

**Welsh Government Green Paper: Securing a path towards adequate housing including fair rents
and affordability**

Response from Propertymark

September 2023

Background

1. Propertymark is the UK's leading professional body of property agents, with over 17,500 members representing over 12,800 branches. We are member-led with an executive Board of practicing agents who we work closely with to ensure that we uphold high-standards of professionalism and are able to advocate for legislative change on behalf of the sector. As such, we will be responding to this consultation on behalf of letting agents.

Overview

2. As part of the Cooperation Agreement between the Welsh Government and Plaid Cymru, this Green Paper consultation is seeking views and evidence in respect of understanding rents, tenant and landlord behaviour, affordability, and high-level approaches for how the Welsh Government could look to further improve the supply and adequacy of housing overtime. The Welsh Government are also interested on views on achieving housing adequacy, the different ways in which it could be delivered in Wales, and the potential benefits and/or implications of these approaches.

Adequate Housing

Q1. Do you think that the 7 factors of adequacy identified by the UN are something to aspire to achieving in Wales? If so, what mechanism or combination of mechanisms do you think are required to achieve the 7 factors of housing adequacy in Wales?

3. In principle, yes, we agree that the seven factors are something to aspire to achieving in Wales, but in order to achieve them four things must happen:
 - Firstly, the concept of adequate housing should be explored by the Welsh Government as a separate policy area to rent controls. Whilst we recognise that the cost-of-living crisis has led to difficulties for some tenants, the main solution to reducing the overall cost of

renting is to increase the supply of properties for people in Wales to rent. A review of all taxes impacting private landlords in Wales would allow the Welsh Government to introduce policies that stimulate the market, retain good landlords and encourage more landlords to purchase properties.¹

- Secondly, extending the training requirements for Rent Smart Wales. All Propertymark members must be qualified, carry out ongoing training and continual professional development as well as adhere to a code of practice and work to best practice guidance.² Our membership requirements are higher than what is required under Rent Smart Wales, and we think that a day's training course is not adequate to understand all the rules and regulations when renting a property. Consequently, the requirements should be extended to a full qualification. In 2014, legislation was passed making provisions for the regulation of Letting Agents in Scotland. A recent report into letting agent qualifications and CPD highlights the importance that professional qualifications is playing in driving up standards across the private rented sector in Scotland: 87% of letting agents who had completed a qualification said it had a positive impact on their professional capabilities and 51% of landlords said that requirement for letting agent qualification had been a positive thing for the private rented sector overall.³
- Thirdly, integral to making the right to adequate housing legally binding would be to ensure that any future legislation considers the implications of the right to adequate housing through a defined policy framework that considers economic, environmental and welfare implications as well as how future housing policy implicates the Well-being of Future Generations (Wales) Act 2015⁴ and the Equalities Act 2010.⁵ While we are supportive of making adequate housing law in Wales and the seven factors that contribute towards adequate housing, we remain concerned over the impact rent controls will have on the market in terms of supply, quality of accommodation and suspect that they could result in rent increases.⁶
- Fourthly, there is already legislation in place from either the UK or Welsh Government's to achieve the seven factors, and surely it would be more advantageous to concentrate

¹ [Impact of tax changes on the private rented sector | Propertymark](#)

² [Become a member | Propertymark](#)

³ <https://www.cih.org/news/cih-scotland-announces-findings-of-evaluation-on-the-impact-of-letting-agent-qualifications-and-cpd>

⁴ [Well-being of Future Generations \(Wales\) Act 2015 \(legislation.gov.uk\)](#)

⁵ [Equality Act 2010 \(legislation.gov.uk\)](#)

⁶ <https://www.propertymark.co.uk/resource/propertymark-backs-call-for-right-to-adequate-housing.html>

on better enforcement of this current legislation rather than to introduce new legislation. For example, to achieve security of tenure, the Renting Homes (Wales) Act 2016⁷ has introduced increased notice periods for possession via a Section 173 Notice. In addition, to achieve cultural adequacy, there are provisions in the Well-being of Future Generations Act 2015 and the Equality Act 2010, accessibility and location is covered by planning policy, accessibility of services is covered by building regulations and habitability should be achieved by the Fitness for Human Habitation Standards in the Renting Homes (Wales) Act 2016. There are even provisions for affordability through policy and legislation including schemes such as the Welsh Government's social leasing scheme or provisions for contract holders to challenge their landlord at a tribunal when they dispute the level of rent as provided by Renting Homes.

Q2. What considerations should be taken into account if we were to establish a minimum core for the 7 factors of housing adequacy?

4. Propertymark agrees that every person in Wales should be able to obtain a safe, and affordable home that meets their needs for the different stages in their lives. To achieve this, we are calling on the Welsh Government and local authorities in Wales to establish a new relationship with landlords and their agents based on supporting them to achieve these goals. The Welsh Government must understand two things and provide landlords and agents with additional support:

- Firstly, landlords, and subsequently property agents are operating in a very challenging environment. While many of the provisions of The Renting Homes (Wales) Act 2016 are positive in improving renting in Wales, anecdotal evidence from conversations with local authorities have alluded to the fact that many smaller landlords are finding the legislation complex and are subsequently exiting the market. While larger landlords and managed lets are proving more resilient, they are not immune to the challenges of legislative change. In addition to these challenges, landlords are operating against high interest rates which have further amplified the financial stress caused by the UK Government's decision to phase out Mortgage Interest Relief through Section 24 of the Finance Act 2015⁸ not to mention the continued uncertainty over the lack of clarity over targets to decarbonise private housing stock.

⁷ [Renting Homes \(Wales\) Act 2016 \(legislation.gov.uk\)](https://legislation.gov.uk/ukpga/2016/16/contents)

⁸ [Finance \(No. 2\) Act 2015 \(legislation.gov.uk\)](https://legislation.gov.uk/ukpga/2015/1/section-24)

- Secondly, with these challenges in mind, the Welsh Government must look at the seven factors and how they can support landlords to achieve these holistically. If they fail to do this, there is a danger that improving either the quality or the affordability could compromise the ability to achieve the other factors or result in more landlords simply exiting the market, further reducing supply and subsequently increasing the likelihood of rent increases. To ensure this does not happen, the Welsh Government must provide greater support to landlords and put measures in place to increase supply through taxation measures possibly limiting the level of tax paid through Land Transaction Tax on second homes used for rent. Landlords need greater access to grants and interest free; loans to not only decarbonise their stock but also ensure that stock is accessible for future generations and those with disabilities. Currently, there is a lack of awareness of current grant funding stream such as the Disabled Facility Grant, which landlords could access if they have a tenant that requires adaptations.

Q3. What type of monitoring arrangements and/or enforcement measures should be available to ensure the delivery of housing adequacy?

5. There is already sufficient legislation in place in Wales to achieve the seven aims of housing adequacy though mainly the 2016 Act. However, most of the enforcement of this legislation is incumbent on local authorities especially in terms of housing standards. With the challenges local authorities are facing due to the state of public finances, there is a danger that this enforcement will not be adequately adhered to resulting in good landlords meeting the financial burden for compliance, while rogue and criminal landlords operate under the radar and fail to meet the standards undetected. Therefore, the Welsh Government must do three things to ensure enforcement delivers housing adequacy:

- Firstly, the Rent Smart Wales regime must be more vigorous and challenging in terms of educating property agents. While there is a suite of measures in place for educating property agents, we would recommend that Rent Smart Wales adopts a similar system that the Scottish Letting Agent Register uses in terms of a qualification rather than assessment to ensure continuous improvement.⁹ We would also welcome greater scrutiny over the strategic direction of Rent smart Wales, how they are performing and how they can be supported to achieve their aims should be reported annually.

⁹ [Training and qualifications - Scottish Letting Agent Register \(lettingagentregistration.gov.scot\)](https://www.lettingagentregistration.gov.scot/)

- Secondly, to ensure that standards are being met in terms of safety and condition of housing through the Fitness for Human Habitation Standards and the Housing, Health and Safety Rating Scheme, local authorities must be sufficiently resourced to ensure they can carry out inspections and ensure standards are met. There should also be greater transparency on statistics relating to the enforcement activity of local authority.
- Thirdly, given the severe shortfall in alternative accommodation in both the PRS and social housing provision, when a property severely falls short of the standards, there is a reluctance for local authorities to act as they could make the tenant homeless with no alternative provision to accommodate them. The Welsh Government must improve the supply of both private and socially rented homes as a matter of urgency to drive down both standards and rents.

Q4. Are there any other considerations or potential implications of working towards delivering the 7 factors of housing adequacy you wish to highlight?

6. We welcome the opportunity to take part in the Welsh Government’s Right to Adequate Housing and Fair Rents Stakeholder Group. If a decision is made with regards to either adequate housing or rent controls, the group or a similar group must be established to assess the monitoring and appropriateness of any new policy proposals and whether they remain relevant. As we said in our response to the previous question, we would also welcome a constructive review of Rent Smart Wales to establish how the organisation can move forward to achieve its aims.

Defining “Fair Rents”

Q5. Do you agree with the proposal to define “fair” in its broader context?

7. Propertymark does not agree with the proposal to define “fair” in its broader context because this approach is trying to apply a catch all way of introducing rent control. This fails to consider the impact of where rent controls have been previously adopted and does not allow for a debate about whether rent controls are required in Wales – by definition it is applying that the current system of rent levels and rent setting is unfair. For instance, according to the Office for National Statistics (ONS) Index of Private Housing Rental Prices¹⁰ despite rental price growth during parts

¹⁰ <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/indexofprivatehousingrentalprices/april2022>

of 2020 and 2021, Wales's rental growth as measured by the ONS is typically lower than that of Great Britain as a whole. Wales's private rental prices are now significantly smaller than the rest of the UK. In addition, most regions of England are witnessing a rental increase that is far greater than in Wales.

Q6. What considerations do you think should be taken into account when defining what is meant by fair rents – and how might we avoid unintended consequences?

8. If the Welsh Government are going to implement rent controls, then Ministers must recognise the diverse nature of the Private Rented Sector in Wales and that a rent control policy that is implemented in Caernarfon might look different to one that is adopted in Cardiff. A one size fits all proposal would be the least desirable and the local characteristics should be considered. Some of the challenges and considerations that should be taken into account include:

- The impact of the Renting Homes (Wales) Act and the single legal framework in place for Wales. While there are many virtues to the 2016 Act, some smaller landlords are finding the legislation complex and are exiting the sector. The Welsh Government should consider the complexity of additional legislation at a time of such fundamental change in the way we rent in Wales. This comes at an especially challenging time when the reliance on the PRS is likely to increase due to the shortfall in supply of social homes and the challenges in achieving home ownership with high interest levels.
- Some anecdotal conversations we have had with members in Wales, which followed a more formal focus group of eighteen agents, alluded to the fact that there was little appetite for rent controls. Of the eighteen members present at the focus group, when asked what impact you think rent controls could have on the supply of homes in the Welsh private rented sector, 94 per cent that it would lead to fewer homes being available while 6 per cent said there would be no impact. 80 per cent said it would have a negative impact on their business while 94 per cent said it would have a negative impact on the sector overall. 55 per cent of members said they are currently engaging with their landlord clients on the issue of rent controls.
- Of those who are currently engaging with their landlords on the issue of rent controls, comments included that they are trying to encourage them to be positive and to remain in the market, set realistic rental levels while other members expressed concerns on the

high level of costs for landlords with many having to increase rents just to cover costs. Other comments included debate on whether rent controls will be set locally or nationally and the impact this could have on rural areas, the impact current legislation like Renting Homes is having, the history and impact of previous rent control attempts and the appropriateness of the Welsh Government interacting with the market.

- Provide more support for landlords and help improve landlords' financial resilience such as lowering Land Transaction Tax on additional buy to let properties, abolishing ground rents on leasehold properties or increasing any grant funding or provision of interest free loans to support them while they take the hit of rent control measures. The introduction of such measures would likely stem the number of landlords who may leave the sector and make affordability issues more acute. The consultation document highlights that affordability for tenants could become more challenging in the future and points to the growing trend of older persons accessing the PRS. The Welsh Government and local authorities must, as a matter of urgency, improve access to the Disabled Facilities Grant to support landlords make their homes accessible and promote why future proofing their business for these market segments could be advantageous.
- Other methods discussed with members on stimulating supply which would further reduce any adverse unintended consequences, would be for local authorities to place greater emphasis on housing targets to be met on the private market as part of their Local Development Plans or to include a percentage of privately rented housing on large housing developments to be considered as part of planning consent. There was also strong support for Build to rent schemes whereby homes could be rented for a period of five years before they are sold.

Defining "Local Income" and "Low Income"

Q7. What considerations do you think should be taken into account when defining "local incomes" – and how should it be defined?

9. When defining "local incomes", Propertymark thinks that looking at the thirtieth percentage of household income is the most appropriate measure and widely used across the sector.

Q8a. What measures should be used to assess affordability, and why?

10. In order to assess affordability, the Welsh Government need to measure six areas:

- Firstly, what landlords can afford in relation to receiving rent based on mortgage or no mortgage and number of properties they own. This should include analysis of the Welsh Government’s decision to ban letting agent fees via the Renting Homes (Fees etc.) (Wales) Act 2019 to tenants and the added cost burden to landlords.¹¹
- Secondly, the Bank of England’s latest interest rate, which has risen sharply to 5.25%.¹² Where a landlord has a mortgage on their rental property, an increase in the base rate will likely lead to an increase in their mortgage payments. For landlords, this means that their monthly expenses will increase, impacting their cash flow and may lead you to increasing rent prices for tenants.
- Thirdly, the cost of building materials and labour for landlords to improve their tenant’s homes and comply with new and forthcoming legislation.
- Fourthly, the role of letting agents and their costs including staff salaries, energy costs for offices, costs for office supplies, and vehicle fleet costs.
- Fifthly, the Welsh Government should measure the increased costs of compliance and legislation. For example, costs to be compliant for the Electrical Installation Condition Report (EICR) and gas safety certificates have already increased adding more pressure on compliant landlords.
- Finally, given the complexity of the Renting Homes Act for some landlords, anecdotal evidence suggests that some smaller landlords are exiting the sector while some might move into managed lets. Moving to managed let’s could be seen as a positive development given the professional standards of some letting agents. However, to reflect the increase in costs across the board, agents’ fees have increased inline. Given the probability of more landlords moving to managed lets, the increased cost of agent fees should also be factored.

¹¹ [Renting Homes \(Fees etc.\) \(Wales\) Act 2019 \(legislation.gov.uk\)](https://legislation.gov.uk/ukpga/2019/12/contents)

¹² [Interest rates and Bank Rate | Bank of England](https://www.bankofengland.co.uk/interest-rates/bank-rate)

Q8b. Do you agree that 30% of a household's income is an appropriate indicator of affordability?

Yes/No – If no, please explain why and what alternative value could be used).

11. Yes, we agree that thirty per cent of a household's income is an appropriate indicator of affordability. We understand that some letting agents in Wales already use the thirty per cent household income as a measure of affordability and suitability for private tenants.

Q9. Can you provide any additional data or evidence which has not been considered?

12. Propertymark recently submitted evidence to the Scottish Parliament's Local Government, Housing and Planning Committee for views sought on the Cost of Living (Tenant Protection) (Scotland) Act 2022 (Amendment of Expiry Date) (No. 2) Regulations 2023. To support this evidence, we conducted surveys on member agents operating in Scotland between October 2022 and May 2023. Our findings were consistent in demonstrating the ongoing impact of the Cost of Living (Tenant Protection) (Scotland) Act 2022 legislation.¹³ Propertymark member evidence shows three things. Firstly, the legislation is continuing to have an effect on landlord confidence. The majority of agents are still seeing landlords exiting the market. Secondly, the crux of the housing problem is that demand is far outstripping supply, but the legislation is having the opposite effect by pushing landlords out of the sector. Thirdly, rent increases have never been a significant factor yet the Cost of Living legislation and the threat of further rent control is forcing landlords to put up rents between tenancies to cover any future cost implications.

Key stats from Propertymark survey data in Scotland:

- 100% of agents say that they have seen more landlords looking to exit the private rented sector because of the temporary measures in place.
- 97% of agents who have seen an increase in the number of landlords serving notice to sell because of the Act.
- 100% of agents finding that landlords are now more inclined to raise rents between tenancies as a result of the Act.
- 97% of agents are concerned about the impact of the rent caps on the future of their business. 97% of agents believe that the increase to the rent cap of 3% is not enough to cover landlords' increasing costs.

¹³ <https://www.propertymark.co.uk/resource/devastating-impact-cost-of-living-legislation-having-on-the-prs.html>

Housing Rental Prices

Q10. Do you agree that better data on incomes and affordability is necessary to inform policy interventions – and how could this data be obtained?

13. Yes, we agree that better data on incomes and affordability is necessary to inform policy interventions. This should form part of data gathering within a dedicated Welsh Housing Survey, which Propertymark has long campaigned for.

Q11. What data do you consider needs to be captured on rents and relevant affordability factors, at what scale, and how often?

14. Rental data needs to be at the smallest geography possible to reflect local characteristics. This could be obtained from the property portal websites who can provide information on advertised rents and date provided by large agents and landlords on a quarterly basis showing rents achieved when a property was let.

Q12. Are there other considerations and potential impacts (including other data sources) you wish to highlight in regard to the current and future private rental market?

15. We are very happy to continue to engage with the Welsh Government to suggest ways in which data can be improved.

Q13. What other sources of data on rent might we draw on to inform policy development and future monitoring and evaluation?

16. To improve the Welsh Government's understanding of rent levels across Wales, they should create a Welsh Housing Survey to gather information on rent levels achieved to let a property and use data from the online property portals, such as Zoopla, On the Market and Rightmove more effectively to create a clearer picture of advertised Welsh rental levels.

Q.14. Do you think there should be a requirement to provide rent information to Rent Officers?

17. We believe there is merit in making it a requirement to submit data to Rent Officers. However, anecdotally we perceive that agents and landlords do not currently recognise the benefit of submitting this data or trust the ROW with submitting their data. Alternatively, to obtain this level of data, the ROW could get similar quality data from property portals such as Rightmove or Zoopla. We believe that agents have a valuable role to play in improving data quality on rental values. We

also believe that due to the shortfall in both agents and landlords issuing accurate data to the Rent Office, the current picture of rent prices is inaccurate. In recognition of the important role agents can play in improving the quality of rental data, we are currently working with the Rent Office Wales and the Valuation Office England in promoting their work to our agent members and illustrating the importance of submitting data. If this data was improved, not only would rental values be more accurately reflected, but it would provide a more accurate reflection for Local Housing Allowance Levels and improve housing options for the most vulnerable.

Q15. How do you think such a requirement could be enacted and enforced?

18. We believe that if it was to become a compulsory requirement to submit rental data, then medium to large letting agents would be in a strong position to helpfully achieve this through their online CMS systems. However, for them to be incentivised to do so, the relationship between property agents, Welsh Government, local authorities and relevant stakeholders would have to improve with better communication. If agents submitted their data, then they should have better access to support, training, grants and any other business improvements than those who choose not to.

Q16. Should such a requirement apply to all landlords or only some, perhaps larger, landlords? Why?

19. As we have already stated, we do not think the Welsh Government are effectively using open data that is already open to them such as that on the property portals. However, we agree to some extent that registered property agents have the best ability to provide this data providing their needs are considered and a more supportive relationship is established.

Rent controls

Q17. What do you consider to be the advantages and/or disadvantages of first, second, and third generation rent control measures?

First generation rent control

20. We are particularly concerned about strict price ceilings and rent freezes from first generation rent controls and would point to the impact seen in Scotland as an example of how such regressive measures do not work. Using such a strict measure at a time when landlords are experiencing such heavy increases in costs will inevitably lead to landlords exiting the market, reduced supply and for those tenants able to find accommodation, the likelihood is the quality will be significantly compromised. As part of the legislation in Wales, the Scottish Minister must consult on the impact

of these measures, which we have illustrated in this response. We would be happy to further illustrate the impact such strict measures have had on the Scottish PRS should the Welsh Government find that useful.

Second generation rent control

21. While a rent control system that allows moderate rent increases from second generation rent controls or a third-generation system that prohibits rent controls from increasing above market rents might be considered preferable, they still have significant unintended consequences. We have had conversations with landlords who have not increased rents for a significant period but are likely to increase rents due to the uncertainty of the market. This was certainly the case for landlords in Central Berlin on the implantation of a rent brake in Germany where local rents increased in advance of 10 per cent.¹⁴ This could also lead to vulnerable tenants being seen as riskier with landlords reluctant to rent to them. Evidence from New York has suggested in some cases when tenants have secured rent controlled accommodation, they have stayed in the accommodation even as their job prospects improve and have locked out future renters who may benefit more from the property.

Q18. What factors should apply to determine if a rent control measure is required?

22. We do not support rent controls as an effective tool to improve affordability. The consultation document also acknowledges that affordability is currently not an issue in Wales. Some organisations may favour rent controls as a method to regulate excessive profits that landlords make. However, this is not the case, and landlords are under significant financial pressure from increased building material costs and increased costs incurred from interest rate rises. If the Welsh Government see rent caps as a tool to support young renters save to get on the property ladder, they could also consider expanding support for help to buy for the second-hand housing market to further stimulate growth. Support for homeownership could also be expanded for a wider number of occupations to help people with essential skills live and work across Wales.

Q19. Who should be responsible for determining if a rent control measure is to be introduced?

23. We believe that consideration of whether a rent control measure is required is a political decision and as such should be made by the Minister the private rented sector in Wales. The implementation of rent control measures should be monitored periodically to see if they remain

¹⁴ [ria1019.pdf \(thinkhouse.org.uk\)](#)

appropriate. We would recommend that a working group is formed made up of membership bodies that represent the interests of landlords, property agents and tenants to assess the impact of rent controls in Wales to support the Minister in making a decision on their continued appropriateness. The Fair Rents and Adequate Housing Stakeholder Group is already in formation, and we are proposing that if rent controls are brought forward, then the group continues to meet to assess the impact of rent controls. The group could assess the impact rent controls have had on the level of rent, supply of housing, the impact on local economies or any other pertinent factor. The Minister should then consider whether rent controls measures should continue, discontinue or if any other action should be taken.

Q20. How could compliance with a rent control measure be monitored and enforced?

24. Under the Renting Homes (Wales) Act 2016, there is already a provision for a landlord to vary rent levels. Under the 2016 Act, a landlord may vary rent on an annual basis and they must provide the contract holder two months’ notice. Therefore, the most effective way to enforce rent controls would be through secondary legislation from the 2016 Act. Current enforcement on the variation of rent, stipulates that if a landlord is non-compliant with legislation, then they may be subject to rent repayment order and be prohibited from seeking possession through a Section 173 notice.

Q21. Do you have any views on the models for rent control measures?

Energy / quality-based model

25. Of the rent control measures mentioned, we are most concerned about the prospect of a rent control measure being introduced based on an energy or a quality-based model, and we hope this will be discounted at the earliest opportunity. Firstly, properties in Wales are less energy efficient than in England¹⁵ which is chiefly due to the high proportion of older buildings built in Wales pre-1919. Given the challenges in existing supply, the Welsh Government should be looking to incentive landlords to take on these older properties and to improve them rather than further penalise them and make them even less desirable. Secondly, the UK Government have closed a consultation on increasing the cost cap on the Minimum Energy Efficiency Standards from a cap of £3,500 to a proposed £10,000.¹⁶ This will put Welsh homes at a disadvantage to most regions of England where the cost of £10,000 will be felt less hard against higher property values. Thirdly, the UK Government have consulted on a voluntary target of EPC C for portfolios for mortgage

¹⁵ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/energyefficiencyofhousinginenglandandwales/2022>

¹⁶ <https://www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes>

lenders.¹⁷ If less energy efficient properties were subject to more stringent rent controls, then there could be difficulties in mortgaging their properties.

Cost-based model

26. A cost-based model, while interesting in concept, would be difficult to police the accuracy of costs incurred on the maintenance and improvements made for the benefit of the tenant. We also have concerns over the current accuracy of rental data to perform an accurate market rent data index.

Rent Pressure Zones

27. If rent pressure zones were considered, whereby an income-based index would identify areas where the average household spends a certain percentage of income on rent, the danger here is that these areas would become even less desirable for landlords to invest in, and they may favour other areas where rent pressure zones do not exist. This could further inflate the problem of supply in areas where affordability is of greatest concern.

Yield-based model

28. Of the proposed models, a yield-based model might be the most appropriate model which would consider the financial challenges that landlords are experiencing especially in terms of increased mortgages costs. We also think that of the proposed models, an affordable supply model could work whereby a certain proportion of new build units would be secured for “affordable rent” using Section 106 planning obligations. This model is unlikely to cause any existing landlords to decide to leave the market and further reduce supply.

Other observations

Q22. Do you have any further evidence or observations that you wish to provide?

29. In May 2023, PropertyMark surveyed property agents in Wales on the impact of the potential introduction of rental controls on their business and the private rented sector in Wales.¹⁸

- 95% of surveyed agents said that introducing fair rents legislation would result in a decrease in supply.
- 78% of agents reported a low level of awareness amongst landlords on the legislation.

¹⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/936276/improving-home-energy-performance-through-lenders-consultation.pdf

¹⁸ <https://www.propertymark.co.uk/static/db7d3f80-8223-4abc-b05c389d05ed7fdd/Fair-rent-and-the-right-to-adequate-housing-in-the-private-rented-sector-in-Wales.pdf>

- 89% reported that fair rent legislation would be of no benefit to the housing sector.

30. If the Welsh Government goes ahead with rent controls, not only careful consideration will be required to avoid the unintended consequences, but the legislation will have to be promoted on a similar scale to that of the Renting Homes Wales legislation to ensure landlords, agents and indeed tenants are aware of the changes.