

# Private/Social Rental Market Data and Analysis

The following report is a working document in support of the Demand for Social Housing Project being undertaken by the Home-Options partnership.

## Private Rented Statistics: summaries of monthly private rents (£) across relevant geographic areas<sup>1</sup>

Table 1: England, September 2012 – September 2013

No. of Bedrooms	Count	Average	Median
1	79,839	622	500
2	183,386	689	575
3	113,179	776	650
4	41,780	1,356	1,100

Table 2: East Midlands, September 2012 – September 2013

No. of Bedrooms	Count	Average	Median
1	6,501	418	400
2	18,464	507	495
3	13,920	592	575
4	4,080	883	800

Table 3: Derbyshire, September 2012 – September 2013

No. of Bedrooms	Count	Average	Median
1	781	404	395
2	2,555	484	475
3	1,801	578	560
4	525	879	795

Table 4: Amber Valley, September 2012 – September 2013

No. of Bedrooms	Count	Average	Median
1	116	395	395
2	393	468	460
3	277	572	550
4	67	922	750

<sup>1</sup> Data from the Value Office Agency as of 12<sup>th</sup> December 2013,  
[http://www.voa.gov.uk/corporate/statisticalReleases/131212\\_PrivateRentalMarket.html](http://www.voa.gov.uk/corporate/statisticalReleases/131212_PrivateRentalMarket.html)

## Local Housing Allowance

For reference the monthly Local Housing Allowance rates for the Derby Broad Rental Market Area (BRMA) are **£332 for a one bedroom** property, **£416 for two bedrooms**, **£460 for three bedrooms** and **£640 for four bedrooms**<sup>2</sup>. In Amber Valley there are, as of February 2014, 2,358 claimants whose housing benefit entitlement is calculated under Local Housing Allowance rules. Of these claimants 1,390 receive the maximum entitlement and 968 are in receipt of a partial allowance.

## Social Rented Statistics: summaries of monthly social rents (£) across relevant geographic areas

A breakdown of social rented data by number bedrooms at a national, regional or county scale is proving difficult to complete. However, in 2013 the overall average monthly rent for a social rented property in England was £354 and £330 in Derbyshire<sup>3</sup>.

More detail is available at a district level.

Table 5: Amber Valley, September 2012 – September 2013 all properties let by Futures Homescape<sup>4</sup>

No. of Bedrooms	Count	Average	Median
1	203	311	305
2	295	347	338
3	193	383	375
4	9	413	404

Table 6: Home-Options Partners, average social rents for 2012/13<sup>5</sup>

Home-Options Partners	No. of Bedrooms			
	1	2	3	4
High Peak	310	351	396	N/A
Erewash	277	321	357	391
Derbyshire Dales	305	365	400	418

<sup>2</sup> Data from Directgov, <http://lha-direct.voa.gov.uk/SearchResults.aspx?LocalAuthorityId=201&LHACategory=999&Month=1&Year=2014&SearchPageParameters=true>

<sup>3</sup> Data from DCLG, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-rents-lettings-and-tenancies>

<sup>4</sup> Data from Locata, reporting all properties recorded as 'let' throughout the sample time period

<sup>5</sup> Data from DCLG, <http://opendatacommunities.org/data/households/social-lettings/general-needs/rents/prp/number-bedrooms>

## **Outline Analysis: Private and Social Rents**

Across Amber Valley it is clear that social rented properties offer competitive rents when compared with the private sector. The difference between average monthly rents over the sample period for a one bedroom property equated to £84, a two bedroom property £121, a three bedroom property £189 and a four bedroom property £509. This is a considerable difference, particularly for individuals on lower incomes. The price difference is smaller between one and two bed properties with the gap increasing substantially between three and four bed properties.

Also, it is worth noting that Local Housing Allowance rates do not meet average rents across the Amber Valley with a shortfall of between around £50 to £70 a month. It is difficult to know how people or families are able to make up this difference from other means.

On price alone the social rented sector can be considered competitive. However questions of the overall 'offer' provided by the social rented sector still remain. For example the private sector offers greater flexibility of tenure, furnishing, white goods and speed of service that could assure demand is retained or increased.

## **Private Lettings Agent Perspective**

Some useful qualitative comments emerged from a meeting with staff at Amber Homes, Ripley to discuss the local private rental market. A summary of the key points follows:

- Three to four bed properties are the most popular, particularly with families who cannot access the mortgage market
- There is little take-up of one bed properties largely due to uncompetitive pricing
- There is an average of a one month turnaround from initial communication to letting
- Around 10% of tenants are on LHA. Amber Homes are less willing to take on LHA recipients. However it was noted that the ECO boiler scheme is attractive to private landlords, i.e. they receive a new boiler
- Most clients at Amber Homes make initial communication through email or phone call. There is little passing trade through the door

## Reason for Vacancies: breakdown of vacancy reasons in the social rented sector across relevant geographic areas<sup>6</sup>

Table 7: England, 2008 – 2014 (2013/14 data incomplete)

Reason for vacancies - England	2008/9		2009/10		2010/11		2011/12		2012/13		2013/14	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
First let to newbuild, conversion, rehabilitation or acquired property	30,270	13.4	25,336	12.8	27,931	11.9	59,861	11.8	41,831	9.2	9,227	6.2
Relet - Internal transfer	44,514	19.7	37,378	18.9	46,298	19.7	99,196	19.5	89,383	19.7	33,719	22.8
Relet - previous tenant died (no succession)	30,627	13.6	23,349	11.8	29,692	12.6	63,946	12.6	62,466	13.8	18,761	12.7
Relet - previous tenant evicted	14,434	6.4	10,844	5.5	12,858	5.5	27,931	5.5	26,400	5.8		
Relet - previous tenant moved to (other) LA	9,536	4.2	9,610	4.9	12,183	5.2	25,461	5.0	27,550	6.1		
Relet - previous tenant moved to (other) PRP	11,336	5.0	12,402	6.3	15,324	6.5	38,423	7.6	29,797	6.6		
Relet - previous tenant moved to private sector or other accommodation	<b>72,387</b>	<b>32.1</b>	<b>68,243</b>	<b>34.5</b>	<b>79,482</b>	<b>33.8</b>	<b>169,185</b>	<b>33.3</b>	<b>154,727</b>	<b>34.1</b>	<b>55,948</b>	<b>37.8</b>
Relet - property abandoned by previous tenant	11,966	5.3	9,828	5.0	10,996	4.7	22,034	4.3	19,937	4.4	6,752	4.6
Relet - to tenant who occupied same property as temporary accommodation	756	0.3	820	0.4	721	0.3	1,848	0.4	1,301	0.3	212	0.1
Relet- tenant evicted due to ASB or other reason											2,341	1.6
Relet- tenant moved to other social housing provider											14,379	9.7
Relet-tenant evicted due to arrears											6,629	4.5
<b>Total</b>		<b>225,826</b>		<b>197,810</b>		<b>235,485</b>		<b>507,884</b>		<b>453,390</b>		<b>147,968</b>

<sup>6</sup> Data from <https://core.communities.gov.uk/AnalyseData/ASDExistingReport.aspx>

Table 8: Amber Valley, 2008 – 2014 (2013/14 data incomplete)

Reason for vacancies - Amber Valley	2008/9		2009/10		2010/11		2011/12		2012/13		2013/14	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
First let to newbuild, conversion, rehabilitation or acquired property	53	13.6	38	9.7	48	12.9	62	7.4	132	15.0	32	10.5
Relet - Internal transfer	64	16.5	67	17.0	65	17.5	208	24.7	196	22.3	68	22.2
Relet - previous tenant died (no succession)	49	12.6	43	10.9	37	10.0	58	6.9	58	6.6	13	4.2
Relet - previous tenant evicted	16	4.1	18	4.6	11	3.0	26	3.1	34	3.9		
Relet - previous tenant moved to (other) LA	18	4.6	16	4.1	16	4.3	36	4.3	34	3.9		
Relet - previous tenant moved to (other) PRP	15	3.9	10	2.5	9	2.4	28	3.3	20	2.3		
Relet - previous tenant moved to private sector or other accommodation	147	37.8	180	45.8	157	42.3	390	46.3	350	39.8	141	46.1
Relet - property abandoned by previous tenant	27	6.9	20	5.1	28	7.5	34	4.0	56	6.4	17	5.6
Relet - to tenant who occupied same property as temporary accommodation			1	0.3								
Relet- tenant evicted due to ASB or other reason											8	2.6
Relet- tenant moved to other social housing provider											23	7.5
Relet-tenant evicted due to arrears											4	1.3
<b>Total</b>		<b>389</b>		<b>393</b>		<b>371</b>		<b>842</b>		<b>880</b>		<b>306</b>

## **Outline Analysis: Reason for Vacancies**

In England and across Amber Valley tenants moving onto the private rented sector or other accommodation accounts for the highest proportion of vacancies in social housing stock. Since 2008 the proportion of tenants moving onto the private rented sector are around 5% higher in Amber Valley in comparison to England. The overall proportion of vacancies accounted for by move onto the private rented sector between 2008 and 2014 has increased in England from 32.1% to 37.8% and across Amber Valley from 37.8% to 46.1%. This indicates that the private rented sector is gradually attracting more social rented tenants.

More generally it is also worth underlining the jump up in the number of vacancies during 2011. This occurred in both England and Amber Valley. It will be interesting to note if this trend continues when all data is returned for 2013/14.

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