-lockdown impacts for these groups, and what action is needed to help with these?**

In light of the concerns discussed above, we now outline five likely immediate post-lockdown impacts for renters:

#### **a) Poverty**

As a result of having to pay rent and the forced repayment of arrears post-crisis, Scottish tenants could fall into poverty. Our survey shows renters are already being forced to make unimaginable decisions between food, rent, and utility bills. Years of welfare policies that have held benefit payments below the cost of living, plus uncapped rents, mean that tenants will continue to suffer financially. If rent payment continues into the post-lockdown period, tenants will have to make even harder choices, sacrificing food and other necessities just to pay rent.

## **b) Indebtedness**

As a direct result of income loss, our data has shown that large numbers of renters have already fallen into arrears or fear they will soon. With landlords demanding full rent payment and the repayment of missed rent after the crisis, this places an unprecedented amount of tenants into debt which will continue to be a pressing issue into the post-lockdown period. With no guarantee of employment or a stable income in the future, renters will be under huge financial pressure to repay debt accrued during the crisis.

## **c) Eviction and Homelessness**

Indebtedness and loss of income will make evictions likely following the six-month ban. This could lead to a homelessness crisis if tenants with vast debts are unable to repay missed rent and are forced to leave their homes.

## **d) Increased risk to health and wellbeing**

Our study has shown that vulnerable citizens are already putting their health at risk in order to continue paying rent. With no guarantee of employment in the post-lockdown period, rent payment will remain an issue and continue to force those with poor mental and physical health to put work over wellbeing. This will have attendant impacts on the NHS and other health/care services.

## **e) Hygiene and Repairs**

Our survey has shown that crucial repairs and cleaning are often not occurring at this time. Already this poses a serious problem to health and wellbeing, particularly during a pandemic. This risk to health will only continue into the post-lockdown period if landlords are not forced to maintain hygiene levels and living standards.

To respond to these impacts, Living Rent believes the government should suspend all rent and cancel rent debt to ensure tenants are not evicted during and after the crisis.

We urge the government to:

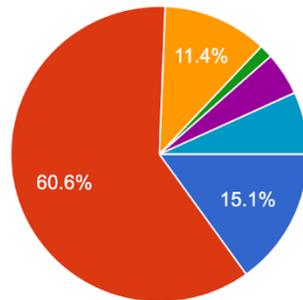
- a) Suspend rent immediately:** no rent should be due for the duration of the crisis.
- b) Cancel all rent debt:** arrears accumulated during the crisis should be written off.
- c) Protect renters from eviction:** current protections against eviction should be expanded so no-one is forced to leave their home during or after the pandemic.
- d) Ensure essential repairs and maintenance are carried out in the PRS.**

**In conclusion:** Living Rent, ACORN and London's Renters' Unions are united in calling on the government to enact a rent waiver, ensuring that anyone who becomes unable to pay rent due to the crisis cannot be evicted or end up in debt. We also need further protection in the long term from evictions post-emergency and to cancel rent debt accrued during the crisis.

## **APPENDIX: Pie charts derived from quantitative survey data**

### What type of tenancy do you have?

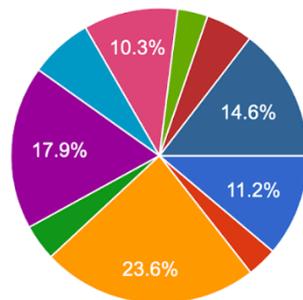
763 responses



- Council or Housing Association
- Private Residential Tenancy (post-December 2017)
- Assured or Short Assured Tenancy (pre-December 2017)
- Common Law Tenancy
- Owner-occupier
- Other or unsure

### How would you describe your working situation?

760 responses

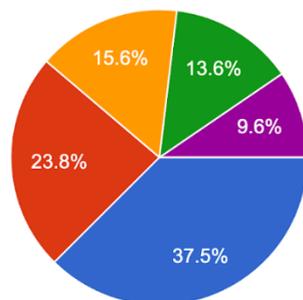


- Still at work
- On furlough, guaranteed the same wa...
- On furlough, on 80% of my wage befo...
- Reduced hours
- Working from home
- Laid off since Corona outbreak
- Not in paid employment
- It is not clear yet

▲ 1/2 ▼

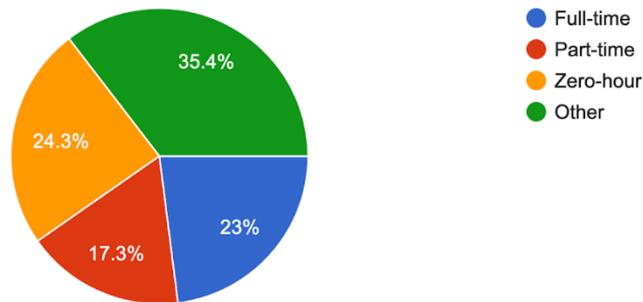
### If you are currently employed, what is the nature of your contract?

627 responses

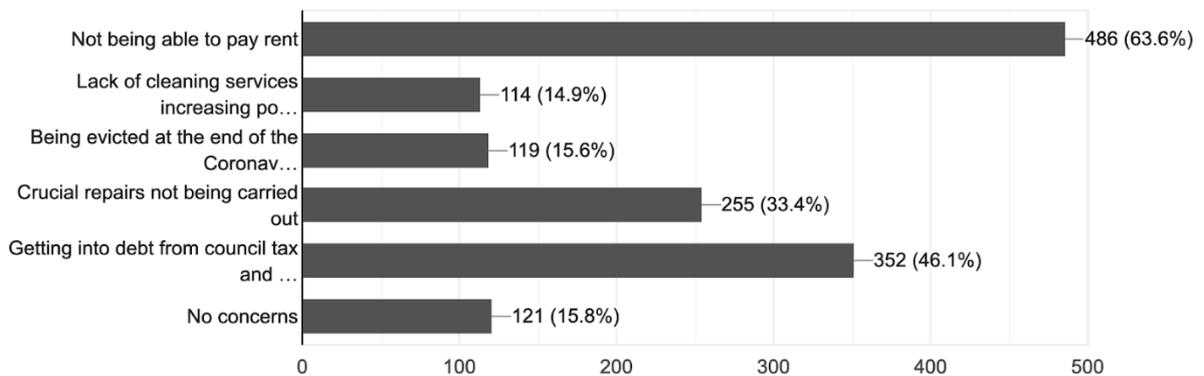


- Full-time
- Part-time
- Zero-hour
- Self-employed
- Other

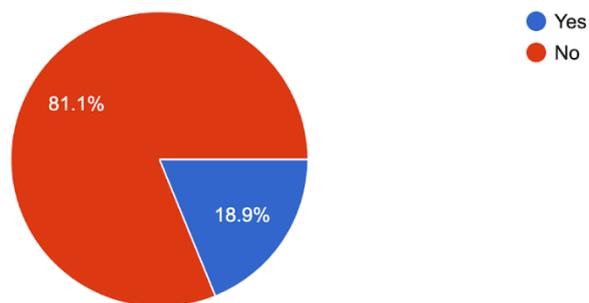
If you have been laid off since the outbreak of Coronavirus, what was the nature of your contract  
226 responses



What concerns do you have about the impact of Coronavirus on your housing situation? (Select all that apply)  
764 responses

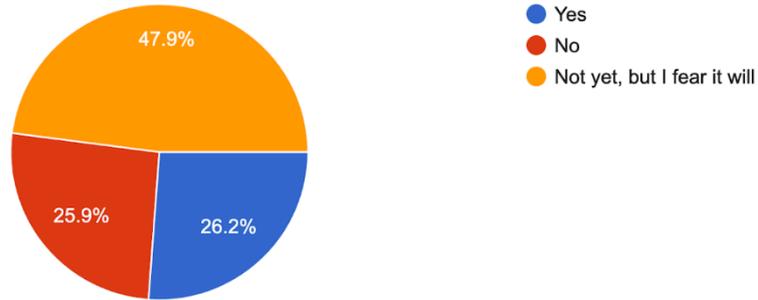


Have you witnessed or been told about changes to services (e.g cleaning in common areas, repairs)?  
748 responses



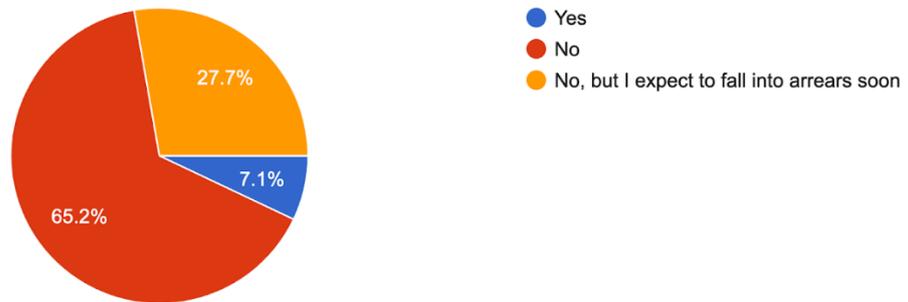
### Has Coronavirus affected your ability to pay rent?

753 responses



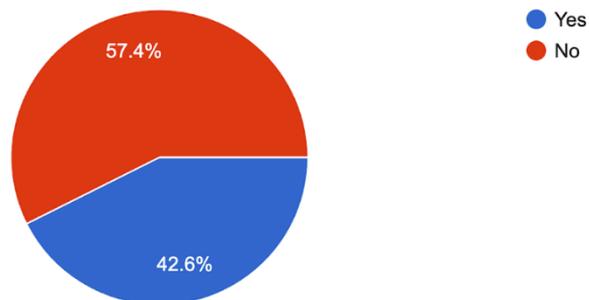
### Have you fallen into arrears/debt with your landlord due to Coronavirus?

750 responses



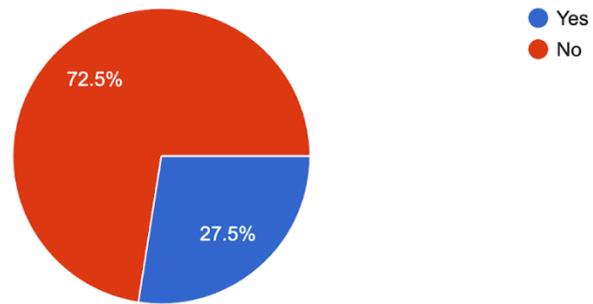
### Has your landlord communicated with you about Coronavirus?

742 responses



Have you attempted to negotiate a rent reduction or suspension with your landlord?

739 responses



*April 2020*