

A photograph of a light green door with a brass mail slot and handle, set in a red brick wall with climbing plants. The door has a white frame and a small window at the top. The brick wall is made of red bricks with white mortar. There are green leaves and brown branches of climbing plants on the wall, some with small red flowers. The text is overlaid on the top half of the image.

Review of the Barriers to Understanding and Improving the Private Rented Sector

A National Register of Rents as a solution and an alternative to a Landlord Register.

A short paper.

Richard Berridge. February 2022.

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The following is taken from the Office of National Statistics 2019 release of the Private Rented Sector.¹

Understanding the PRS

*'There is a gap in official statistics describing the stock and distribution of the private rented sector. For example, what does the stock of the UK private rented sector look like, and how has this changed over time? What types of property are being rented in the sector? Providing statistics to measure this sector is essential so users can understand what is happening both at the aggregate level and a level that will allow analysis of local housing markets. The census, annual dwelling stock estimates and house condition surveys are published for each country which do provide a broad overview of changes in levels of private renting, **but more granularity is required**. Users are aware that more data is slowly becoming available for the PRS, such as the data collected through the [Tenancy Deposit Protection Schemes](#) (TDPS) and there is an expectation that this will be used to improve the measurement of the sector in due course.'*

Coherence and comparability

Users expressed a difficulty in understanding how measures of price in the PRS, recorded in the PRMS and IPHRP, relate to each other and why there are notable differences. There is a need for transparency in the methods used to produce these statistics with sufficient explanation of the rationale for the differences between them (and when comparing these measures with the rental price statistics being produced by private sector companies). Additionally, users have requested a fully comparable time series for both price levels and the inflation measure, as currently the PRMS and rental price levels published by [Wales](#), [Scotland](#) and [Northern Ireland](#), are based on simple averages, which are influenced by changing compositions and should not be used to make comparison over time. This leads to confusion with IPHRP which adjusts for compositional change and is appropriate for growth calculations.

People in the PRS

*Some of the feedback highlighted **a need to understand more about those people in the PRS**. For example, what are the motivations of both landlords and tenants in the PRS and what is their assessment of the quality of properties being rented? Users would also like more statistics covering the affordability of*

¹ <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/ukprivaterentedsector/2018#improving-statistics-on-the-private-rented-sector>

the PRS, although this was also needed in the context of the wider housing market.

Improving private rented sector (PRS) statistics

The [guide to UK planning and housing statistics \(XLSX, 43.7KB\)](#) highlights what statistics are available in the PRS, as well as the wider housing sector. However, as discussed above there are areas which need improvement. The formation of [the Cross-Government Housing Statistics Group](#) will help facilitate some of these necessary improvements. It already has a number of enhancements and is planning further developments to better meet user requirements.

Based on user feedback, the main area requiring improvement is the measurement of price data in the PRS, this necessitates a focus on the development of IPHRP and PRMS. As it stands, these two outputs are produced by different departments (ONS and VOA respectively) but using the same underlying source data for England, which is the comprehensive lettings data collected by VOA Rental Officers as part of their responsibilities to administer functions relating to Housing Benefit and Universal Credit. The VOA is an executive agency of HM Revenue and Customs and as such the data it holds are bound by taxpayer confidentiality as enforced by the Commissioners of Revenue and Customs Act (CRCA), ONS has been unable to access the record level microdata, so VOA process the data on behalf of ONS. Aggregate price indices are provided which are used in the compilation of IPHRP (note that ONS has access to record level data for Scotland, Wales and Northern Ireland, so produce these indices separately).

[The Digital Economy Act 2017](#) now provides an effective legislative gateway for ONS to potentially access the rental microdata for England, which was previously constrained by the CRCA. Access to this data would provide an excellent opportunity for the further development of private rental prices based on the expertise and resource available within ONS for this work, and the unique access ONS has to other supplementary data that can be used to enrich the rental microdata. Therefore, ONS and VOA are looking at how ONS can be given access to the rental microdata. The potential provision of this data to ONS would enable several positive developments that would improve the measurement of price in the private rented sector, including:

- safeguard and further develop the production of rental price indices that underpin the production of IPHRP, and which in turn would support data*

collection by rent officers for their statutory functions as well as official statistics uses

- *review and improve the production of IPHRP, including the production of more granular geographic breakdowns for areas of the UK in response to user requests and produce sub-local authority level estimates of rent prices by further developing the [Research Output on Rent Price Statistics for Small Areas](#)*
- *add further value to the understanding of the private rental market, by carrying out more detailed research using the microdata to produce value added analysis*
- *further developments to advance a better understanding of the stock of the private rented sector through improving the [Research Outputs on subnational dwelling stock by tenure estimates](#) using additional sources of admin data such as from Tenancy Deposit schemes*
- *the analysis of micro rental data alongside sources such as the Tenancy Deposit Protection Scheme*
- *in due course, allow ONS to develop the statistic to improve consistency between English PRMS and IPHRP, and a methodology to produce comparable measures of rental prices over time for the UK and improve the granularity and frequency of publications*

The above, should the provision of data to ONS take place, will ultimately allow for a more comprehensive statistical picture of the PRS.

We can see from the above that the ONS is aware of the deficiencies in the data which informs understanding of the PRS. Collaboration between the ONS and VOA is unlikely to improve the situation given the insufficient level of PRS data captured by the VOA. We can also see that the ONS doesn't know enough about either landlords or renters. If the ONS doesn't know, neither then does the government.

The UK is in transition. Such data that is available indicates affordability issues for both potential homeowners and renters. Government policy is focused on home ownership

So, what are the solutions? What measures can the sector take to ensure comprehensive collection and analysis of data? We know that selective licencing has been in effect since 2006. What effect has it had on the PRS and has it led to a greater understanding of how the PRS operates?

Selective Licensing: is it working? Is it a solution?

Currently, there are more than fifty Local Authorities' (LA's) operating a selective licensing scheme (SLS) for buy-to-let landlords. Build-to-Rent landlords who operate within these LA's are also obliged to participate. These schemes are either selective or also require additional licensing for Houses of Multiple Occupation (HMO's).

Generally speaking, despite the aims of the schemes to crack down on rogue landlords and police the private rented sector to provide safe and secure homes for renters, LA's lack the resources to monitor landlords effectively.

In 2019, the Committee on Fuel Poverty recommended 'that a national mandatory PRS [private rented sector] registration scheme should be set up covering England, and that it should be run centrally but accessed and enforced by LA's locally'.²

In June 2019 a government report, 'an independent review into the use and effectiveness of selective licensing', found that "selective licensing is an effective tool when implemented properly, and identifies a range of areas where the operation or implementation of selective licensing schemes could be improved".³

Also in 2019, the Chartered Institute of Environmental Health and Chartered Institute of Housing, published a joint report on selective licensing schemes. They found that the outcomes were generally positive, but the picture was complex and required LA's to devote significant capital to setting up and monitoring the schemes.⁴

There are 343 LA's in England as at the date of this paper. The number of LA's operating an SLS represents around 15% of all LA's in England. Therefore, the effectiveness of an SLS is limited by LA uptake and an LA's commitment of resources to the scheme.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/839352/CFP-Interim-Report-October-2019.pdf

³ <https://www.gov.uk/government/publications/selective-licensing-review>

⁴ <https://www.cieh.org/news/blog/2019/how-effective-is-selective-licensing/>

Government is considering drawing up plans to implement a national landlord register to ensure that all landlords are licenced to act as a landlord. It is considered that the SLS has been effective in improving the quality and safety of the PRS; the homes people rent and the professionalism of the landlords. It is possible that this may form part of the governments much anticipated PRS white paper now due early 2022.

However, An SLS is limited by only providing information on the landlord and the property the landlord owns. Whilst this is useful in ensuring a degree of professionalism in the PRS and the safe and habitable quality of the rented home, it does not provide information on the tenant(s), the rent, the term, the legitimacy of the tenancy, statutory service of documentation or deposits (if any).

It is probable that by concentrating solely on licensing and registering the landlords, which government is currently considering, we are in danger of implementing a scheme, which may be expensive to manage and that only goes halfway towards a more holistic understanding of the PRS. So, whilst we could say that in general SLS's are working, it is currently only operated by 15% of LA's and the scope of its data is limited.

Where's the other data and how useful is it?

There are several sources of data which government could potentially access to gain a picture of how, where & when the PRS is operating to a greater or lesser degree.

- **EPC:** EPC's⁵ are required for all new rentals and sales in the UK and have been since 2008. This means that the EPC database is fairly comprehensive containing approximately 21.5 million certificates within its database. The data fields in the preparation of the certificate allow for a significant amount of information to be collected. For instance: the purpose of the EPC (sale or rent) and the type, size and age of the property. However, not all these data fields are fully and accurately completed. So, the database is incomplete. Nevertheless, it provides extremely useful data to government and will form the benchmark in improving the energy efficiency of the PRS as we transition towards a sustainable, net zero future.

⁵ <https://epc.opendatacommunities.org/login>

- **Tenancy Deposit Protection Schemes:** Three schemes⁶ operate under licence from the government to hold and protect a tenant's deposit. As of 2019, TDPS's accounted for some 80% of the known PRS. As part of the proscribed information, detail is collected on the amount of deposit, the address of the property, landlords name and contact details, Tenant(s) name, address, contact details and any other relevant persons name and details. Whilst this is useful data, not all tenancies require a deposit and some are now opting for alternative deposit schemes.
- **Deposit Free Insurance Schemes:** Such schemes have gained some traction as they offer landlords the security of a deposit, are stringent in the referencing terms, but provide the tenant the opportunity to move without having to find a substantial initial deposit. These firms have a relatively small PRS footprint at the moment and therefore, whilst the data they collect is similar to that of referencing firms, the quantum is insufficient on its own to be of significant value.
- **Referencing Agencies:** there are a wide number of referencing agencies throughout the UK. Some, such a HomeLet⁷ even produce their own PRS performance index. Such indices are an important source of information as referencing agencies are privy to a substantial amount of financial information regarding the tenancy: The agreed rent, the term, tenant's financial details and history, current employment, previous address etc. This level of detail and its accuracy is particularly helpful in understanding trends, affordability, and rental growth. However, the information is held by several competing private firms and is difficult to access and is incomplete. Additionally, some landlords, particularly those in the BTR sector, have dispensed with referencing and now take a 'credit card swipe' similar to the practice employed by hotels, although the appropriate sum is usually held as a deposit (therefore registered as such) and not temporarily 'blocked out'.
- **Portals:** In particular, Rightmove, capture stage one transactional data. That is detail of a property to sale or for rent. Rightmove's current market share of the portal market is circa 88-89%. Both Rightmove and Zoopla (the second most popular portal with 10% market share) provide monthly and quarterly market updates. Whilst this data capture is useful

⁶ <https://www.gov.uk/tenancy-deposit-protection>

⁷ HomeLet Rental Index: <https://homelet.co.uk/homelet-rental-index>

in understanding both regional and national activity. Transactional detail: the who, when and how much, is lacking.

- **Mortgagees:** Lloyds bank and The Nationwide BS are the leading lenders to landlords in the PRS with 18.7% & 13.3% of the market⁸ (Balances outstanding). Paragon Banking Group (4.2% of the market BO), a specialist Buy to Let (BTL) lender estimate that 44% of PRS landlords mortgage their portfolio to a greater or lesser degree⁹. So, whilst lenders would have, at a point in time, accurate transactional data and information on the landlord borrower and regulatory fitness of the property, they would have little or no data on the tenant or the compliance status. Summary data can also be obtained from the Financial Conduct Authority (FCA)¹⁰. But, as lending to the PRS is spread among some 80 lenders, who collectively lend to 44% of the PRS, data from this source is relatively thin and incomplete.
- **Insurance Providers:** Insurance companies offer a range of products for BTL landlords from simple buildings insurance, to varying degrees of rent protection. Last year, the landlord insurance market was estimated to be worth £716.8m and covered 58.6% of private landlords. The data that they capture is similar to that of referencing and deposit free insurance companies. Which is to say comprehensive information on the tenant and some rigour around landlord compliance. Like all insurers, they look to mitigate their risk. Nevertheless, since insurance providers who provide some element of rent or landlord protection do not collect data on a little over 40% of the market, the data is incomplete.
- **Valuation Office Agency (VOA):** the VOA captures eight property attributes: group (broadly a signal of architectural style), type (detached, semi-detached), age, floor area (meaning size in metres squared), number of rooms, number of bedrooms, number of bathrooms, number of floors. So, despite ongoing negotiations with the ONS regarding data provision, the VOA does not have sufficient data to inform the understanding of the PRS above the current level. It does, however, attribute a UPRN to properties which can be used to cross reference.

⁸ UK Finance: <https://www.ukfinance.org.uk/data-and-research/data/mortgages/largest-mortgage-lenders-buy-to-let>

⁹ Paragon Banking Group. <https://www.paragonbankinggroup.co.uk/news/insights/prs-trends--q1--2021>

¹⁰ FCA: <https://www.fca.org.uk/data/mortgage-lending-statistics>

- **Landlords:** In most cases (68%), landlords let and manage their property themselves, and the emergence of some proptech platforms that enable them to do so proliferate. A considerable amount of due diligence and compliance is required to complete a tenancy which is best left to a professional third party to complete and many proptech platforms offer this facility. A greater number of landlords (91%) do manage their own properties. This is a potential 'blind spot' in terms of compliance. That most landlords continue to operate and let their properties without professional guidance or compliance training, and without a reliable record of their activity, is concerning. Both from a qualitative and quantitative perspective.
- **Lettings Agents:** According to a Q2 2021 survey¹¹ of landlords by the National Residential Landlords Association (NRLA) 32% of landlords use a lettings agent to let their properties. The number is lower (9%) for those who also entrust the management to an agent and 6% for those who use managing agents solely. Unfortunately, the sample size is low at 1029 responses to the survey. Nevertheless, the NRLA believe it is representative. However, unlike other sources of data, at the point of the initial rent event (letting) agents are in possession of a complete set of data. Various legislation: Anti-money laundering, right to rent etc means that not only do they have comprehensive data on both parties and the property in question, but they also have accurate transactional data. If, at each rent event, government could capture this data, a complete picture of the PRS could be provided.

Analysis of Data Sources.

It's clear that each data source provides incomplete data. Either the data collected is specific to each source and therefore does not record all potential data points, or the data source does not cover the whole of the PRS. Or both.

EPC's are compulsory throughout the PRS and should provide better property data than they do. There is a data entry field which identifies the purpose of the EPC (sale of letting) but it is often left void.

Tenancy Deposit Protection Schemes, which cover 80% of the market should be a better barometer of how the PRS is performing. But the proscribed information is relatively basic.

¹¹ NRLA Q2 2021 Survey: <https://www.nrla.org.uk/research/quarterly-reports/2021/qtr-2-licensing>

Portals are relied upon by many as they provide a snapshot of the majority properties on the market. Both regionally and nationally. Whilst they offer insights into market activity at a granular level, as they are not privy to transactional information, they can only record when a property comes to market and when it went under offer. But they have no details of the transaction, the landlord or the tenant. But even this data can be manipulated by agents who ‘portal juggle’.¹²

A source that can provide all the data is letting agents, where they are involved in the creation of a tenancy. But the issue there is that only 32% of landlords use lettings agents. Therefore, the only other source of complete data, at any tenancy event, is the landlord.

Most principal agents, Savills, Knight Frank, CBRE, JLL and other property data specialists: DataLoft¹³, REalyse¹⁴ etc look at all the data sources and arrive at a reasonably accurate picture of the PRS which they publish on a regular basis. Most will also use data from the English Housing Survey which, itself, can only use data from existing sources.

As noted from the NRLA, 68% of landlords do not use a letting or managing agent to let or manage their properties. This is a concerningly high number where visibility over regulatory compliance is opaque at best. As government’s focus on sustainability within the built environment increases, particularly following COP26, the importance of raising MEES within the PRS has taken centre stage. A National Register of Rents is essential in monitoring the rate at which the PRS is moving towards band C and above.

Currently there is no single data source that can provide comprehensive data on the PRS: the landlords, the tenants, the properties, and the sector dynamics.

Returning to SLS’s and Landlords:

It has been shown that SLS’s do improve the sector where they have been implemented effectively. So, government might conclude that implementing a

¹² National Trading Standards. Portal Juggling. <https://www.nationaltradingstandards.uk/news/estate-agents-warned-over-portal-juggling/>

¹³ DataLoft: <https://www.dataloft.co.uk/>

¹⁴ REalyse: <https://www.realyse.com/>

compulsory national scheme would measurably improve the sector nationally. This, depending on the resources to police the scheme, would probably be true.

However, SLS's are not dynamic in nature, collect limited data and do nothing to bridge the data gap that exists between landlords who employ professional lettings/management agents, and those (68%) who don't.

So, the principal barrier to understanding the Private Rented Sector is the disparate nature, and paucity of, data and the ability to collect the data. This is not something a national landlord licencing or registration scheme, on its own, is going to resolve.

Capture of data at each 'rent event'.

What do we mean by a 'rent event'? Put simply, it is every time a tenancy is initially agreed, extended or subsequently altered to accommodate a change in circumstances.

- The most obvious is the commencement of a new tenancy. But can also mean:¹⁵
- A tenancy renewal.
- A tenancy that becomes periodic.
- A change in the number or persons within an existing tenancy agreement.
- The exercising of a break clause or early termination
- Serving statutory notices in the course of obtaining possession.
- A change in the terms of the tenancy.
- A change of landlord due to sale of property.

The point at which all the data concerning both landlord and tenant, the property and the transaction is available, is when the initial tenancy is agreed.

At this point, all the data could be uploaded to a 'National Register of Rents' and recorded.

¹⁵ Not an exhaustive list.

An example of the data to be collected.

Data Points:

Property.

Type and age

Size: bedrooms etc.

Floor (Ground, 1st, 2nd etc)

Street.

Town.

Region.

Country.

Unique Property Registration Number (UPRN)

Tenancy:

Type: Assured Shorthold Tenancies, Assured Tenancies, Protected (Rent Act) Tenancies, Non-Housing Act Tenancies (Company Lets, Resident Landlord lets, Premium Leases, Not principal residence lets etc)

Rent agreed.

Tenancy start date. Tenancy end date. (Term)

Periodic tenancies to be updated

Rent increase terms (CPI or other fixed or % measurement)

Landlord and Tenant:

Landlord name and address

Tenant(s) name, age, and dependants.

Whether previous address was family home, rented or owned.

Referencing:

Tenant(s) income details and employer/industry sector

Deposits.

Confirmation of which deposit protection scheme has been taken up

Or

Confirmation of which deposit insurance scheme is being used

Or

No deposit required.

Statutory Documents

EICR

Gas Safety Record (CP12)

EPC

Gov't 'How to Rent'

Personal data to be anonymised.

The Land Registry and Data Collection

The Government collects and holds ownership and transactional data for every home that is sold/purchased, at the Land Registry (LR). At point of sale, a purchaser, via their agent, normally their solicitor/conveyancer will send the details of the purchase to the LR. There are a range of applications to the LR that can be made depending on the change to the original details. These could include a legal charge on the property, an addition of proprietor, release of mortgage or death of the proprietor. Currently, there are in excess of one hundred differing forms required by the LR to record title events. It became compulsory to register title on 1st December 1990 and further updates were made with The Land Registration Act 2002 which details the scope of the act.¹⁶

The principles around data collection of this type and purpose are well established. Such data enables the government to understand the dynamics of the housing market as it relates to ownership. These principles could be extended to the PRS.

As no such register exists for the PRS the dynamics of the PRS are less well understood and relatively poorly recorded.

The LR charges for initial registration or change of ownership (*scale one*) range from £20 to £910 depending on the nature of the registration, the method of registration (post or portal) and the value of the property. Clearly there is an opportunity for a rent register to generate income to government and cover the cost of maintaining the rent register database. Given the rent levels and number of transactions and rent events per annum, the fee can be relatively

¹⁶ Land Register Act 2002. <https://www.legislation.gov.uk/ukpga/2002/9/notes>

modest so as not to be onerous to either private or corporate/institutional landlords.

Sanctions for failure to properly register title at the LR are as follows:

You'll pay a fixed penalty of:

- £100 if you file your return up to 3 months after the filing date
- £200 if you file your return more than 3 months after the filing date

You'll pay a tax-based penalty as well as the fixed penalty if you do not file your return within 12 months after the filing date. The tax-based penalty can be up to the full amount of the tax due on the return¹⁷.

There is also the risk of loss of legal title for which expensive remedy must be obtained. Since very large sums are often involved, or charges against title are required, (eg. Mortgages) it is in the interest of all parties for title to be registered on completion. It is extremely rare for title not to be registered.

Implementing a National Register of Rents would improve the understanding and the quality of the sector.

A National Register of Rents would provide government with a wide range of data points from which to determine an evidence-based housing strategy. The governments core housing strategy of encouraging home ownership can be informed by knowing why, where and when people are renting; Where ownership affordability is particularly challenging renting is the only option. Such a register would highlight specific areas where government policy could make a real and measurable impact on home ownership and the ability to dynamically track the results.

It is fair to say that much of what we know about the PRS can be inferred from the existing data sources. But in a modern society where data is the key to unlocking real knowledge, 'inferred understanding' is insufficient. To improve the PRS, to professionalise a largely 'amateur' sector, the data collected via a National Register of Rents would be an imperative and a step towards professionalising and improving the sector.

¹⁷ <https://www.gov.uk/guidance/stamp-duty-land-tax-online-and-paper-returns#penalties-if-you-file-or-pay-late>

How to Implement a National Register of Rents.

In the first instance, government must ensure that every PRS rent event is captured. To do this, the National Register of Rents has to be mandatory; as the Land Registry is for property transactions. However, unlike the LR, a range of sanctions must be available to penalise landlords who fail to record rent events at the Rent Registry. Such penalties would range from an appropriately levied fine to the banning of being a landlord.

Such legislation to be introduced following a 12-month period in which landlords are given the time to upload the required data via a purpose-built portal. Data can be uploaded manually, or for institutional/corporate landlords, via an API key linking their operational management platform.

Data points have been suggested on page 13 but could be extended.

Legislation to be introduced making the recording of each rent event mandatory.

The Cost

If we look at the 2019-20 English Housing Survey (EHS)¹⁸, we see that is assumed there are 4.4 million PRS homes in England. This represents 19% of the English housing stock. Slightly down on the previous year (20%) and a fall from 4.69 million in 2017. However, as we know, this figure is very much an educated guess.

If we assume the numbers to be broadly correct, we find that there are approximately 960,000 PRS movements per annum.

- Moves within sector: 703,000
- Owner Occupiers to PRS: 99,000
- New to PRS: 135,000
- Social Housing to PRS: 23,000

¹⁸ English Housing Survey. Headline Report 2019-20.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945013/2019-20_EHS_Headline_Report.pdf

In addition to such movements, there are other rent events as previously described.

Registration to the portal to be granted subject to successful ID and Anti-Money Laundering (AML) checks as a one-off registration fee for each landlord.

This data to be uploaded by either the landlord directly or a landlord's agent. This will generally be a lettings and/or managing agent or a solicitor or accountant. A 'responsible person' to be identified responsible for uploading the data in a timely way. Ideally, this would be at the point of occupation or some other rent event, or within five working days to ensure compliance.

According to estate agent Hampton, there are an estimated 2.58 million landlords in the UK.¹⁹

If we extrapolate from the number of PRS homes in the UK, we can estimate that number of landlords in England alone is some 2.27million.

Fees:

Initial landlord registration to the rent register is suggested to be modest at £100 and significantly less than most LA's charge for a five-year licence. This would create an initial income from English landlords to the Treasury of £227 million. It is possible that this could be an annual registration fee.

If we take the annual PRS new tenancy movements to be 980k per annum, a £10 fee for each new tenancy would amount to approximately £9.8 million per annum. If government opted for a % of annualised rent, 0.1% of the current annual UK average of £12,708²⁰ pa would equate to £12.71 as a new tenancy fee or revenue to government of £12.45 million. Tenancies which run for longer than one year become liable for the annual fee upon each tenancy anniversary.

In addition to this there are a number of additional rent events as previously detailed. It would be simpler to cost these as a fixed fee as changes or

¹⁹ Hamptons Research Report. Landlords. Feb' 2020:

<https://www.hamptons.co.uk/research/articles/2020/lettings-index-january-2020.pdf/>

²⁰ HomeLet Rental Index. <https://www.hamptons.co.uk/research/articles/2020/lettings-index-january-2020.pdf/>

substitution of tenant for instance, might have numerous % calculation options. If we assume £10 for each rent event other than an initial tenancy.

If we assume there to be half as many rent events other than new tenancies this would provide an additional £4.9 million annually to the Treasury.

Together with the initial landlord registration fee, rent event fees would fully subsidise the cost of maintaining the rent register database.

Subsequently, the government could charge a licence fee to private individuals or corporates to access the anonymised data but provide more comprehensive data to LA's 'Free of Charge' enabling monitoring of the PRS within their purview.

A further note on fees: Clearly, implementation of a Register of Rents in the manner outlined above would have an impact on the ability of LA's to resource any enforcement action on delinquent landlords. A possible solution to this may be for government to consider a slightly higher initial landlord registration fee, some, or all of which could be passed on to the relevant LA. However, should this be a path government chooses, LA's must be prepared to evidence active monitoring and exercising of powers to protect tenants or face sanctions themselves.

Summary.

A National Register of Rents takes the proposals of a Landlord Register one step further without landlords incurring onerous fees.

It is clear that we lack the data to make informed decisions about the PRS. Such data that exists is held by disparate sources. None of those sources hold a complete PRS database.

We know that at the point of a tenancy agreement, all the data is at hand and in one place. We also know that only 32% of landlords use an agent for effecting or managing a tenancy. This potentially leaves a huge gap in our knowledge of the PRS. This means we are unable to effectively police the sector and ensure it is wholly compliant and protect tenants accordingly.

A national landlord licencing scheme would only identify landlords and not their adherence to compliance or regulation. Whilst this might help in slowly

weeding out rogue landlords, it would not provide vital or dynamic data on the performance of the PRS nationally, regionally or city by city.

It is acknowledged that corporate and/or institutional landlords may not be in favour of a National Register of Rents as they would be liable to pay for each tenancy and rent event. However, as the rent event sums as proposed are relatively small, it will not have a significant effect on investment metrics. This also means that smaller landlords are not paying disproportionately towards supporting the National Register of Rents.

There is also the matter of corporate commercial confidentiality. Corporate and institutional landlords do not currently subscribe to a performance transparency platform (except anonymously as with MSCI). Although some have proposed such transparency, there is no incentive to publish such data unilaterally. A National Register of Rents would naturally lay bare the occupational and financial performance of all portfolios. Taken more broadly, such performance data would ultimately lead to better market understanding from which corporations and institutions would benefit.

Regulation and compliance is becoming increasingly important from a tenant protection and sustainability perspective. Government will benefit from the greater understanding of the PRS that a national register of rents will provide.

If government is serious about professionalisation of the PRS, robust and granular data is required by professional, corporate and institutional landlords to make decisions about investing in the sector. A national register of rents would give them this data.

There is also, of course, the importance of understanding the total value of the PRS; the size of the sector and revenues generated. This would give HMRC a firm base on which to structure taxation policy and to ensure income from the PRS is fairly taxed and robustly collected. A National Register of Rents would facilitate this.

Government and government agencies would at last have robust and granular data upon which to make and take policy advice about the PRS and the support, or otherwise, it chooses to give.

In addition, the rich data would give government insights into the affordability and access to home ownership by identifying PRS clusters where policies could be targeted to further assist home ownership aspirations.

In recording this data, credit agencies will have access to the payment history of tenants. Credit agencies and lenders should take notice of the substantial amounts paid by tenants in assessing their credit history and suitability for mortgage purposes. This may help many more tenants transition from renting to ownership when the time is right for them.

Ends.

A National Register of Rents.

Richard Berridge

February 2022.