

Unsettled and insecure:

The toll insecure private renting is taking on English families

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1. INTRODUCTION AND SUMMARY

All families need a stable home – somewhere they feel safe, secure and have enough certainty to settle down. They need to be able to plan their finances, their job, working hours, childcare and where their children will go to school.

But for many of the 2.5 million parents on ordinary incomes who now live in the private rented sector, their home doesn't meet these criteria. They live on temporary contracts, from one six or twelve month tenancy to the next. The risk of being evicted when their contract comes to an end or not having their tenancy renewed are a part of their everyday life that stops them from planning for the long-term. Some live with even with less certainty, on a rolling, month-to-month contract and live under the constant threat of being asked to leave.

This is because England's renting laws were written in a different time to cater for a different type of tenant. Those laws give landlords the power to evict their tenant when their fixed term contract comes to an end for any or no reason at all (see section two for more details on security from eviction).

When these laws were written, private renting was principally seen as being for people who only needed temporary housing: young people, students and people who needed a short term let for work. The world has changed. The unaffordability of home ownership and shortage of affordable housing has pushed more and more families on low and middle incomes into private rented housing. One in four families with children now rents their home from a private landlord and the increase in renting families is projected to continue. Increasingly, families earning ordinary incomes live in a private rented home, not one they own themselves.

The impact of insecure tenancies on families

Our previous research has focussed on the destabilising effect that the insecurity of renting has on the renting market. This instability means renting families move

so often they're nearly nomadic, making a serious impact on their lives. We found that their finances are being stretched and that an estimated 65,000 parents were forced to move their children's school when they last moved rented home.¹

The research in this briefing looks at the profound effect that insecure private renting has on families and their children, *even before they are evicted or forced to move*. It finds that insecurity is making it more difficult for children to settle in their homes and that parents are routinely living with worry. They worry about being forced to move or that they will be forced to pull their children out of their current school as a result of a forced home move. For some, the insecurity of their rented home is even stopping them from having children in the first place.

Renting families think that this situation is untenable. They overwhelmingly believe renting is unfair and needs to change. Bringing the law up-to-date to meet the needs of the families that now rent represents a major opportunity for the government, which has made its central mission giving low to middle income families more control over their lives. But the incentives and tweaks that have thus far been proposed will not work and mean many families will still miss out on security. Legal change is the only way to guarantee all renting families the security they need.

Renters strongly support this kind of legal change, to introduce the kind of more secure tenancies that renters expect in many of our neighbouring countries, including Ireland and Scotland.

With more families on ordinary incomes projected to live in private rented homes in future years, making this change is the only way that a growing number of families will be able to access a place they can genuinely call home.

1. See The need for stable renting in England, Shelter 2016

THE IMPACT OF INSECURE RENTING ON FAMILIES IN NUMBERS

1 in 10

One in ten parents say they believe having an insecure home has made their child feel unsettled²

Over 800,000

More than 800,000 renting parents have worried about losing their home in the last year³

Over 1 million

More than a million renting parents worry that they will be forced to pull their child out of their current school as a result of being forced to move home⁴

1 in 10

One in ten renters between 25-34 say the short length of their tenancy means they're delaying have children⁵

60%

60% of renting parents believe the renting system is unfair and needs to change, compared to only 15% who think it's fair⁶

2. An estimated 841,321 renting parents say they either strongly or tend to agree with the statement ““I have been worried that I might lose the home I was living in, during the last 12 months”. Number represents 33.3% of total 2,526,000 parents with dependent children living in a private rented home, according to 2014/15 English Housing Survey. YouGov for Shelter, base: 817 Private renters in England with children in household. Survey conducted August–September 2016, online, weighted.
3. YouGov for Shelter, base: Private renters in England with children in household: 817, 597 with a contract of 12 months or less. Survey conducted August–September 2016, online, weighted.
4. An estimated 1,068,516 renting parents say they either strongly or tend to agree with the statement “I worry that my children may need to change schools because of a future housing move that is not my choice”. Number represents 42.3% of total 2,526,000 parents with dependent children living in a private home, according to 2014/15 English Housing Survey. YouGov for Shelter, base: 817 Private renters in England with children in household. Survey conducted August–September 2016, online, weighted.
5. 10.7% of renters 25-34 say that the statement “the length of my rental contract has delayed/ stopped me from planning to have children/ more children” applies to them. YouGov for Shelter, base: Private renters in England with children in household: 817, 597 with a contract of 12 months or less. Survey conducted August–September 2016, online, weighted.
6. YouGov for Shelter, base: Private renters in England with children in household: 817, 597 with a contract of 12 months or less. Survey conducted August–September 2016, online, weighted.

2. THE LACK OF SECURITY FROM EVICTION IN ENGLAND

The overwhelming majority of private renters in England today have an Assured Shorthold Tenancy (AST).⁷ This tenancy was introduced in 1988 and gives tenants very limited protection from eviction. Landlords have the power to evict tenants with an AST for no legal reason, which sometimes get called ‘no-fault evictions’. They can seek a court order for a no-fault eviction at any time, as long as:

- It’s more than six months after the start of their first tenancy in the property
- They are not within the period of a privately agreed fixed-term contract

Most tenants in England have either a six or twelve month fixed term contract. This means that in practice, they risk being evicted every six months or year, when their contract comes up for renewal. The minority who don’t have a fixed term contract at all and live on rolling contracts could be evicted at any time with two months’ notice.

There are only a small number of technical defences that a tenant can make against a no-fault eviction – when the landlord has filled the paperwork in wrong or not given the tenant the right paperwork, failed to protect the tenants’ deposit, etc. So a savvy landlord is almost guaranteed to be able to evict their tenant, *regardless of the circumstances*.

In other countries things work very differently. In many of our closest neighbours, tenants have much more security from eviction for a longer period of time. For example, in Ireland tenants are protected against no-fault eviction for four years after an initial probation. A landlord is still able to seek possession during that four years if they have a good reason

(e.g. their tenant falls into serious arrears or they want to sell the property). And tenants are given the flexibility to end the contract by giving proper notice. But they have more security that they are going to be able to stay in their home for a longer period. Similarly, last year the Scottish government changed the law to effectively scrap no-fault evictions altogether there from late 2017.⁸

We have been campaigning for the introduction of a five-year tenancy in England as a legal minimum. We call it the Stable Rental Contract. This would give renting families much more certainty that, if they met their end of the bargain by paying the rent etc, they would be able to stay for at least five years. At the same time, landlords would still be able to get possession of their property back if their tenants fell seriously behind on the rent, for example, or the landlord needed to sell. And renting families would also have the flexibility to end the tenancy by giving two months’ notice.

Only legal change will guarantee renters the security they need

Recent governments have begun to notice the seriousness of the situation and renting families’ need for more security. The Coalition Government started a number of initiatives to try to get landlords to offer more secure tenancies voluntarily instead of changing the law. For example, they produced a ‘model tenancy agreement’ that landlords could use to offer a longer tenancy if they wanted. The proposals in the current government’s recent Housing White Paper take a similar approach by expecting new ‘build to rent’ investors to offer more long-term security.

7. Over 80% - English Housing Survey 2014/15, Private Rented Sector Annex Table 3.1

8. See Time for Reform, Shelter 2016 for more details on tenancy law in European rental markets

9. ‘The delicate balance of build to rent’, Resolution Foundation, first published 06/02/2017, <http://www.resolutionfoundation.org/media/blog/making-the-private-rented-sector-fit-for-families/>, last accessed 08/02/2016

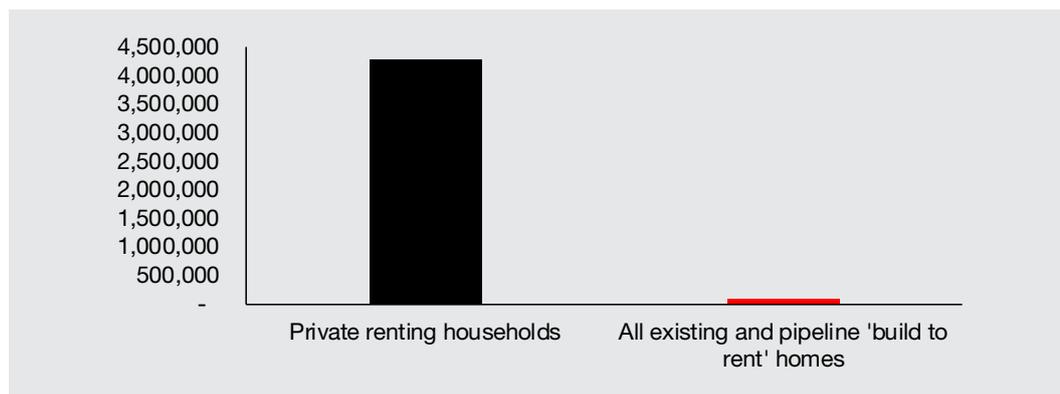
However, while government focus on the problem is extremely welcome, the current approach will not deliver the change that renting families need.

In the first place, this is because voluntary approaches do not appear able to deliver a significant increase in the availability of more secure private tenancies. The previous attempts to encourage voluntary take-up of longer tenancies have had no significant impact on their general availability, at a time when the number of families renting has continued to grow strongly (see section three). Furthermore, the new focus on 'build to rent' in the Housing White Paper looks similarly set to have a marginal impact on the availability of longer tenancies. There are currently

fewer than 100,000 build to rent homes planned or built,⁹ compared to 4.5 million private renting households.

Even were an incentive found that prompted a dramatic increase in voluntary take-up, it is unlikely low to middle income families would benefit. This is because families with children, especially those on low incomes or on housing benefit, are already discriminated against when looking for a home. It is likely that they would continue to be discriminated against when looking for a more secure rented home. So only across the board, legislative change would guarantee families a more secure tenancy when moving into a new rented home.

Figure 1: private renting households compared to existing and future supply of 'build to rent' properties

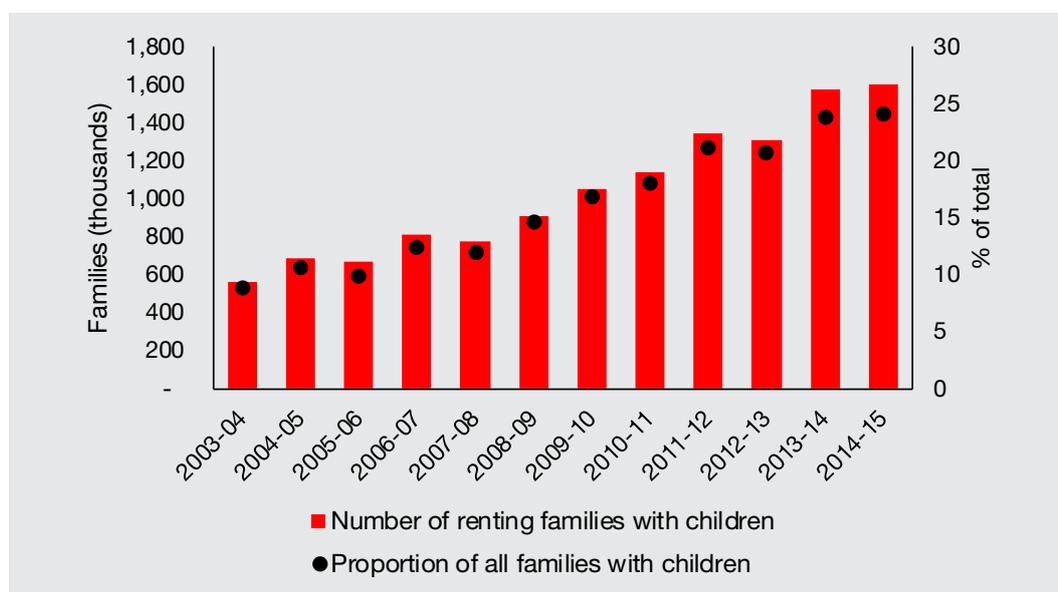


3. THE GROWING NUMBER OF RENTING FAMILIES

For decades, private renting has been seen as a tenure for students and twenty somethings. But over the last decade there has been a steep increase in the number of families with children who rent. In the overwhelming majority of cases this hasn't been a positive choice.¹⁰ Rather, these are low and middle income parents who have been priced out of home ownership or locked out of scarce affordable housing.

This increase has been so fast that the number of families with children who rent has nearly tripled, from under five hundred and seventy thousand in 2003/04 to over 1.6 million in 2014/15. The proportion of all parents who live in a private rented home has also increased. In 2003, less than one in ten families with kids lived in a private rented home. The most recent figures show the number is now close to one in four.¹¹

Figure 2: Growth in the number and proportion of renting families with children¹²



There are no up-to-date government statistics on the number of children who are now growing up in a private rented home. But census data shows that the number of children more than doubled to more than 2 million between 2001 and 2011. We estimate that since the 2011 census more than 0.5 million more children have been added, so that 2.775

million are now growing up in a private rented home.¹³

Unsurprisingly, given that the growth in the number of renters with children has occurred over the last decade, most of the children growing up private renting are under ten.

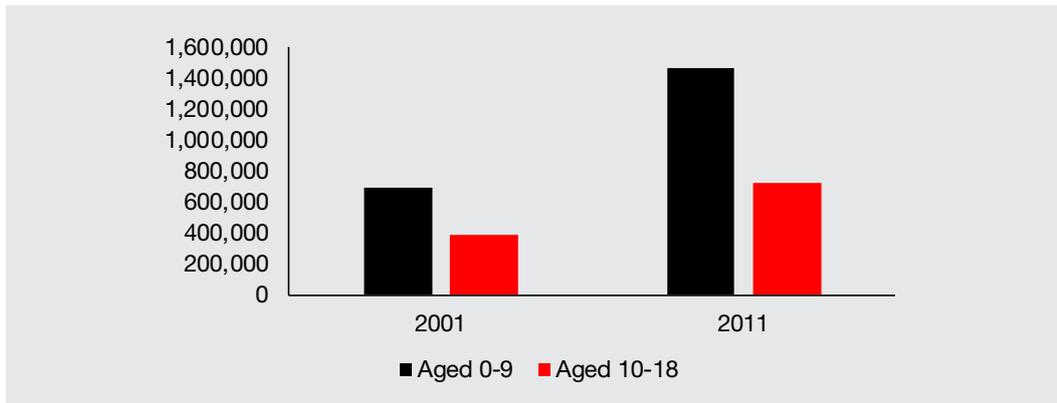
10. English Housing Survey 2014/15

11. Ibid.

12. Ibid.

13. The census gave the average number of dependent children per privately renting household with dependent children as 1.74. Applying this to the current EHS figure for families that are renting allows us to make a good current (2014/15) estimate of 2.775 million dependent children living in private rented homes.

Figure 3: Growth in the number of children growing up in the private rented sector, by age group



In demographic terms, this rate of change is dramatic. For illustration, it would only take another decade at the current rate for more families with children to be privately renting than living in owner occupation. It would take less than 17 years – less than a generation – for the majority of all families with children to live in a privately rented home.¹⁴

No one can say for certain what will happen in the future, but the fundamental drivers that have underpinned the increase in private renting over the last decade remain largely unchanged. Although the need to increase the supply of private and affordable homes is now widely recognised, and the government is

committed to it, it will take a significant period of time to clear the backlog of homes needed. In the interim period, it is highly likely bringing children up in a private rented home will remain in the mainstream for parents on low and middle incomes. Indeed, 2015 projections by PWC suggest that the growth of private renting and declines in people buying with a mortgage and living in the social sector will continue at least until 2025.¹⁵ So the private rented sector must be made suitable for them.

14. The average rate of growth between 2003/04 and 2014/15 was 1.38%, at which rate the proportion of families with children living in a private rented home would be 50.35% by 2033/34

15. UK housing market outlook: the continuing rise of Generation Rent, PWC 2015

4. INSECURE PRIVATE RENTING: NOT FIT FOR FAMILIES

The current insecurity of private renting in England makes it fundamentally unsuitable for families, who need stability and certainty. Our previous research has shown how the instability of private renting takes a significant toll on families, with multiple moves putting them under financial strain, pushing them into debt and impacting their children emotionally.

This new research goes into even more detail to look at the effect that uncertainty of an insecure tenancies has on families, regardless of whether they are forced to move or not. It examines the numerous benefits that parents say introducing more security would have for them and their children.

Children not feeling settled

Our previous research has shown the disruptive impact that moving can have on children living in the private rented sector. Many renting parents reported that their children had found moving from one rented home to the next stressful or had to leave behind friends.¹⁶ But our most recent research finds that the insecurity of their rented accommodation also makes it more difficult for children to settle in their current rented home.

One in ten parents say they believe the insecurity of their tenancy made it more difficult for their child to settle into their rented home.¹⁷ This may also be a reflection of parents' own struggle to settle into their private rented home, with such little certainty they will be able to stay for the long term. More than a quarter of all renting parents say the insecurity of their tenancy has made it more difficult for them

to settle in themselves.¹⁸

Given this it is unsurprising that renting parents are enthusiastic about the beneficial effect that having more security as a renter would have on their family feeling settled. Almost 60% of renting parents said that they thought their child would feel more settled with the kind of tenancy they have in Ireland and are soon to have in Scotland. And more than two thirds said having more security would make the place they live feel more like their home for themselves.¹⁹

Parents living with worry

We know that over a quarter of renting parents have very unstable housing, having moved three times or more in only the last five years. And fewer than 30% of parents have been in their current home for at least five years, despite more than 90% wanting a home where they can stay for five years or more.²⁰

Given this contrast, between what renting parents want and the reality of their housing situation, it is little wonder many worry about the insecurity of their home. More than a million renting parents say they worry that they may not be able to stay in their home for as long as they want. Over 800,000 say that they have been worried about losing their home in the last year.²¹

Furthermore, the leading reasons that these parents said they had worried about losing their home are directly related to the security of their rented accommodation (rather than worries about affording the rent or losing their income, for example). Most parents said they worried they would

16. See The Need for Stability, Shelter 2016

17. YouGov for Shelter, base: Private renters in England with children in household: 817, based on 597 with a contract of 12 months or less. Survey conducted August–September 2016, online, weighted.

18. YouGov for Shelter, base: Private renters in England with children in household: 817, based on 597 with a contract of 12 months or less. Survey conducted August–September 2016, online, weighted.

19. YouGov for Shelter, base: Private renters in England with children in household: 817. Survey conducted August–September 2016, online, weighted.

20. YouGov for Shelter, base: Private renters in England with children in household: 817. Survey conducted August–September 2016, online, weighted.

21. An estimated 841,321 renting parents say they either strongly or tend to agree with the statement “I have been worried that I might lose the home I was living in, during the last 12 months”. Number represents 33.3% of total 2,526,000 parents with dependent children living in a private rented home, according to 2014/15 English Housing Survey. YouGov for Shelter, base: Private renters in England with children in household: 817. Survey conducted August–September 2016, online, weighted.

lose their home because their ‘landlord may ask them to leave’. The second most common reason was because their ‘landlord may not renew their tenancy.’²²

Parents also worry about the effect that being forced to move may have on their child. Over 40% of renting parents – equivalent to more than a million – say they worry that they will be forced to pull their child out of their school as a result of being forced to move rented home.²³ Our previous research has shown that this is a real risk and that 65,000 families were forced to move their child’s school when they last move rented home.²⁴

Research shows that frequent school moves can have multiple serious effects on children. For example, the Royal Society of Arts found that moving school multiple times “has a devastating impact on pupil’s grades”.²⁵ And research in the United States has found that frequent moves as a child can have educational, behavioural and even health effects well into adulthood.²⁶

Renters putting off having children

We know that a large proportion of renters are putting off having children because they live in a private rented home. Our research has previously found that a significant number of renters in their late

twenties and early thirties are putting off having children because they live a private rented home. Almost 30% of renters aged 25-34 said that they were putting off having kids because they were renting. However, we have not previously been able to attribute this to the insecurity of renting.

Our new research shows that more than one in ten 25-34 year old renters specifically say that they are delaying having children because of the length of their tenancy.

On the other side, our research shows that renters would be more likely to plan to have children if they had a more secure tenancy. More than three in ten renters aged 25-34 say they would be more likely to plan to have children if they had a more secure tenancy.²⁷

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22. YouGov for Shelter, base: Private renters in England with children in household who had worried about losing their home in previous twelve months: 270. Survey conducted between August and September 2016, online, weighted.
 23. An estimated 1,068,300 renting parents say they either strongly or tend to agree with the statement “I worry that my children may need to change schools because of a future housing move that is not my choice”. Number represents 42.3% of total 2,526,000 parents with dependent children living in a private home, according to 2014/15 English Housing Survey. YouGov for Shelter, base: Private renters in England with children in household: 817. Survey conducted August–September 2016, online, weighted.
 24. See The Need for Stable Renting in England, Shelter 2016
 25. Between The Cracks, RSA 2013
 26. Residential Mobility, Well-Being, and Mortality, Shigehiro Oishi and Ulrich Schimmack, *Journal of Personality and Social Psychology*, 2010
 27. 10.7% of renters 25-34 say that the statement “the length of my rental contract has delayed/ stopped me from planning to have children/ more children” applies to them. YouGov for Shelter, base: Private renters in England 25-34: 974. Survey conducted between August and September 2016, online

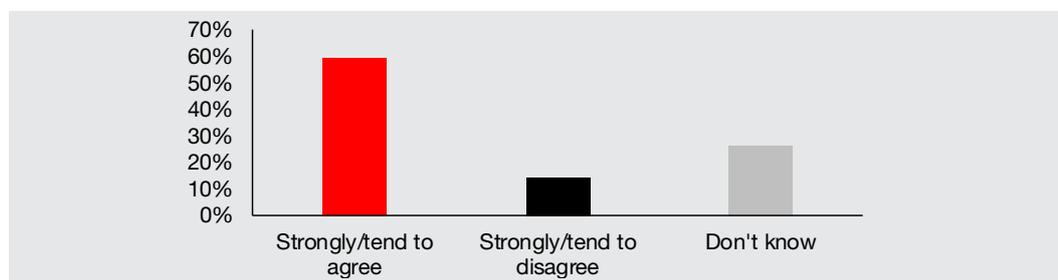
5. RENTING PARENTS DESPERATE FOR CHANGE

It is no surprise that renting parents are desperate for change. Significant numbers have faced eviction or not had their tenancy renewed by their landlord. Still more have moved multiple times over a short period and been put under financial and other strain. Even more live with the day-to-day worry that they may lose their home and be forced to pull their child out of their school – even if they pay their rent

on time and do everything right.

This helps to explain why renting parents think that the deal they get as tenants is unfair. 60% of them say they believe the renting system is unfair and needs to change. This compares to only 15% who think it's fair or that it doesn't need to change.²⁸

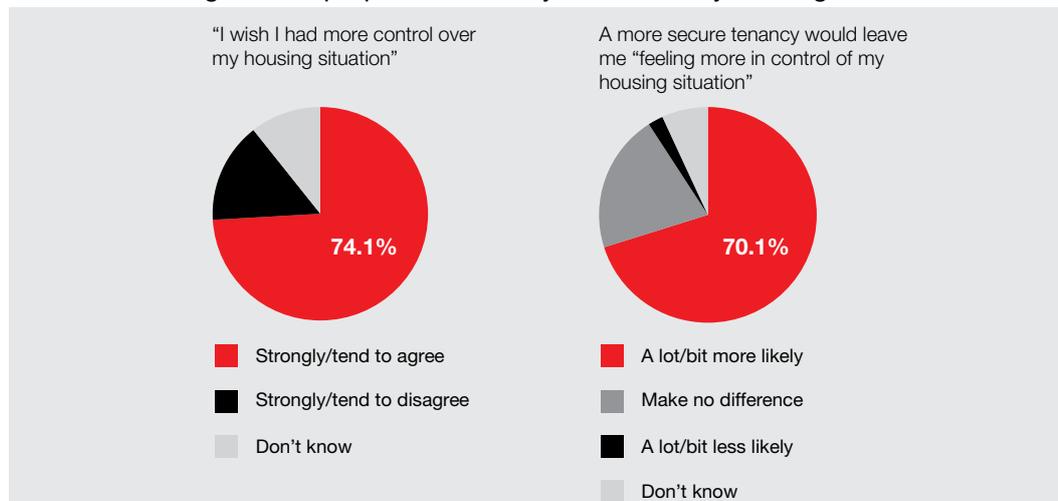
Figure 4: the proportions of renting parents who agree “the English private rented tenancy system is unfair on renters and needs to change”²⁹



At the heart of this, is renting parents' perceived lack of power over their housing situation as tenants. More than seven in ten renting parents say they 'wish had more control' over their housing situation. Giving renters more security will give

parents this sense of power. Seven in ten renting parents say that having a tenancy like the Stable Rental Contract would make them feel more in control.

Figure 5: the proportion of renting parents who say they wish they had more control over their housing and the proportion who say more security would give it to them³⁰



28. YouGov for Shelter, base: Private renters in England with children in household: 817. Survey conducted August–September 2016, online, weighted.

29. YouGov for Shelter, base: Private renters in England with children in household: 817. Survey conducted August–September 2016, online, weighted.

30. YouGov for Shelter, base: Private renters in England with children in household: 817. Survey conducted August–September 2016, online, weighted.

6. CONCLUSION

More than 1.5 million families with dependent children now live in a private rented home. Over the coming decade, that number is projected to climb higher still. For a growing number of parents on ordinary incomes, bringing up a child in private renting is the new normal.

But our laws on private renting just aren't fit for families. They need a stable and secure home, but they live with the prospect of being evicted or not having their tenancy renewed every year, six months or less. Even if they pay their rent on time, even if they do everything right, they still risk losing their home. And even if they aren't forced to move, this insecurity has a tangible impact. It means they live with worry about the future and that it's more difficult for their children to settle. For some it's even making them put off having children altogether.

Understandably, the overwhelming majority of renting families think the deal get isn't fair and are desperate for change. But the solution is also clear. Renters with children overwhelmingly support a change in the law like the introduction of the Stable Rental Contract, to give them five years of security from no-fault eviction.

Measures that try to incentivise landlords to offer longer tenancies or that depend on build to rent, will fall short.

As the number of families living in a private rented home increases, changing the law to meet their needs will be the only way to make sure that they are able to access a place they can genuinely call home.

Shelter helps millions of people every year struggling with bad housing or homelessness through our advice, support and legal services. And we campaign to make sure that, one day, no one will have to turn to us for help.

We're here so no one has to fight bad housing or homelessness on their own.

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