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Welsh Government

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Welsh Government

Consultation on the White Paper on securing a path towards Adequate Housing, including Fair Rents and Affordability

Date of issue: 24 October 2024

Action required: Responses by 31 January 2025

Overview

This White Paper sets out a range of proposals for how to achieve housing adequacy in Wales, including proposals on fair rents and affordability in the Private Rented Sector.

How to respond

Responses can be submitted in a number of ways.

Online: <https://ymateb.gov.wales/s/SCNYNM/>

Email: privatesectorhousing@gov.wales

Post: White Paper Housing Adequacy, Fair Rents and Affordability,

Private Sector Housing Policy Branch,

Welsh Government,

Cathays Park,

Cardiff,

CF10 3NQ

When responding please state whether you are responding in a personal capacity or are representing the views of an organisation.

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

Contact details

For further information:

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This document is also available in Welsh: <https://www.llyw.cymru/papur-gwyn-ar-creu-llwybr-tuag-dai-digonol-gan-gynnwys-rhenti-teg-fforddiadwyedd>

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Ministerial foreword

The Welsh Government is committed to ensuring that everyone in Wales can access adequate housing. Every person, at every stage of their lives, should be able to obtain a safe, and affordable home that meets their needs.

Last year we published a [Green Paper Call for Evidence on securing a path towards adequate housing, including fair rents and affordability](#). This sought to gather evidence to better understand the Private Rented Sector in Wales, including landlord and tenant behaviour, and the longer-term changes that may be needed in the sector.

There were 371 respondents to this call for evidence from a range of stakeholders. Respondents included representative bodies from the private and third sector, private landlords, management companies and local authorities. Drawing on these responses alongside detailed stakeholder engagement, has informed the development of this White Paper.

It is clear that affordability is the golden thread between housing adequacy and our work on fair rents in the Private Rented Sector. We are acutely aware of the need to increase affordable housing supply and the importance of the Private Rented Sector in providing a range and choice of accommodation for families and individual households. Therefore, in this White Paper we have outlined our long-term approach towards achieving housing adequacy across all tenures in Wales, as well as proposals on short to medium term interventions in the Private Rented Sector.

I am proud of the progress we have already made towards delivering our Programme for Government objectives. This includes our continuing investment to deliver more social homes, as well as our interventions to improve housing quality and standards. We have also published an ambitious White Paper on ending homelessness and will introduce legislation this Senedd term to support our long-term ambition to end homelessness in all forms, ensuring it is rare, brief, and unrepeated. Together with our local authority partners, over 17,500 people were supported with temporary accommodation in 2023-24 and we provided over £210 million for homelessness prevention and support. Additionally, we have brought about the UK's most comprehensive package of measures to manage the future numbers of second homes.

We must, however, recognise that people across Wales are facing hugely challenging times. The cost-of-living crisis has impacted every facet of society and has shown more than ever how essential a home is as the fundamental building block for a healthy life. While we have made good progress towards delivering measures to increase supply and prevent homelessness, numbers of people presenting to homelessness services and supported with temporary accommodation continue to rise. As we continue to face uncertain times and ongoing financial pressures it is critical that we continue our work to increase access to, and the affordability of, all housing tenures to meet the housing needs of everyone across Wales.

The publication of this White Paper on Housing Adequacy, Fair Rents, and Affordability fulfils our Programme for Government commitment and builds on our collaboration with Plaid Cymru as part of our previous Co-operation Agreement. It is clear there will be challenges ahead on the road towards achieving housing adequacy, and this journey will take time and perseverance to complete. This White Paper represents the next step in moving towards our collective ambition to achieve housing adequacy and, builds on the evidence and views gathered through the Green Paper and our subsequent engagement across the sector. I am committed to working collaboratively with our stakeholders to ensure that collectively we achieve housing adequacy for all.

I would like to thank the stakeholders involved in the development of this White Paper and to thank in advance all who respond to this consultation. I am extremely grateful for your views.

Jayne Bryant MS

Cabinet Secretary for Housing and Local Government

Chapter 1: Overview

Background

The Programme for Government set out our commitment to publish a White Paper on adequate housing, fair rent and affordability.

To inform the White Paper development, in June 2023, we published a [Green Paper](#) on securing a path towards Adequate Housing, including Fair Rents and Affordability. We published the Green Paper as a call for evidence seeking views on how to achieve housing adequacy in Wales, as well as evidence on how to better understand the rental market in Wales and the affordability issues in the sector. The purpose of the Green Paper was to acquire a wide range of evidence from stakeholders across the sector ahead of developing any proposals for policy intervention or potential legislative change.

We received 371 completed responses to the Green Paper from a range of stakeholders. This included 45 responses from representative bodies for the private and third sector, including landlord and property agent representative bodies such as the National Residential Landlord Association (NRLA) and Propertymark, and third sector housing experts such as Shelter Cymru, Tai Pawb, and the Chartered Institute of Housing Cymru (CIH Cymru). We also received 90 responses from private landlords, 12 responses from Welsh local authorities, and other contributions from respondents with knowledge of the sector. As outlined in our [Summary of Responses](#) to the Green Paper, published in April 2024, we received a wide range of views. The key themes emerging from the consultation were the need for better data in the sector; affordability being the golden thread between achieving housing adequacy and fair rents in the PRS; and the ongoing issues regarding the supply of affordable accommodation. We have drawn on the evidence from the Green Paper, the consultation workshops which were held with various stakeholders, including private landlords and tenants, and the advice of our external Stakeholder Advisory Group¹ to develop the proposals contained in this White Paper.

Overview of White Paper

Our proposals include potential interventions to improve the affordability and quality of the Private Rented Sector (PRS) in the shorter term, and longer-term proposals around how we intend to progress towards achieving housing adequacy across all

¹ The Stakeholder Advisory Group was established to inform the development of the White Paper by ensuring engagement and consideration of stakeholders' views. The Stakeholder Advisory Group consists of membership of organisations providing a representative voice of private sector landlords, letting agents, and the third sector.

tenures in Wales. We have sought to ensure a balanced and evidence-based approach which recognises the potential factors that guide what is achievable, such as resources and the devolution settlement.

The White Paper is split into three sections, an overview, a chapter on housing adequacy, and then in recognition of the particular issues of affordability in the PRS, a chapter on fair rents.

The chapter on housing adequacy outlines our vision for housing in Wales, together with proposals for how we intend to work towards achievement of housing adequacy. In this chapter, we set out the proposals which will support our collective ambition in this area and assist delivery of housing adequacy across all tenures. The chapter also examines how local context might be incorporated into any framework for achieving housing adequacy, recognising the differing needs and challenges of local communities across Wales.

The chapter on Fair Rents outlines our proposals for the PRS. We have considered the evidence received from the Green Paper consultation, as well as examining the emerging evidence from Scotland, all of which indicates there is not a sufficient evidence base to take forward rent control measures at this time. It instead points to the need for better, more localised data, to improve our understanding of market rents and the affordability challenges in the PRS, recognising that affordability is a key component in delivering housing adequacy. As such, the chapter includes proposals aimed at strengthening our data in order to improve this understanding and enable us to better target policy interventions. Supporting our policy intention to progress towards housing adequacy, the chapter also outlines proposals on how to demonstrate a PRS property is habitable, and further proposals on how to remove barriers from those trying to enter, and remain, in the PRS, particularly those renting with pets. The chapter also outlines proposals to increase the supply of affordable rental accommodation, as we recognise availability of affordable rental property is a key challenge in the sector.

Well-being of Future Generations (Wales) Act 2015

The Well-being of Future Generations (Wales) Act 2015 requires public bodies to think about the long-term impact of their decisions and work better with their communities. In developing this White Paper, we have followed the five ways of working set out in that Act.²

² [Well-being of Future Generations \(Wales\) Act 2015: the essentials \[HTML\] | GOV.WALES](#)

Long-term

The White Paper looks at the **long-term**, strategic change needed for housing in Wales by setting out proposals for achieving housing adequacy over time. These proposals are balanced with short- to medium term policy proposals to address issues of habitability, accessibility and affordability in the PRS. The White Paper aims to strike a balance between those measures that we could look to progress in the short term which will safeguard and provide the building blocks needed to secure the long-term objective of adequate housing.

Integration

In developing the White Paper, we have considered how our objectives may **impact** on each of the well-being goals. Adequate housing is a key contributor to wellbeing and a healthy life. Progressing towards housing adequacy will support the seven well-being goals:

- A Prosperous Wales
- A Resilient Wales
- A More Equal Wales
- A Healthier Wales,
- A Wales of Cohesive Communities
- A Wales of Vibrant Culture & Thriving Welsh Language
- A Globally Responsible Wales

An adequate home is the foundational block for ensuring all people can fulfil their potential regardless of their background, including their socio-economic circumstances. The proposals regarding housing adequacy consider how to ensure housing is adequate in that people can find work and educational opportunities in the place they live, and to ensure people can access services such as health-care services, schools, and other social facilities.

Involvement and Collaboration

Progressing towards achieving housing adequacy will affect people in all housing tenures in Wales and we recognise the importance of working with the people our proposals will affect. In developing the White Paper, we have **involved** and **collaborated with** a broad range of stakeholders, including those who are keen to progress the delivery of adequate housing and to support better understanding of rents and affordability in Wales.

We published a Green Paper Call for Evidence on Securing a path towards Adequate Housing, including Fair Rents and Affordability in June 2023 to gather

evidence from interested parties before we developed the proposals in this White Paper. We held evidence-gathering workshops in summer 2023 with various stakeholders, including private landlords and tenants. We held these in various locations across Wales (Llandudno, Carmarthen, and Cardiff) to ensure we could involve and collaborate with people who reflect the diversity present in Wales and to ensure we could reach as many people as possible who can help us realise our objectives. The Welsh Government also presented at an on-line workshop facilitated by the Bevan Foundation to engage with the wider housing sector. We formed an external Stakeholder Advisory Group of experts in both private and third sector organisations to enable us to collaborate on the development of the White Paper. We also recognised the need to gather further information on the opinions of renters in Wales in relation to housing adequacy. Therefore, we commissioned Beaufort Research to conduct a representative survey of tenants' attitudes towards adequate housing in Wales, using the Beaufort Wales June 2023 Omnibus.

An Easy Read version of both the Green Paper and White Paper has also been published to ensure inclusive engagement, and to enable as many people as possible to contribute to the process of driving forward progress in this area.

Prevention

The White Paper includes a range of proposals which should **prevent** problems occurring or getting worse and to help public bodies meet their objectives. As housing is one of the key foundational blocks to a healthy life, progressing towards housing adequacy should act as preventative action to support other areas of Welsh life, such as health and the economy.

As these policy proposals progress through primary or secondary legislation (where needed) and are implemented they should contribute to the following Wellbeing indicators:

- Healthy life expectancy
- Disposable household income
- People living in poverty
- People living in material deprivation
- People feeling involved
- Feeling safe
- People satisfied with where they live
- Hazard free homes
- Energy efficiency of homes
- Homelessness
- Housing costs

The White Paper is accompanied by an Integrated Impact Assessment, including the Equality Impact Assessment which outlines the impact of these proposals on people with protected characteristics.

Recent progress with delivering housing adequacy

In the Green Paper, we outlined our ‘Vision for Wales’. We have outlined below some of the progress the Welsh Government has made to date towards achieving this, and how the White Paper will support as we continue to take the necessary next steps towards housing adequacy.

The Welsh Government has introduced numerous measures to improve the quality of accommodation in the PRS, from the establishment of Rent Smart Wales (RSW) to the Renting Homes (Wales) Act 2016, and the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022.

RSW is the licensing authority established by Welsh Government under Part 1 of the Housing (Wales) Act 2014, which introduced a mandatory registration scheme for private landlords and a requirement for private landlords and agents to be licensed. RSW is an essential co-ordinator and holder of PRS data in Wales. The proposals in the Fair Rents chapter of this consultation ask respondents for their views on the potential role of RSW in improving our data on market rents and how this can be achieved as part of delivering better data to understand where there may be local areas facing affordability challenges. In respect of habitability, we are proposing to build on the foundations set out in the Renting Homes (Fitness for Human Habitation) (Wales) Regulations, which came into force on 1 December 2022, through introducing an Annual Property Record. This will help to promote regular property inspections during a tenancy and require self-certification that smoke detectors have been tested and no hazards are present in the property.

The Welsh Government has also introduced measures to increase the supply of affordable housing through the introduction of Leasing Scheme Wales (LSW)³. The scheme was launched in January 2022 and aims to increase the access to, and the affordability of, renting privately in Wales by providing landlords and empty homeowners the opportunity to lease their property to their local authority. LSW provides an offer to tenants of access to settled accommodation in the PRS, at Local Housing Allowance (LHA) rates, and tenancy support similar to the support provided by social housing landlords. Property owners are offered the guaranteed rental payments for the agreed lease length at the relevant LHA rate. The chapter on Fair Rents includes further proposals aimed at improving the affordable supply of

³ [Leasing Scheme Wales: guidance | GOV.WALES](#)

rental properties through exploring the potential for land transaction tax refund where properties have been acquired and are signed up to LSW.

We are also planning to introduce legislation in this Senedd term which will help to improve safety in multi-occupied residential buildings in Wales. The Building Safety legislation will fundamentally reform building safety regime for all in-scope multi-occupied residential buildings in Wales by introducing changes to the way those buildings are managed. The Ending Homelessness legislation will include a package of significant reforms aimed at transforming homelessness services and supporting our long-term goal to end homelessness. These two significant pieces of legislative reform will both support progress towards delivery of aspects of housing adequacy.

Social housing is also a key priority for the Welsh Government, as shown by the ambitious commitment to deliver 20,000 new low carbon homes for rent within the social sector during this Senedd term. In 2022-2023, 3,212 affordable units were delivered for rent in the social sector across Wales. This brings the total units delivered since 2021 to 5,775. The Welsh Government has also provided record levels of funding to support the delivery of social housing this Senedd term with more than £1.4bn allocated. We have also protected the budget for Social Housing, and in 2023-24 awarded an additional £61m on top of the original £300m budget for Social Housing Grant. An overall budget of £330m has also been set for Social Housing in 2024-25. We have also launched a range of initiatives to deliver more genuinely affordable homes as quickly as possible to meet urgent housing need, such as the Transitional Accommodation Capital Programme (TACP) and LSW.

To ensure a thorough understanding of housing need, we published a revised approach to undertaking Local Housing Market Assessments (LHMAs) on 31 March 2022. For the first time, this approach also included an assessment for Market Housing and a focus on key policy areas including the impacts of Welsh Language and second homes on housing need, as well as a Welsh Government review and sign-off of all LHMAs. LHMAs are vital in determining local housing requirements, form a key part of Local Development Plans (LDPs) and play a vital part in delivering market and affordable housing and in meeting housing need.

The Welsh Government has also introduced other measures to improve accessibility, supply and affordability of homes across Wales. This includes a suite of measures to ensure housing supply is increased by encouraging the use of homes which are permanently occupied, rather than being empty, second homes or short-term lets. These measures include actions to help ensure people are supported to live in their local community. We recognise in some areas developments in tourism have seen an increase in the prevalence of short-term lets in what were previously residential properties. Some areas also have large numbers of second homes and of long-term empty properties.

Whether due to property price fluctuations and/or the impact of second homes, short-term lets and long-term empty properties, these factors can pose challenges for all communities. These issues can also affect the vitality of Welsh as a community language. The Commission for Welsh-speaking communities presented their report to the Prif Weinidog in August 2024.⁴ We are reflecting on the recommendations of the report and a response will be published in due course.

Our measures to maximise the use of housing include increased powers to local authorities to increase the maximum level of council tax premiums on second homes and long-term empty properties.

From the data published relating to the 2022-23 financial year, around £17million was raised from the council tax premium for innovative uses across Wales. We have encouraged local authorities to use the additional tax received from the council tax premiums revenue to help meet local housing needs. The additional income from the premiums has supported interventions relating to homelessness prevention; building social housing; schemes to tackle poverty; programmes to promote community sustainability; and bringing empty properties back into use.

We have also increased the number of days for which self-catering properties must be made available and let out, in order to be listed for non-domestic rates rather than council tax. From 1 April 2023, self-catering properties need to be let for at least 182 days in any 12-month period to be listed for non-domestic rates. Otherwise, properties are liable for council tax, which may include a second homes premium. In October 2022, we introduced changes to planning legislation to enable a Local Planning Authority (LPA) to introduce an Article 4 Direction to manage the future use of housing as second homes and short-term lets. There are now three new use classes - primary residence, secondary home and short-term let. Where an Article 4 Direction is in place, an owner might require what is in effect planning permission to change a primary residence into either of the other classes. We have also committed to introducing a statutory registration and licensing scheme for visitor accommodation in Wales.

⁴ [45614 Interim report by The Independent Commission on the Constitutional Future of Wales \(gov.wales\)](#)

Chapter 2: Housing Adequacy

Overview of chapter

The Welsh Government is committed to ensuring everyone in Wales can access adequate housing. The Green Paper sought evidence and views on the different approaches for achieving housing adequacy. This chapter considers the way forward in terms of delivering access to adequate housing in Wales. The chapter addresses housing adequacy across housing types, including the rental and owner-occupier sectors.

In exploring how to define adequate housing, the chapter focuses on the framework provided by the United Nations' Committee on Economic, Social and Cultural Rights (CESCR). This framework is based on seven factors (or criteria) of housing adequacy as set out in the International Covenant on Economic, Social and Cultural Rights (ICESCR). The chapter sets out how the framework could be applied in Wales and identifies areas where further consideration would be needed if the framework were to be applied in future.

The chapter goes on to explore the United Nations CESCR's concept of 'a minimum core', which is an expression of the minimum essential level of adequacy and considers how a minimum core might be defined in the context of Wales. The focus then turns to the CESCR's concept of 'progressive realisation', which acknowledges that housing adequacy may be delivered over time. Consideration is given to how this concept may inform the long-term strategic planning needed to drive forward progress towards adequate housing in Wales.

Actions that have recently been delivered or are currently being undertaken to support access to adequate housing in Wales are then outlined.

Drawing on the overarching framework set out earlier in the chapter and the concept of 'progressive realisation', the final section of this chapter sets out proposals to bring forward legislation that would support delivery of housing adequacy in Wales.

Summary of responses to the Green Paper

Four sets of questions were presented in the Green Paper consultation seeking views on different aspects relating to the concept of a right to adequate housing. There was broadly consistent agreement among respondents that the seven factors of adequacy identified by the UN (and discussed in the next section) could in principle provide a helpful basis for supporting delivery of adequate housing in Wales. However, some respondents cautioned that the framework may not be well-suited to the current context due to barriers to implementation in Wales. Some of the

respondents who urged caution noted that any new duties placed on organisations who support access to housing could create additional challenges for them in a context where they already face funding and resource challenges. In terms of the new mechanisms needed to aid progress, certain respondents highlighted that some of the mechanisms needed to realise the seven factors are already in place, such as the Renting Homes (Wales) Act 2016.

Respondents commented on how a minimum core – or the minimum standards – should be defined in Wales. According to some respondents, while a minimum core should be set, the aspiration should be for these standards to be exceeded. Respondents highlighted that a minimum core definition should ensure equality for all groups of people. There was a call on the Welsh Government to consult marginalised groups and people with lived experiences of facing particular challenges regarding housing adequacy.

Other respondents raised concerns regarding potential unintended consequences of introducing a minimum core. Some respondents outlined concerns of a risk that future reforms could lead to landlords leaving the private rented sector (PRS) and that this could have a negative impact on the supply of PRS housing, further exacerbating housing pressures.

In the context of monitoring performance, respondents stated there would need to be clarity on the definition of adequate housing and on the criteria and methods used to measure adequate housing. It was highlighted there may be a need for new data to measure progress towards achieving the seven factors of housing adequacy and the minimum core requirements. There would also be a need to publish reports on progress towards housing adequacy.

Concerns were raised that any monitoring arrangements and/or enforcement measures introduced to support the delivery of housing adequacy could give rise to additional costs for the organisations who carried out the compliance activities and potentially for providers of rented housing.

International Policy Context

A right to adequate housing – defining ‘adequate housing’

It is the Welsh Government’s ambition to ensure everyone in Wales has access to adequate housing. As a broad definition, we understand housing to be adequate when it meets the needs of the people who live in it. These needs include that the home is safe and secure, and that the occupants are able to afford to live in the home. The Welsh Government’s vision is that we work together, as partners across the housing sector and with partners in related sectors, to put in place the

infrastructure and systems required to enable everyone in Wales to have access to adequate housing across all tenures.

A detailed definition of adequate housing is required to support delivery of the Welsh Government's ambitions in this area. The Green Paper noted there is no UK-wide agreed definition of what constitutes adequate housing and views will vary between different individuals and groups depending on the context. The United Nations' Committee on Economic, Social and Cultural Rights (CESCR)⁵ identifies seven 'factors' or criteria which it considers should be met for accommodation to be considered as 'adequate housing'. They are:

- *Legal security of tenure*: housing is not adequate if its occupants do not have a degree of tenure security which guarantees legal protection against forced evictions, harassment, and other threats.⁶
- *Availability of services, materials, facilities and infrastructure*: housing is not adequate if its occupants do not have safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage or refuse disposal.
- *Affordability*: housing is not adequate if its cost threatens or compromises the occupants' enjoyment of other human rights (e.g. food).
- *Habitability*: housing is not adequate if it does not guarantee physical safety or provide adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health and structural hazards.
- *Accessibility*: housing is not adequate if the specific needs of disadvantaged and marginalised groups are not taken into account.
- *Location*: housing is not adequate if it is cut off from employment opportunities, health-care services, schools, childcare centres and other social facilities, or if it is located in polluted or dangerous areas.
- *Cultural adequacy*: housing is not adequate if it does not respect and take into account the expression of cultural identity in the way it is constructed.

⁵ UN Committee on Economic, Social and Cultural Rights, [General comment No. 4: The right to adequate housing \(art. 11 \(1\) of the Covenant\)](#), para 8.

⁶ General comment No. 4 states that this right also extends to owner-occupiers. UN Committee on Economic, Social and Cultural Rights, [General comment No. 4: The right to adequate housing \(art. 11 \(1\) of the Covenant\)](#), para 8.

Development or modernisation in the housing sphere should ensure that the cultural dimensions of housing are not sacrificed.

We believe the UN's framework featuring the seven factors of adequacy, as set out above, provides a helpful basis for understanding what constitutes housing adequacy. This housing adequacy framework is internationally recognised. It is a flexible framework which can be applied in different contexts around the world. Its realisation in Wales, as elsewhere, would enable individuals and families to flourish. For these reasons, the framework is well-suited for the Welsh context. There was broad (in principle or in practice) support for this framework among respondents to the Green Paper consultation, indicating it could be appropriate to apply the framework in the context of housing in Wales.

Therefore, we believe there is a role for this framework to play in informing our work as we develop a long-term housing strategy for Wales which has delivering housing adequacy for people in Wales at its core. As we take forward this work, consideration should be given to whether these seven factors of adequacy could serve as the principles underlying a future housing strategy.

Minimum core for housing

CESCR has presented the concept of a 'minimum core obligation', which is the principle that states should 'ensure the satisfaction of, at the very least, minimum essential levels of each of the rights'.⁷ The Green Paper highlighted there is no common or accepted definition of a minimum core in the context of housing and it is for each state to identify this based on the local context and circumstances. As a broad illustrative guide, CESCR states the minimum core would not be met if 'any significant number of individuals is deprived ... of basic shelter and housing'.⁸

CESCR also notes that in setting the minimum core and in assessing whether those requirements are met, states should look to draw 'the maximum of its available resources', but any assessment of whether a state has met its 'minimum core obligation must also take account of resource constraints applying within the country'.⁹

⁷ UN Committee on Economic, Social and Cultural Rights, [General comment No. 3: The nature of States parties' obligations \(art. 2, para. 1, of the Covenant\)](#), para 10.

⁸ UN Committee on Economic, Social and Cultural Rights, [General comment No. 3: The nature of States parties' obligations \(art. 2, para. 1, of the Covenant\)](#), para 10.

⁹ UN Committee on Economic, Social and Cultural Rights, [General comment No. 3: The nature of States parties' obligations \(art. 2, para. 1, of the Covenant\)](#), para 10.

CESCR also presented the concept of progressive realisation,¹⁰ which can sit alongside the notion of the minimum core. In the housing context, the concept of progressive realisation acknowledges adequate housing may be realised over time and is not necessarily expected to be achievable immediately. The Office of the United Nations High Commissioner for Human Rights (OHCHR) explains that the International Covenant on Economic, Social and Cultural Rights (ICESCR) acknowledges:

“that States have resource constraints and that it may take time to ensure the right to adequate housing to everyone. Some components of the right to adequate housing are, therefore, deemed subject to progressive realization.”¹¹

CESCR sets an expectation that governments will attempt to maximise the resources available as they seek to deliver a minimum core over time. As the OHCHR explains:

“While not all aspects of the right to adequate housing can or may be realized immediately, States must, at a minimum, show that they are making every possible effort, within available resources...”¹²

The Welsh Government is taking targeted action to increase access to adequate housing, as set out in a table later in this chapter.

The Green Paper sought views on what a minimum core could look like in Wales. In particular, the Green Paper asked what considerations should be taken into account if a minimum core for the seven factors of housing adequacy were to be established. Several responses, including those from Citizens Advice, Welsh Women’s Aid, Care & Repair Cymru and the Welsh Language Commissioner, highlighted that a minimum core definition should ensure equality for all groups of people. There was a call on the Welsh Government to consult marginalised groups and people with lived experiences of facing particular challenges regarding housing adequacy, including older people, people who have experienced homelessness, people with varying immigration status, people in receipt of benefits, disabled people, and young people.

Other responses drew attention to the need to consider the local context in developing a minimum core definition, as there can be regional differences in the

¹⁰ UN Committee on Economic, Social and Cultural Rights, [General comment No. 3: The nature of States parties' obligations \(art. 2, para. 1, of the Covenant\)](#), para 1–2.

¹¹ Office of the United Nations High Commissioner for Human Rights (OHCHR), [The Right to Adequate Housing](#), Fact Sheet No. 21, p. 30.

¹² Office of the United Nations High Commissioner for Human Rights (OHCHR), [The Right to Adequate Housing](#), Fact Sheet No. 21, p. 30.

existing housing stock and infrastructure (for example between rural and urban areas), and so there may be different challenges in terms of meeting the minimum core requirements of the seven factors depending on the local context. The Central Association of Agricultural Valuers (CAAV) highlighted ‘some people may choose to live rurally and not be near public services’, and suggested the framework may need to take account of geographical differences.

Several respondents recommended including specific features in the minimum core requirements, such as including minimum legal standards regarding housing conditions and ending no-fault evictions. Others recommended specific actions that could be taken to support achievement of adequate housing, including:

- making provision for rent control in the context of the private rented sector (PRS),
- requiring regular inspections of PRS property,
- increasing the housing supply in the rental sector,
- investing in transport infrastructure,
- undertaking greater community engagement and assessing cultural impacts to support cultural adequacy, and
- improving the energy efficiency of properties.

According to some respondents, including the Welsh Language Commissioner, while a minimum core should be set, the aspiration should be for these standards to be exceeded. For example, Cymorth Cymru called on the Welsh Government to:

“make it clear that a minimum core should be viewed as the minimum essential level of services and that over time, it aspires for housing in Wales to exceed these minimum standards. While the housing sector in Wales is facing significant challenges at the current time, consideration should be given to how standards can be raised once the minimum has been achieved.”

Similarly, Crisis called for the minimum core to be viewed as ‘the minimum and a starting point’. The ‘Back the Bill’ campaign, whose response was submitted jointly by Tai Pawb, CIH Cymru, and Shelter Cymru, called for consideration of a minimum core to be viewed ‘through the lens of progressive realisation’. They advocated an approach where the Welsh Government would have ‘a specific and continuing obligation’ to take action ‘towards the full and wider realization’ of delivering a right to adequate housing. Dr Koldo Casla, Director of the Human Rights Centre Clinic at the University of Essex, emphasized the importance of ‘the other side of the coin of progressive realisation’, which is ‘non-retrogression’. Dr Casla explains this term as follows:

“In principle, and unless absolutely necessary and proportionate, public authorities must not implement deliberately retrogressive measures, which could damage most vulnerable groups the most.”

Other respondents raised concerns regarding potential unintended consequences of introducing a minimum core. There were calls on the Welsh Government to continue to consult PRS landlords to ensure the cost implications of any changes were understood. Some respondents stated there is a risk that future reforms could lead to landlords leaving the PRS and this could have a negative impact on the supply of PRS housing. The NRLA claimed some of the proposals set out in the Green Paper ‘would likely stifle supply, reducing choice for tenants and making it harder to achieve’ housing adequacy. There were also calls for the Welsh Government to consider providing financial incentives such as Council Tax relief or Land Transaction Tax (LTT) refund, to encourage homeowners to improve their properties.

Applying the framework in practice

The seven factors of adequacy provide a high-level conceptual framework for understanding what constitutes housing adequacy in broad terms. The seven factors can act as a general standard against which to measure housing adequacy, or in other words, as criteria that are to be fulfilled.¹³ However, the framework does not provide an analytical framework – that is, the tools such as the methods needed to gather and analyse data – for measuring the extent to which each criterion is met. Therefore, while the seven criteria can serve a useful purpose as broad standards against which to measure housing adequacy, the criteria by themselves do not provide the tools for measuring whether the criteria are met.

It would therefore be necessary to give detailed consideration to a number of issues relating to the housing adequacy criteria before it would be possible to apply the framework in practice in Wales. Any framework for Wales would need to be developed further in the ways set out below before an analysis could be carried out to evaluate the extent to which the criteria forming part of such a framework were fulfilled in Wales.

1. Determine the specific aspects which should be measured to examine whether each criterion is met (i.e. identify indicators).
2. Determine the specific requirements for an indicator to be deemed to have been met.

¹³ We use the term ‘seven criteria’ when discussing issues relating to the task of measuring whether the seven factors of housing adequacy are realised.

3. Determine the methodology which should be used to collect the information required.
4. Determine how the information collected should be analysed.

Firstly, further work would be required to identify and set out in concrete terms which specific aspects of each of the seven criteria would be measured. It would be necessary to identify an indicator (or more likely a set of indicators) for each criterion, and to set out these indicators clearly. This work would need to be undertaken before it is possible to devise a method for measuring the extent to which each criterion – or the indicators that will underpin each criterion – is met.

In most instances, the definition that accompanies each of the seven factors of housing adequacy features several components. For example, in the context of 'habitability', it is understood:

“housing is not adequate if it does not guarantee physical safety or provide adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health and structural hazards.”

In this context, it would be necessary to identify whether it is appropriate to devise an individual metric (or even a set of metrics) for each of the individual requirements that is included in the definition of 'habitability' (and listed below), and, if so, what each set of metrics would be:

- physical safety
- adequate space
- protection against the cold
- protection against damp
- protection against heat
- protection against rain
- protection against wind
- protection against other threats to health and structural hazards.

As several of the seven factors of housing adequacy are multifaceted (like 'Habitability'), consideration will need to be given to whether multiple indicators would need to be developed for some of the seven factors.

Secondly, it would be necessary to develop a detailed understanding of what would be required for an indicator to be deemed to have been met to ensure clarity as to what is required. There are elements of the housing adequacy framework that may pose challenges in that regard as the seven criteria feature some potentially subjective elements. For example:

- a. the criteria for 'security of tenure' requires a person to have 'a degree of security of tenure which guarantees legal protection against forced evictions, harassment and other threats'. This potentially raises questions about what 'degree' would be required, what is envisaged by a 'guarantee against' those matters, and what would be covered by 'harassment' and 'other threats'.
- b. the criteria of 'affordability' states a property would not be adequate if its cost 'threatens or compromises the occupants' enjoyment of other human rights'. This may be difficult to measure objectively and what may be considered by one person to 'threaten or compromise' their enjoyment of one right may not be considered to do so by another.
- c. the criteria of 'location' states housing would not be adequate if it is 'cut off from employment opportunities'. This potentially raises questions about when a person would be considered 'cut off' from opportunities and how that could be measured. There would also need to be clarity about what is meant by 'employment opportunities' – for example, does it mean any employment opportunity or opportunities specific to an individual's skills and experience. It is worth noting the Isle of Anglesey County Council's Green Paper submission highlighted the need for clarity on this issue, while Denbighshire County Council suggested modifying the 'location' criteria to ensure the context is taken into account.

Thirdly, once the indicators for each criterion had been identified, further work would be required to devise a robust method for collecting data to support the work of identifying whether individuals and families have access to adequate housing. It would be helpful to consider the data collection process in designing indicators, so the system can be designed in such a way as to ensure the information required can be gathered easily, reliably, and at low cost.

Fourthly, it would be necessary to identify an appropriate set of methods for analysing the data gathered so the analysis can be undertaken in a reliable and consistent manner, ensuring equity for all.

This discussion underscores the importance, should the framework be implemented, of devising robust measures and indicators of housing adequacy, and of measuring performance against the minimum core requirements. Effective monitoring of the housing situation, to ascertain the full extent of homelessness and inadequate housing, is an important step towards ensuring the delivery of housing adequacy. Such monitoring will make it possible to identify where targeted action is required, to inform what types of actions may be effective, and to help to demonstrate progress over time.

The Green Paper asked respondents what types of monitoring arrangements and/or enforcement measures should be available to ensure the delivery of housing adequacy. According to several respondents, including some local authorities, the Central Association of Agricultural Valuers (CAAV), and some management companies and landlords, there should be consideration of how further use could be made of existing enforcement mechanisms. These included the enforcement mechanisms available to local authorities and Rent Smart Wales (RSW), and the enforcement mechanisms available in relation to the Welsh Housing Quality Standard (WHQS), the Residential Property Tribunal, the Deposit Protection Scheme, and the Renting Homes (Wales) Act 2016. For example, to promote housing adequacy in the PRS, it was suggested by some respondents that RSW could collect data, be given further enforcement powers, and be able to revoke a landlord license as an enforcement measure in relation to housing adequacy. Some local authorities, including Flintshire County Council and Wrexham County Borough Council, were open to local authorities playing a greater role in monitoring compliance, but both noted this would have resource implications.

The Bevan Foundation emphasised the need for continual monitoring, stating that '[o]ngoing and proactive monitoring and enforcement measures are vital if housing adequacy is to be achieved'. This is because properties meeting the relevant requirements at the point of a new tenancy can quickly fall below the required standards where repairs are not 'undertaken in a timely manner'. The 'Back the Bill' campaign cited UN guidance and called for 'all accountability mechanisms [to] be accessible, transparent, and effective'. Among other responses were calls for a public register setting out whether landlords provide housing which is in compliance with the factors of adequacy and, separately, calls for campaigns to raise awareness among tenants of their rights and of how to report issues and seek remedy when standards are not met.

Some respondents, including The Wallich, suggested further work could be undertaken to consider how monitoring arrangements relating to the right to adequate housing operate internationally. Attention was drawn to the fact a Commissioner or an independent body has been appointed in some countries to measure progress.

Other respondents raised concerns regarding the potential for activity relating to monitoring compliance with adequate housing requirements to lead to additional costs, including for local authorities, if tasked with carrying out monitoring duties, and potentially for landlords. There was a call to ensure any compliance or enforcement systems were proportionate and would not place a burden on PRS landlords that may lead them to leave the sector.

Q1: If the seven factors of adequate housing were used in Wales to monitor housing adequacy, what indicators could be appropriate to evaluate each of the seven factors of housing adequacy? (The seven factors are listed below and a more detailed discussion of each factor is set out earlier in Chapter 2. Please use these as headings and set out under each heading the indicator or indicators you believe may be appropriate to use)

- **Security of tenure**
- **Availability of services, materials, facilities and infrastructure**
- **Affordability**
- **Habitability**
- **Accessibility**
- **Location**
- **Cultural adequacy**

Taking the local context into account

The Welsh Government recognises the importance of taking account of local contexts in responding to housing challenges. For example, the Welsh Government has put in place a suite of interventions, including the Dwyfor second homes and affordability pilot, to provide for more leverage to better manage large numbers of second homes and short-term lets. The radical package of measures in that specific context includes giving local authorities the ability to introduce higher council tax premiums on second homes and long-term empty properties; changes to the letting thresholds for holiday lets to be listed for non-domestic rates; ground-breaking changes to the planning framework; and a Welsh language communities housing plan. Through our work on the Dwyfor pilot, we, alongside Cyngor Gwynedd, have undertaken in-depth analysis of local affordability data. This has illustrated, as expected, that relative housing affordability can vary greatly between different community council areas within a single local authority area. The pilot is subject to an ongoing independent evaluation, and we will give further consideration to the practical benefits of undertaking similar in-depth analyses beyond the pilot area.

When developing adequate housing principles, an issue which requires further consideration is whether there should be an expectation that individuals and families can access adequate housing in a specific locality of their choosing. The challenges of accessing adequate housing can vary considerably depending on certain factors, including an individual's financial situation and the cost of housing in the area in which an individual or a family is seeking housing.

'Affordability' is one of the seven factors of housing adequacy and there is evidence to show that the costs of renting or purchasing a property can vary between locations in Wales, as do average incomes. Housing costs can be particularly high in some localities, including in tourism hotspots and in other highly sought-after locations in both rural and urban areas. Housing costs can vary considerably between different areas within some local authority areas, as evidence from the Dwyfor pilot has shown. This suggests while an individual may find it challenging to access adequate housing in certain localities, they may still be able to access adequate housing elsewhere within the local authority area.

We believe everybody should be able to access a decent, affordable home to buy or to rent in their own communities so they can live and work locally. Given the context set out above, we would welcome views on whether there should be an expectation that individuals and families are able to access adequate housing in a specific locality of their choice, and if so, how broadly or narrowly the geographical size of that area should be defined. For example, should there be an expectation an individual or a family can access adequate housing in a particular local authority ward area of their choosing, or should the expectation be that they can access adequate housing somewhere in their local authority area?

While this issue is not only relevant in the context of Welsh language communities, in approaching this issue it will be important to ensure coherence with our Welsh language commitments and aspirations.

Moreover, consideration is required as to whether there should be variation in how the housing adequacy framework may be applied in different parts of Wales to take localised factors into account. We are interested in obtaining views on whether any individual indicators used to measure adequate housing should be applied consistently across Wales or whether they should vary to take account of the local context. In broad terms, the issue here is whether it would be appropriate to set the same standards and expectations across Wales, or to vary how the criteria apply in different areas because of the regional and localised variation that exists within Wales.

We can draw on 'location', which is one of the UN's housing adequacy's seven factors, to illustrate why the issue needs to be considered. In the context of 'location', housing may be understood as not being 'adequate' if it is cut off from employment

opportunities, health-care services, schools, childcare centres, and other social facilities, or if located in polluted or dangerous areas'. It is possible that a range of indicators would need to be developed to consider whether a home provides adequate housing to its occupants in the context of 'location', including indicators relating to the ease of accessing employment opportunities, schools and the other amenities listed above. An indicator for connectivity to schools could be related to the distance or travel time to a primary school. In practice, the distance between the home and the nearest primary school can vary considerably, in particular depending on whether an individual lives in a rural or an urban area.

Expectations may differ regarding what is a reasonable distance or travel time to the nearest primary school. For example, some people who live by choice in deep-rural areas may not feel 'cut off' from a primary school if they were required to travel several miles to the nearest urban centre to access a school. They may consider such a journey to be a regular part of rural life and a necessity when accessing any type of amenity. Others may feel they are 'cut off' from schools if needing to travel more than a few miles to a primary school, including people who live in large urban centres as amenities are typically more readily accessible in larger towns and cities.

If there is to be a degree of regional or localised variation to any indicators that are developed to measure housing adequacy, consideration would need to be given to the level at which this variation will take place. Consideration would need to be given to whether any variation takes place at the regional level – perhaps at the level of local authorities – or at a more localised level – such as at the level of a local authority ward. Varying how the criteria would apply at a more localised level would reflect the fact the challenges of accessing adequate housing (in particular, housing that meets the affordability criteria) can be particularly challenging in certain communities, including in rural tourism hotspots.

Q2: If indicators are developed to measure housing adequacy in Wales, should they apply in the same way across Wales or should they feature a degree of regional or localised variation? (If so, how might this work in practice?)

Q3: Should people who live in a particular local authority area be able to access adequate housing in any locality of their choosing within that local authority? What are your views on this matter?

The adequate housing framework and owner-occupied properties

We are interested in obtaining views about how the adequate housing framework might apply in the context of owner-occupied properties. The latest data shows owner-occupied stock accounts for an estimated 70% of all dwelling stock in

Wales.¹⁴ This indicates a significant majority of people in Wales live in owner-occupied properties. Evidence received as part of the Green Paper consultation demonstrated some owner-occupied properties do not provide adequate housing for the occupants. Some owner-occupied homes, for example, may not provide appropriate protection against the elements and/or present structural hazards and threats to health. This highlights the need to give further consideration to the issue of whether and how it might be possible to apply the adequate housing framework to the context of the owner-occupied sector in a way that advances the goal of increasing the availability of adequate housing.

The policy challenges arising when people who are owner-occupiers are unable to access adequate housing may be distinct from those arising when housing adequacy requirements are unmet in the context of people who rent.

There is evidence to suggest housing is typically more affordable for people who live in owner-occupied accommodation compared with people who rent their homes. Data relating to Indicator 49 of the Wellbeing of Wales National Indicators¹⁵ suggest that compared to owner-occupiers, a larger proportion of renters spend 30% or more of their income on housing costs. The most recent data (relating to 2021–24) set out the percentage of households spending 30% or more of their income on housing costs for the different tenures as follows: 36% for people in social rented properties; 35% for people in private rental accommodation; 9% for homeowners with mortgages; and 3% for homeowners without a mortgage. It is also worth noting that Census 2021 data¹⁶ indicates most homeowners in Wales (57%; 512,100) own their homes outright and so are not required to make mortgage repayments.

Nevertheless, in the context of housing adequacy, some owner-occupiers may face particular challenges. In terms of fulfilling the criteria of ‘habitability’ (which covers safe housing) and ‘availability of services, materials, facilities, and infrastructure’, some of the protections in place to guard against unsafe properties in the rental sector may not apply in the same way (or at all) in the owner-occupied sector. For example, the Renting Homes (Wales) Act 2016 places an obligation on landlords to ensure that a dwelling is in good repair and fit for human habitation, while the Welsh Design Quality Requirements (WDQR) set standards for new and refurbished social housing. Although the Housing Health and Safety Rating System (HHSRS) can apply to owner occupied dwellings with local authorities able to take action against owners if thirds parties are deemed to be at risk, the regulatory or policy frameworks

¹⁴ The Welsh Government, [Dwelling stock estimates: as at 31 March 2023](#). Data by the Office of National Statistics (ONS) show a greater proportion of dwellings in Wales are owner-occupied than in England and Scotland (see [Dwelling stock by tenure, UK](#)).

¹⁵ The Welsh Government, [Wellbeing of Wales: national indicators](#), published September 2024.

¹⁶ The Office of National Statistics (ONS), [Census: Tenure](#).

relating to rental properties mentioned above do not generally apply to owner-occupied housing.

Evidence relating to energy efficiency performance suggests there may be other limitations to the standard of owner-occupied homes with respect to various factors of adequate housing, especially in the context of the 'habitability' criteria. Data shows owner-occupied homes in Wales are typically less energy efficient than socially rented homes or privately rented homes. The most energy efficient homes were found to be 'socially rented, with 68% of socially rented homes rated A, B or C [which are the most efficient categories], compared to 32% of private rented homes and 26% of owner-occupied homes'.¹⁷ Taken together, these points suggest that while the *typical* homeowner does not face the same affordability challenges as the typical renter, some homeowners may nevertheless not have access to adequate housing as defined by the UN's framework.

There are various broad approaches that could be implemented to support the aim of ensuring housing adequacy for people who are owner-occupiers, such as incentives or grants to support homeowners to make improvements to their homes. The discussion presented above draws attention to the need to develop understanding within the housing sector of the barriers to adequate housing for people in the owner-occupied sector (i.e. people already in the sector, rather than people wishing to enter the sector) and what interventions may be appropriate in this context.

Q4. Should elements of the adequate housing framework apply to the owner-occupied sector? If so, how might this be made to work in practice and what issues require further consideration?

Legislating for a right to adequate housing

A question at the core of the Green Paper consultation was how the goal of adequate housing can best be achieved. Differing views were provided on whether efforts to deliver adequate housing would be aided by making legislation providing people with a right to adequate housing and/or placing a duty on certain organisations to ensure people can access adequate housing.

It is informative to bear in mind guidance provided by the United Nations when considering whether it is appropriate to bring forward legislation relating to adequate housing. The Office of the United Nations High Commissioner for Human Rights (OHCHR), explains:

¹⁷ [Energy Performance Certificates \(EPCs\) for homes in Wales: interactive dashboard](#), The Welsh Government.

“One of the most common misconceptions associated with the right to adequate housing is that it requires the State to build housing for the entire population, and that people without housing can automatically demand a house from the Government. ... the right to adequate housing clearly does not oblige the Government to construct a nation’s entire housing stock.”

“Rather, the right to adequate housing covers measures that are needed to prevent homelessness, prohibit forced evictions, address discrimination, focus on the most vulnerable and marginalized groups, ensure security of tenure to all, and guarantee that everyone’s housing is adequate. These measures can require intervention from the Government at various levels: legislative, administrative, policy or spending priorities.”¹⁸

The Welsh Government has taken a range of actions in line with the principles set out by the OHCHR above and a list of many of these actions is set out in a table in the section headed ‘The Welsh Policy Context’ later in this chapter. These actions include bringing forward the Renting Homes (Wales) Act 2016 to provide stronger security of tenure to people renting in the PRS. We are also committed to bringing forward legislation within this Senedd term to reform the homelessness system to support the long-term goal of ending homelessness by making it rare, brief and unrepeatable. These actions, as well as a range of others, support the overarching goal of delivering adequate housing.

The OHCHR has indicated that “the development of a national housing policy or strategy, linked to work plans and participatory budgets” and “indicators [to] support the effective monitoring of key housing outcomes” can aid efforts to deliver housing adequacy.¹⁹ OHCHR is clear monitoring is a central tool in achieving the progressive realisation of adequate housing. While the OHCHR “does not prescribe an exact formula” for monitoring mechanisms, it states they need to be “accessible, transparent and effective.”²⁰

Differing views were provided by respondents to the Green Paper consultation regarding the issue of whether legislation should be brought forward to guarantee a right to adequate housing.

¹⁸ Office of the United Nations High Commissioner for Human Rights (OHCHR), [The Right to Adequate Housing](#), Fact Sheet No. 21, p. 6.

¹⁹ Office of the United Nations High Commissioner for Human Rights (OHCHR), [The Right to Adequate Housing](#), Fact Sheet No. 21, p. 38.

²⁰ Office of the United Nations High Commissioner for Human Rights (OHCHR), [The Right to Adequate Housing](#), Fact Sheet No. 21, p. 37–38.

Some respondents called on the Welsh Government to bring forward legislation that would make provision for a right to adequate housing. For example, the ‘Back the Bill’ campaign called for the incorporation of a right to adequate housing, for monitoring arrangements that examine progress towards the realisation of the right, and for individuals to be able to bring cases before the courts or tribunals.

Similarly, Professor Simon Hoffman of Swansea University called for the right to adequate housing to be incorporated into Welsh law. Professor Hoffman’s concern was that the Green Paper’s ‘well-informed and well-intentioned proposals to implement progressive housing policies’ were otherwise at risk of not being pursued in the long-term. He stated:

“the fact that [the proposals] are not anchored to the bedrock of an incorporated [right to adequate housing] means they are reduced to discretionary choices which are vulnerable, as policy always is, to changing priorities.”

He noted further concern:

“not incorporating the [right to adequate housing] would, in effect, rule out court-based mechanisms which enable individuals to challenge decisions made in relation to housing which directly affect them, or to hold relevant public authorities fully to account for progress made to realise (progressively) the [right to adequate housing].”

An inquiry by the Senedd’s Local Government and Housing Committee explored ways of making legislation to make provision for a right to adequate housing. The Committee’s report differentiated between two different models: “direct incorporation into Welsh law or indirectly by placing a duty on Welsh Ministers and some other public authorities to have due regard to the right”.²¹ In broad terms, the former model would provide people with a right to seek redress if they were unable to access adequate housing, whereas the latter model would require relevant organisations and the Welsh Ministers to act in ways that support delivery of adequate housing. In its response to the Green Paper consultation, the ‘Back the Bill’ campaign called on the Welsh Government to make legislation that would make provision for both models, along the lines of the draft bill it has prepared with Professor Hoffman.²² In presenting its own view, the Committee stated:

²¹ The Welsh Parliament’s Local Government and Housing Committee (2023) ‘[A Right to Adequate Housing](#)’, p. 37.

²² The draft Bill prepared by Back the Bill is available [here](#).

“We are concerned that a ‘due regard’ approach may not be sufficient to ensure a right is adhered to and therefore believe that, in principle, direct incorporation would be a more effective way to achieve this. However, we acknowledge that the housing sector in Wales is currently not in a position to be able to meet the obligations of direct incorporation and, therefore, the delivery of a right to adequate housing would need to be phased in over time. We also acknowledge that direct incorporation into Welsh law would require a careful analysis of any future Bill to ensure that all provisions were within the legislative competence of the Senedd.”²³

Some respondents to the Green Paper consultation were either of the view that legislation should not be made in the short- to medium-term or shared concerns about the potential consequences of introducing the framework. While some of these respondents did not generally object to the principle of adopting the seven factors as the basis for understanding housing adequacy, they put forward the view that legislation may not aid delivery of the goal of ensuring everyone has access to adequate housing.

The concerns of some, especially local authorities, focused on the funding and resource needed to deliver housing adequacy, particularly for local authorities and other providers of social housing. Some outlined new legislation could have a detrimental effect on the ability of partners to deliver adequate housing for people in Wales or could place new strains on delivery partners. For example, some local authorities shared concerns that making legislation before the housing stock could provide adequate housing to all would place burdens on the sector that could not be met. Ceredigion County Council voiced concern that introducing the framework could have ‘unintended consequences’ on the housing market and affect the ability of local authorities ‘to discharge ... statutory functions’. Newport City Council noted local authorities may need additional funding if ‘a new burden’ were to be placed on them. Wales Safer Communities Network also noted the sector would need additional funding to improve housing provision. Flintshire County Council indicated its preference to allow time to pass before introducing any such framework to enable the sector to respond to new legislation made in recent years.

Several respondents highlighted the challenges of delivering adequate housing. There were calls for any proposed timetables relating to adequate housing targets to reflect the challenges facing the housing and construction sectors, including in terms of the sector’s ability to deliver new housing. The All Wales Expert Housing Panel drew attention to the need to formulate timetables in a way that makes it possible ‘to

²³ The Welsh Parliament’s Local Government and Housing Committee (2023) ‘[A Right to Adequate Housing](#)’, p. 37.

manage the demand for specific contractor skills'. An individual landlord called for care to be taken to ensure the 'cost and timeline' of any measures were 'reasonable'. Wrexham County Borough Council indicated that while we should aspire to deliver the seven factors of adequacy, this goal could be impeded by insufficient volume of new builds and availability of good quality PRS properties. In the context of the PRS, concerns were raised about the scope for unintended consequences, with landlords potentially choosing to leave the market rather than seeking to meet the new requirements. It was feared this could lead to a decrease in the supply of PRS stock and therefore a decrease in access to adequate housing in the PRS sector. For example, the NRLA and some individual landlords expressed concern the measures could affect the availability of housing to renters and reduce the choice available to them, as landlords may leave the market. The risks of landlords leaving the market were acknowledged in responses to the Green Paper by some outside the PRS, including the Isle of Anglesey County Council and Newport City Homes, a Registered Social Landlord (RSL).

The Welsh Government is also mindful of the fact that considerable resource would be required to make such legislation, and this could lead to the focus being taken away from the core task of delivering more adequate housing and increasing capacity within the housing sector.

International Examples – Different approaches taken to achieving housing adequacy in various other countries

It is informative to examine evidence from other countries around the world as we develop approaches to support delivery of housing adequacy in Wales. A key point that emerges from international comparisons is that there is no direct link between the existence of legislation guaranteeing a right to adequate housing and the realisation of adequate housing in practice.

The OHCHR presents information about countries that have incorporated rights relating to access to housing into law and/or the national constitution. The OHCHR states 'several constitutions explicitly refer to the right to adequate housing, including those of Belgium, Seychelles, South Africa and Uruguay' and that the constitutions of other countries, including Portugal and Spain, also refer to housing rights. It goes on to state that the constitutions of certain other countries, including Finland, the Netherlands, Poland, the Republic of Korea, Sweden and Switzerland 'suggest a general responsibility of the State for ensuring adequate housing and living conditions for all'.²⁴

²⁴ Office of the United Nations High Commissioner for Human Rights (OHCHR), [The Right to Adequate Housing](#), Fact Sheet No. 21, p. 14.

The constitution of South Africa²⁵ is regarded as providing one of the clearest statements on the right to adequate housing. Article 26 includes the following provisions:

- “(1) Everyone has the right to have access to adequate housing.
- (2) The State must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of this right.”

These provisions indicate individuals have housing rights and there are duties placed on the state.

Article 23 of the Belgian constitution provides ‘the right to decent accommodation’.²⁶ Article 65 of the constitution of Portugal bestows on individuals the right ‘to have an adequately sized dwelling that provides hygienic and comfortable conditions and preserves personal and family privacy’. The same article sets a series of obligations on the state, including ‘implementing a housing policy’, ‘promoting the construction of low-cost and social housing’, supporting private construction and ‘access to owned or rented housing’, and ‘adopt[ing] a policy that works towards the establishment of a rental system which is compatible with family incomes’.²⁷

According to Section 47 of the Spanish constitution:

- “All Spaniards have the right to enjoy decent and adequate housing. The public authorities shall promote the necessary conditions and establish appropriate standards in order to make this right effective...”²⁸

While these examples demonstrate that including housing rights in a national constitution is not uncommon, there is mixed evidence from international case studies that legislating for a right to adequate housing leads to an increase in access to adequate housing. There is evidence to suggest some countries that have a weaker legislative framework in the area of housing rights perform more strongly in terms of providing adequate housing than some countries where the right to adequate housing is anchored in the national constitution.

In providing evidence to the Senedd’s Committee on Housing and Local Government’s inquiry into a right to adequate housing in 2023, Alma Economics stated:

²⁵ [Constitution of the Republic of South Africa, 1996](#).

²⁶ [The Belgian Constitution](#).

²⁷ [Constitution of the Portuguese Republic, Seventh Revision \(2005\)](#).

²⁸ [The Spanish Constitution](#).

“Finland has achieved most so far, but the actual legislative right is not as strong as in some other countries. So, in their case, it’s political will that is leading to achievement, more so than the specific legal framework. ... And then, you’ve got a country like South Africa that’s got a very strong legal right, but it hasn’t achieved very much.”²⁹

In a separate report, Alma Economics summarised the lack of progress made in South Africa in terms of delivering adequate housing, despite the strong legislative basis, as follows:

“South Africa is a unique example of a country that has introduced a strong form of a justiciable right to access adequate housing. Although there have been some successful court cases in South Africa, improvements in outcomes have been held back by a lack of supply of adequate housing.”³⁰

Alma Economics explains that evidence from South Africa indicates providing ‘investment in quality housing supply is important’ if people are to access adequate housing in practice and ‘investment in housing supply’ is needed ‘for legislation to be successful’.³¹

Reflecting the findings from South Africa, Alma Economics considers evidence relating to Europe and finds:

“examples of countries that have introduced laws aiming to ensure access to adequate housing that have not been successful for various reasons. The French DALO law, which introduced a form of enforceable, individual right to housing, was ineffective in rehousing individuals. This case highlighted the need for providing resources to ensure the implementation and effectiveness of housing-related laws.”

These findings serve as a reminder that legislation guaranteeing a right to adequate housing is not a silver bullet. The evidence underscores the importance of developing and delivering an effective strategy, supported with targeted funding and appropriate legislation, and overseen by effective monitoring.

Alma Economics also provides a brief overview of developments in Canada. It presents Canada as having introduced ‘a unique model’, as it has ‘introduced the right to adequate housing in its legislation, providing non-judicial mechanisms to ensure the right is fulfilled’.³² The measures were introduced in the form of the

²⁹ Local Government and Housing Committee, [The Right to Adequate Housing](#), July 2023, p. 36–7.

³⁰ Alma Economics (2021) [The right to adequate housing in Wales: the evidence base](#), p. 4.

³¹ Alma Economics (2021) [The right to adequate housing in Wales: the evidence base](#), p. 4.

³² Alma Economics (2021) [The right to adequate housing in Wales: the evidence base](#), p. 3.

National Housing Strategy Act (NHSA) in 2019. The legislation ‘also created three accountability bodies to promote and protect the right to adequate housing: the National Housing Council, the Federal Housing Advocate and the Review Panel’.³³ Back the Bill’s submission to the Green Paper consultation provided additional information about the role of the Federal Housing Advocate. They noted:

“The Federal Housing Advocate is an independent, nonpartisan watchdog, empowered to drive meaningful action to address housing need and homelessness in Canada. ... [It] helps to promote, and protect the right to housing in Canada, including the progressive realisation of the right to adequate housing. The goal of the Advocate’s work is to drive change on key systemic housing issues and advance the right to housing for all in Canada.”

In terms of evaluating the effectiveness of the approach adopted in Canada, the authors of Alma Economics’ report are clear ‘it is too early for there to be evidence of [the model’s] effectiveness’.³⁴ Nevertheless, they suggest the Canadian approach ‘seems promising’³⁵ and it appears developments in Canada will warrant further attention over time.

In 2023, the Scottish Government undertook a consultation³⁶ on a Human Rights Bill for Scotland that would incorporate the International Convention on Economic, Social and Cultural Rights (ICESCR), which includes a right to housing. The consultation set out the intention to impose an initial procedural duty on public bodies delivering devolved public functions to build the rights into the fabric of their decision-making and ensure the rights are adequately taken into account in the delivery of services.

The duty could apply to policy or programme development and new legislation, as well as budgetary processes and decision-making. This would apply for a period following the Bill’s passing to give duty-bearers time to prepare for a subsequent compliance duty. The duty to comply would be demonstrated by progressively realising the rights and ensuring the delivery of minimum core obligations. These obligations would operate in tandem with the requirement for duty-bearers to progressively realise the right, beyond the minimum core. It is intended that this will ensure the obligations remain a minimum ‘floor’ of realisation rather than a ceiling.

³³ Alma Economics (2021) [The right to adequate housing in Wales: the evidence base](#), p. 3.

³⁴ Alma Economics (2021) [The right to adequate housing in Wales: the evidence base](#), p. 3.

³⁵ Alma Economics (2021) [The right to adequate housing in Wales: the evidence base](#), p. 3.

³⁶ The Scottish Government (2023), [A Human Rights Bill for Scotland: consultation](#).

The Scottish Government had noted its intention to introduce a Bill during this parliamentary term,³⁷ but recently announced it would not be bringing the Bill forward until the next term.³⁸

The Welsh Policy Context

The Welsh Government’s housing related activities already support delivery of the seven factors of adequacy. The table below provides a brief summary of the programmes, policies and legislation in place in Wales which seek to address the seven criteria.

Criteria	Measures in place to support realisation of the criteria
<p>Security of tenure</p> <p>Housing is not adequate if its occupants do not have a degree of tenure security which guarantees legal protection against forced evictions, harassment, and other threats.</p>	<ul style="list-style-type: none"> • The Renting Homes (Wales) Act 2016 extended no fault eviction notice periods to 6 months and requires the issuing of either standard or secure occupation contracts. The 2016 Act also provides protection against retaliatory eviction and improves succession rights, including providing a succession right for carers. • There is a legal process which must be pursued through the courts to obtain a possession order in order to re-claim a property. • Social housing providers follow a policy of no evictions into homelessness and no evictions due to financial hardship where tenants are engaged with their landlords. • Local authority homelessness services are funded to help prevent homelessness. • Funding provided to Advice Services to provide independent tenancy information and advice.
<p>Availability of services, materials,</p>	<ul style="list-style-type: none"> • Building regulations require certain minimum standards for design, construction, and alterations.

³⁷ [Letter from the Minister for Equalities, Migration and Refugees, 28 March 2024.](#)

³⁸ [Letter from the Cabinet Secretary for Social Justice, 4 September 2024.](#)

<p>facilities and infrastructure</p> <p>Housing is not adequate if its occupants do not have safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage or refuse disposal.</p>	<ul style="list-style-type: none"> • Welsh Design Quality Requirements (WDQR) set standards for new and refurbished social housing. • Welsh Housing Quality Standards (WHQS 2023) set the standards for existing social housing to meet. • Funding is provided to RSLs and local authorities to deliver new social rented homes to the standards set out in WDQR. • Funding is provided to RSLs and local authorities through the WHQS and the Optimised Retrofit Programme to improve the standard of social housing.
<p>Affordability</p> <p>Housing is not adequate if its cost threatens or compromises the occupants' enjoyment of other human rights (e.g., food).</p>	<ul style="list-style-type: none"> • There are measures in place to help ensure people can afford their accommodation, including housing elements of UK administered welfare benefits, discretionary housing payments, as well as provision for income and debt advice. • Annual increases to social rents are set by Welsh Ministers. • Leasing Scheme Wales offers a means to secure private rented property over the medium to long term to be offered at Local Housing Allowance rates. • The Renting Homes (Wales) Act 2016 limits landlords' ability to increase rent for tenants on standard periodic contracts to once a year.
<p>Habitability</p> <p>Housing is not adequate if it does not guarantee physical safety or provide adequate space, as well as protection against the cold, damp,</p>	<ul style="list-style-type: none"> • The Renting Homes (Wales) Act 2016 places obligations on landlords to ensure that a dwelling is in repair and fit for human habitation. • Housing Health and Safety Rating System is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings.

<p>heat, rain, wind, other threats to health and structural hazards.</p>	
<p>Accessibility</p> <p>Housing is not adequate if the specific needs of disadvantaged and marginalised groups are not taken into account.</p>	<ul style="list-style-type: none"> • The Welsh Government provides funding for adaptations for disabled or older people via various different funding programmes depending on factors such as scale of works and tenure (including ENABLE, disabled facilities grants, physical adaptations grants, and rapid response adaptations). • The Housing with Care Fund's objective is to increase the stock of housing to meet the needs of people with care and support needs. • WDQR references the Lifetime Homes standard as a recognised means to ensure that new homes meet most reasonable needs of the widest range of people now and in the future. Dwellings achieving these standards provide homes that are thoughtfully designed, accessible and more readily adaptable to longer term needs.
<p>Location</p> <p>Housing is not adequate if it is cut off from employment opportunities, health-care services, schools, childcare centres, and other social facilities, or if located in polluted or dangerous areas.</p>	<ul style="list-style-type: none"> • Planning policy, informed by <i>Future Wales: the National Plan 2040</i>,³⁹ strategic and local Development Plans, requires consideration of the location where homes will be required in future, and to work towards providing it, as well as the infrastructure and connections which communities need to flourish. • Local Housing Market Assessments (LHMAs) are a crucial part of the evidence base for preparing Development Plans and local authorities' Local Housing Strategies. They are vital in understanding the additional local housing need of the diverse communities within each local authority to ensure homes built are able to meet these needs, now and in the future.

³⁹ The Welsh Government (2021), [Future Wales: the national plan 2040](#)

	<ul style="list-style-type: none"> • Grant funded homes are the strategic housing priorities of local authorities as contained in their Housing Prospectus, which is based on their Local Housing Market Assessments (LHMAs).
<p>Cultural adequacy</p> <p>Housing is not adequate if it does not respect and take into account the expression of cultural identity in the way it is constructed. Development or modernisation in the housing sphere should ensure that the cultural dimensions of housing are not sacrificed.</p>	<ul style="list-style-type: none"> • The Well-being of Future Generations (Wales) Act 2015 requires consideration of the future consequences of current policy, as well as work towards a number of goals, such as a More Equal Wales, a Wales of Cohesive Communities and a Wales of Vibrant Culture and Thriving Welsh Language. • The Welsh Language Communities Housing Plan tackles the challenges facing Welsh-speaking communities with a high concentration of second homes. • Local Housing Market Assessments which inform Local Development Plans now require consideration of the local needs of Black, Asian, and Minority Ethnic people. • The Anti Racist Wales Action Plan outlines a number of actions to improve how housing policies and bodies respond to the needs of Black, Asian, and Minority Ethnic people.

A key issue to consider in the context of developing a strategy to deliver housing adequacy is the extent to which various mechanisms – such as funding, policy programmes, strategies, and legislative measures (or a combination of all) – are effective in driving progress towards adequacy. Linked to this is the question of whether some mechanisms are particularly effective at supporting progress towards the fulfilment of a particular criterion or criteria. By implementing new and effective monitoring and data collection practices, we expect to gain valuable insights into the extent to which these existing measures are effective in driving forward progress, as measured against the seven factors.

Proposed approach

The Welsh Government is committed to both the principle of housing adequacy and to delivering adequate housing in practice in Wales. The proposals outlined below set out an approach that would support delivery of adequate housing. It is an approach that responds to the particular challenges faced by people across Wales and to the context of the Welsh housing sector.

We have drawn on the evidence provided in the Green Paper consultation exercise and on our understanding of the housing sector more broadly. Aware of the challenging financial context and the current capacity challenges in the sector, the Welsh Government recognises the concerns voiced by respondents to the Green Paper and other stakeholders regarding the ability of the sector to deliver adequate housing in the immediate term.

The Welsh Government believes the focus in the short- to medium-term should be on making further progress in terms of increasing the capacity of the housing sector in Wales to provide adequate housing. The proposals set out below are also informed by guidance provided by the United Nations. The United Nations identifies the importance of adopting a national housing policy or strategy, linked to work plans and budgets, by which progress towards delivering housing adequacy may be monitored and challenged. An underpinning enabler for progress towards housing adequacy is adequate data collection on the various contributing factors for housing adequacy. Data collection would also contribute towards effectively setting out and periodically reviewing a strategy.

Within this context, the Welsh Government proposes to develop legislation during the next Senedd Term to establish a framework that will drive forward action for delivering adequate housing. The proposed legislation would place a duty on Welsh Ministers to publish a housing strategy within a defined timescale to take steps to support the progressive realisation of housing adequacy. The legislation could set out the seven factors that need to be captured within a strategy, specify how these criteria are defined, and outline requirements regarding the development of indicators and monitoring practices. The section earlier in this chapter headed 'Applying the Framework in Practice' set out a question relating to these issues and how they may be implemented in practice, and we will draw on responses to these questions as we consider the most effective approach.

As part of this legislation, provision could be made to identify who needs to be involved and consulted on the production of a housing strategy. A requirement could be placed on Welsh Ministers to undertake a formal public consultation on a draft of the strategy. Consideration would need to be given to the issue of whether it would be beneficial for there to be a further requirement to consult those stakeholders, such as local authorities, who are likely to be key delivery partners and who are most

likely to be affected by the strategy. It may also be beneficial for other interested parties to play a statutory consultative role in the development of a housing strategy. For example, consideration could be given to whether there should be statutory consultative role for the Future Generations Commissioner, given that the housing strategy could be central in driving forward progress in the context of Wales' well-being goals. However, given the commitment to conducting a public consultation on a housing strategy in draft, it is not clear whether there would be a benefit from specifying statutory consultees, as there would be an opportunity for organisations to contribute to that exercise in any case. It will be important to ensure that the process of developing and publishing a strategy can take place without duplication or inefficient administrative processes.

In terms of the timescales, it is proposed that Ministers would be required to publish a finalised strategy no later than 18-months from the date of the legislation coming into force. This would provide opportunities for extensive stakeholder engagement while the strategy and supporting progress indicators are being developed, allow time for a formal consultation exercise to be conducted, and ensure the draft strategy can be revised as appropriate following analysis of the views submitted during the consultation exercise.

The legislation could set out mechanisms for monitoring and reporting delivery against the strategy. This could potentially include provisions requiring the Welsh Ministers to report to the Senedd on progress, for example. Further consideration will be given to such mechanisms to ensure appropriate scrutiny processes are put in place.

The legislation could also require the Welsh Government to undertake a regular review of the strategy within defined timescales. This would help ensure that a strategy remains appropriate and takes account of any changes to the broader context. Consideration will need to be given to the question of what timescales would be appropriate in this regard. On the one hand, reviews would need to be conducted sufficiently regularly so that a strategy could be modified in light of any relevant changes that may be take place and so remain fit for purpose. On the other hand, as such reviews could place additional resource demands on the housing sector, there would need to be sufficient time between reviews so the sector is able to focus on delivering adequate housing and drive forward progress.

In addition, we envisage that the legislation could place a duty on defined public sector bodies to have regard to the housing strategy in discharging their housing functions. This could assist in ensuring these public sector partners direct resources, plan activity and mobilise in ways that deliver the housing strategy and its aim of providing adequate housing. Consideration will need to be given to which public sector bodies should be subject to such a duty. Given the key role they play in providing housing services, it is likely the duty would apply to local authorities.

A summary of the proposal is set out below. The proposed legislation could make provision to:

- Place a duty on Welsh Ministers to produce a housing strategy within a defined timescale to address housing adequacy.
- Set out the seven factors that need to be captured within such a strategy and how we would define them.
- Identify who needs to be involved and consulted on the production of such a housing strategy.
- Require Welsh Ministers to undertake a regular review of the strategy within defined timescales.
- Set out mechanisms for how delivery against the strategy will be monitored and reported (including potentially provisions for Welsh Ministers to report on progress to the Senedd).
- Place a duty on defined public sector bodies to have regard to the housing strategy in discharging their housing functions.

The Welsh Government acknowledges there could be benefits to making further legislation in the future to support people into adequate housing, once there is a greater availability of adequate housing. This could take the form of placing a duty on relevant public bodies to have a due regard to the need to progressively deliver housing adequacy.

The possibility of legislating in this area should therefore be kept under review. Detailed consideration would need to be given to how the legislation could work in practice within the legislative competence of the Senedd and what are likely to be the consequences (both positive and negative) of such provision before the potential benefits of such legislation could be assessed.

Q5. In your view, would the proposal to require Welsh Ministers to produce a housing strategy help progress towards ensuring access to adequate housing for people in Wales? (Yes/No/Don't know). Please explain your reasoning.

Q6. Should there be a requirement on Welsh Ministers to draw on the seven factors of housing adequacy when drafting the strategy? (Yes/No/Don't know) Please explain your reasoning.

Q7. How often should Welsh Ministers be required to review the strategy? (Every year; Every 2-3 years; Every 4-5 years; There should be no such requirement; Don't know). Please explain your reasoning.

Q8. How often should Welsh Ministers be required to report on progress on delivery of the strategy to the Senedd (Welsh Parliament)? (Every year; Every 2-3 years; Every 4-5 years; There should be no such requirement; Don't know). Please explain your reasoning.

Chapter 3: Fair Rents and Affordability in the Private Rented Sector

Overview of Chapter

As part of our commitment to housing adequacy, we want to ensure everyone in Wales has an opportunity to secure affordable and habitable accommodation. Affordability is identified in chapter two as being a key component of delivering housing adequacy. Chapter 2 also sets out that data relating to Indicator 49 of the Wellbeing of Wales National Indicators⁴⁰ suggests affordability is a particular issue for renters in both the social and private sector. The most recent data (relating to 2021–24) set out the percentage of households spending 30% of their income on housing costs for the rented sector as follows: 36% for people in social rented properties and 35% for people in private rental accommodation. Whilst a number of policy and legislative levers are in place to help ensure affordability, these primarily relate to the social rented sector. There is separate work underway to develop a future social rent policy for Wales, and upon which a separate consultation is planned, and as such, social rent does not form part of this White Paper. The White Paper and the Green Paper before it, instead focus on affordability in respect of the Private Rented Sector (PRS).

The Green Paper sought evidence and views on the different approaches for achieving affordability in the PRS, including views on rent controls. We have considered the evidence submitted on fair rent and rent control. It shows a key challenge to designing affordability interventions in the PRS is the lack of ‘live’ data on actual rental costs (‘market rents’), as opposed to live data on the asking prices for new rentals (‘asking rent’). The asking price for new rentals often differs considerably from the actual rent paid (market rent) and as such, it is only up-to-date data on market rents which provides a true picture of the cost of renting in the PRS.

As well as the responses to the Green Paper, we have also considered further research on the effectiveness of rent control which has become available following publication of the summary of responses to the Green Paper.⁴¹ The available evidence indicates any rent control measures would likely be ineffective in the absence of clear data on market rents. Without such data it would not be possible to identify where affordability challenges exist and require intervention (particularly those that exist at the local level), or to effectively monitor the impact of such interventions.

⁴⁰ The Welsh Government, [Wellbeing of Wales: national indicators](#), published September 2024.

⁴¹ [Rent-Control-Does-it-work-Dr-Konstantin-A.-Kholodilin.pdf \(iea.org.uk\)](#)

We also recognise that rent control measures could have a detrimental effect on private renters, as it could lead to a reduction in the supply of rental properties in Wales, potentially increasing rental costs and in turn increase the risk of homelessness. It is not therefore our intention to take forward rent control measures in the PRS at this time.

Instead, recognising the need to improve data, the chapter sets out our proposals for how we will look to capture “market rent” data consistently across the PRS at a more localised scale. The intention is to collect data in an anonymised form and to make it publicly available. This will enable both current and prospective tenants to have a better understanding of market rents in their local area.

As well as ‘affordability’, the chapter also looks at other aspects of housing adequacy within the PRS. It explores how such rent data could be used to promote ‘fairness’ by providing new opportunities for renters to challenge unjustified rent increases. We propose to explore how Rent Officers Wales might also play a new role in assessing and adjudicating on rent notices, and the potential for making an appeal to the Residential Property Tribunal.

With a view to improving “accessibility”, which as we have seen in the previous chapter is a key factor of housing adequacy, the chapter also explores measures aimed at making renting more equitable, particularly for people who face barriers to renting. For example, people who experience challenges in securing a deposit or guarantor or wish to rent with a pet.

The chapter also sets out proposals to improve certainty on “habitability”, another key factor of housing adequacy, and the availability of private rented properties through consideration of an Annual Property Record.

As outlined in the previous chapter, respondents to the Green Paper also highlighted the need to increase the supply of affordable properties as part of addressing the current imbalance between supply and demand. Therefore, we also want to improve the supply of affordable rental properties by bringing empty homes back into beneficial use, particularly where it can assist those currently living in temporary accommodation obtain an appropriate, longer-term home. The chapter therefore explores opportunities to strengthen our existing Leasing Scheme Wales, which is aimed at increasing affordable supply in the PRS, through exploration of the potential refund of the land transaction tax higher residential rates.

Improving data on market rents

Evidence from the Green Paper

The Green Paper acknowledged there is no universally accepted definition of a 'fair rent' and proposed to define 'fair rents' in the broader context to mean 'equitable', as in fair to both tenants and landlords. We asked several questions on whether respondents agreed with the proposed approach to that definition, and what considerations should be taken into account when defining fair rents, including asking whether better data was needed on the Private Rented Sector (PRS). The evidence from the Green Paper showed that respondents generally agreed with the definition of 'fair' as 'equitable' for both the landlord and tenant. It was considered this balanced definition looking at both landlord and tenant could prevent unintended consequences in the sector, such as landlords choosing to exit the sector if the focus was solely on 'fair' rent for a tenant. However, the evidence also outlined that 'fair' should consider other factors, such as the quality of PRS properties, and other socio-economic factors which impact on affordability in the sector.

There was also agreement that better data was needed to inform future policy interventions, including better data on rent charged and market rents. Respondents to the Green Paper indicated that a requirement to provide rent data should apply to all landlords and rental properties in the PRS, and that the licensing authority (Rent Smart Wales) could play a role in how such rent data was collated.

Market rents

'Market' rent in the PRS is not clearly defined, but generally is understood as the anticipated amount of rent a landlord can charge for a property, considering the size, type, demand and location of the property compared to similar properties let in previous months. These estimates are used by landlords and/or letting agents to set the 'asking rent' but do not necessarily capture or consider the whole 'market' in a locality (which would be the rents being paid for all rental properties of the same size or type in that area). It is important to note that an 'asking rent' would also not necessarily be considered a 'fair rent' to all stakeholders in the PRS as, for example, in looking at demand, it does not consider the prospective tenant's income in terms of affordability (i.e. it assumes that everyone looking to rent a two bed house would want and would be able to afford to rent that property).

A number of respondents to the Green Paper highlighted that the "market" sets the rent, and that one impact of rent controls such as a cap could be that the market moves to meet that cap every year, which could potentially see tenants worse off over time. For example, in its response to the Green Paper, the NRLA outlined the potential effects if an annual 3% rent cap had been in place since 2014. They set out that a tenant paying £500 per month in 2014 could have been paying £652 per

month by 2023 with a cap in place but would have paid £561 on average per month in the absence of a cap (based on data by the Office of National Index of Private Housing Rent Price data which tracks the average percentage changes in rent for the whole market over this period).

However, there is currently no clear understanding of what the “local market” rent is, nor is such rent data easily obtainable by current or prospective renters to allow them to make informed decisions or comparisons on what they may be paying or asked to pay in the local area.

Current collection of rent data

Rent Officers undertake regular data collection cycles with agents and private landlords. They aim to (re)visit and collect data from particular agents and landlords within a given 12-month cycle, usually once or twice per year, although some larger agents may be contacted more frequently. This data is collected in connection with Rent Officers’ statutory role linked to the calculation of Local Housing Allowance rates.

Rent Officers aim to collect data on around 15–20% of applicable tenancies⁴² across Wales. Census data is used to estimate the number of tenancies in each Broad Rental Market Area (BRMA), and this is then used to inform data collection. This helps to ensure the data is representative across Wales. As part of their work collecting data to inform their calculation of Local Housing Allowance, Rent Officers have previously engaged in data gathering exercises with landlords registered with Rent Smart Wales to obtain rent information on a voluntary basis. However, for various reasons this has had a low response rate.

Currently, according to the Office of National Statistics, the Rent Officers provide rent information on approximately 30,000 registered PRS properties in Wales each year, which is around 14% of all registered PRS properties in Wales.

In recognition of the need for better rent data, we have explored how we might improve this current data collection to provide a more comprehensive dataset of rents across Wales. As part of this exploration and drawing on the evidence provided through the Green Paper consultation, we considered whether the current voluntary approach could be adapted to make it easier for rent information to be provided, in order to encourage landlords and agents to provide more information. We do not, however, consider that a voluntary process would necessarily provide certainty in the future that sufficient returns within a local area, or by property type, would be

⁴² Some tenancies are excluded from Rent Officer data collection, such as student lettings.

submitted. This would mean it would not be possible to provide market rent data at a more local level than local authority/broad rental market area boundaries – and would therefore do little to improve current data gaps.

Proposed approach

Following the evidence provided in response to the Green Paper consultation regarding 'Fair Rents', we propose to explore ways to:

- improve data on 'market rent' so that a detailed picture can be developed of market rents at local levels;
- increase the public availability of rent information, including via the potential of spatial mapping of average rents by property size to higher postcode level;
- explore a mechanism that would allow rent increases to be challenged; and
- support Rent Officers in accessing property specific rent information for the purpose of calculating relevant Local Housing Allowance.

We therefore propose to create an accessible method for landlords to share rent information on their properties in a way that respects commercial sensitivity and data protection (as set out in the next section of this chapter). This should achieve a larger sample of rent information, providing a more robust data set both over time and spatially down to a smaller granular level than just local authority boundaries. Obtaining rent data down to this lower more local level will allow a better understanding of local markets within a local authority area rather than rent data being influenced by more affluent rental areas where affordability may not be an issue.

Providing rent information to Rent Smart Wales

Considering feedback to the Green Paper and to help inform future policy options, we consider there is a need to start gathering better data on rent as soon as possible but in a way which does not place significant additional burdens on the sector. There was broad support in the Green Paper evidence for introducing a requirement for landlords to provide rent information. The NRLA was supportive of this, recognising it was a way to improve data on market rents.

One potential option we have explored to achieve this is to place a requirement on landlords and agents to provide rent data when such information is requested by a Rent Officer (i.e. creating a duty to respond to Rent Officers). Placing this requirement on landlords may require the making of primary legislation. However, as it could take several years to make such legislation, this would leave an extended period where we would continue to have insufficient data on market rent to make

progress in this area. As such, we do not consider this option to provide the outcome required in a timely manner.

Several responses to the Green Paper suggested that Rent Smart Wales, in its role as the licencing and registration authority could collect and administer data on rents. Since the creation of Rent Smart Wales in 2015 through the Housing (Wales) Act 2014 there have been further legislative changes as a result of the Renting Homes (Wales) Act 2016 and related regulations. The current law places restrictions on the number of times rents can be increased during a tenancy to once in a 12 month period and includes a provision within most occupation contracts which states that a contract holder (i.e. the tenant) is not required to pay rent in respect of any day or part day during which a dwelling is unfit for human habitation.

We believe it would be reasonable for Rent Smart Wales, as the licencing authority, to collect data on rents and rent notices. This would both improve available rent data and also allow us to ensure compliance with the Renting Homes (Wales) Act 2016 requirements, now these provisions have been fully implemented. The data would provide improved information on local rents, and could, if it formed part of an annual record (see later in this section), be collected at the same time as data on habitability. This would provide assurance to contract holders about the habitability of the property they are renting, which is another key aspect of housing adequacy.

Consequently, in view of the evidence received, (including the acknowledged need to secure better and more local data on rent), we intend to explore how rent information could be secured by Rent Smart Wales. In looking to develop this proposal the following principles and objectives would need to be achieved:

- Any individual rent data must be treated as commercially sensitive and not form part of the public register, or be disclosed upon request through Freedom of Information requests;
- Timescales for introduction must be appropriate to allow any administrative resource requirements to be managed; and
- Administrative arrangements for portfolio landlords/agents need to be considered, such as provision to be able to bulk upload information.

A further benefit of a future requirement for regular submission of rent information is that it could also operate as a mechanism for a landlord or a licensed agent to confirm they are still active in the PRS and the property is still being let. Landlords are required to log into the RSW website to inform RSW if they are no longer active in the sector but not all do this. This makes it difficult to accurately track the number of active landlords using RSW data. Updating the information every year, or a requirement to confirm that there are no changes, would significantly improve this data and could be a condition of the licence. For example, information could be

updated in the period leading up to the anniversary date of the initial registration or if circumstances change through the serving of a rent notice, to allow near real time market rent data over a five-year registration/licence period.

In examining this proposed approach, we have considered whether this may introduce additional administrative burdens for landlords. For the majority of landlords with a small number of properties, we do not envisage this would be the case as landlords and/or agents are already required to provide details on their properties, such as the number of bedrooms. It is also anticipated the administration costs for Rent Smart Wales under this approach would also be low, as its database is already being used to produce Power BI dashboard data and maps of aggregated data, such as the EPC performance of properties. The burden on landlords/agents of updating the rent information if a rent notice were issued (or if there was a new tenancy) should also be low as a rent notice can only be issued once a year.

Furthermore, introducing a requirement to provide rent information could incentivise landlords to provide more property details in order to provide context to the amount of rent charged. For example, if substantial renovation has been undertaken in properties, or investment made to improve the energy efficiency. This proposed approach could also link with proposals presented later in this chapter to create an 'Annual Property Condition Record' by introducing a licence condition for licensed landlords and agents to provide an Annual Property Condition Record for each property they manage. This could support monitoring the actual available supply of PRS properties over the five-year registration/licence period.

Data Sharing between Rent Smart Wales and Rent Officers

Whilst it is not proposed that rent data on specific properties would form part of the public register, and whilst we anticipate such data would (as commercially sensitive information) be exempt from disclosures relating to Freedom of Information requests, we are keen to explore the possibility of establishing a data sharing agreement between Rent Smart Wales and Rent Officers.

A data sharing agreement might allow Rent Officers to obtain rent information on specific addresses or types of accommodation to ensure that they are able to obtain a sufficient and appropriate sample for the calculation of the Local Housing Allowance rates in each of the designated Broad Rental Market Areas.

It might also enable the contact details of the licenced landlord or agent to be provided to Rent Officers so they could confirm that the rent level is still relevant, thereby improving rent data quality.

Enabling Rent Officers to access the data held by Rent Smart Wales would allow both for more certainty that sample requirements can be met in the context of calculating the Local Housing Allowance, and less resource time in contacting landlords and agents to seek returns. It would also mean that landlords and agents would not have to fill out additional forms to provide information to Rent Officers (although they may be asked to confirm that the information received from Rent Smart Wales is correct).

Q9. Do you agree rent data should be collected at a local level by Rent Smart Wales (e.g. ward or postcode)? (Yes/No/Don't Know- Why?)

Q10. Other than those already outlined, are there any other principles or objectives that should be considered in developing how rent information should be provided to RSW?

Spatial mapping of market rents

If rent information was collected in the way set out above, the data could be used by RSW to develop a publicly available spatial map of market rents, showing them by postcode and/or ward area. Such data would help to gain a better understanding of local affordability issues and provide a stronger evidence base for policy makers when considering potential future interventions. Using amalgamated data would ensure the rights of individual landlords relating to data protection, commercial confidentiality and Article 1 Protocol 1 of the Human Rights Act (1998) were protected as individual properties could not be identified.

This spatial map could display various types of information, such as the number of bedrooms and the EPC rating, by enabling users to apply different 'layers'. This would help give a better understanding of the type of rental property and its energy efficiency and may help inform why different rent levels were being charged in an area. Rent data could be presented in a number of ways for a particular area, including average rents and the least and most expensive quartile of rents to show the range of rents being charged in an area.

If spatial mapping of rent information was introduced, this could provide both current and prospective tenants with further information upon which they could draw, to make more informed decisions when looking for a rental property. Providing current and prospective tenants with a better understanding of market rents could also enable them to negotiate or challenge an asking price for a new let, or if they receive a rent notice. It would then be a matter for a landlord/agent to set out the reasons why the rent was above the market average, for example due to improvements being made to the property, such as investment in securing a higher energy performance rating or renovations to a property, resulting in it being of a higher standard than

other properties in the area. A benefit of publicly available rent data is that it would increase transparency and could help inform a rent determination or appeal process, which we explore later in this chapter.

We recognise there is a potential risk that spatial mapping of average rents could also encourage some landlords to increase rents, if they found they were currently charging below the average market rent. In reality however, this risk is likely to be low because the spatial mapping data would set out the average rental costs across existing tenancies, rather than the average of asking rents (which tend to be more expensive than rents in established tenancies). Therefore, it is recognised that in the short term there could be a small risk of some increases in rent in some areas if there is a rent re-balance. However, in the longer term there could be greater stability as the spatial data and average rent figures will influence both landlord and tenant behaviour.

Q11: Do you think spatial mapping of amalgamated rent data is useful and should be made publicly available? (Yes/No/Don't Know – Why?)

Ability of tenants to challenge rent increases

We are also interested in exploring the merits of making future legislative changes that would enable private renters who wish to challenge rent increases to ask Rent Officers for a determination of rent and provide a right to appeal to the Residential Property Tribunal (RPT). However, before such changes could be made, we believe it would be beneficial to have in place the improved rent data gathering processes and the system to facilitate the spatial mapping of rents, as set out in the sections above.

Spatial mapping of rent data could provide tenants with data to use to challenge rent increases if the proposed increase was significantly above the local market rent amount for that type of property in the area and no clear justification or reason had been provided to support the rent notice.

Prior to the Renting Homes (Wales) Act 2016 (“the Act”), certain tenants had the ability to challenge rent increases via the Rent Assessment Committee, an arm of the Residential Property Tribunal (RPT), who would determine the “market rent” for the property. However, this was only available to tenants who did not have a rent review clause in their tenancy and therefore the RPT only received a dozen or so applications a year.

Sections 104 and 123 of the Act allow a landlord under a secure contract and a periodic standard contract to annually vary the rent payment under the contract. The landlord must give at least two months' notice of the rent increase.

Tenants who were able to apply for a rent determination before the Act came into effect have retained this ability, as contract-holders under a relevant converted contract can still apply to a Rent Assessment Committee for a determination of their rent. However, this ability will over time be incrementally lost as converted contracts end.

In Scotland, private tenants can apply to Rent Service Scotland (RSS) for a Rent Officer to provide a valuation of their rent. Once the data improvements outlined in the previous sections are in place, we propose to explore potential mechanisms that will allow tenants to request a Rent Officer provide a determination of their rent and, if the tenant or landlord were not satisfied that this determination was correct, they could appeal to the Residential Property Tribunal (RPT). We recognise that in exploring this policy proposal in the future, we will also need to understand the anticipated resource implications on both Rent Officers and the RPT. Recognising that the judiciary is a reserved function, we will therefore need to consult with the Lady Chief Justice to seek her views on the potential implications on tribunal resources. These views will be important in informing whether and how such a mechanism could be introduced. Such proposals would also need primary legislation, and therefore would be a matter for a future Government and legislative programme.

It is worth noting that any mechanism where tenants can ask Rent Officers for a determination of rent and appeal to the RPT would likely only take into account the market rent value of the property and not any broader 'affordability' considerations, such as the tenant's income. In practice this would mean that Rent Officers could determine that the rent is set at a level which is 'fair' to the tenant and landlord in the context of the local rental market, but which could not be considered 'affordable' to the tenant because of their income. Therefore, whilst the process would provide a right to challenge it may not improve affordability if a rent is increased to a level that cannot be sustained by the tenant and, would not by itself provide the tenant with a solution where they are able to remain in their rental home and fulfil the key housing adequacy factor of 'affordability' set out in the previous chapter. This highlights the need to give further consideration (when exploring the potential for introducing such a mechanism) of whether further steps could be taken to support affordability. There is also a potential risk that some landlords could seek to serve eviction notices if a tenant successfully challenges a rent increase. However, it is important to note landlords must now give tenants six months' notice for a no-fault eviction rather than

two months, and this has provided tenants an improved security of tenure from such action.

Q12. Do you think there should be a mechanism to challenge a rent increase? (Yes/No/Don't know- Why?)

Annual Property Condition Record

One of the seven factors of housing adequacy set out in the previous chapter is 'habitability'. It is crucial renters in the PRS can be confident their home or prospective home is safe and suitable for human habitation. As a result of the Housing (Wales) Act 2014, the Renting Homes (Wales) Act 2016, and related legislation such as the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022, landlords and agents are required to undertake a range of actions to ensure a property is habitable. It can, however, be unclear to current and prospective tenants and to Rent Smart Wales (who licences landlords and agents) whether a property meets the requirements. In practice, the evidence suggests not all rental properties meet the requirements⁴³ and so not all serve as the safe homes tenants expect and deserve.

In this section we consider the steps we can take to provide tenants with greater certainty that their current and prospective homes are safe. We set out proposals to change what information licence holders are required to provide to Rent Smart Wales. In addition to the direct benefits to tenants, these changes are likely to have indirect benefits as they will lead to improved data and a clearer picture of the housing conditions of rental properties across Wales. This will improve our understanding of "habitability" as part of the collective actions to ensure the adequacy of PRS stock.

Current position

There are a series of conditions licence holders must fulfil to abide by their legal requirements under the Renting Homes (Wales) Act 2016. Licence holders must provide tenants with copies of the Gas Safety Certificate and Electrical Inspection Condition Report (EICR). Licensees must ensure rental properties for which they have management responsibilities are visited at certain intervals, with visits documented appropriately and the information retained for a minimum of 2 years and shared with Rent Smart Wales when requested. At least once a year, licenced agents must provide Rent Smart Wales with current information on their landlords

⁴³ See [here](#) for data on Rent Smart Wales' enforcement activity.

and the rental properties in Wales for which the agent has letting or management responsibility

There are therefore well-established practices whereby licence holders would provide Rent Smart Wales, upon request, with information relating to certain aspects of their rental properties, including information relating to the safety and condition of properties.

In response to the Green Paper there were calls for the Welsh Government to undertake an annual housing survey that would also examine housing conditions. Undertaking an annual Welsh Housing Survey is a major undertaking and requires considerable staff and financial resource. To put this into context, the most recent Welsh Housing Conditions Survey was undertaken in 2017–18. Physical inspections took place in 2,549 properties across Wales over a nine-month period. The broader work programme spanned five years and cost more than £2m. It is far from clear that running the survey on an annual basis presents good value for money, especially given that we would not expect to see major changes taking place to the housing stock in Wales from one year to the next. It is therefore not the intention of the Welsh Government to undertake an annual Welsh Housing Conditions Survey. However, we are keen to explore mechanisms that would provide better data on the compliance with standards that demonstrate habitability as set out in the proposals below.

Proposed approach

We propose exploring introducing a requirement for licensees to update their Rent Smart Wales account annually to complete an Annual Property Condition Record (APCR) in order to confirm:

- The property has a valid Gas Safety Certificate and Electrical Inspection Condition Report.
- Property inspection visits have been completed at the property [date undertaken].
- Self-certification that none of the 29 matters or circumstances listed in the Schedule to the Fitness for Human Habitation Regulations are present in the property, and that:
 - Mains wired smoke alarms are present and have been tested, and
 - Carbon monoxide detectors (where relevant) have been installed and have been tested.

The database held by Rent Smart Wales on registered properties would then contain information about whether the property has a current APCR. Members of the public could then request information about whether an APCR has been completed and

what it contains, or it could be part of the information displayed on the public register. This may assure prospective tenants that the property is in a good state of repair and should provide a suitable standard of habitability in terms of being free from such hazards as:

- Damp and Mould
- Fire
- Carbon Monoxide
- Entry by Intruders
- Pests
- Structural collapse

In developing this proposal, we are keen to explore and obtain views on how a proportional approach can be achieved in respect of licenced landlords or agents managing a large portfolio. For example, it may be possible to limit the additional administrative burden for those managing a large portfolio if the system were designed to enable them to upload one form for all properties rather than needing to make individual submissions.

Licence holders are already required to undertake some administrative tasks to fulfil the existing licence conditions regarding certification and inspection visits. The proposed changes would introduce a small additional administrative requirement, as licence holders would be required to complete the relevant section on their Rent Smart Wales online account or upload a spreadsheet form. As there is already a requirement to provide an update on an annual basis this proposal would not, in our view, add a significant additional burden.

The benefits of requiring licence holders to complete an APCR include:

- Better data on properties being actively rented each year.
- Better monitoring of compliance with existing licence conditions and legislative requirements.
- Public information (via the public register) to prospective tenants from landlords/managing agents to provide assurance that properties comply with standards.
- Promotion of improvement of conditions and maintenance and repairs as licensees are required to self-certify compliance with Fitness for Human Habitation Regulations.

Q13. Do you think license holders should be required to complete an Annual Property Condition Record? (Yes/No/Don't Know- Why?)

Q14. In your view, what information should be included in the Annual Property Condition Record? For example, should rent data be collected by the Annual Property Condition Record?

Barriers to renting

Rent Guarantor

The Green Paper, and evidence submitted to the Senedd's Local Government and Housing Committee inquiry into the PRS earlier this year, also highlighted certain tenants face barriers to renting properties potentially due to age, financial status, or having a pet⁴⁴. We are keen to look to remove these as one way of improving accessibility, which is one of factors of housing adequacy

In responding to the Green Paper Call for Evidence, the Chartered Institute for Housing Cymru highlighted the challenges that those renters with a poor credit history can face in accessing rental accommodation. This can be particularly problematic for those who are on low incomes, have had multiple addresses over a short period of time, or are moving to the UK from abroad and do not hold a UK bank account.

It is common for a landlord or licenced agent to undertake a credit check of a prospective tenant. In certain cases, this is a requirement stipulated by the mortgage company. Whilst often these credit checks are unproblematic, in some cases prospective tenants may not meet the check due to a bad credit history, or not having a UK bank account. In these circumstances landlords or agents may often request a UK Guarantor to sign up to underwrite any non-payment of rent, or alternatively they will require the payment of rent in advance, in some cases for 6 or 12 months depending on the duration of the occupation contract.

This can present a barrier to renting for some prospective tenants, as they may not be able to secure a UK Guarantor or are not able to meet the substantial upfront cost of paying rent in full (or majority) at the outset of the tenancy.

⁴⁴ [Consultation display \(senedd.wales\)](#)

This places these individuals at significant risk of homelessness and can put pressure onto local authority resources who may be required to find temporary accommodation.

We are keen to develop a consistent approach that would allow local authorities to support individuals in such circumstances to secure a suitable guarantor through the existing funding streams in place.

We are also keen to explore mechanisms that would ensure that where rent payment is being sought in advance this can either be held in a bond, or a maximum upfront payment prescribed. This would help ensure that if there were potential issues with other statutory requirements, such as Fitness for Human Habitation, during the course of the tenancy there would be appropriate controls in place to ensure that where a tenant should have had the right to be able to withhold rent until a matter is resolved this can still be achieved.

Proposed approach

It is proposed to develop, in collaboration with local authorities, national guidance for the provision of a Rent Guarantor. The purpose of the guidance will be to develop a consistent approach and clear eligibility criteria to support local authorities in offering guarantors to people who need to rent a property in the private sector but are unable to secure a UK guarantor. In developing this guidance, we propose to set certain eligibility criteria and priority would be given to those who often struggle to secure a UK guarantor, including:

- People experiencing homelessness
- Refugees
- People fleeing domestic abuse
- Victims of Global Conflict
- Care leavers
- International/Domestic Students – where they can demonstrate they do not have any credit history in the UK, are enrolled on a full-time course and no longer have access to any funds.

In supporting local authorities by providing consistent guidance for being a guarantor, our aim is to ensure more people are able to access a guarantor scheme, thereby supporting them to secure accommodation and demonstrate during their occupation term that they are credit worthy. It would also allow the individuals to obtain a reference from the landlord/agent of the property, which could be used to support securing a subsequent tenancy or renewing the tenancy that they have.

It is proposed the terms of any rent guarantee would specify that it only covers the rental payment, and not damages, as this should be covered by an appropriate deposit. There are also existing resources such as the Welsh Government's Discretionary Homelessness Prevention (DHP) funding, administered by local authorities which can provide support in meeting deposits.

The guarantee would set a maximum monthly cap of cover, which could be based on the average rent for the local authority/postcode area, initially using the Office of National Statistics Private Index of Rental Prices data, and then subsequently once established, rent data from the Rent Smart Wales spatial map.

We propose that a letter of guarantor would cover the maximum of a 12 month period, which would be outlined in the national guidance, developed in collaboration with local authorities. It is anticipated that if a prospective tenant was able to provide a rent guarantor, then a landlord or agent would not be justified in requiring a payment of rent up front. This may prevent landlords and agents requesting the payment of rent upfront to secure a tenancy. Further engagement will be needed on whether developing national guidance on a rent guarantor will have a positive impact on current and prospective tenants, and whether prospective tenants being able to provide a rent guarantor will prevent landlords and agents requesting rent-up front.

Q15. Are there any other groups of people who have not been identified in the eligibility criteria who should be considered? Please specify any groups who have not been identified in the proposed eligibility criteria.

Renting with Pets

Animal charities who responded to the Green Paper call for evidence highlighted further challenges to renting faced by tenants with pets. In bringing forward proposals to help remove these barriers, we believe we will be able to help improve both accessibility and affordability, which are two key components of housing adequacy.

Evidence provided by Dogs Trust in response to the Green Paper identified that in 2022, 53% of households had a pet including more than 1 in 3 households in Wales having a dog. Yet despite the majority of households in Wales having a pet, a recent YouGov survey commissioned by Dogs Trust showed that only 8% of renters with pets say their home was advertised as pet friendly⁴⁵. The same survey showed that of private tenants who don't currently have a pet, 39% wanted one.

⁴⁵ [PRS 04 Dogs Trust.pdf \(senedd.wales\)](#)

In evidence submitted to the Senedd's Local Government and Housing Committee's inquiry into the PRS, Dogs Trust highlighted that between December 2022 and end of March 2023, 118 people who enquired about handing their dogs over to the Bridgend and Cardiff rehoming centres cited "a change in accommodation or rental agreement" as a reason for relinquishing their dog(s).

Evidence submitted by Cats Protection to the inquiry also highlighted Cats Protection and Dogs Trust research conducted in 2021 in partnership with YouGov which identified that the most common reason a landlord refuses to allow cats in a rented property is over concern that the cat will cause damage to the floors, walls, furniture or fittings. However, 73% of the landlords surveyed who allowed cats in the property reported no issues.

Under the Renting Homes (Wales) Act 2016 landlords and contract-holders are able to agree additional terms covering the keeping of pets. The explanatory information that must be included in written statements of contracts makes it clear that all additional terms must be fair within the meaning of the Consumer Rights Act 2015. Any pet clause as an additional term in the contract should allow a contract-holder to ask for permission to keep a pet, and the landlord should not unreasonably refuse the request.

Research⁴⁶ published in March 2024 by the University of Huddersfield (in collaboration with Sheffield Hallam University and Brunel University) on behalf of Battersea Dogs Home, found that on average, the total reported cost by landlords of pet-related damage was £300 per tenancy. In contrast, landlords who didn't rent to pet owners reported an average cost of £775 for non-pet related damages.

The research also identified that measures, such as allowing for pet damage insurance, were critical to improving the situation for pet owners across the rental sector.

Proposed approach

In order to address this potential barrier to people with pets accessing the PRS, Welsh Government is considering making provision to allow a landlord to cover the cost of an additional premium on their insurance policy (or to take out a new policy) relating to "pet damage" as a "permitted payment" under the Renting Homes (Fees etc.) (Wales) Act 2019.

⁴⁶ [New Report Finds Landlords Overestimate Costs and Underestimate Financial Benefits of Allowing Pets in Properties | Battersea Dogs & Cats Home](#)

Where a tenant wishes to have a pet, it is proposed that a landlord should be able to request payment for the cost of an additional premium relating to pet damage provided that:

- i) The landlord can evidence to the contract holder that the insurance cover is in place, and the premium for that cover; and
- ii) Such permitted payment does not exceed a prescribed limit [to be set out in the regulations].

We do not believe it would be appropriate for landlords to double charge tenants, for example through also increasing the deposit, so consideration will be given to whether additional criteria should be applied to ensure this cannot happen.

We will also seek to encourage best practice in renting to tenants with pets through amendment to the Code of Practice⁴⁷ for licenced landlords and agents to promote a “Pets Considered” label to be included on letting details as a standard default.

Q16. Do you think permitted payments would support people with pets to access the PRS? (Yes/No/Don't Know- Why?)

Q17. Do you anticipate any positive or negative impacts which would result from this proposal?

Increasing availability of affordable rental properties

Land Transaction Tax Refund

It is clear from the evidence submitted to the Green Paper that increasing the supply of affordable homes is a key part of progressing to achieve housing adequacy in Wales. In addition, a number of respondents to the Green Paper called for the Welsh Government to consider providing tax refund to increase the supply of private rental property as part of promoting a re-balancing between supply and demand in the sector. The Welsh Government advocates a model of “social partnership”, and therefore considers that tax changes, in this area, that result in a reduction in Government tax receipts, should not be made primarily for the benefit of private investors, rather it should be about “something for something” that will be for the benefit of the public and those more vulnerable sections of society needing support.

⁴⁷ [Code of practice: Rent Smart Wales \(gov.wales\)](https://gov.wales/code-of-practice-rent-smart-wales)

As set out earlier in this White Paper, we have introduced a national scheme, Leasing Scheme Wales, whereby funding is provided to local authorities to lease private dwellings either from landlords or the owners of empty home for a minimum of 5 years at rental levels based on the Local Housing Allowance rates. This provides the opportunity for the local authority to place tenants into those properties who are on lower incomes and in receipt of benefits who otherwise may find themselves homeless or at risk of homelessness. It provides them with greater security of tenure, affordable rent and support. We are keen to increase the sign up to the scheme as part of increasing the supply of affordable rental accommodation across Wales.

Consequently, the Welsh Government is seeking views on a potential amendment to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (the LTTA) to provide tax refunds for private landlords, when buying a property where it will be used as an affordable rental property under the control of the local authority (for example Leasing Scheme Wales). The current rules and the proposal for potential changes to them are outlined below.

Current position

Usually when a person buys a dwelling when they already own a dwelling they will (subject to certain criteria)⁴⁸ be required to pay the land transaction tax LTT) higher residential rates on that transaction. Where a landlord buys a dwelling, they are required to pay the higher residential rates of LTT, if:

- the dwelling costs £40,000 or more,
- the buyer already owns one or more other interests in dwellings that in any individual dwelling is worth £40,000 or more, and,
- the interest they buy is not subject to a lease which has more than 21 years left.

Companies must pay the higher residential rates for any residential property they buy if:

- the dwelling costs £40,000 or more; and
- the interest they buy is not subject to a lease which has more than 21 years left.

A dwelling for the purposes of the LTT higher residential rates is a building or part of a building that is:

⁴⁸ [Higher rates of Land Transaction Tax | GOV.WALES](#)

used or suitable for use as a dwelling; or
in the process of being constructed or adapted for use as a dwelling (which
will include dwellings bought off plan).

In a house of multiple occupation, the absence of a private kitchen or private bathroom will be indicative that the house as a whole is a dwelling rather than the individual rooms within that house each representing a separate dwelling.

Therefore, as an example where a property is purchased for £200,000 and the buyer already owns a main residence, then the LTT payable would be £8,700. For comparison, the LTT that would be payable if the main residential rates were to apply to a property costing £200,000 would be nil.

In the year to 31 March 2024 there were a total of 43,990 residential land transactions⁴⁹, 34,380 liable to the main residential rates and 9,600 to the higher residential rates. The transactions liable to the main residential rates were liable to pay £116million and the transactions liable to the higher residential rates were liable to pay £97million⁵⁰.

Proposed approach

The Welsh Government is interested in gathering views on whether the LTTA should be amended to provide for a refund to be claimed of the higher residential rates (meaning that the main residential rates are chargeable instead) where the owner:

- enters into a headlease with a local authority with a minimum term of five years for that local authority to be the landlord under an affordable rental scheme (for example, Leasing Scheme Wales), and
- recognising that it may take a period of time between purchase and entering into a headlease establishing a, [relatively short] period of time, from purchase to be eligible to claim a refund. following the refund rules coming into force.

Local Authority led leasing schemes, such as Leasing Scheme Wales, secure rental properties for a defined period at affordable rents based on the Local Housing Allowance. Access to available affordable properties in both social and private housing tenures is important to provide a range and choice of options to local authorities to assist those facing the risk of, or actual, homelessness secure appropriate accommodation to meet their needs within the local area.

⁴⁹ [Land Transaction Tax statistics by transaction type and transaction description, 2023-24 \(gov.wales\)](#), retrieved September 2024

⁵⁰ [Land Transaction Tax statistics by transaction type and transaction description, 2023-24 \(gov.wales\)](#), retrieved September 2024

Whilst placing people in temporary accommodation may provide short-term assistance, it does not resolve homelessness. As part of our long-term commitment to ending homelessness, we are seeking to reduce our reliance on temporary accommodation and increasing the supply of suitable longer-term homes is a key aspect of this. Incentivising increased sign-up to Leasing Scheme Wales is therefore aimed at increasing supply to enable increased move-on from, and use of, temporary accommodation - both helping to reduce the significant costs to local authorities of temporary accommodation and the detrimental impact of homelessness on individuals.

Q18. Do you think the proposed criteria for a refund of the Land Transaction Tax higher residential rates element of the tax charge would incentive landlords and increase access to affordable PRS homes? Yes/No/Don't Know- Why?)

Q19. What period of time between the purchase of the dwelling and entering the headlease with the local authority should be provided to be eligible for a refund?

Q20. Do you anticipate any positive or negative impacts which would result from this proposal?

Other Observations

Q21. Do you have any further evidence or observations you wish to provide?

Summary of Consultation Questions

Q1: If the seven factors of adequate housing were used in Wales to monitor housing adequacy, what indicators could be appropriate to evaluate each of the seven factors of housing adequacy? (The seven factors are listed below and a more detailed discussion of each factor is set out earlier in Chapter 2. Please use these as headings and set out under each heading the indicator or indicators you believe may be appropriate to use)

- Security of tenure
- Availability of services, materials, facilities and infrastructure
- Affordability
- Habitability
- Accessibility
- Location
- Cultural adequacy

Q2: If indicators are developed to measure housing adequacy in Wales, should they apply in the same way across Wales or should they feature a degree of regional or localised variation? If so, how might this work in practice?

Q3: Should people who live in a particular local authority area be able to access adequate housing in any locality of their choosing within that local authority? What are your views on this matter?

Q4. Should elements of the adequate housing framework apply to the owner-occupied sector (Yes/No/No views/Don't know)? If so, how might this be made to work in practice and what issues require further consideration?

Q5. In your view, would the proposal to require Welsh Ministers to produce a housing strategy help progress towards ensuring access to adequate housing for people in Wales? (Yes/No/Don't know). Please explain your reasoning.

Q6. Should there be a requirement on Welsh Ministers to draw on the seven factors of housing adequacy when drafting the strategy? (Yes/No/Don't know). Please explain your reasoning.

Q7. How often should Welsh Ministers be required to review the strategy? (Every year; Every 2-3 years; Every 4-5 years; There should be no such requirement; Don't know; No views). Please explain your reasoning.

Q8. How often should Welsh Ministers be required to report on progress on delivery of the strategy to the Senedd (Welsh Parliament)? (Every year; Every

2-3 years; Every 4-5 years; There should be no such requirement; Don't know;). Please explain your reasoning.

Q9. Do you agree rent data should be collected at a local level by Rent Smart Wales (e.g. ward or postcode)? (Yes/No/Don't Know- Why?)

Q10. Other than those already outlined, are there any other principles or objectives that should be considered in developing how rent information should be provided to RSW?

Q11. Do you think spatial mapping of amalgamated rent data is useful and should be made publicly available? (Yes/No/Don't Know- Why?)

Q12. Do you think there should be a mechanism to challenge a rent increase? (Yes/No/Don't know- Why?)

Q13. Do you think license holders should be required to complete an Annual Property Condition Record? (Yes/No/Don't Know- Why?)

Q14. In your view, what information should be included in the Annual Property Condition Record? For example, should rent data be collected by the Annual Property Condition Record?

Q15. Are there any other groups of people who have not been identified in the eligibility criteria who should be considered? Please specify any groups who have not been identified in the proposed eligibility criteria.

Q16. Do you think permitted payments would support people with pets to access the PRS? (Yes/No/Don't know- Why?)

Q17. Do you anticipate any positive or negative impacts which would result from this proposal?

Q18. Do you think the proposed criteria for a refund of the Land Transaction Tax higher residential rates element of the tax charge would incentive landlords and increase access to affordable PRS homes? (Yes/No/Don't Know- Why?)

Q19. What period of time between the purchase of the dwelling and entering the headlease with the local authority should be provided to be eligible for a refund?

Q20. Do you anticipate any positive or negative impacts which would result from this proposal?

Q21: Do you have any further evidence or observations you wish to provide?

Glossary

- CIH- Chartered Institute of Housing
- Code of Practice- This is a document has been prepared to help landlords and agents licensed through Rent Smart Wales. The document comprises of two elements. The first outlines the requirements landlords and agents must do to comply with the law. The second element of the Code is information on what can be done to raise standards above the minimum level requirement by law, which is described as 'Best Practice' in the Code.
- DHP funding-Discretionary Homelessness Prevention funding LHA- Local Housing Allowance
- LSW- Leasing Scheme Wales
- NRLA- National Residential Landlord Association
- OHCHR- The Office of the United Nations High Commissioner for Human Rights
- PRS- Private Rented Sector
- RSW- Rent Smart Wales
- Stakeholder Advisory Group- A group of stakeholders which was established to inform the development of the White Paper, by ensuring engagement and consideration of stakeholder's views. The Stakeholder Advisory Group consists of membership of organisations providing a representative voice of private sector landlords, letting agents, and the third sector.
- UN CESCR- United Nations Committee on Economic, Social and Cultural Rights