

Engender response to the Scottish Parliament Local Government and Communities Committee on the Fair Rents (Scotland) Bill

December 2020

1. INTRODUCTION

Engender is Scotland's feminist policy and advocacy organisation, working to secure women's political, economic and social equality with men. Our aspiration is for a Scotland where women and men have equal access to rights, resources, decision-making and safety.

Access to affordable and adequate housing is profoundly gendered and intrinsically linked to women's poverty.¹ Women in Scotland are more likely to pay a higher proportion of their income in rent than men, are less able to access adequate standards of housing, more likely to live in overcrowded housing or poor conditions, and are more vulnerable to housing insecurity.² These experiences are being compounded by increasing costs of rent in the private rented sector, inadequate provision of social housing, and UK Government austerity measures and cuts to social security.

Engender therefore welcomes this opportunity to respond to the Scottish Parliament Local Government and Communities Committee consultation on the Fair Rents (Scotland) Bill. We welcome the Bill and support its general principles; recognising that it represents a first step to make rent more affordable for women in the Scottish private rented sector. However, it is our view that the Bill could go further and address the widening gaps between women's incomes and the amount women spend on rent.

¹ Engender (2020) A Woman's Place: Gender, Housing and Homelessness in Scotland. Available at: <https://www.engender.org.uk/content/publications/A-WOMANS-PLACE---GENDER-HOUSING-AND-HOMELESSNESS-IN-SCOTLAND.pdf>.

² Engender (2020) A Woman's Place: Gender, Housing and Homelessness in Scotland.

A note on Engender's engagement with housing policy

In March 2020, Engender published our report *A Woman's Place: Gender Housing and Homelessness in Scotland*, which sets out the international context on the right to housing, summarises key issues for women's equality across housing and homelessness policy, and explores the extent to which the legislative and policy landscapes in Scotland are gendered. We are also a member of the Scottish Government working group on improving housing outcomes for women and children experiencing domestic abuse, as well as a Ministerial group of gender experts convened to look at broader issues around women's housing and homelessness. Housing is a relatively new area of work for Engender, and so we have elected to approach this consultation by first foregrounding why housing is a gendered issue and an important one for women's equality and rights. We then answer the consultation questions that are most relevant to our expertise.

2. WOMEN'S EXPERIENCE OF HOUSING

Women's disadvantaged position in the labour market, which sees them pushed into part-time, precarious and/or low-paid employment, directly impacts women's access to housing. On average, women have lower incomes and less capital than men (which partly explains why they are less likely to be designated as 'heads of households', or household reference persons, within data). Women in the UK are also twice as dependent on social security payments as men, and women in Scotland dominate the Housing Benefit single payment.³ As a result of this income inequality, women heads of household, lone parent households, and households made up of women living alone are predominantly renters, and tend to be overrepresented in less advantageous housing circumstances on the private market.⁴ Almost half of single mothers in the UK fall below the poverty threshold after housing costs.⁵ Other groups of women who are significantly more likely to experience housing instability, poor housing and homelessness are Black and minoritised women, disabled women, refugee women, women who have been in the criminal justice system, transgender women, older and younger women and women who sell sex.⁶

In 2015/16, women heads of households were more likely than male counterparts to live in overcrowded homes, less likely to live in homes with one or more spare bedrooms, and slightly more likely to be dissatisfied with the areas they lived in or feel

³ Engender (2020) Gender, Housing and Homelessness: A Literature Review.

⁴ Engender (2020) Gender, Housing and Homelessness: A Literature Review.

⁵ Engender (2020) *A Woman's Place: Gender, Housing and Homelessness in Scotland*.

⁶ Engender (2020) *A Woman's Place: Gender, Housing and Homelessness in Scotland*.

that noise, litter and crime were problems in their neighbourhoods.⁷ As such, women are generally paying a greater share of their income than men to live in less favourable housing conditions. Data from England illustrates that women in the private rented sector spend an average of 55% of their income on rent, compared with 36% for men.⁸ There are no data that suggest women in Scotland have a different experience. This far exceeds the threshold of housing affordability,⁹ and leaves women with considerably less disposable income, less financial security, and makes it more difficult or impossible for women to save for a deposit or obtain a mortgage. The UK Women's Budget Group estimates that by the time people reach their late 60s in the UK, the median man has £100,000 more wealth than the median woman.¹⁰ This is primarily due to differences in homeownership rates and underlines the significance of property as a key source of wealth inequality. The transferral of large amounts of rent from low-income women renters to more wealthy, predominantly male landlords,¹¹ is a driver of this wealth gap.

Women have distinct housing needs because of their generally lower incomes, caring roles, and greater risk of men's violence and domestic abuse. Women are particularly at risk of homelessness if a relationship breaks down, and financial exclusion from much of the private rented sector makes it more difficult to leave an abusive relationship.¹² Despite this, policy recommendations regarding private sector housing in the UK have historically contained little, if any, specific gender analysis or consideration of women's specific needs.¹³

3. FAIR RENTS (SCOTLAND) BILL

Much of the housing safety net has been eroded since 2010, during a time where rent costs in the private rented sector are often far exceeding inflation. Average private sector rents for two-bedroom properties in Lothian and Greater Glasgow have risen at around double the rate of inflation between 2010 and 2019: 46.3% in Lothian and

⁷ UK Women's Budget Group (2020) Housing and Gender: A pre-budget briefing from the UK Women's Budget Group. Available at: <https://wbg.org.uk/wp-content/uploads/2020/02/final-housing-2020.pdf>.

⁸ Engender (2020) A Woman's Place: Gender, Housing and Homelessness in Scotland.

⁹ Households spending more than one third of their income on housing are often considered to be in 'unaffordable' housing. See UK Women's Budget Group (2020), Housing and Gender.

¹⁰ UK Women's Budget Group (2018) Housing and gender: Briefing from the UK Women's Budget Group on the gender impact of changes in housing policy since 2010.

¹¹ Data on the sexes of landlords is not routinely collected in Scotland, and we make this recommendation later in the consultation response.

¹² UK Women's Budget Group (2018) Housing and Gender: Briefing from the UK Women's Budget Group on the gender impact of changes in housing policy since 2010.

¹³ Engender (2020) A Woman's Place: Gender, Housing and Homelessness in Scotland.

38.3% in Greater Glasgow.¹⁴ There is consequently an urgent need to address the increasingly unaffordable housing costs in much of the private rented sector.

Engender therefore welcomes the Fair Rents Bill, which we view as a positive step towards more affordable rent costs for women in the private rented sector.

2. Section 1 of the Bill prevents a landlord of a private residential tenancy from increasing rent in any year by more than the Consumer Price Index plus 1%. Do you agree with this? Section 1 also gives the Scottish Government a power to vary the cap by order. Do you agree with this?

Partially agree.

Because of income disparities between women and men, women are likely to disproportionately benefit from a rent cap. However, we are concerned that rent costs will still be unaffordable for many women even with this cap, particularly in regions where market rental prices are already high.

3. Section 2 allows a tenant in a private residential tenancy to apply to have a “fair open market rent” determined by a Rent Officer. Do you agree with section 2?

Yes.

We agree with the Bill’s proposal to allow tenants in private residential tenancies to apply to have a “fair open market rent” determined by a Rent Officer and welcome the inclusion of new criteria for determining this. We also strongly support the Bill’s proposal that a tenant appealing their rent cannot have their rent raised by rent officers and the First-Tier Tribunal.

Section 2 relies on both market rental values and the quality of the property in determining what constitutes a “fair open market rent”. Whilst the addition of the latter criteria is a positive step, Engender is still concerned that this does not go far enough to address affordability. We would invite the Committee to consider bolder action here that redresses the widening gap between women’s incomes and the amount women spend on rent. This might involve taking individual or local average incomes into account when deciding what constitutes a fair rent. Living Rent, the Institute for Public Policy Research and the Joseph Rowntree Foundation have outlined

¹⁴ Scottish Government (2019) Private Sector Rent Statistics, Scotland, 2010-2019. Available at: <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2019/11/private-sector-rent-statistics-2010-2019/documents/private-sector-rent-statistics-scotland-2010-2019/private-sector-rent-statistics-scotland-2010-2019/govscot%3Adocument/private-sector-rent-statistics-scotland-2010-2019.pdf>.

rationales and methodologies for such approaches to housing.¹⁵ While we agree broadly with these approaches, it is essential that any implementation explicitly considers gendered differences in income and other relevant factors.

Section 13 of the policy memorandum states that ‘market forces should prevent a landlord from setting an initial rent unreasonably high.’¹⁶ We feel that this is an inadequate response to the challenges faced by low-income women and other marginalised groups to afford rental costs, as women tend to be disadvantaged where access to housing is largely determined through the market.¹⁷ An unreasonably high rent might better be determined by affordability.

5. We welcome any other comments you may have on the Bill that you think are relevant and important, including its likely impact (positive or negative) on equalities, human rights and quality of life issues.

Engender supports the intention of Section 3 of the Bill to collect additional information on the Scottish Landlord Register. Where data on the number of occupiers is collected, we would strongly encourage that the sex of occupiers is also collected. The Scottish Government is currently lacking gender-sensitive sex-disaggregated data that captures women’s experiences of housing, and this would make a positive contribution to filling that gap. The Committee should explore the extent to which data on other characteristics could be collected and would enable intersectional analysis to unpick the specific experiences of distinct groups of women.

It would also be useful for the Scottish Landlord Register to collect landlords’ demographic data, and for this data to be made publicly available in statistical form. Property ownership is a main source of wealth accumulation and wealth inequality, and this data would indicate how many men and women can afford multiple properties, compared to how many men and women are renting.

¹⁵ Living Rent (2020) ‘Living Rent calls for “Proper Rent Controls to Protect Scotland’s Tenants.”’ Available at: https://www.livingrent.org/living_rent_calls_for_proper_rent_controls_to_protect_scotland_s_tenants; IPPR (2020) Renting Beyond Their Means? The role of living rent in addressing housing affordability. Available at: http://www.nationwidefoundation.org.uk/wp-content/uploads/2020/06/1593455078_renting-beyond-their-means-june-20.pdf; JRF, National Housing Federation and Savills (2015) Living rent methodology. Available at: http://pdf.savills.com/documents/Living_Rent_Methodology.pdf?_ga=1.123272841.345168137.1430233577.

¹⁶ Fair Rents (Scotland) Bill: Policy Memorandum. Available at: <https://beta.parliament.scot/-/media/files/legislation/bills/current-bills/fair-rents-scotland-bill/introduced/policy-memorandum-fair-rents-scotland-bill.pdf>.

¹⁷ UK Women’s Budget Group (2018) Housing and Gender: Briefing from the UK Women’s Budget Group on the gender impact of changes in housing policy since 2010.

We have highlighted our view that the Bill will have a positive impact on women's equality and rights. We reiterate our earlier points, though, that the Bill could take a bolder approach when assessing the rental value of a property.

CONCLUSION

The Bill represents a positive step towards increasing housing affordability in the private rented sector, and strengthening the protections afforded to tenants. This can only be advantageous for women, and particularly Black and minoritised and disabled women, who are overrepresented in poor housing conditions and pay a greater share of their income on rent than men.

However, Engender's view is that the Bill could go further to ensure that adequate housing is accessible for all. In particular we recommend that criteria for a fair rental price incorporates the needs of low-income women. We have also advocated for the increased collection of sex-disaggregated data to enable a fuller picture of women's experiences in the private rented sector.

FOR FURTHER INFORMATION

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ABOUT US

Engender is a membership organisation working on feminist agendas in Scotland and Europe, to increase women's power and influence and to make visible the impact of sexism on women, men and society. We provide support to individuals, organisations and institutions who seek to achieve gender equality and justice.