

POVERTY, EVICTIONS AND FORCED MOVES

There has been a rapid increase in evictions over the past 12 years, and especially of 'no fault' evictions from the private rented sector. This project explores why this has occurred, and the impact these have had on the lives of tenants who lose their homes.

Key points

- In the past 12 years, the rented sector as a whole has grown by nearly a half, and the number of tenants being evicted from their homes has grown by a third: 10,000 more tenants lost their homes in 2015 than in 2003.
- The number of tenants evicted by private landlords exceeded the number evicted by social landlords for the first time in 2014.
- The increase in repossessions in recent years has been almost entirely due to the increasing use of 'no fault' evictions, using Section 21 (S21) of the Housing Act 1988, which enables landlords to end an assured shorthold tenancy after the end of its fixed term, with two months' notice, without giving any reason. Tenants do not have a defence against a valid S21 notice.
- The use of S21 is highly concentrated geographically. Four out of every five repossessions using S21 are in London, the East and the South East, and nearly two-thirds are in London alone, although London only has one-fifth of the private rented housing stock. Even within London, repossessions using S21 are highly concentrated, with a third occurring in only five boroughs.
- Changes in welfare benefits have combined to make rents unaffordable to benefit claimants in many areas.
- As a result, tenants on low incomes are being evicted because their benefits do not pay market rents, and they are unable to afford alternative homes in the private rented sector, or access social housing.

BACKGROUND

Over 40,000 tenants were evicted from their homes by landlords in 2015, and many more felt forced to move from their homes due to problems of affordability, the condition of the property, or disputes with their landlord.

The loss of a home can be a traumatic and challenging experience for anyone, and for tenants with limited financial resources this can add to other difficulties that they experience.

“With the £50 per month (Housing Benefit shortfall) coming out of the JSA – that’s almost a week’s money in itself – and then you’ve got the other bills... I just couldn’t make it work. I had to choose, what do I pay this month – do I pay the rent? Do I pay the electricity? Do I buy some food? And it just snowballed.”

Single man, 40s

The aim of the research was to understand the factors that prompt evictions and forced moves, the tenants who are affected, how these have changed over time, and what could be done to avoid such events. The focus was primarily on England, and interviewees were recruited via Shelter housing offices in Bournemouth, Bristol, Colchester, Hackney (covering the whole of London), Manchester, and Slough: areas selected because they had high and/or increasing numbers of evictions.

Context and trends in evictions

Social housing tenants can usually only be evicted for rent arrears or a breach of tenancy, such as anti-social behaviour (ASB). In contrast, most tenants in the private rented sector have assured shorthold tenancies (ASTs), which can also be ended after their initial fixed term without the landlord having to give a reason (‘no fault’ evictions, often known as Section 21 evictions, under Section 21 of the Housing Act 1988), or with two months’ notice thereafter.

Historically, social housing landlords have evicted tenants at a higher rate than private sector landlords but the rate of repossession per thousand tenancies in the social housing sector has been in decline since 2003, while the rate per thousand in the private rented sector (PRS) has been increasing. The rate of repossessions in the two sectors is now similar, at 4.7 tenants per thousand per annum.

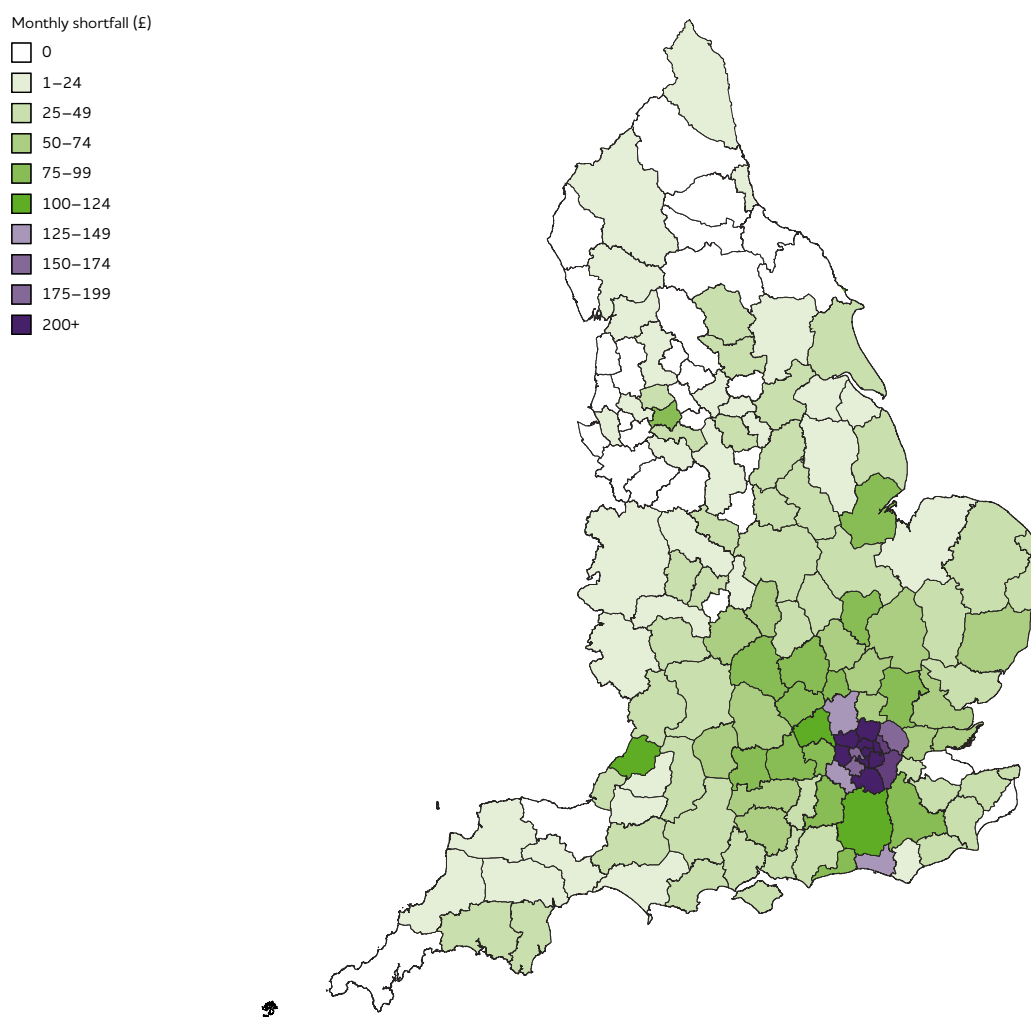
Over four-fifths of the increase in repossessions in recent years has been due to the increasing use of ‘no fault’ evictions, using Section 21, but the use of S21 is highly concentrated geographically. Four out of every five (81%) of all repossessions using S21 are in London, the East and the South East, and nearly two-thirds (62%) are in London alone, although London only has one fifth (21%) of the private rented housing stock. Even within London, repossessions using S21 are highly concentrated, with a third of S21 evictions occurring in only five boroughs.

What are the causes of forced moves and evictions?

This research sought to understand both the structural factors that affect eviction rates, and individual factors that make some people vulnerable. National data from the English Housing Survey suggests that just under a quarter of current tenants reported that their last move from private rented properties in England were forced in some way – rather than because the tenant wanted to move.

The cumulative impact of freezing Local Housing Allowance (LHA) or permitting only below-inflation increases has been that it now lags significantly below the 30th percentile of market rents to which it is in principle linked. Outside London, average monthly shortfalls range from £22 to £70 per month, whereas in central London average shortfalls range from £124 to £1,036 per month. The shortfall between the LHA rate and the 30th percentile rent means that tenants in receipt of Housing Benefit are either squeezed into the bottom end of the market, or are forced to make up the difference from other income.

Figure 1: The monthly rent shortfall in each Broad Rental Market Area (BRMA) in England for two-bedroom properties.



Findings from the interviews – the causes of forced moves and evictions

The research highlighted the issues around living in, and leaving, properties at the lower end of the PRS. The experiences were characterised by poverty, lower-quality housing and poor landlord behaviour. Finding any housing at all that evicted tenants could afford was virtually impossible.

The majority of tenants in the PRS were being evicted under S21, though in some cases they were aware of this having resulted from rent arrears, a rent that had fallen below market rates, the landlord wanting to sell up, or suspected retaliation by landlords after complaints had been made. It was apparent that the legislation designed to protect tenants from revenge evictions was failing to cover many situations. In the social sector, rent arrears and breaches of tenancy were more common reasons.

“I asked the landlord, repeatedly, to fix these things – in the end, he served me a notice of eviction.”

Single man, 40s.

A variety of factors had caused rent arrears. Problems with Housing Benefit and/or other benefits were the most common, followed by changes in circumstances meaning that what had previously been affordable had become unaffordable. Some tenants had had benefits sanctioned and Housing Benefit stopped as a result, causing arrears to mount quickly. In a few cases, tenancies had been taken on that would never have been affordable. Some tenants had failed to pay their rent, even with adequate income, often related to mental health difficulties.

Forced moves were rare, as the majority of tenants held onto anything they could manage, including very unfit housing and with landlords who were harassing them, because they could not find anywhere else to live.

The experiences of forced moves and evictions

Eviction proceedings could be protracted. Whilst this did buy people time to look for somewhere else, it also placed households in extreme levels of stress. Some were trying hard to find a new home, but found there was nothing they could afford. Others waited anxiously for the eviction, hoping the local authority would then assist them. Agency fees, the need for a guarantor, and finding a deposit, were all major barriers to finding a new home. Most tenants would prefer social housing, but were either ineligible, or not a sufficient priority to be allocated it. Some tenants had lost their home and were living in temporary accommodation, which was overcrowded and stressful. Sharing facilities with difficult housemates was also problematic.

“It’s all of us in one room, you can imagine the tension... everyone’s snapping because they don’t have their own personal space... it’s just a room with two beds. My little brother has to do his homework on the floor.”

Woman, under 21

Some people had found their own informal housing arrangements, but this could involve putting their hosts’ tenancies at risk for accommodating them. Several of those who had lost homes had done so as a result of accommodating a homeless friend or family member. Ten of the interviewees were street homeless, half of whom had moved directly from a tenancy with a landlord to being on the street. Living on the street posed huge day-to-day difficulties, making it very hard to secure new housing.

Conclusions

Housing Benefit is no longer a safety net for low-income households in many parts of the country. LHA rates were insufficient to enable low-income households to find alternative accommodation if they lost their home, and landlords in high-pressure markets were refusing benefit claimants, causing homelessness. The lower end of the PRS is under pressure from the competing political agendas of reducing Housing Benefit costs and driving out poor practice in the PRS, resulting in a squeeze on low-income tenants.

The experience of forced moves and evictions were extremely stressful for low-income households as they struggled to find alternative homes. In a housing shortage, landlords can choose who they want as tenants.

Increasing eviction rates are linked to the overall growth of the PRS and to cuts to LHA. Whilst the greatest impact is being felt in London, similar issues were found in other high-pressure markets. The continuing programme of cuts and restraints on state assistance with housing costs will intensify this pressure.

About the project

The project explored data on evictions and forced moves, and an extensive interview programme of 145 in-depth interviews with tenants experiencing forced moves and evictions.

FOR FURTHER INFORMATION

The full report, **Poverty, evictions and forced moves** by Anna Clarke, Charlotte Hamilton, Michael Jones and Kathryn Muir, is published by the Joseph Rowntree Foundation. It is available as a free download from www.jrf.org.uk

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