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# Draft Private Sector Housing Strategy

2024 - 2029

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# Foreword

**Our ambition for Hackney residents living in the private sector is that homes are safe, warm and sustainable, and people feel invested in and connected to their home and local community.**

With around 8,500 households on the Council’s social housing waiting list and house prices increasing more than sevenfold in twenty years, Hackney today is facing an unprecedented housing crisis. As a result, the borough’s growing population is relying more than ever on the private rented sector to find a place to live. The number of private renters has doubled in the last decade to 34,000, or 1 in 3 households, but the supply of homes has not kept pace with this growing demand, forcing up prices and limiting choice.

These changes have real consequences. Our most recent evidence base<sup>1</sup> confirms that the average market rent in Hackney is now £2,102pcm - a 49 % increase since 2010 – and requires a £65,000 annual household income. With nearly half of private renters earning less than £30,000, many families are struggling to pay their rent. While the majority of landlords provide a professional service to their tenants, increases in demand have allowed some to exploit a poorly regulated Private Rented Sector, and forced many private renters to accept conditions that don’t meet modern day standards.

In Hackney we’ve long been committed to change, successfully campaigning for new measures such as banning section 21 ‘no-fault’ evictions; banning orders for rogue landlords; legal requirements for fire and carbon monoxide alarms; action on revenge evictions, as well as a ban on letting fees for tenants. Our new **‘Better Deal for Renters’** Campaign is our commitment to improving the sector for everyone by supporting Hackney’s private renters and encouraging greater professionalism among the borough’s landlords.



**Cllr Sem Moema,**  
Deputy cabinet member for private rented sector and housing affordability

86.9 % of residents considered continuing to work on the council's Better Renting campaign to improve the private sector for residents and tackling rogue landlords as important or very important.

**Not having enough homes to rent is considered the second largest challenge facing Hackney.**

# Strategic Priorities and Our Approach

**Hackney's Private Rented Sector now provides approximately 34,400 homes in the borough. Tenants are drawn from all of Hackney's communities and reflect its diversity.**

What they have in common is a lack of security, whether that is the length of tenancy or the cost of rising rents. Too many residents are trapped in overpriced and in some cases poor quality rented accommodation. 89% of Hackney's residents consider continuing work on the Council's 'Better Deal for Renters' Campaign, to improve the private sector for residents and tackling rogue landlords to be important<sup>2</sup>, which is why the Council has developed its first Private Sector Housing Strategy for the borough.

The Strategy is set within a new legislative backdrop. The publication of the Renters (Reform) Bill in May 2023 is a significant milestone for renters' rights. The Bill sets out a comprehensive plan of reform, first outlined in the 2022 White Paper 'A Fairer Private Rented Sector', it is an important step forward which should be celebrated, but one which must be tightened up to ensure that it gives renters the protections they need. The Council will actively campaign to ensure this happens.

This Strategy sets out how the Council, along with its partners, will support the improvement of housing and management standards at the lower end of the market in the private sector over the next 5 years. The Strategy has a key role in helping meet the Mayor of Hackney's vision to do everything it can to deliver decent homes for all. It builds on what residents have told us about their priorities for a better private sector and recognises the wider contribution that the Council and its partners can make towards improving the sector.

**The priorities and actions in this Strategy are arranged into four key themes:**

1. Improving property and management standards in the Private Rented Sector
2. Increasing the supply and access to good quality, well managed, affordable homes in the Private Rented Sector
3. Ensuring that housing standards and living conditions in the sector contribute towards better health outcomes for all
4. Ensuring that Hackney is a place where people want to live and are proud to live

Our priorities and actions are also supported by a detailed private sector housing evidence base, which is updated as new or improved information becomes available.

The Council's commitment to improving the private sector has been a top priority for many years and is reflected within our policy and strategy framework. At its very core the **Hackney Strategic Plan 2022-2026**, 'Working Together for a Better Hackney', focuses on specific plans to improve the Private Rented Sector, including 'pushing for more protection for residents from landlords' and 'campaigning for full licensing of the private sector'.

**Hackney's Community Strategy 2018-2028**, sets out the borough's ten-year vision and describes the local context and challenges, including issues concerning the quality and affordability of the sector. Our Poverty Reduction Strategy sets the framework for what we are doing to increase affordable housing supply, but is honest about what is possible, given the local housing market and national policy.

**Hackney Labour 2022-26 Manifesto** includes significant reference to the private rented sector and the challenges that tenants face in terms of worsening affordability and lack of security.



The draft **Hackney Housing Strategy 2024-2029** includes Protecting Private Renters & Leaseholders’ as one of its six themes, and describes the current situation with the sector locally, with a minority of renters ‘subjected to a badly regulated sector which allows poor conditions, mistreatment from landlords, unstable tenancies and extortionate rents.’

Most importantly, ensuring that the private sector provides a good quality, warm, safe and affordable housing option drives our commitments to equality in Hackney. Good quality housing ensures that individuals and families have access to basic needs like shelter, safety and sanitation, which forms the foundation for overall well-being and a dignified standard of living.

Stable housing provides children with a secure environment in which to grow and learn. Quality housing can help reduce discrimination and promote social inclusion, as when individuals have access to housing that meets their needs, it can mitigate the effects of bias based on factors like race, ethnicity, gender, or disability. Well-maintained housing contributes to the overall development and vitality of communities, by attracting investment, fostering civic pride, and creating a positive environment for social interaction and community-building.

Access to quality housing is therefore often a key component of long-term financial stability, as it provides a platform from which individuals and families can pursue education, gain employment, and improve their overall quality of life.

**The outcomes of these commitments can be seen in our recent achievements:**

- We successfully pushed for changes through the Better Renting Campaign, including a database for rogue landlords, stopping letting fees for tenants and lobbying to end Section 21 ‘no fault’ evictions.
- Through our Private Sector Housing Grants Policy, we have supported vulnerable residents in private rented accommodation through warmth and security grants and other assistance.
- We took action to reduce the number of empty homes in Hackney through our Empty Homes Grant.
- We introduced Private Rented Sector (PRS) property licensing for non-Mandatory HMOs across the borough as well as Selective Licensing in Cazenove, Stoke Newington and Brownswood wards to raise standards and enforcement in the sector.
- We have supported tenants to apply for Rent Repayment Orders when they have been living in licensable properties, but which are unlicensed.
- We have supported owners to have any defects that have been identified as fire hazards remediated.

Whilst we are proud of our achievements, we know there is so much more to be done. In preparing this Strategy, the Council has commissioned the most comprehensive review of the private sector that it has ever undertaken in Hackney, alongside an updated Strategic Housing Market Assessment, detailed discussions with partners and a tenant and landlord survey. The evidence and feedback have directly set the objectives of this Strategy.

A delivery plan will also be developed to accompany this Strategy, which will outline how these objectives will be achieved, including key dates, responsibilities and performance indicators.

# Hackney's Private Sector Housing

**Hackney is an incredibly popular place to live. Vibrant and culturally diverse, it has won accolades as London's most liveable borough. Much of this is owed to the redesign of its streets and town centres, pedestrianisation and the adoption of dedicated cycling routes, as well as the quality of its parks, open spaces and cultural retail offer. Its transport links and proximity to central London make it an easy borough to navigate.**

Public services and schools have gone from the worst in the country to amongst the best, and the borough has experienced more than 40 % business growth since 2010, with particular emphasis on the tech, hospitality and creative sectors.

Hackney's population has grown by a third since 2001. The latest 2018 ONS population projections report a population of 290,891 across the borough in 2022, which is expected to increase by 10.3 %, to 320,970 by 2039. This has and will continue to significantly impact the demand for housing in the borough, and subsequently impact purchasing and rental prices.

Over the past 20 years, Hackney has witnessed the largest increase in property values of anywhere in the UK. Property prices in the borough have risen by 344 % (compared to a 269 % increase in property prices across London, and 217 % nationally), a growth which in turn has driven up rental values with market rents in Hackney increasing by 49 % since 2010, at an average of £2,102pcm. For those households that need a larger property, the average rent for a four-bed property is £3,549pcm and for smaller households, £1,712pcm is the average rent for a 1-bed property.

The need for more affordable housing options for our residents has never been more acute. Although Hackney is building more new social housing, this alone cannot match the escalating scale of demand. With many unable to afford

to buy and with 8,500 households currently on the council's social housing waiting list, with limited prospects of access to social housing in the borough, the only alternative option is the Private Rented Sector.

Hackney's Private Rented Sector now houses 133 % more people than it did in 2001 and accounts for 32 % of all homes. Whilst many private renters in Hackney are satisfied with their homes, low-income residents are more likely to face less security and poorer housing conditions. Increasing rent levels have forced many people to share homes to make renting in Hackney affordable and evidence confirms that 15 % of households in the private rented sector are now living in overcrowded homes.

With the steady national decline in the supply of social housing, private renting is and will continue to become even more common among households at the lower end of the market, including vulnerable groups such as households containing a person(s) with a disability or long-term illness, meaning they will not only face higher housing costs than both social renters and owner-occupiers, but also less security of tenure and potentially worse housing conditions. We also have more children growing up in the private rented sector than we did twenty years ago.

Hackney is an area of high deprivation, with all local authority wards in the top 10 % most deprived in the country. Hackney has lower than London average weekly pay, and high numbers of people receiving out of work benefits and housing support, with 48 % of Hackney children estimated to be living in poverty after housing costs.

An estimated 53,000 working age people in Hackney are affected by a common mental health condition. Whilst these indicators focus our priorities, they are also drivers of inequalities in our communities. Deprivation goes well beyond differences in income; people living in

the most deprived neighbourhoods are more exposed to environmental conditions which negatively affect health. Transport patterns, access to green space, pollution effects, housing quality, community participation and social isolation are all structured by social inequality.

Most private landlords take their responsibilities very seriously and we recognise the challenges many of them are facing in the current cost of living crisis and interest rate increases. We want to help and support these landlords. However, there are unfortunately some private tenants who are subjected to an under-regulated sector which allows poor conditions, mistreatment from landlords, unstable tenancies and extortionate rents.

Whilst the private rented sector has seen significant growth, the owner-occupied sector has reduced in size. Many residents living in this sector are on low incomes, living in poverty and fuel poverty, exacerbated by the cost-of-living crisis and stark choices of heating or eating. The stock condition survey<sup>3</sup> confirmed that 8,413 dwellings in the private sector have Category 1 Housing Health and Safety Rating System (HHSRS) hazards. This equates to 13% of properties. 4,511 are in the owner-occupied sector which when set against a stock of 29,530 is 15.2%.

The case for well insulated and energy efficient homes has never been greater. Climate change is already disrupting weather patterns and creating extremes that most homes in the UK are ill equipped to cope with. In response to the root cause of climate change, the Council is committed to creating a net zero borough by 2040 and this strategy therefore responds to the challenges of supporting homeowners and landlords to make their homes more energy efficient.

A safe, warm, and secure home underpins people's ability to build a better quality of life; it improves general health outcomes and enables people to maintain independence. Living where you can afford and having security in knowing you won't be 'kicked out' at a moment's notice helps us to put down roots and have a stable base, a sense of community and belonging. It fundamentally impacts on Hackney's ability to deliver its long term vision set out in the Community Strategy where 'By 2028 in Hackney, we want to see the whole community benefiting from the growth and change we have experienced across the borough, with no sections of the community left behind and fewer local people living in poverty or in poor quality, insecure housing'.

We want to make sure that homes in the private sector, whether owned or privately rented, are safe, well managed and well maintained and this Private Sector Housing Strategy sets out how we, along with our partners, will achieve this over the next 5 years (2024-29).

# 1. Improving Property and Management Standards

**The improvement of property conditions and management standards across the private sector is a primary objective of this Strategy. A key area of focus for the Council over many years has been focusing on targeted intervention and being proactive with enforcement on the very worst properties, landlords and agents.**

While the majority of landlords act with fairness and decency towards their tenants, increases in demand have allowed some to exploit a poorly regulated Private Rented Sector. In Hackney, in some cases over 100 renters are putting in offers for the same property, which is fostering an extremely competitive market and often forces many private renters to accept conditions that do not meet modern day standards.

This is why we want to see a ban on ‘bidding-wars’ to be added to the Renter’s Reform Bill, and will continue to advocate that the advertised price of a rental home should be the final price that the tenants are expected to pay.

We want to work with landlords to increase security, affordability, and stability for tenants. Where landlords do not meet the required standards, we will do everything in our power to ensure that residents are safe in their homes.

## Tackling Damp and Mould

We are fully aware of the impact damp and mould has on people’s lives and health. This is why the council has made a long-term commitment and a clear promise to improve our response to the issue - not just for the benefit of those living in Hackney council homes, but also those renting privately across the borough.

In April 2023, the Council announced that landlords who put lives at risk by ignoring serious damp and mould issues will face fines and legal action, after the approval of extra

funding to improve living conditions and step-up enforcement against rogue landlords. The investment is also the latest boost for the Council’s new #BetterDealforRenters campaign, which strives for a better system for the more than 34,000 private renters in Hackney, by supporting tenants, challenging government and tackling rogue landlords.

**The 25% increase in funding, equivalent to £400,000 a year, will be focused on expanding enforcement capacity and ensuring private landlords meet their duty to tackle damp and mould and provide a good, safe home to their tenants.**

**During the lifetime of this strategy, we will:**

- Increase our engagement with private landlords in the borough to tackle the issue of damp and mould.
- Call on the Government to extend ‘Awaab’s Law’, which will set strict timescales for social landlords to respond to complaints about damp and mould, to the private sector.
- Use our increased funding to expand our enforcement capacity and ensure private landlords meet their duty to tackle damp and mould and provide a good, safe home to their tenants.

We are already taking enforcement action against landlords with damp and mouldy properties and are committed to holding private landlords to account on the condition of their properties.

## Fire Safety

After the Grenfell Tower fire, the Government established a Building Safety Programme to make high rise buildings safe. The new Building Safety Act 2022 introduces a new Building Safety Regulator that would sit under the



Health and Safety Executive (HSE) to oversee a new safety regime for new and existing high risk residential buildings. They will ensure that at the design and construction stage, the development is built safely, and any safety risks are dealt with and resolved effectively and this includes existing buildings. Owners will be held accountable for safety of their buildings, and it will give residents routes to raise concerns about safety.

Currently, there has been a comprehensive review of all private sector residential tower blocks in the borough in regard to fire safety. We have worked closely with owners to support them to remediate their buildings and will continue to engage with both building owners and the Department for Levelling Up Housing and Communities so that any defects that have been identified in private sector residential tower blocks in regard to fire safety are remediated without the costs of remediation being passed on to residents.

Since the fire at Grenfell Tower, we have also been working with private building owners and housing associations to ensure that building owners are keeping their buildings safe and meeting any new fire safety regulations. This includes ensuring building owners remove any unsafe cladding, like that used on Grenfell Tower.

#### **In our commitment to improving fire safety for all, the Council will:**

- Continue to pursue building owners to remediate their buildings and do its best to prevent the costs of remediation being passed on to residents.
- Campaign for the government to do more to protect leaseholders in these situations and hold these building owners accountable.

## **Property Licensing**

Anti-social behaviour, noise complaints, nuisance neighbours, accumulations of rubbish and other problems are outcomes of poorly managed properties that have a negative impact on residents. Overcrowding and illegal conversions are also features of the private

rented sector and contribute to the exploitation of tenants and problems within neighbourhoods.

Property licensing provides the Council with the tools to deal with these issues and is the cornerstone of a comprehensive strategic agenda that will enable us to regulate the condition, management and occupation of privately rented properties in the borough.

**HMOs are defined in the Housing Act 2004 and include houses and flats occupied by three or more people forming more than one household. The additional licensing scheme extended the existing mandatory HMO licensing scheme, which only applies to larger HMOs, to include all other HMOs as defined in the Act.**

**Additional HMO licensing is intended to help the council tackle poor management, poor housing conditions and overcrowding in HMOs not subject to mandatory licensing by providing additional powers to regulate them.**

**A HMO Licence does not mean that a property is lawful under planning regulations and operators of HMO will be encouraged to contact the planning department to check if their property has the necessary planning permission, in addition to licensing.**

Houses in Multiple Occupation (HMO) and other shared accommodation may be the most suitable choice for some people where their housing needs may be short term or where affordability may be an issue. We estimate that the council has 4,269 HMOs operating across the borough. We currently operate the Mandatory Licensing scheme covering larger HMOs and have also designated the whole borough as an Additional Licensing scheme.

We have also been piloting Selective Licensing in Hackney since our stock condition survey reported that a significant proportion of Private Rented Sector homes contained Category 1 hazards. The stock modelling revealed that

the three wards with the highest prevalence of Category 1 hazards and/or disrepair in non-HMO rented dwellings were Brownswood, Stoke Newington and Cazenove.

#### **Property licensing:**

- Improves housing conditions;
- Reduces deprivation and inequalities, in conjunction with other key council strategies
- Tackles anti-social behaviour and crime linked with the Private Rented Sector as part of a broader tool kit; and
- Contributes to an improvement in the health outcomes of residents in the most deprived areas by improving property conditions.

#### **Over the lifetime of this strategy, we will:**

- Continue to promote the need to licence HMOs and will continue to encourage and enforce compliance.
- Work with landlords to support and encourage them, so together we can drive up standards in the Private Rented Sector, whilst also tackling rogue private landlords.
- Consult landlords, residents and neighbours of HMOs to extend our Additional Licensing Scheme for a further 5 years, after it expires in October 2023.
- Following evaluation, we will consult residents and landlords in Hackney on their views to introduce Selective Licensing borough-wide.
- Lobby for powers to be devolved from central Government to Local Authorities to licence landlords in the sector. This will allow the Council to avoid the highly costly and bureaucratic process of applying for a licensing scheme via the Secretary of State, which takes funding and resources away from our ability to enforce and improve standards.
- In the meantime, we will continue to use the powers provided to local authorities in the Housing and Planning Act 2016 which

have strengthened our ability to act against criminal landlords with civil penalties, banning orders, extended rent repayment orders and use of a national database to track rogue landlords across council boundaries. Existing evidence however shows that local authorities face multiple challenges in exercising those powers effectively in practice due to lack of sufficient funding and resources.

### **Tackling rogue landlords**

Rogue landlords are not landlords who just ‘get it wrong’. A rogue landlord has little regard for Fair Housing Laws, adhering to building codes, or respecting a tenant’s rights to privacy in their rental home. Instead, these landlords target vulnerable tenants and place them in overcrowded or poorly maintained accommodation. They may take part in discriminatory or harassing behaviour, increase rents at a moment’s notice and evict tenants who may make a complaint, without legal grounds to do so.

This is not acceptable. It works directly against our equality agenda impacting on those living in poverty, potentially with uncertain migration status and who also have fewer resources to draw on when mistreated and/or evicted, therefore tackling rogue landlords is a priority for us. In a community consultation exercise undertaken in 2023, 80.2% of respondents said that tackling rogue landlords was important or very important.

We are committed to the Greater London Authority (GLA) “Rogue Landlord and Agent Checker” which is published on the Mayor of London’s website and cites criminal landlords and letting agents who have been successfully prosecuted or issued with civil penalties (of more than £500) for housing and other related offences.

#### **In continuing our efforts to tackle rogue landlords, over the next five-years we will:**

- Introduce a free phone line and website link to report a rogue landlord

- Implement a clear complaints procedure and harness the skills of other agencies
- Work to educate tenants and landlords of their rights and responsibilities
- Maximise the opportunity that property licensing offers to proactively manage and inspect properties
- Continue to take enforcement action against rogue landlords

## Exempt accommodation

‘Exempt accommodation’ is a term used to describe supported accommodation provided by non-profit making organisations where landlords can claim higher levels of housing benefit for support provided.

When delivered well, it can play a useful role in providing good quality transitional accommodation and support for people as they move on from homelessness. It often accommodates the most marginalised groups including prison leavers, people leaving national asylum seeker services, people fleeing domestic abuse and others whose homelessness is with multiple and complex needs. Much exempt accommodation is commissioned by the Council alongside funding for support and is subject to our scrutiny and regulation.

But in some areas, we have seen a growth in poorly managed and poor quality non-commissioned exempt shared housing, delivering inadequate support for people facing multiple disadvantages. Exempt accommodation allows landlords to receive higher rents than is the norm for privately rented housing. While there are legitimate reasons for this - managing supported homes is more costly than managing mainstream housing - we are seeing unscrupulous agencies exploit gaps in the regulatory regime to claim higher benefit levels while providing minimal levels of support. This is likely to be the case for very vulnerable households.

Over the lifespan of this Strategy, the Council is committed to tackling the complex and

challenging issues arising from ‘exempt accommodation’ and halt the growth of the sector in Hackney. **This will include :**

- Encouraging all providers to sign up to a set of quality standards for exempt accommodation.
- Requesting that referral agencies do not refer people to providers that have not signed up to these standards.
- Continuing to call on the Government to give councils more powers to control the growth of the sector in any given neighbourhood and to make exempt housing providers licensable in the same way as other Homes in Multiple Occupation.

## Promoting good practice and raising awareness

The Council recognises the need for collaborative efforts to raise awareness of tenant and landlord responsibilities and to expand good practice across the sector. We are committed to provide more advice and support to victims of unscrupulous landlords and take enforcement action against landlords who rent substandard accommodation and exploit vulnerable tenants and those from marginalised groups.

We will regularly meet and work with organisations representing these affected communities to develop service improvements such as awareness of remedies available and confidence building, to support enforcement action.

This will involve continuing our current work and increasing our use of social media as a platform for our standards, commitments, enforcement action, advice and support to both landlords and tenants, and continuing to work with lettings and management agents, developing formal partnership arrangements where necessary.

We will positively encourage landlords to join the London Landlords Accreditation Scheme and attend local Landlord Forum events to educate our landlords to become good practice landlords. Despite this, it is difficult to secure membership

and attendance at events. **We will therefore be considering more practical benefits to secure membership and attendance such as:**

- A discount on a property licence.
- Council tax holidays when properties are empty.
- Loans to undertake improvement work, secured against future rent.
- Financial support to landlords to extend their portfolios if those properties are made available to the council.

Hackney regards campaigning as core to its future vision for the Private Rented Sector and the Mayor's manifesto reflects this. Many of its calls to the government are now being introduced including repealing section 21 of the Housing Act 1988, which allows landlords to quickly evict tenants without having to give a reason and introducing a legally binding Decent Homes Standard for the Private Rented Sector.

Whilst we welcome this, we will continue to undertake lobbying alongside organisations such as London Renters Union, Generation Rent and Hackney Citizens. This is coordinated through the council-led "Better Deal for Renters" Campaign.



## 2: Increasing the supply of good quality, well managed, affordable homes in the Private Rented Sector

A key priority of our Housing Strategy 2024-2028 is to maximise the number of high-quality and genuinely affordable homes in the borough for all our residents, catering for people from a wide range of backgrounds and on different incomes. It is part of our **Poverty Reduction: Strategic Framework 2022-2026** and we very much see this including more homes for private renters. Our household survey confirmed that many households are living longer in the Private Rented Sector and more newly forming households are choosing to live in this sector, whilst many more have no other choice as property prices continue to rise.

The Council has long pushed for controls on rents to provide greater affordability for the borough's growing number of private renters, making the case to link rent increases to the rate of inflation and real changes in incomes through its #BetterDealForRenters Campaign.

**Currently, 32.4% of households in Hackney live in the Private Rented Sector. This represents 34,406 households. If this percentage was maintained, by 2039, Hackney would see 46,068 households living in the Private Rented Sector - that's 11,662 more than today.**

### Council delivery

Hackney already builds new Council housing to help meet demand and replace homes that are beyond repair. Our house building programme is not about luxury flats or overseas investors – it is about building genuinely affordable homes for those most in need of somewhere to live, with priority going to local people first. This has been through a cross-subsidy model, through which more than half of the homes the council have

built have been for genuinely affordable council social rent, shared ownership, or Hackney Living Rent, with the remainder sold outright to fund them in the absence of government funding.

The Council will establish the opportunity to develop good quality, well-managed shared housing, especially for younger single people such as care leavers and couples and as part of this we will explore the option of co-living. Co-living is a relatively new form of market rent that has been increasingly developed in many cities across the UK. Its distinctive approach meets younger renters' need for well-managed, good specification, studio accommodation with an added community dimension.

#### Over the lifetime of this Strategy, we will:

- Explore, with our planning department, co-living housing as an opportunity to increase the supply of homes in the borough.
- Continue to create innovative opportunities for development by considering the opportunity to repurpose council buildings, identify vacant and underused land and consider building options including modular build.
- Continue to work with partners to explore new ways to deliver new homes in the borough.

Land is in short supply in Hackney, and we will continue to create innovative opportunities for development by considering the opportunity to repurpose Council buildings, identify vacant and underused land and will consider all building options including modular build. We will ensure that private rented homes are delivered in

areas where new homes will be built including Shoreditch, Dalston and Hackney Central.

In order to deliver the homes Hackney needs, the Council will not only have to focus on its own build programme but must also work with housing providers and explore new ways to deliver affordable new homes that meet local need, against the backdrop of an increasingly uncertain housing market.

## Attracting investors

Our Local Plan includes the need to increase the supply of housing at rent levels affordable to the local population, particularly those on low incomes. It specifically references the recent growth of the Private Rented Sector and suggests Build to Rent schemes are ‘increasingly relevant’ as part of the wider housing mix where balanced with affordable housing provision.

**Build to Rent can raise the quality and options of private rented housing, contribute to the creation of well-designed, sustainable places, support labour market mobility by providing homes for people moving into areas for work and provide much needed Discount Market Rent, offering rent at different price points.**

Build to Rent is a property development that is designed for the rental market as opposed to long-term home ownership. Developments are managed by a single organisation with agreed management and property standards. Leases are longer than in the traditional Private Rented Sector and rent increases can be fixed.

A driving force behind the expansion of Build to Rent is the fact that it can attract institutional investment which is seeking a long-term income stream used to provide, for example, a return for pension funds or a revenue stream for councils. However, the Build to Rent market has not matured in Hackney in the same way as many other London authorities and as a sector offers limited options.

## We therefore will:

- Plan to proactively secure investment into Hackney and will be developing a commercial evidence base to help to secure investment and promote Hackney as a place to invest through our planning system.
- As well as institutional investors we are also looking to work with our housing association partners to develop a delivery and management model for their Private Rented Sector stock, with a focus on how new delivery can be affordable to local incomes.

## Increasing access to the Private Rented Sector

Our [Homelessness and Rough Sleeping Strategy 2023-26](#) recognises the important role that the Private Rented Sector can play in providing settled homes for people who are homeless or at risk of homelessness. Increasing access to the number of Private Sector homes which we can use to do this is critical if we are to reduce our reliance on temporary accommodation and provide stable and secure homes for people.

This is challenging, with the significant demand for Private Rented homes and increasing rent levels, landlords can ‘pick and choose’ tenants, taking advantage of higher rent levels than are payable by tenants who are reliant on Local Housing Allowance (LHA). The Council needs to find new ways of securing access to the Private Rented Sector and we will consider every potential option.

## Over the lifespan of this strategy, we will:

- Research best practice elsewhere and consider new ideas of our own in conjunction with landlords.
- Consider the opportunity to work with property owners, who have moved into long term residential care and whose home is vacant. We will work with their families to lease their house to us in return for guaranteed rent for a fixed period. We will manage tenants and

maintain the property, providing much needed accommodation for the Council.

- Anecdotal evidence suggests that some landlords are choosing to leave the sector altogether and so we are planning to intervene to ensure that these homes remain in the Private Rented Sector and are sold to accredited landlords. We will be consulting with landlords to identify those that want to extend their portfolios and consider financial models to enable them to do so.
- Where landlords work with the Council to offer property in the Private Rented Sector we will consider:
  - Council tax holidays when properties are empty.
  - Loans to undertake improvement work, secured against future rent.
  - Rent guarantees over and above LHA levels through considered and effective use of Discretionary Housing Payments.
  - Council acting as property guarantor.
  - Up front rent payments.
  - Additional support for tenants as tenancies start.

### 3: Ensuring that housing standards and living conditions in the sector contribute towards better health outcomes for all

**Good quality housing is essential for everyone's health and wellbeing; safe and sustainable housing can support good physical and mental health, reduce fuel poverty, decrease carbon emissions, reduce hospital admissions, and help people live independently for longer.**

Poor housing is a driver of poor health and of pervasive and growing health inequalities. Housing also has a huge influence on mental health and wellbeing. Affordability has a major impact on an individual's ability to keep homes warm and how people travel to work and maintain social connections. As well as physical housing conditions, environmental blight and anti-social behaviour can all influence the way people feel about where they live.

#### Sharing intelligence to targeting resources

Within the Private Rented Sector the worst criminal landlords operate under the radar, renting out a house per room, often using all space such as kitchens, cellars and corridors as sleeping accommodation.

Tenants in these properties are vulnerable, often undocumented residents who do not have the right to rent in the UK and are extremely unlikely to contact the authorities for assistance. This is especially so for owner-occupiers who may not consider the Council can support them where they are coping with significant disrepair or squalid living conditions that they are unable to rectify themselves. Poor quality or unsuitable accommodation can also prevent people living independently in their home for longer and force unnecessary displacement, away from familiar surroundings.

**It is important that we get the best outcomes for our tenants and residents by reducing inequality and narrowing the gap in quality of housing across tenures. We can achieve this by partnership working and tackling challenges through positive collaboration.**

During the lifespan of this Strategy, we will work with colleagues across the Council and other public sector agencies to collate a range of data that can be viewed from all property levels. This will be collated with private sector developed indices that predict certain activities and tenures which will provide profiles to assist the council to identify potential locations to target their enforcement action and as part of this have a vulnerability index for people and the likelihood that services may be required.

#### Making Every Contact Count

**The Council's Community Strategy 2018-2028** recognises the importance of multi-agency working in the borough to jointly make Hackney a fairer, safer and more sustainable place for everyone, and to protect Hackney's open, inclusive community spirit for future generations. We want to ensure that our residents in the private sector have access to support and are empowered to report their concerns.

**Creating a portal for reporting and discussing information will help to develop a more robust working relationship with these departments and organisations. Whilst it will occasionally 'find' a very serious breach of housing standards or management practices, its primary focus is to deal with 'low level' problems quickly, before they create major problems for people.**



During the lifetime of this Strategy, we will support officers from both the Council and its partner organisations to be able to report concerns by introducing a Triage Service, designed as a portal for professionals to report and discuss housing issues and explore potential solutions with housing colleagues. Its focus will be for Adult Social Care, Children’s Services, the NHS trusts, Public Health, and the police who are regularly visiting clients’ homes. If staff are trained to spot anomalies and then empowered to report it, officers can build up a picture of concerns and action accordingly.

## Health and safety at home for longer

**Living in homes that are well maintained and safe is a prerequisite for living well. Improving health and safety in existing homes will have a significant impact on people’s ability to remain living at home for longer.**

The Council offers a comprehensive adaptations service and recognises that investment in future proofing existing housing stock with relatively low-cost adaptations such as small ramps, grab or handrails, small steps to entrances or moving power sockets can be an effective way of meeting people’s housing needs.

### We will therefore:

- Explore financial options including equity loans to improve the health and safety of people by increasing levels of decency.
- Promote wider use of minor adaptations to enable people to live well at home for longer, this may include:
  - Hospital discharge grant – funding for urgent adaptations, repairs, or modifications that will allow someone to be discharged from hospital sooner.
  - Dementia grants – small grants to fund modifications that would allow someone with a diagnosis of dementia to remain living safely in their home for longer.
  - Smart Home Kits – such as a smart

thermostat to control heating and hot water, video doorbell, smart switches, smart light bulbs, and an Alexa or Google Home for voice or other assistive technology grants.

## Affordable Warmth and fuel poverty

**Life in Hackney can be a very different experience, depending on who you are and what resources you have. Despite visible affluence, there remains a high proportion of residents who live on low incomes.**

A home should be warm and comfortable and provide a healthy and welcoming environment that promotes well-being. Fuel poverty is influenced by three factors: a person’s income, the price of fuel and the thermal efficiency of their home. Whilst the Council can signpost residents to increase benefit uptake and advice, it cannot influence a person’s income or the price of fuel. However, the Council recognises the need to improve thermal comfort and reduce energy costs through a range of initiatives.

The Private Sector Housing Grants Policy enables the Council to assist vulnerable residents in private rented accommodation through Warmth and Security Grants and to offer Empty Homes Grants and other assistance, should demand rise.

### We will:

- Continue to seek external funding opportunities to provide energy efficiency measures for both rented for privately owned homes.
- Continue to work with national and local partner agencies to develop referral pathways into specialist support services when a customer with additional needs has been identified.

### **Between them, our partner agencies offer support with:**

- Income maximisation
- Applying for free or low-cost insulation and other energy efficiency improvement
- Using heating systems in the best way to reduce cost and waste
- Paying for fuel – finding the best tariff and switching companies
- The Warm Home Discount and Priority Service Registers
- Fuel debt advice and support, improving energy efficiency and providing emergency heaters
- Access to crisis fuel voucher support
- Renewable energy advice, such as solar pv, solar thermal, heat pumps; and the ways to make them pay

## **Supporting people to live well at home**

The **Ageing Well Strategy 2020-25** has a vision where Hackney is committed to being an age-friendly borough and for Hackney to be a great place to live and grow old in. Older residents in Hackney want to feel empowered, informed, valued and supported; through age-friendly communities and services and specialist care if the need arises’.

The most recent household survey confirmed that the Private Rented Sector is generally home to households under 55. However, it also confirmed that 7% (over 2,400) of privately rented households have a head of household aged 55 years and over. The survey also confirmed that people are living in the Private Rented Sector for longer, with 6.5% of tenants having lived in their current home for over 10 years. With few alternative options, it is likely that many tenants will reach retirement age in the Private Rented Sector and are likely to have far fewer options to age in place than other tenures.

Landlords may not understand the longer term needs of their tenants and may not wish to adapt their property, meanwhile households are unlikely to be able to afford to buy their own home and therefore may be living in homes that are not suitable for their needs. Evidence confirms that for households to remain living at home, the highest level of need is help with repairs and maintenance, help with cleaning the home and other practical tasks.

### **We understand the importance of supporting older tenants in the Private Rented Sector and will explore options that:**

- Better inform and advise landlords of the challenges for older people living in unsuitable properties and the potential support landlords can offer.
- Provide better information and access to affordable warmth measures and how to secure them into their properties.
- How to link isolated tenants into community support services.
- Provide specific training to enable landlords to support tenants as they age in place and educate landlords to be Dementia Friendly and aware of how to sign post tenants to support services.
- Encourage take up of Disabled Facilities Grants by offering a commitment to either support landlords to find tenants requiring adaptations in the future, or to remove adaptations and return the property to its current state.
- The Council will also explore the opportunity to enable people who own their home to use equity in their home to support (low-level handyperson) costs. Many councils have a long and successful track record in offering similar ethical financial options and in this case, a charge would be placed on an owner’s home and repaid when the home was sold. This and other options will be considered jointly with Adult Social Care.

# 4. Ensuring that the Private Sector promotes equality and a sense of pride for people living in Hackney

It is important that all our neighbourhoods are welcoming and safe and that people are invested in their homes and neighbourhoods. Studies have shown that neighbourhoods with stable, quality housing tend to have lower crime rates. This is because well-maintained properties and engaged communities discourage criminal activity. Ensuring that all individuals have access to good quality housing, promotes a more socially equal society, where our residents can celebrate their identities. It helps level the playing field, reducing disparities in opportunities and outcomes.

A significant factor in neighbourhood decline is where locations attract more transient occupation and where rooms or properties are let out on a short-term basis. Whilst this type of accommodation meets the housing needs of some in our community, a proliferation of more transient short-term living makes it less likely that people will form connections to their local area and feel any ownership or investment in it. A high turnover of tenancies can also lead to a decline in standards, and an outward migration of more established residents. This can impact the desirability of properties and locations and may influence tension between more settled and more transient residents.

## Bringing empty homes back into use

Empty homes can lead to deterioration and attract criminality and community tension. Keeping the numbers and clusters of empty homes to a minimum is essential if we are to sustain healthy and thriving streets and estates. We already utilise the ability to charge empty property council tax premium and we are considering different options to enable homes to be brought back into use.

**There are currently 2,381 empty homes in Hackney. Bringing these homes back into use can provide much needed housing.**

**To decrease the number of empty homes in the borough, over the next 5-years we will explore options such as:**

- The potential for a new bespoke product to provide repayable grant assistance for first-time buyers to purchase long-term empty homes at the lower end of the housing market.
- The Council to act as guarantor on the mortgage to support first-time buyers to take on a property and provide equity loan funding to support improvements.
- Provide repayable deposit funding to secure a mortgage.
- Consider alternative options such as purchase and repair (to a mortgageable standard) by the Council. Properties could then be offered for sale to first time buyers, potentially with an equity loan in place to support lower-level purchase and enable the Council to share in future potential property value uplift.

## Short Term Lets

Over the last ten years there has been a huge growth in online platforms which facilitate the short-term letting of rooms or whole domestic properties as an alternative form of visitor accommodation. As demand has grown, the marketplace has developed and professionalised, evolving alongside residents renting out spare rooms towards a more professional entire property model, increasingly dominated by landlords.

The proliferation of short-term lets risks reducing the size of the Private Rented Sector. An increase in short-term and holiday lets also reduces the number of homes for people to purchase which increases house prices as supply is reduced.

**Over the lifetime of this Strategy, the Council will therefore:**

- Lobby for Local Authorities to have the power to regulate this sector under the new Levelling Up and Regeneration Act, which mandates a licensing scheme for short-term lets.
- Review the challenges faced in Hackney and identify a range of interventions that we can make to ensure that this growing sector is better managed. Our research will help us to understand how the market is operating, the quality and satisfaction of those in the market and pricing
- Review the potential benefit for a Considerate Short-Term Letting Charter. This will define parameters and set out best practice for property owners, managing agents and hosts active within this market, emphasising the shared responsibility of them and their guests.

## Supporting energy efficiency standards in Private Homes

Taking into consideration sustainability and the long-term implications on our environment; we will ensure we support council wide action on carbon reduction in all housing tenures across the borough; and continue to engage with residents, businesses, and organisations to encourage them to share ownership of our **Climate Action Plan 2023-30** and to jointly make the changes that will be required to achieve carbon neutrality.

Those living in deprived areas in the least energy-efficient homes are likely to be those living in fuel poverty. This can contribute to poor health outcomes for residents, the deterioration of general standards and broader housing instability. The energy efficiency of a dwelling depends on the thermal insulation of the structure, on the fuel type, and the size and design of the means of heating and ventilation.

Any disrepair or dampness to the dwelling and any disrepair to the heating system may affect efficiency.

Under the Energy Act 2011, from 2018, landlords have had to ensure that their properties meet a minimum energy efficiency standard of E. However, the minimum EPC rating is to be raised from E to C from 1 April 2025 for new tenancies, and from 1 April 2028 for existing tenancies.

36.4 % of properties in the Private Rented Sector do not meet EPC level C. This compares to 29 % in the owner-occupied market. We are planning to undertake research to better understand how landlords plan to meet this increased EPC rating and the potential barriers they face. We will then develop a range of interventions, such as offering loans to landlords who are accredited and licensed, to provide support to ensure homes are improved and retained in the Private Rented Sector.

**We will also support vulnerable homeowners to improve the energy efficiency of their home by:**

- Promoting energy efficiency and warm homes schemes in private housing.
- Support the retrofitting of existing properties to make sure they protect residents from the harmful effects of climate change and that carbon emissions are reduced.
- Supporting landlords to make homes more energy efficient and explore working with RPs to assist with retrofitting homes.
- Explore financial incentives and loans for providing financial interventions for landlords and owners to improve energy efficiency in their properties.

This strategy document sets out the Council's priorities for the next 5 years. A delivery plan will represent the key mechanism for ensuring accountability through a clear monitoring arrangement.



# Endnotes

- <sup>1</sup> Hackney Strategic Housing Market Assessment, 2023
- <sup>2</sup> Community consultation on Housing Priorities for Hackney, 2023
- <sup>3</sup> Hackney Stock Condition Survey, 2018
- <sup>4</sup> Hackney Household Survey, April - May 2023