

Regulating the Private Rented Sector: Millennial Themes

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BACKGROUND

- Evaluations of housing policy and the capacity of the private rented sector to contribute to the delivery of housing are often premised upon the private sector being largely homogeneous and a construction of the 'landlord' in negative terms.
- This assessment can be flawed given the continuing and growing dependence of Government and tenants on the private sector to fill the gap in housing provision which public actors have been unable to do.

METHODOLOGY

- The author explains the evolution of government policies regarding the regulation of housing provision in the private rented sector and the regulation of landlord behaviour by mapping the evolving policy stance against the configuration of the sector, the current demand for housing and known regulatory theory (in particular compliance).

KEY FINDINGS

- Drawing upon regulatory theory, the author argues the regulatory stance adopted by successive governments is highly problematic as it is at odds with, and potentially undermines, how the ownership of land tends to be conceptualised in theoretical terms.
- Further, it is argued that current practices conflict with what is known about regulatory compliance, generally.
- The analysis suggests the Government's approach to regulating the sector creates problems by increasing the regulatory burden and further demonising the private landlord.
- This may result in small landlords (owning one or two properties) exiting the sector despite their contribution to housing provision.

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POLICY ISSUES

- As in many other domains, policymakers are advised to assess carefully both the regulatory context and the ultimate policy objective before promoting general legislation, if they wish to avoid counterproductive effects.
- Generalisations about the private rented sector's composition could reduce housing supply by making entry into the sector less attractive for potential small landlords (who in aggregate form a significant part of the private rented sector) and by encouraging existing small landlords to leave the sector.
- It may be necessary to provide more targeted forms of legislation focusing on, for example, geographical location and known sector deficiencies, rather than problematic provisions such as the "right to rent" that have limited relevance to the landlord-tenant relation.

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