

Homelessness and the Private Rented Sector

Andrew Morrison

Director of Policy & Business Development
Orchard & Shipman plc

Overview

- Scottish Government Private Rented Sector Review
- 2012 – why private rented sector essential
- Budgetary challenges
- Private Sector Leasing – how this can help
- LetFirst – an innovative Social Lettings Agency
- Benefits to service users and public and private sectors
- Questions and discussion

Scottish Government Private Rented Sector Review

- Diverse sector of approx 233,000 households
- Landlords mainly individuals or couples investing for capital growth
- 85% of tenants satisfied with landlord, agent and home
- Small minority of tenants subject to poor property and management standards
- Tenancy regime operating satisfactorily
- PRS has key role in helping Councils discharge homelessness duties

2012 – Why PRS Essential

- Rising housing waiting lists
- Large numbers of homeless presentations
- Effects of the credit crunch
- Ageing population
- Lower void turnover rates
- Temporary accommodation requirements
- Budgetary position of Government and local authorities

PRS – Can provide significant boost to supply. Landlords willing to let to homeless client group IF they receive guarantees (especially rent and/or property condition)

Public Sector Background

"If a similar or better service can be provided at less cost to the taxpayer, then we have to look at it very seriously."

Councillor Jenny Dawe

Leader of The City of Edinburgh Council

21st September 2009

Likely to be increase in the 'enabling' role of local authorities, rather than increase in direct service provision

PSL – how this can help

“PSL forms a critical element of the Council’s strategy to meet the 2012 target of providing a home for everyone who is homeless”

**City of Edinburgh Council
PSL Progress Report - Dec 2008**

“Orchard & Shipman are required to ensure that there is a good spread of properties across the city – which they have been successful in achieving”

**Scottish Government Review of the
Private Rented Sector - 2009**



LetFirst – Social Lettings Agency

- Background
- Contract with City of Edinburgh Council
- Secure access to PRS for up to 300 households per year
- Homeless prevention initiative
- Includes housing advice and information
- No financial barriers e.g. deposits, references
- 6 month Rent Guarantee to landlords
- Service started on 27th April; shop opened on 9th July
- 67 properties tenanted; 554 tenant enquiries / referrals
- Builds on success of PSL scheme

PRS Potential Use

- PRS temporary accommodation usage:

Scotland 8% vs England 68%

- Over 6,500 LA/RSL homes used for temp – could switch to PRS?
- £15 million net expenditure on B&B – could switch to PRS?
- Discharge of duty into PRS?
- Institutional investment in PRS?

Benefits for all

- Public Sector – cost saving, risk sharing, improved outcomes
- Private Sector – guaranteed income, professional property management
- Service Users – provides greater choice of accommodation solutions
- Allows public sector to concentrate on core activities

Questions & Discussion