

Evaluation of Rent Smart Wales – RHE Global commissioned by Welsh Government

Response from Propertymark

June 2024

Background

1. Propertymark is the UK's leading professional body for estate and letting agents, property inventory service providers, commercial agents, auctioneers and valuers, comprising over 18,000 members representing over 12,800 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.¹

Overview

2. The Welsh Government has commissioned RHE Global to undertake an evaluation of Rent Smart Wales (RSW). The review includes an online survey to landlords, agents and tenants as well as a series of in person workshops. As part of the review, a survey has been published aimed directly for landlords and property agents and seeks to understand their experiences, their challenges, and any impact RSW has had on their operations and business practices. Propertymark has met with several letting agents in Wales and have performed structured interview to gain a further understanding of their views and the impact Rent Smart Wales has had on their business.

General

3. Propertymark welcomes the review of RSW, which was something we have called for in several Welsh Government consultations, and in our recent oral submission on the review of the Private Rented Sector for the Senedd's Local Government and Housing Committee. While we acknowledge the achievements of Rent Smart Wales in improving regulation and standards in the Private Rented Sector in Wales, we also think there is room for improvement:

- **Greater scrutiny** - RSW should be open to more scrutiny from the Senedd, should improve its openness and transparency and should be working towards a strategic document to highlight the extent of their achievements. Currently, RSW is only subject

¹ <https://www.propertymark.co.uk/>

to random scrutiny, but it should be ongoing and part of the Local Government and Housing Committee's regular business.

- **Strategy and greater transparency** - RSW should implement a strategy with performance indicators to highlight how effectively they are achieving the aims of their strategy. Furthermore, greater financial transparency of the money raised from licensing is needed to give landlords and agents more confidence. This should be done via annual reporting.
- **Tackling unregistered landlords** - some members disclosed that in their work as a property agent, they often encounter landlords who have not registered with RSW. However, they are not able to report landlords to RSW as it would be detrimental for their business resulting in the self-policing of registration being ineffective. The result of unregistered landlords can lead to a failure to improve standards, non-compliance with legislation and tenants having difficulty getting landlord references. It was felt that of those landlords who evade registration often fall into two camps. On the one hand, there are some landlords who are negligently not registering to save money and there are others who are not aware of the necessity to register. While there will inevitably always be some landlords who avoid registration and continue to operate under the radar, a large proportion could have been successfully registered if it was incumbent on agents to register any landlords that operate with them.
- **More awareness needed amongst tenants** - RSW is still largely not understood by tenants. In order for RSW to be effective, they should consider improving the awareness of RSW as an organisation and their aims with tenants and tenant groups.

Impact on agents' businesses

4. Agents that we interviewed, told us that RSW had little impact on their business in terms of finances and interaction with tenants. However, all members agree that RSW was a positive force in improving the regulation of the PRS in Wales and in this regard, Wales was in an advantageous position over the sector in England where other than local authority licensing there is no registration scheme. Nevertheless, some agents felt that the bar was set too low in Wales for licensing agents and registering landlords.

5. In Wales, landlords and agents who undertake letting and management work at rental properties are legally required to have a RSW licence, ensuring that they are suitable and appropriately trained in their rights and obligations. As part of this process, agents or anyone doing agency work is required to demonstrate business safeguards, managed properties lists, undergo fitness and propriety checks and complete a one-off course.² While these requirements have no doubt improved standards and protected consumers, they should not be considered a panacea and that improvements could be made. Letting agent registration in Scotland requires every person directly concerned with managing and supervising the day-to-day running of letting agency work, to complete a level four qualification which is the equivalent to an A level.³ According to research from the Chartered Institute of Housing Scotland's in their review of letting agent's qualifications report, this showed that 87% of letting agents with qualification said qualifications had a positive impact on their professional capabilities, 51% of landlords in Scotland said that letting agent qualifications had been a positive thing for the sector and 84% of letting agents said that qualifications had been positive thing for the sector.⁴
6. Some members also felt that the training and registration requirements were set to low for landlords in Wales and that a more vigorous regime was required to ensure that landlords kept up to date with legislation and requirements was implemented. Furthermore, some members also outlined their frustration that in their agency work, only one member of staff had access to the RSW database which caused difficulties in their work. It was suggested that corporate licenses should be issued provided agents had undergone the requirements for access.

Support

7. Support from RSW was generally considered to be of a high standard and useful. Some members believed that RSW could offer more webinars as this is an effective tool and can be fitted into the working day. More support on the Renting Homes (Wales) Act particularly notice periods has highlighted as another area of potential support.

Communication

8. Propertymark has good working relationships with RSW is a longstanding member of the stakeholder group. This is important because it allows for two-way communication between

² [Landlord and Agent Licensing - Rent Smart Wales \(gov.wales\)](#)

³ [Training and qualifications - mygov.scot](#)

⁴ [CIH Scotland announces findings of evaluation on the impact of letting agent qualifications and CPD](#)

RSW and our members where we are able to flag trends and raise issues on behalf of letting agents in Wales.

9. Members outlined that RSW has benefited from good stability from RSW senior management, On the other hand, it was perceived that there has been considerable staff churn in more middle and junior positions which may have impacted RSW's progress in some of their duties. We are aware through our engagement with the RSW stakeholder group, that RSW are having difficulty in the recruitment and retention of some specialist areas and Welsh speaking staff.
10. Some members have developed strong links with senior members of RSW. This has often enabled them to access high levels and quick support on any issues they encounter. Not all members will have these links and required to find support solutions via telephone and email support. The churn in staff may have impacted expertise at a lower level. Often agents require advice quickly so they can inform their clients and it has been commented that the turn around time in advice supplied by RSW can at times be too slow. It was also felt that getting hold of RSW via their telephone line can be difficult and getting the right person was challenging. It was felt that agents would benefit if phone lines were open for a longer periods of time to reflect agency business operating hours.
11. A common complaint from both landlords and agents, is the tone of reminder letters for licensing and registration. It is felt by many that the letters are overly abrupt and rude. Consideration of the tone of the correspondence may improve the relationship between RSW and landlords and agents. RSW are aware of this issue, and it has been discussed at stakeholder meetings.
12. Members felt that RSW had an opportunity to signpost support and advice to landlords and agents in specific areas. For example, any local authority funding for empty homes, Disabled Facility Grants or grants to improve the energy efficiency of properties. Another suggestion was contact details to approved tradespersons for property maintenance.

IT and website

13. Some members felt that there had been improvements to the RSW website, although previously the website was not fit for purpose. Other members felt that the website continued to be unhelpful and not user friendly. It was particularly challenging to find specific documents

from the website. On the other hand, the RSW information dashboards were welcomed by some agents including EPC information. Other members were not aware of these dashboards but were interested.

Conclusion

14. Overall, we believe that RSW has been positive in improving the PRS and has had many achievements. However, greater efforts need to be made in evidencing this success to ensure RSW continues to improve. RSW should be regularly scrutinised, more emphasis on improving tenant awareness and consideration of an increased regulatory role for property agents should be considered. We look forward to continuing to engage with the review and we are very happy to support this review by ensuring our members views in Wales are heard.