



UK Mission
Geneva

30 June 2020

Leilani Farha
UN Special Rapporteur on Adequate Housing
Special Procedures Branch
Office of the High Commissioner for Human Rights
United Nations Office at Geneva
CH-1211
Geneva 10
Switzerland

**From the Permanent
Representative**

58 Avenue Louis Casati
1216 Cointrin
Switzerland

Tel: +41 (0) 22 918 2325
Fax: +41 (0) 22 918 2344
www.ukungeneva.fco.gov.uk

By email to registry@ohchr.org; rcortesao@ohchr.org; ecroset@ohchr.org

Dear Special Rapporteur,

Communications AL GBR 1/2020 and AL GBR 2/2020 from the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

Please find attached two responses from the United Kingdom of Great Britain and Northern Ireland, further to the letters dated 27 April and 29 April 2020 from the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context.

Yours ever,

A handwritten signature in blue ink, appearing to read 'JNBraun'.

JULIAN BRAITHWAITE CMG

ANNEX

Response of the Government of the United Kingdom of Great Britain and Northern Ireland to AL GBR 1/2020, dated 27 April 2020, from the UN Special Rapporteur on adequate housing.

Note: Housing is a devolved matter in the United Kingdom. Akelius Residential only operate in England, hence replies to questions refer to policy in England only, unless otherwise stated. A full comparison of private rented sector policies in England, Wales, Scotland and Northern Ireland can be found [here](#)¹.

1. Please provide any additional information and any comment you may have on the above-mentioned allegations.

The private rented sector is the second largest tenure in England, comprising 4.6 million households. Although Akelius Residential are a large multinational corporate landlord, they are responsible for a very small proportion of privately rented homes in the United Kingdom and their portfolio within the United Kingdom is entirely based in London. The private rented sector in the United Kingdom has changed dramatically over the last 30 years, housing proportionately more families and older people. The vast majority of landlords provide safe, secure, and affordable homes for their tenants. Data from the most recent English Housing Survey² shows that the majority of private renters in England (84%) were satisfied with their current accommodation.

In recent years, the Build to Rent market, in which we would consider Akelius Residential operates, has grown considerably from an almost non-existent base. Build to Rent is purpose built, institutionally owned, and professionally managed rental stock. The Government of the United Kingdom strongly supports this expansion, as it boosts housing supply and diversifies the private rented sector. Overall, Build to Rent increases quality and choice for renters in cities and towns across the country. We want good quality Build to Rent to continue to grow and make a significant contribution to housing supply.

Affordable housing is a top priority for the Government of the United Kingdom, and we believe that the key to improving affordability for tenants is to build more homes for rent. The Government does not believe that controlling rents will result in a better private rented sector. The history of privately rented accommodation shows that rent controls risk restricting investment, which can worsen property conditions.

¹ <https://commonslibrary.parliament.uk/research-briefings/cbp-7624/>

² <https://www.gov.uk/government/collections/english-housing-survey>

Tenants in the United Kingdom are protected from retaliatory eviction through the Deregulation Act 2015, and the law is very clear that no tenant should be asked to leave their home just because they have raised concerns about the standards or safety of the property.

The Coronavirus Act 2020 delays when landlords are able to evict tenants. On Friday 5 June 2020 we announced that the current suspension of evictions from social or private rented accommodation will be extended by 2 months until 23 August 2020. This means that no action to evict a tenant will proceed before 24 August 2020. The emergency measures in the Coronavirus Act, which require landlords to give at least 3 months' notice to evict tenants, are unaffected by this and will remain in place until 30 September 2020.

Over recent years, the Government has introduced a series of legislative measures to reform the private rented sector. These are explained under point 2 below. We recognise there is more to do to and, as announced in the Queen's Speech³ in December 2019, we will soon introduce a package of reforms to deliver a fairer and more effective rental market. This will continue to improve the lives of tenants.

The Renters' Reform Bill will enhance renters' security and improve protections for short-term tenants by abolishing 'no fault' evictions and removing Section 21 of the Housing Act 1988. This represents a generational change in the law that governs private renting, so landlords would always have to provide a reason for ending a tenancy, such as breach of contract or wanting to sell. This will provide tenants with more stability, protecting them from having to make frequent and short notice moves, and enable them to put down roots and plan for the future.

Alongside this, we will continue to develop and implement measures to widen access to and expand the scope of the database of rogue landlords and property agents, giving greater powers to drive improvements in standards, and empowering tenants to make an informed choice about who they rent from.

2. Please provide detailed information on any legislative measure, including with respect to tax laws, or laws governing companies that operate through tax havens or any other measures taken by the Government to prevent the negative human rights impact of the financialisation of housing.

Since 2012, the Government has taken a number of steps to ensure that corporate purchasers pay their fair share when buying property. In 2012, the government introduced a rate of 15% Stamp Duty Land Tax for corporate purchases of residential property and in 2013 introduced the Annual Tax on Enveloped Dwellings, an annual

³ The Queens Speech forms part of the State Opening of Parliament. It sets out the programme of legislation that the Government intends to pursue in the forthcoming parliamentary session.

charge on companies owning residential property occupied by persons connected with that company. These measures had raised £1.3bn by the end of March 2019.

To contribute towards the Government's objective of ending rough sleeping we will introduce a 2% non-UK resident Stamp Duty Land Tax surcharge from 1 April 2021. The surcharge will also help control the inflation of house prices, benefitting people looking to buy their first home or move up the housing ladder.

The surcharge will apply to non-resident companies purchasing residential property as well as non-resident individuals. The revenue raised by the surcharge, over £100m per year, will be used to tackle rough sleeping.

Analysis certified by the Office of Budget Responsibility (OBR) suggests that over its first four year the surcharge will help 11,000 residents of the United Kingdom get onto, or move up, the housing ladder, as properties that would otherwise be purchased by non-residents are instead bought by residents of the United Kingdom.

Additional measures taken by the Government to improve affordability for tenants in the private rented sector include: banning letting fees paid by tenants, capping tenancy deposits, and supporting landlords and tenants agree appropriate rent increases through the free-to-use model tenancy agreement.

The Tenant Fees Act⁴ came into force on 1 June 2019, banning unfair fees and capping tenancy deposits. Fees previously charged for renewals, administrative costs, inventory, and credit checks are now banned, unless they are specified in an existing tenancy agreement signed before 1 June 2019. The Act introduced a cap on tenancy deposits of five weeks' rent where the annual rent is less than £50,000 and a cap of six weeks' rent where it is over this threshold. It also capped holding deposits at one week's rent. The provisions in the Act will benefit up to 4.5 million private renting households, and will save them an average of £70 per year.

To enforce the Tenant Fees Act, the Government has established a new lead enforcement authority for letting agents. The National Trading Standards Estate and Letting Agency Team received over £1m in funding for the financial year 2019-20 to support local authorities around the country in tackling rogue agents.

The Government has also made membership of a client money protection scheme mandatory for letting agents to ensure that each and every agent gives tenants and landlords the financial protections that they need. As of the end of December 2019, nearly 10,000 agents had joined an approved client money protection scheme and in total these schemes protect £3.4 billion worth of client money.

As part of our response to Covid-19, the Local Housing Allowance⁵, the rate used to calculate housing benefit for tenants renting from private landlords, has been increased so that it is set at the 30th percentile of market rents in each area. This will

⁴ <http://www.legislation.gov.uk/ukpga/2019/4/contents/enacted>

⁵ <https://www.gov.uk/guidance/local-housing-allowance>

help tenants who receive government housing support payments to continue to afford to pay their rent and avoid eviction during these unprecedented times.

Local authorities have strong powers under the Housing Act 2004⁶ to require landlords to keep their properties free from hazards, as assessed using the Housing Health & Safety Rating System. The Government introduced civil penalties of up to £30,000 as an alternative to prosecution, and Rent Repayment Orders, which require a landlord to repay a specified amount of rent to a tenant and/or local authority where there has been, for example, an illegal eviction or failure to comply with a statutory notice.

In order to prevent the most serious offenders from letting properties, the Government introduced banning orders and a database of rogue landlords and property agents as part of the Housing and Planning Act 2016. Both the banning orders and the database went live on 6 April 2018. In its current form, the database is used as an enforcement tool for local authorities. It enables local authorities to record and share information about, and target enforcement action against, rogue landlords and agents. Local authorities must record details on the database of landlords and property agents who are banned from operating as a landlord or agent, and at their discretion may add those who are convicted to banning order offences or who have received two or more civil penalties for housing offences in a 12 month period.

As part of the Renters' Reform Bill, the Government intends to bring forward proposals to widen access to the database of rogue landlords and property agents, and expand the scope of the offences contained within it. The Government is currently analysing responses to the 2019 consultation on these reforms and will publish a response in due course.

The Government recently took further action by giving tenants the power to sue unscrupulous landlords who refuse to keep their property fit for human habitation through the Homes (Fitness for Human Habitation) Act 2018⁷. Landlords must make sure their property is free of hazards which are so serious that the dwelling is not reasonably suitable for occupation. Most landlords take this responsibility seriously. When a landlord fails to do so, the tenant now has the right to take action in the courts for breach of contract on the grounds that the property is unfit for human habitation.

As mentioned above, when a tenant makes a genuine complaint about the condition of their property that has not been addressed by their landlord and the local authority has served either an improvement notice or a notice of emergency remedial action, a landlord cannot evict that tenant for six months using the Section 21 eviction procedure. This is in addition to strong legal protections which tenants have against harassment and unlawful eviction.

⁶ <http://www.legislation.gov.uk/ukpga/2004/34/contents>

⁷ <http://www.legislation.gov.uk/ukpga/2018/34/enacted>

3. Please provide detailed information on any investigation undertaken on the business practices of Akelius United Kingdom and their impact on the human right to housing of residents in buildings owned by the company.

Nationally set standards in the private rented sector are enforced by local authorities through the civil penalties, court actions, and banning orders outlined above.

Akelius Residential is a member of the Property Ombudsman⁸, which provides an avenue for consumers to seek alternative dispute resolution where they have a complaint which the company fails to resolve to their satisfaction. We are aware that a complaint against Akelius to the Property Ombudsman is currently being considered. The Property Ombudsman is independent of Government, and the UK Government is not involved in this complaint.

⁸ <https://www.tpos.co.uk/>