

# A HOUSING CHARTER FOR FAIRER RENTS AND AFFORDABLE HOMES

Caroline Lucas MP

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## BETTER QUALITY IN THE PRIVATE RENTED SECTOR *Housing that can be called home*

While many good landlords exist in Brighton and Hove, stories of substandard housing are rife, so I am calling for:

- **A national register of landlords, linked to a mandatory licensing scheme to improve housing standards**

*Mandatory registration linked to a licensing scheme would ensure that clear standards are applied across the sector. The Green Chair of Brighton and Hove's Housing Committee has announced a citywide consultation on landlord licensing. Landlords would be required to address Category 1 and 2 hazards, tackle fuel poverty and reduce energy consumption. To tackle high energy bills, I am calling for tougher minimum energy efficiency standards<sup>1</sup>.*

- **Letting agent fees to be scrapped and a licensing system for letting agents to be introduced, including to end discrimination against those on benefits**

*Many constituents have told me of the extortionate amount they are being asked to pay for letting fees, and I led on recent Parliamentary moves to scrap the fees. Hidden fees and discrimination by letting agents are far from uncommon, so a licensing system, similar to that proposed for landlords, would introduce standards and allow for a licence to be revoked in cases of malpractice.*

- **Action to protect tenants' deposits**

*The effectiveness of insurance-based schemes in protecting tenants' deposits is very questionable and tenants may still unfairly lose their deposits. To fully protect tenants' deposits, I am sympathetic to mandatory custodial schemes.*

- **Local authorities to set up not-for-profit ethical letting agencies**

*I am calling for local authorities to establish letting agencies which will lead the way in improving standards within the sector. Operating on a not-for-profit basis, they will offer private sector tenants, including students, a professional service with no hidden charges and access to housing within Local Housing Allowance rates. Landlords will benefit from authorities' experience in letting and maintaining housing – the agency offer could include guaranteed rental income and a full repairs service. The housing will be used by the authority to help meet demand for affordable housing within the local area.*

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<sup>1</sup> <http://www.parliament.uk/edm/2014-15/95>

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**AFFORDABLE HOUSING**  
***Housing that doesn't bust budgets***

House prices and rent levels in Brighton and Hove are around double the national average, so I am calling for:

- **Smart Rent Controls linked to the establishment of a Living Rent Commission to explore ways of bringing rent levels in line with the basic cost of living**

*I'm campaigning for smart rent controls where rent can't rise faster than inflation, guaranteeing fairness and predictability for tenants and landlords. I am also calling for the establishment of a Living Rent Commission, modelled along the lines of the Living Wage Commission, to establish what a Living Rent should be and how to get there, taking account of a range of factors, including lack of housing supply and the relationship between rent levels and landlords' ability to pay their mortgages.*

- **The abolition of the Bedroom Tax**

*The Bedroom Tax, introduced last year, is leading to more evictions, homelessness, disruption and despair, and takes no account of real people's circumstances. For example, many of those affected are people with disabilities, for whom an extra room is not "spare". It doesn't work: not only are there insufficient smaller properties for families to move to, but the measure is more likely to cost money, than save it.*

- **Avoiding repossessions - working with lenders on a right to rent and other help for those struggling with mortgage payments to stay in their home**

*I am calling for work with lenders now to have a plan in place to address the possible increase in repossessions when interest rates rise. We must encourage lenders to have creative mechanisms and options to help people who may have borrowed heavily against their income, because of extremely high house prices, whilst interest rates have been at an historic low. Lenders should be encouraged to offer people a right to rent - at a fair price, as one alternative to being forced to leave.*

- **The phasing out of existing property taxes, including stamp duty, and replacement in the longer term with a progressive Land Value Tax**

*There is a strong case to gradually replace Council Tax and Business Rates with something fairer. One option is a Land Value Tax (LVT) - this would address the problem of sites that are left derelict. An LVT would be levied solely on the unimproved site value of the property, which is affected by its location and community efforts around it, making it expensive for owners to leave properties empty.*

- **Strong energy efficiency standards to tackle high energy bills and fuel poverty**

*We need housing people can afford to run and home energy efficiency needs to be a top UK infrastructure priority. All low income households must have their homes improved up to an Energy Performance Certificate Band C by 2025. One million homes per year across the socio-economic spectrum need to be upgraded with deep retrofits by 2020.<sup>2</sup>*

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<sup>2</sup> <http://www.ukace.org/2014/04/joint-statement-issued-today-calling-for-tough-enforceable-regulations-in-the-private-rented-sector/>

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**SECURE HOUSING IN THE PRIVATE RENTED SECTOR**  
*Housing that lets people put down roots*

In Brighton Pavilion, the private rented sector is roughly double the national average, so I am calling for:

- **Stable renting - five-year tenancies as the legal default with shorter tenancies by agreement**

*A five-year tenancy as the default is a key demand of the housing charity Shelter as part of its proposed Stable Rental Contract.<sup>3</sup> Improving security of tenure would be of benefit to landlords, who would have a more predictable income, as well as renters, who would be able to make their house or flat a proper home. Shorter tenancies would still be possible, for example for students or landlords who only want to rent on a temporary basis. Consideration should also be given to measures that link notice periods given by landlords to how long a tenant has been in their home, providing extra notice for long-term tenants whilst taking account of the reasons why a landlord may need a tenant to move.*

- **Written tenancy agreements to be compulsory**

*A plain English tenancy agreement is an essential requirement for clarifying expectations and responsibilities between tenant and landlord.*

- **More help for people who want to 'Rent a Room' so they can stay in their homes**

*The tax-free amount should be increased to £6,970 for 2014-15 and increased in line with RPI thereafter. The tax free amount of £4250 has not been increased since 1997.<sup>4</sup> This would release supply in people's homes and would be likely to yield a net gain despite the cost to the Exchequer, given the high costs of lack of housing for single people.*

- **Other measures**

*Other measures I am calling for include reinstating the shared accommodation rate to apply only to those under 25, reforming the Local Housing Allowance to take account of actual housing costs, and restoring the option of direct rent payments to (good) landlords to tackle discrimination by letting agents and landlords against those on benefits. Housing affordability through price stability should be a key aim for housing policy - for house prices to remain flat in nominal terms so that incomes can gradually catch up.*

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<sup>3</sup> [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0009/587178/A\\_better\\_deal\\_report.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0009/587178/A_better_deal_report.pdf) p41

<sup>4</sup> If the amount had increased by RPI since 1997 the tax free amount would be £6,970, HoC Library (source: ONS. Consumer Price Inflation, May 2014)

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**ENOUGH HOUSING**  
*Housing that meets the need for new homes*

18,000 people are on the waiting list for housing in Brighton and Hove, so I am calling for:

- **Local authorities to be allowed to invest in a mass programme of sustainable council and social housing**

*Done well, council housing works. It gives affordability and security of tenure. The Green Party proposes building 500,000 council and social homes over the course of the next Parliament, deliverable through incremental increases to the social housing budget<sup>5</sup>, full removal of the borrowing cap on councils<sup>6</sup>, and the devolution of housing benefit to councils so they can use it more flexibly. Government investment in training and job creation associated with this programme would help put people of all ages back to work.*

- **An end to Right to Buy - money from current sales should be invested back into new council housing with all homes lost because of Right To Buy replaced to meet local need**

*Selling off our desperately needed housing stock on the cheap does not make sense. Not only are public assets being sold off for less than they are worth, even more public money is wasted as ex council properties are often then let to people who need housing benefit to cover very high market rents. We must move from subsidising high housing benefit bills to subsidising bricks and mortar.*

- **Seed funding to expand Community Land Trusts, housing co-operatives and self-build**

*Housing solutions that incorporate mutuality should be supported. For example, public land should be put into Community Land Trusts (see [www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk)) rather than the freehold being sold on the open market, with local authorities retaining nomination rights for new housing.*

- **Action on empty homes to bring them back into use**

*I am calling for restoration of the position where local authorities could apply for Empty Dwelling Management Orders (EDMOs) where a property has been empty for six months (reversing the current position of two years, brought in by the Coalition). EDMOs give authorities the power to bring long-term empty properties back into use by taking over management, improving them and securing their use by households in need.*

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<sup>5</sup> Shelter has suggested £1.22bn extra, on top of the current £1bn the Government grant spend, could be sufficient to get us building enough homes. OBR predictions of the huge increase in Stamp Duty revenues would more than cover the extra house building grant needed (*Shelter, Increasing Investment in affordable homes, 2014*)

<sup>6</sup> Using the DCLG self-financing model, a joint report by the National Federation of ALMOS, the Local Government Association, the Chartered Institute for Housing, the Association of Retained Council Housing, in association with the Councils with ALMOs Group, showed that if the borrowing cap were fully lifted and councils were able to make prudential use of their full borrowing potential, they could borrow up to £20bn over five years, enabling 170-230,000 extra homes to be built in total  
<http://www.parliament.uk/business/publications/research/briefing-papers/SN06776/local-housing-authorities-the-selffinancing-regime-progress-and-issues>