

**Welsh Government White Paper on securing a path towards adequate housing, including fair rents
and affordability - response from Propertymark**

January 2025

Background

1. Propertymark is the UK's leading professional body of property agents, with 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

Consultation – overview

2. The Welsh Government has launched this White Paper consultation to highlight their proposals which include potential interventions to improve the affordability and quality of the Private Rented Sector (PRS) in the shorter term, and longer-term proposals around how they intend to progress towards achieving housing adequacy across all tenures in Wales. The Welsh Government have sought to ensure a balanced and evidence-based approach which recognises the potential factors that guide what is achievable, such as resources and the devolution settlement. The White Paper is split into three sections. Firstly, an overview. Secondly, a chapter on housing adequacy. Thirdly, in recognition of the particular issues of affordability in the PRS, a chapter on fair rents.
3. The chapter on housing adequacy outlines the Welsh Government's vision for housing in Wales, together with proposals for how they intend to work towards achievement of housing adequacy. In this chapter, they set out the proposals which will support their collective ambition in this area and assist delivery of housing adequacy across all tenures. The chapter also examines how local context might be incorporated into any framework for achieving housing adequacy, recognising the differing needs and challenges of local communities across Wales.
4. The chapter on Fair Rents outlines their proposals for the PRS. They have considered the evidence received from the Green Paper consultation, as well as examining the emerging evidence from Scotland, all of which indicates there is not a sufficient evidence base to take forward rent control measures at this time. It instead points to the need for better, more localised data, to improve

¹ <https://www.propertymark.co.uk/>

their understanding of market rents and the affordability challenges in the PRS, recognising that affordability is a key component in delivering housing adequacy. As such, the chapter includes proposals aimed at strengthening their data to improve this understanding and enable us to better target policy interventions. Supporting their policy intention to progress towards housing adequacy, the chapter also outlines proposals on how to demonstrate a PRS property is habitable, and further proposals on how to remove barriers from those trying to enter, and remain, in the PRS, particularly those renting with pets. The chapter also outlines proposals to increase the supply of affordable rental accommodation, as we recognise availability of affordable rental property is a key challenge in the sector.

Propertymark response – summary

5. To help produce an informed response to this White Paper, Propertymark held an online roundtable discussion with our membership in Wales. Propertymark welcomes the fact that rent controls are currently not being considered and we will continue to highlight to the Welsh Government on the unintended consequences of implementing rent controls and any other similar related policies.

6. We are supportive of many of the proposals in the White Paper. However, we would recommend that the Welsh Government considers further consultations and engagement on the finer details of the recommendations including Annual Property Conditions Records, mechanisms for tenants to challenge unfair rent increases and renting with pets. We would also encourage the Welsh Government to consider costs and added resources to landlords and their agents in implementing these recommendations, and how these can be achieved with as little burden to the sector as possible. However, when discussing the aims of the White Paper to property agents in Wales, many highlighted the significant change to legislation in recent years through the Renting Homes (Wales) Act and warned that any additional legislation could have an impact on accurate implementation and enforcement of these changes and landlords exiting the market as a result, and that this needs to be considered at all times.

Questions

Q1: If the seven factors of adequate housing were used in Wales to monitor housing adequacy, what indicators could be appropriate to evaluate each of the seven factors of housing adequacy? (The seven factors are listed below, and a more detailed discussion of each factor is set out earlier in

Chapter 2. Please use these as headings and set out under each heading the indicator or indicators you believe may be appropriate to use)

- **Security of tenure**
- **Availability of services, materials, facilities and infrastructure**
- **Affordability**
- **Habitability**
- **Accessibility**
- **Location**
- **Cultural adequacy**

7. In our consultation response to the Senedd Local Government and Housing Committee Consultation on the Right to Adequate Housing in Wales, we confirmed our support in making the right to adequate housing to be a human right and to be enshrined in law. Furthermore, we called for any policy that could impact the right to adequate housing, must consider the impact on all stakeholders including housing providers (landlords and letting agents), homeowners, and tenants. Policy must also consider the impact on environmental sustainability and the welfare of people. The protected characteristics identified within the Equality Act, Socio-economic Duty, and the impact on the use of the Welsh Language should be considered in any legal determination of the right to adequate housing.
8. The seven factors of adequate housing are internationally recognised, and the United Nations has already developed guidance on how nations can achieve housing adequateness². Included within the guidance are framework indicators. We think by adopting this agenda, an established framework will be achieved that can be comparable with other nations. If the Welsh Government approves this framework, it is essential that stakeholders within the Fair Rent and Adequate Housing Group can support the Welsh Government in establishing benchmarks and targets. The group should also have a role in holding the Welsh Government to account if they fail to achieve targets and to act as a critical friend in scrutiny of the framework.
9. Target setting must be feasible and delivered through a process of progressive realisation as housing adequacy must be viewed as a long-term aim that does not cause unintended consequences to the housing sector such as implementing policy that could have a negative impact on rent levels.

² [Guidelines for the implementation of the right to adequate housing | OHCHR](#)

Q2: If indicators are developed to measure housing adequacy in Wales, should they apply in the same way across Wales or should they feature a degree of regional or localised variation? If so, how might this work in practice?

10. We think that the overall strategic measures should be on a national basis to give Ministers the opportunity to assess the delivery of housing adequacy over time. Localised information, on a sub-regional, local authority or constituency level would no doubt be of interest to policy makers to understand levels where they operate. However, the official measures that feeds into assessments of housing adequacy should be measured on a national basis. This is important for two reasons. Firstly, in areas that have high levels of multiple deprivation, what is perceived as adequate housing could be lower than less deprived areas. A universal standard of housing adequacy should be achieved. Secondly, areas that have high deprivation could appear less desirable for investment from both housebuilders and private landlords This could act as an additional barrier to achieving housing adequacy in these areas.

11. To further support a housing strategy, the measuring of housing adequacy and evidence-based policy making, the Welsh Government should do two things:

- **Firstly, introduce a Welsh Housing Survey** – this should be based on the long running English Housing Survey, which has been in place since 1967.³ By basing a Welsh Survey on the English survey, data could be compared between the two nations. We also think that a Welsh Housing Survey could have the potential to collect a wealth of information such as data on the proportion of private rented sector tenancies ended by the tenant, the levels of satisfaction among social renters and the percentage of owner-occupied homes that are under-occupied. Through the Welsh Housing Survey, we would encourage the Welsh Government and local authorities to work with both landlords and letting agents to make case studies to highlight good practice within the sector. This could improve the image of landlords and highlight the increasingly important work they do in housing many vulnerable people in society. There is currently very little data on the PRS in particular for policy makers to make evidence-based decision, and policy is often made on anecdotal evidence. The main data sources are the National Survey for Wales and the Housing Conditions Evidence Programme, which are limited in their uses and insufficient for the needs of the sector.

³ <https://www.gov.uk/government/collections/english-housing-survey>

- **Secondly, support the Rent Officers Wales** - the Rent Officers Wales provide an important function for data within the Welsh PRS.⁴ The Rent Officers Wales work includes compiling and maintaining lists of council tax bands for every property in Wales, advising ministers on valuation, property matters and benefits, setting the Housing element of Universal Credit and setting Local Housing Allowance levels for Wales. However, their data is reliant on landlords and agents who operate in Wales submitting their rental data to the office. We believe that letting agents have an important opportunity to supply large volumes of rental data to the Rent Officer Wales as they have access to rental data from their landlord clients and this can be submitted through their CMS systems directly to the Rent Officers Wales. However, despite the important role that landlords and agents have in data submission, there appears to be a reluctance shown from both landlords and agents in submitting their data. We have recently met with officials from the Rent Officers Wales, to investigate ways in which agents could be encouraged to submit their data. One proposal to improve the quality and amount of rental data, could be that Rent Smart Wales collects this data via their records of licensee holders of landlords and agents operating in Wales.

Q3: Should people who live in a particular local authority area be able to access adequate housing in any locality of their choosing within that local authority? What are your views on this matter?

12. We recognise that location is one of the criteria of housing adequacy. However, housing adequacy as a Welsh national concept is only likely to be developed and achieved over the long-term through progressive realisation. It is understandable that citizens will want adequate housing in their community. However, in some areas this might not be feasible until the aims are achieved in the long term through strategic planning.
13. In the medium term, when considering housing adequacy, the needs of individuals should be considered especially for older people and persons with a disability who may require locations near support mechanisms, healthcare provision and local transport infrastructure. Likewise, the ability to have an adequate home with access to job markets, care or educational requirements should be considered and may give wider access rather than considering the immediate community of individuals.

⁴ <https://www.gov.wales/rent-officers-wales>

Q4. Should elements of the adequate housing framework apply to the owneroccupied sector (Yes/No/No views/Don't know)? If so, how might this be made to work in practice and what issues require further consideration?

14. Propertymark thinks the right to adequate housing should be achieved across all housing tenures including the owner-occupied sector. Give the diverse nature of the owner-occupied sector, which features property of different archetypes and ages, achieving this in the medium term will be challenging. Propertymark thinks that the most vulnerable groups should be targeted. These most vulnerable groups will live in all housing tenures including the owner-occupied sector. However, there are likely to be larger numbers of vulnerable groups in the private rented sector and the social housing sector. There is support for vulnerable groups living in all housing tenure including the owner-occupied sector who support the needs of residents in terms of adaptations, energy efficiency and any other housing needs. This support should be mapped and used as a framework for targeting support for vulnerable groups who should be a priority in achieving housing adequacy regardless of what housing sector they live in.

Q5. In your view, would the proposal to require Welsh Ministers to produce a housing strategy help progress towards ensuring access to adequate housing for people in Wales? (Yes/No/Don't know). Please explain your reasoning.

15. Propertymark thinks that the production of a housing strategy would be fundamentally essential in achieving the aims of housing adequacy. Moving aside the concept of housing adequacy, the Welsh Government should have a national housing strategy, which would feed into local authority plans. Additional advantages of adopting a strategic housing plan include a greater opportunity to promote the importance of housing as a critical mass, opportunities to ensure housing gets a fair budget allocation, opportunities to adopt best practice from other nations in the UK and abroad and to consider the wider needs of all housing tenures and how they may interlink together.

16. Furthermore, Propertymark would recommend the implementation of a Welsh Government Strategic Housing Strategy implementation and monitoring group, which could include housing stakeholders on a cross-tenure basis. This would have two overall benefits. Firstly, this could support the Welsh Government in delivering the housing strategy. Secondly, the group could continue to meet to monitor the strategic plan.

Q6. Should there be a requirement on Welsh Ministers to draw on the seven factors of housing adequacy when drafting the strategy? (Yes/No/Don't know). Please explain your reasoning.

17. Yes. Propertymark thinks that there should be a requirement on Welsh Ministers to draw on the seven factors of housing adequacy when drafting any housing strategy as an absolute minimum. The seven factors are internationally recognised and must be included. However, we would recommend that any housing strategy should also consider the economic impact and its impact on all stakeholders including landlords and property agents. To this end, the Welsh Government must review all taxes and costs impacting landlords to gain a better understanding about the economics of the housing market. When aiming to achieve the seven factors, consideration of any unintended consequences such as impacts on housing supply should be considered.

Q7. How often should Welsh Ministers be required to review the strategy? (Every year; Every 2-3 years; Every 4-5 years; There should be no such requirement; Don't know; No views). Please explain your reasoning.

18. We think that Welsh Ministers should conduct an in-depth review of the strategy at least once every Senedd term, but to still have the time to implement any necessary changes to ensure the strategy is on track. We would recommend the strategy is reviewed every three years mid Senedd term to incorporate these requirements. There should also be an annual review of the strategy conducted by Welsh Government officials with a briefing to the Minister.

Q8. How often should Welsh Ministers be required to report on progress on delivery of the strategy to the Senedd (Welsh Parliament)? (Every year; Every 2-3 years; Every 4-5 years; There should be no such requirement; Don't know;). Please explain your reasoning.

19. There are two things that are important to the requirements for Welsh Ministers to report on progress on delivery of the strategy to the Welsh Parliament. Firstly, there must be a long-term and cross party aim in achieving housing adequacy in Wales, and a realisation that overall housing adequacy will only be achieved as a long-term aim. Secondly, given that housing is a critical mass, and that in achieving adequate housing, there will be advantages in other areas such as improved health and social care, a more vibrant economy and a reduction in service dependency, we think the aims of housing adequacy should be widely understood and scrutinised by all members of the Senedd and stakeholders. We would therefore recommend a system of reporting on progress

every two years, with a focus on year 1 and year 3 of the Senedd term. Doing this would ensure all governments have an opportunity to set out their plans and be scrutinized twice on housing during their lifetime.

Q9. Do you agree rent data should be collected at a local level by Rent Smart Wales (e.g. ward or postcode)? (Yes/No/Don't Know- Why?)

20. If the Welsh Government or Rent Smart Wales are going to collect rental data, then they must be clear as to why they are collecting it in the first place. Letting agents in Wales must already submit rental data to HMRC for tax and revenue checks, and that if there were requirements to submit rental data for licence purposes it should be streamlined and coordinated with HMRC reporting requirements. Agents are also eager to ensure the Welsh Government consider what type of rental data they want to collect as this can be defined over different periods of time.

21. Furthermore, Propertymark has collaborated with the Valuation Office Agency in England⁵ Rent Office Scotland and the Rent Office Wales, to encourage letting agents to submit their rental data. We recognise the importance of both landlords and agents in submitting data in improving the sectors understanding of market rents, feeding into Local Housing Allowance Rates and feeding in to benefit data such as Universal Credit entitlement. We also recognise that agents are in an advantaged position to support this function given the large volumes of rental data they hold, which potentially can be submitted via their CMS systems. Accordingly, we agree that rent data should be collected at a local level, and that Rent Smart Wales are in the strongest position to perform this data collection role.

22. For local level data to be as useful as possible for both the sector, government and consumers, rental data should be collected covering the smallest geographical area as possible at post code level. If Rent Smart Wales perform this role, they must engage with the sector to highlight why it is advantageous for rental data to be collected, and to reassure both landlords and agents that data collected will be stored securely, anonymised and will be only used for statistical and policy-based purposes. We would be very happy to support the Welsh Government and Rent Smart Wales in this important engagement work with property agents. As we highlighted in our Senedd Local Government and Housing Committee inquiry into the Private Rented Sector, if Rent Smart Wales is going to have an extended role, the requirement for enhanced scrutiny will become more

⁵ [Supplying rent data to the Valuation Office Agency | Propertymark](#)

essential. To this end, although RSW offer a vital role in improving standards in the PRS, there is no clear scrutiny of its role. Overall, RSW lacks transparency and a clear line of accountability. The work of RSW does not appear to be guided by a central national strategy nor does there appear to be an annual evaluation of RSW's work. While RSW operates from Cardiff City Council, there does not appear to be any political scrutiny function acting as a critical friend to evaluate its work other than as part of ad-hoc inquiries and questions from the Senedd. We believe the work of RSW would be enriched if they produced a public annual report into RSW's performance with direct scrutiny by the Senedd every year rather than on an ad-hoc basis. RSW must also work towards a clear and transparent strategy with performance measures to assess performance and accountability.

Q10. Other than those already outlined, are there any other principles or objectives that should be considered in developing how rent information should be provided to RSW?

23. The submission of data must be streamlined, coordinate against existing data requests for landlords and letting agents to reduce duplication across the sector and be a straightforward process to submit relevant information. We are pleased to see that the White Paper acknowledges the importance of agents being able to block submit data and for this to be submitted via an online system. We anticipate that data collection will require additional resources for Rent Smart Wales. While we are supportive of the mandatory requirement of landlords and agents submitting rental data, this should not come at an additional financial cost for landlords or property agents. Nor should any additional resources required by Rent Smart Wales in the data collection process be financed through increases in licenses and registration. Some agents also expressed to us the importance of making data collection and submission as simple as possible, that this should be linked to their CMS systems and some agents believed there could be a role for Artificial Intelligence in this administrative task.

Q11. Do you think spatial mapping of amalgamated rent data is useful and should be made publicly available? (Yes/No/Don't Know- Why?)

24. Propertymark would support the introduction of spatial mapping of amalgamated rent data. This would support both the Welsh Government, tenants and the sector as a whole gain a better understanding of local affordability issues and provide a stronger evidence base for policy makers when considering potential future interventions. To this end, Propertymark continues to urge the UK Government for Unique Property Reference Numbers (UPRNs) to be adopted across the

residential property market. The UPRN is a unique identifier for every addressable location in the UK which allows organisations to make sure they are talking about the same building which means different bits of information can more easily be combined. This means each home has a unique number and can have ‘attached’ to that number the activities and characteristics that agents need to know about – for example, planning permission for when the property was first built and subsequent extensions, building regulations, council tax payments, utility providers, Energy Performance Certificates as well as health and safety checks on rental properties.⁶

25. Rent Smart Wales already provide interactive dashboard information highlighting spatial mapping information on registrations, properties, licensing, training, enforcement, communication and energy efficiency. Most of this data is broken down by local authority area. However, providing proposed data on rents, number of bedrooms and energy EPCs could be broken down by smaller geographies such as post code level data, then we think this data would be advantageous. Accordingly, we recommend that spatial data be presented like the London Rent Map⁷. This resource highlights rental data at both London Borough and post code level and includes average rents, median rents and upper and lower quartiles. If a spatial mapping tool of amalgamated data was progressed, we recommend that the resource should be promoted widely to raise awareness for both tenants, landlords and agents and the overall sector. We would be very happy to support the Welsh Government in raising improved data resources with letting agents. Depending on the level of geography that the mapping tool would go down to, there would need to be supplementary commentary to explain adverse changes in the data especially when considering the data at postcode level which can be subject to more variation.

Q12. Do you think there should be a mechanism to challenge a rent increase? (Yes/No/Don’t know-Why?)

26. As the White Paper highlights, prior to the enactment of the Renting Homes (Wales) Act, tenants could challenge rent increases via the Rent Assessment Committee, providing their tenancy agreement did not include a rent review clause. Propertymark is supportive of a mechanism to allow tenants to challenge unfair rent increases. However, what is considered fair must be based on the market level of rents. Anything excessively above the market rent for a local area should be challenged. Propertymark is also supportive of the mechanism to potentially enable private

⁶ <https://www.propertymark.co.uk/resource/the-uprn-is-a-vital-part-of-the-digital-property-market-infrastructure.html>

⁷ [London rents map | London City Hall](#)

renters who wish to challenge rent increases to ask Rent Officers for a determination of rent and provide a right to appeal to the Residential Property Tribunal (RPT). Again, this must be set at market rent level. There was also an appreciation from property agents who we engaged with, that it would be fairer to have such a mechanism. However, this needs to be fair for all parties to avoid the unintended consequences in supply from landlords potentially exiting the market.

27. Currently, we do not think there is sufficient data quality to fill this function in Wales with a lack of quality rental data. Once data collection has started, it might take some time for the data to be of sufficient quality to accurately reflect market rents in specific areas across Wales. We also believe that resources will have to be considered. Firstly, that both the Rent Office Wales and the Residential Property Tribunal is sufficiently resourced to ensure that determination of disputes is dealt with as efficiently and quickly as possible. While every dispute must be dealt with on merit, we would recommend a triage system to assess the validity of tenant disputes and to deal with vexatious disputes before going to the RPT.

28. Fundamentally, while we are supportive of a mechanism to challenge unfair rent increases, Propertymark would strongly recommend further engagement and consultation on the design of the mechanism should the Welsh Government wish to proceed. This would be an opportunity to discuss the finer aspects of how tenants can challenge unfair rent increases, and Propertymark would be very happy to continue to engage with the Welsh Government on this matter.

Q13. Do you think license holders should be required to complete an Annual Property Condition Record? (Yes/No/Don't Know- Why?)

29. Propertymark is supportive of making it a requirement for licence holders to complete an Annual Property Conditions Record (APCR) for those landlords and agents who conduct agent activities.

We are supportive for three reasons:

- Firstly, the advantage of completing a APCR would be to improve the data on the number of active landlords operating within Wales. Currently, once a landlord is registered and licensed under the Rent Smart Wales regime, should that landlord wish to exit the market and discontinue being a landlord, there is little incentive to deregister. This often results in the number of landlords operating in Wales to be inflated when potentially some have left the sector and supply is not at the perceived level.

- Secondly, we recognise that making it a requirement to obtain a APCR could have a positive impact on improving data on available rental properties, improved monitoring of existing compliance, better information for tenants to make informed choices and the promotion of improved conditions and maintenance. However, completing an APCR should not add unnecessary administrative burdens to landlords and agents and there should be no additional costs incurred for license holders or at least kept to a minimum.
- Thirdly, agents have told us that a sizeable proportion of landlords remain unregistered with RSW. The onus on ensuring that landlords are compliant appears chiefly with agents, and that is unreasonable as reporting unregistered landlords would be detrimental to an agent's business. If more checks were implemented on an annual basis, then additional resources would be required in enforcement. Failure to do so would simply result in the overwhelming number of compliant landlords doing the checks, with rogue landlords continuing to operate under the radar.

Q14. In your view, what information should be included in the Annual Property Condition Record? For example, should rent data be collected by the Annual Property Condition Record?

30. Many property agents we spoke to welcome this proposal and told us that they already had significant reporting schedules in place to ensure that their properties are compliant with necessary requirements. Some agents said that their management information already went above and beyond what the Welsh Government are proposing and includes an inventory of the external and internal decoration of all their properties, which is reviewed on a month-by-month basis to ensure compliance and standards are maintained. Generally, property agents thought that the 29 prescribed matters from the Fitness for Human Habitation Standards and compliance already outlined by the Welsh Government should be included. Again, reporting schedules for any Annual Property Conditions Records must work coterminously with existing agent CMS systems.

31. Propertymark thinks that information included in the APCR should come in two parts. These two parts would include mandatory information that all license holders must complete, and additional information that license holders would be invited to volunteer should they wish at their discretion:

- **Mandatory information** - the property has a valid Gas Safety Certificate and Electrical Inspection Condition Report, inspection visits have been completed at the property and a self-certification that none of the 29 matters or circumstances listed in the Schedule to the

Fitness for Human Habitation Regulations are present in the property. This would include that the property has a main wired smoke alarm fitted on each floor and that these have been tested, and where appropriate, a Carbon monoxide detector has been installed and have been tested. We also note that the UK Government is currently consulting on reform of Energy Performance Certificates (EPCs⁸), and that depending on any recommendations made from that consultation, it might be appropriate to include a valid EPC as part of the requirements.

- **Additional information** - supplied on a voluntary basis by license holders. This information could include any additional features to the property that could be attractive to some tenants. For example, any adaptations to the property or energy efficiency measures. Propertymark provided written and oral evidence to the Senedd Local Government and Housing Committee inquiry into the private rented sector⁹, where we recommended that local authorities populate a register of accessible properties in their local areas. In response, the Senedd Local Government and Housing Committee report into their PRS inquiry made this recommendation.¹⁰ Accordingly, we think the APCR could be one way of accommodating this information which could be accessed by local authorities and shared with perspective tenants where there is a shortage of suitably adapted social housing.

32. Propertymark is content with proposal that the database held by Rent Smart Wales on registered properties would then contain information about whether the property has a current APCR. We also support that subsequently; members of the public could then request information about whether an APCR has been completed. However, given that the proposal is a fundamental change to license conditions, and that details on requirements are at present relatively limited, we would strongly recommend that the Welsh Government engages in further consultation on the APCR. This should include further engagement with the Fair Rents and Adequate Housing Stakeholder Group, and a separate consultation. This is essential to not only ensure that landlords and agents are sufficiently aware, but to also ensure that the right balance is achieved in improving information and ensuring the requirements are not unduly burdensome. This could also help the Welsh Government understand limiting the level of burden for large portfolio holders, which

⁸ [Reforms to the Energy Performance of Buildings regime - GOV.UK](https://www.gov.uk/government/consultations/energy-performance-of-buildings-regime)

⁹ <https://www.propertymark.co.uk/static/4e4aca47-46e7-4834-8d486c6f4ac93d21/Senedd-Local-Government-and-Housing-Committee-inquiry-into-PRS-Propertymark-response.pdf>

¹⁰ [Private rented sector](#)

property agents would naturally fall under, and we would be supportive of any proposals to reduce this burden including enabling the system to upload one form for all properties rather than the requirement to make individual submissions for each property. It would be also extremely advantageous to property agents if any proposed APCR systems could work collaboratively with any CMS systems that agents currently use.

Q15. Are there any other groups of people who have not been identified in the eligibility criteria who should be considered? Please specify any groups who have not been identified in the proposed eligibility criteria.

33. Propertymark is supportive of the proposal to provide national guidance to support local authorities in offering guarantors to people who need to rent a property in the private sector but are unable to secure a UK guarantor. We are proud of our commitment in supporting vulnerable groups, including our work with the UK Government and the devolved nations in supporting refugees including Afghan and Ukrainians, and are happy to continue this collaboration with the Welsh Government for any other cohorts. Furthermore, we agree with the list of vulnerable groups listed. However, given that Wales has an aged population and that we have anecdotal evidence of an increased number of older and disabled people accessing the PRS, we would recommend the Welsh Government also considers older people who do not have access to sufficient funds and disabled people that have the capability to live independently.

Q16. Do you think permitted payments would support people with pets to access the PRS? (Yes/No/Don't know- Why?)

34. Propertymark is supportive of the Welsh Government's proposal in making a provision to allow a landlord or their agent to cover the cost of an additional premium on their insurance policy (or to take out a new policy) relating to "pet damage" as a "permitted payment" under the Renting Homes (Fees etc.) (Wales) Act 2019¹¹. However, market development of specific pet insurance policies is limited and must be looked into further by the Welsh Government.

35. Propertymark recognises the advantages of landlords and agents being as accommodating as possible towards tenants wishing to rent with pets. We acknowledge that pets provide companionship, can help alleviate mental health problems and there is evidence to suggest that

¹¹ [Renting Homes \(Fees etc.\) \(Wales\) Act 2019](#)

tenancies involving pets last longer. Accordingly, we encourage our members to be as understanding as possible towards pets and have provided guidance for letting agents and their landlords with information that can help maximise the benefits of renting with pets while taking appropriate action to minimise the risk of damage¹². We would be happy to share this guidance with the Welsh Government and will be updating it accordingly. However, our research has concluded that 85% of landlords and agents have incurred damage to their properties from pets, 57% of landlords and agents were unable to recoup the costs of pet damage and 66% of landlords and agents see specialist pet damage insurance as the key to encouraging more petfriendly rentals¹³.

36. With regards to renting with pets, we would strongly encourage Welsh Government to do four things:

- **Firstly, retain the no deposit cap rules via the Renting Homes (Fees Etc.) (Wales) Act 2019.** This allows for any pet damage to be adequately covered by the Security Deposit. This is important so pet owners can use the option of paying a slightly higher deposit to reassure the landlord that any damage by pets will be covered. In Scotland and England there are caps on Security Deposits which have reduced the risk appetite of landlords to rent to tenants with pets.
- **Secondly, issue clear guidance to landlords, letting agents and tenants as to what is meant by ‘reasonable refusal for keep a pet at a property’.** The guidance should include information to ensure tenants are as open and honest as possible at the earliest opportunity over their pets and to include as much information to landlords and their agents as possible.
- **Thirdly, promote the wider use of pet references (from previous landlords and vet) and pet CVs (detailing pet’s age, breed, behaviour, training, vaccinations and flea treatments).** Specific information about a pet can help assess whether the pet is suitable for the property and help reassure landlords.
- **Fourthly, promote the use of property inventories (property report on the condition of the property at the start of the tenancy).** A professionally compiled, clear and concise

¹² [Renting with pets | Propertymark](#)

¹³ [Renting with pets survey reveals extent of damage costs to landlords | Propertymark](#)

inventory, coupled with interim inspections and check out reports, can help protect the property and ensure that any deposit deductions are made in a fair way. Where there is a dispute over pet damage a comprehensive inventory can highlight any breaches, helping to hold both tenants and landlords to account if the property is not maintained as set out in the agreement.

37. While we are supportive of tenants keeping pets, and we would encourage any tenants struggling to find accommodation that allows pets to use a Propertymark member agent, we are against a blanket ban on renting with pets as there are some circumstances where renting with a pet would be inappropriate. For example, if a tenant wanted to keep a large dog where there was no outside access or garden space or if a fellow tenant in a House of Multiple Occupation has a pet allergy. We also think that the Renting Homes Wales Act, strikes the right balance with allowing additional terms in contracts to resolve such matters.

Q17. Do you anticipate any positive or negative impacts which would result from this proposal?

38. Providing a blanket ban is not implemented and that landlords and their agents can still reasonably refuse tenants in special circumstances, we see the proposals as largely having a positive effect on the sector. We would recommend engaging with the sector at the earliest opportunity on the prescribed limit for the permitted payment of pet insurance for the landlord as well as any amendments to the Code of Practice.

39. We are interested in any future proposals on licenced landlords and agents to promote a “Pets Considered” label to be included on letting details as a standard default. Letting agents would likely be able to support this proposal to a greater extent than landlords, through their social media content, web site and shop windows, and we would welcome further discuss in this regard.

40. Property agents also questioned how landlords would be required to evidence that they had taken out the insurance? There was also confusion for how long the insurance would have to be taken out for which would be challenging as the landlord or agent will not know how long the tenancy will last for, and that in likelihood, insurance would have to be paid on a roiling monthly basis and cancelled on termination of the tenancy. There was also concern that, currently, pet insurance is centred on animal health and the costs of veterinary care rather than to safeguard against pet damage. While new products may emerge in the market, in the short term there might not be significant consumer choice, and products might be expensive.

Case study – Property agent in North Wales

41. A property agent in North Wales told us that they have concerns about letting with pets. On one occasion a puppy Alsatian chewed and severely damaged a £7,000 new fitted kitchen. On another occasion they recalled allowing an older lady to let a property with a small dog. On termination of the tenancy, the agent had to take up the floorboards and provide new ones because the dog had urinated on the carpet causing long -term damage to the boards.

Q18. Do you think the proposed criteria for a refund of the Land Transaction Tax higher residential rates element of the tax charge would incentive landlords and increase access to affordable PRS homes? (Yes/No/Don't Know/Why?)

42. Propertymark can see merit in the proposal to offer tax refunds to landlords who engage in the Welsh Government's Social Leasing Scheme. However, this would disadvantage those landlords who already use a property agent. Accordingly, we think given the critical shortage of affordable housing, particularly for vulnerable groups, the taxation incentive should be widened to all landlords outside of the social leasing scheme who commit to let their properties to vulnerable groups over a sustained period. To this end, the Welsh Government must launch a review of all taxes relating to private landlords. Investment is stalling because the phasing out of tax relief on mortgage interest for landlords, the additional Land Transaction Tax (LTT) surcharge on buy-to-let property. Through a review of taxation, the Welsh Government will be better placed to introduce policies that reduce costs for those wishing to invest in the private rented sector, which in turn will help boost supply and make it more affordable for renters.

Q19. What period of time between the purchase of the dwelling and entering the headlease with the local authority should be provided to be eligible for a refund?

43. This should be a decision made by local authorities depending on the needs of individual tenants and overall housing demand and shortages. However, as a minimum this should be over a twelve-month period.

Q20. Do you anticipate any positive or negative impacts which would result from this proposal?

44. We would be very happy to discuss with the Welsh Government wider taxation incentives to help boost investment in the private rented sector and how access to vulnerable groups could be

improved. Currently there are significant barriers for landlords and property agents accessing the Welsh Government Social Leasing Scheme due to the mismatch between market rents and local housing allowance rates. One property agent in North Wales told us that the average Local Housing Allowance (LHA) rate for his area was £577 but their average rent was closer the £750 mark.

Q21: Do you have any further evidence or observations you wish to provide?

45. Propertymark would like to use this opportunity to welcome the prohibition of rent controls from the proposals in this White Paper. We understand that the Welsh Government considered evidence from the Green Paper and other sources and concluded that rent control measures would likely be ineffective in the absence of clear data on market rents. The long-term solution to address the lack of affordability in the private rented sector is to ensure that more social housing is built to reduce housing need. The demand for social housing has far outstripped availability, meaning that many people who most need help with affordability now live in the private rented sector.
46. We share the Welsh Government's aim in ensuring that private rented sector property in Wales remains affordable and that access is not prohibited especially to vulnerable groups. However, we maintain that rent controls are an ineffective tool in achieving affordability. As we have seen in Scotland following the continuation of rent control measures, the average rents increased to £973 (7.2%) in Scotland, in the 12 months to September 2024 and average house prices increased in Scotland to £200,000 (5.4%), in 12 months to August 2024.¹⁴ However, member data from Propertymark shows that on average there are ten applications per property from prospective tenants across the UK¹⁵. As landlords tried to cover increasing costs and prepare for the impact of the Scottish Government's new legislative proposals, costs have increased exponentially for landlords. Including upgrades such as redecorating, replacing furniture, or installing energy-efficient systems which are typically undertaken during vacancies. Rent controls have removed the financial incentive for such investments, impacting overall housing quality while increasing rents.
47. There are also a further three things the Welsh Government can do to support tenants with affordability when renting with the cost and payment of deposits:

¹⁴ [Private rent and house prices, UK - Office for National Statistics](#)

¹⁵ [Housing Insight Reports | Propertymark](#)

- Firstly, the Welsh Government should be doing more to encourage employers to offer staff an interest free loan to pay for their deposit when moving into private rented property.
- Secondly, raise awareness to allow tenants to pay their deposit instalments.
- Thirdly, wider use of deposit bond schemes. The Bond is an agreement between a local authority, the landlord or letting agent and the incoming tenant. It is not a transfer of cash, but a written guarantee issued to the landlord on behalf of the tenant to cover the deposit for the property they wish to rent.

48. The Welsh Government has a longstanding target to build 20,000 new homes by 2026 to ease the housing crisis in Wales. Propertymark supports this goal but is concerned that the target will not be met, and even if met, it will not be sufficient to address demand. We have maintained that to meet the challenges of housing supply, all housing tenures will have to be considered. Accordingly, we are disappointed that the recent draft Welsh budget¹⁶ announced that purchasers of additional property will be subject to increase of 1% for every LTT band. In our consultation response to the Senedd Finance Committee¹⁷ on the Welsh Government's draft 2025-26 budget, we called for pro-growth taxation to stimulate supply and investment, including for the Welsh Government to exempt new long-term rental properties from the four per cent Land Transaction Tax (LTT) levy on additional homes.

49. While separate from the proposals in this White Paper, we would also like to use this opportunity to warn against the Welsh Government recommendation following the Senedd Local Government and Housing Committee inquiry into the PRS, to award tenants in receipt of a Section 173 possession notice, the final two months rent as compensation. We are going to collect data to assess the impact this could have on the sector to support our view that the likely outcome would be further shrinkage in supply from landlords exiting the market. Many landlords have costs on a month-to-month basis which are often covered by the collection of rent in full such as mortgage repayment.

50. We would like to make this final opportunity to thank the Welsh Government for the opportunity to consider our views. We have made several recommendations that further consultation and

¹⁶ [Draft Budget 2025 to 2026 | GOV.WALES](#)

¹⁷ [Senedd-Finance-Committee-call-for-information-Welsh-Government-Draft-Budget-proposals-202526-response-from-Propertymark.pdf](#)

engagement be met to discuss the more finite details of the proposals and would encourage the Welsh Government to make further opportunities to engage with the sector.