

# **“HOUSING BENEFIT AND THE PRIVATE RENTED SECTOR IN THE UK”**

**Julie Rugg**

*Centre for Housing Policy, University of York*

## Abstract:

This paper will review policy change in the area of housing benefit for tenants in the private rented sector. Use of the sector (commonly referred to as the PRS) by low-income households is substantial. Around 25 per cent of lettings are supported by housing benefit payments that cover all or part of the rent. Households who are renting in the PRS can be vulnerable: many are single parents, long-term sick or disabled. Although the vast majority of landlords and letting agents express little willingness to deal with this demand group, a ‘benefit niche market’ has developed, with private sector housing suppliers altering their letting practices in order to accommodate the needs of claimants. However, recent changes to housing benefit regulations have introduced a new rationale for housing benefit: tenants are to be given a ‘housing allowance’ they can ‘spend’ on rented housing, with the intention that their action as consumers will effect improvements in the quality of rental property at the bottom end of the market, as well as introducing greater financial responsibility for tenants often used to having rent paid automatically on their behalf. This paper discusses some findings from a long-term evaluation of the new regulations, which were tested in nine local authority areas over a two-and-a-half year period.