

Rip-off private rents in Swindon rising sharply

Swindon Housing Action Campaign is calling for private sector rent controls and new Council house building to address an acute problem with sharply rising rents in Swindon.

The phenomenal growth of the private rented sector in Swindon is the result of a shortage of Council housing and the increasing gap between house prices and earnings. The latest government figures for the price of buying a lowest quartile house (cheapest quarter) is 6.44 times the lowest quartile earnings. Even a median price house is 5.96 median earnings. So it is not just low earners who cannot afford to buy.

At the same time too many of those who have no choice but to rent are chasing after a very small number of genuinely affordable homes for rent. Houses are being bought up by buy-to-let landlords and subdivided into flats for rent. You can see the evidence of this as you walk about the town, especially in the Central area and Eastcott where the highest concentrations of private rented homes are.

Private landlords in Swindon are taking advantage of the housing shortage to raise rents way above the level of inflation and wage increases. Recently released government statistics for the private rented sector in Swindon show increases over the last 2 years of up to 15%. Young people are being particularly hard hit. Prices for room rental in shared accommodation have risen by nearly 13% on average.

Government 'welfare reform' increased the age at which you qualify for Local Housing Allowance (LHA) for a one bed flat from 25 to 35. Consequently anybody under 35 only qualifies for LHA at the much lower shared accommodation rate (SAR) of £60 a week. Since the government is freezing LHA for 4 years this will inevitably mean that young people in receipt of it will struggle to pay rent for even the cheapest properties.

As an example, the sharp rise in rents mean that people in receipt of SAR have to cover almost £2,000 of their annual rent from other income, compared to just over £1,000 two years earlier. Younger people, in general, have lower wages and more insecure employment, so these sums are not negligible.

However, It is not just young people who are affected. There has been a massive increase in the amount of rent that people of all ages have to cover, even if they receive the full amount of LHA. The amount of rent that those old enough to qualify for the full LHA for a one bed property have to find has more than doubled from just over £500 to nearly £1,300 annually. The high demand for one bed properties is being taken advantage of by landlords who have increased rents by up to 15% in the last two years.

These sharp increases help to explain why we have seen the emergence of people renting garages and other back-garden constructions to live in. Low paid workers struggle to afford private sector rents. This underlines the need for

- action against exploitative landlords by introducing rent controls, and
- new council house building to provide genuinely affordable and secure council homes.

Andy Bentley said:

“So long as housing is dominated by the private rental market and the shortage of Council housing

is made worse by government policy¹, then private sector landlords will take advantage of unmet housing need by driving up rents as far as they are able. The lack of security of tenure in the private sector means that many people cannot live settled lives, moving from property to property at the whim of landlords.

People who are of an age where they might have expected to have a secure place of their own, either via ownership or rent, now have to live in shared accommodation for much longer than they used to do.

Swindon Housing Action Campaign will press for longer tenancies in the private sector, and limits on rent increases. But ultimately the housing crisis cannot be resolved without a return to Council house building which provides genuinely affordable and secure homes for those who will never be able to afford a mortgage and are severely stretched by private sector rents.”

Private sector rent increase over the last two years:

Single room shared accommodation £48 per calendar month average; £25 pcm median.

Studio apartment £24 pcm average; £0 increase median.

One bed £72 pcm average; £75 pcm median.

Two bed £61 pcm average; £65 pcm median.

Three bed £88 pcm average; £100 pcm median.

Four bed £142 pcm average; £150 pcm median.

Addendum

Private sector rent in Swindon

	April 1 st 2013 – March 31 st 2014		April 1 st 2014 – March 31 st 2015		April 1 st 2015 - March 31 st 2016		Increase – amount over 2 years		% Increase		Rent increase - amount over two years	
	Mean pcm	Median pcm	Mean pcm	Median pcm	Mean pcm	Median pcm	Mean pcm	Median pcm	Mean	Median	Mean	Median
Room - SAR	£371	£370	£375	£375	£419	£395	£48	£25	12.93	6.75	£576	£300
Studio	£465	£500	£414	£400	£489	£500	£24	-	5.16	-	£288	-
One Bed	£483	£475	£511	£500	£555	£550	£72	£75	14.90	15.78	£864	£900
Two Bed	£589	£585	£617	£600	£650	£650	£61	£65	10.35	11.11	£732	£780
Three Bed	£734	£725	£761	£750	£822	£825	£88	£100	11.98	13.79	£1,056	£1,200
Four bed	£1,039	£950	£1,126	£1,000	£1,181	£1,100	£142	£150	13.66	15.78	£1,704	£1,800

Swindon Local Housing Allowance – comparison with rent

	2013-14 Weekly LHA	2013-14 Annual LHA	2013-14 Annual rent Mean	Amount above LHA	2015-16 Weekly LHA	2015-16 Annual LHA	2015-16 Annual rent Mean	Amount above LHA
Room - SAR	£65.00	£3,380.00	£4,452.00	£1,072.00	£60.04	£3,122.08	£5,028.00	£1,905.92
One Bed	£101.41	£5,273.32	£5,796.00	£522.68	£103.44	£5,378.88	£6,660.00	£1,281.12
Two Bed	£125.00	£6,500.00	£7,068.00	£568.00	£127.51	£6,630.52	£7,800.00	£1,169.48
Three Bed	£150.00	£7,800.00	£8,808.00	£1,008.00	£157.56	£8,193.12	£9,864.00	£1,670.88
Four Bed	£196.15	£10,199.80	£12,468.00	£2,268.20	£198.11	£10,301.72	£14,172.00	£3,870.28

¹ The government has just passed a Housing Bill which will force Councils to sell off 'high value' homes to fund the extension of 'right to buy' for Housing Associations. They are unlikely to be able to replace them.