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RENT, SERVICE CHARGES AND AFFORDABILITY

THE NEED FOR MORE TRANSPARENCY

SEPTEMBER 2024
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Ariennir yn Rhannol gan Lywodraeth Cymru
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Chief Executive Foreword

Croeso and welcome to TPAS Cymru's third annual Tenant Pulse Survey on rent setting.

Before I start, I must say a massive thank you to all the tenants who took the time to complete the survey. Your voice is so important, and TPAS Cymru will do everything we can to make sure that the time and effort you have given us ensures that your voice is heard. I make that promise on behalf of TPAS Cymru.

This annual survey is designed to examine and track tenant views on rent and affordability. TPAS Cymru felt it was important to show policy-makers how tenants feel about rent and service charges.

On a personal note, I was disappointed to see such a clear rejection of ideas to vary rent based on other factors such as EPC, location, etc. I am not convinced the current model of CPI+X is sustainable, and we need to find new models of affordability.

This report will be used as an ongoing collection of evidence to be used in Welsh Government's working group (of which TPAS Cymru is part of) looking at rent setting for the next 5 years.

Finally, I would like to thank once again all of those who took the time to respond to this survey. Your voice matters. Diolch.

David Wilton, Chief Executive, TPAS Cymru

Key findings from this report

Section 1: Landlord and Tenant Communication

Improved communication on rent increases:

- A significant majority of tenants (89%) have received communication from their landlords regarding their rent increases, marking a notable improvement since our 2023 rent and affordability survey.

Changes to satisfaction levels with landlord communication:

- Satisfaction levels have improved (35%), an improvement from 2023 when most respondents were neutral.

Drivers of those dissatisfied with rent communications:

- Tenants expressed significant frustration over rent increases, citing concerns about affordability and lack of justification in terms of reflecting service improvements.
- There were complaints about high service charges, inadequate communication, poor maintenance, and perceived unfairness in rent increases in relation to different properties or regions.
- Tenants identifying as disabled, and tenants who are not in receipt of welfare benefits were particularly concerned about the impact of rent and service charge increases.

Awareness of rent expenditure:

- An increased number of tenants (57%) expressed a desire to know how their rent money is spent, an increase from the response of 42% we saw in 2023.

Awareness of financial support:

- We've seen improvements in tenants' awareness of the financial support available from landlords however, almost half of tenants responded that they are still unaware of this essential information.
- 66% of tenants whose main source of income is generated through work, hasn't seen any information around financial support when struggling with rent, compared to 46% of retired tenants.

Section 2: Rent Formula Options

Support for social rents should be based on property factors:

- 60% of tenants agree with charging higher social rents for properties in desirable areas or with better energy efficiency.

Significant disagreement with the idea of rent supplements for new builds:

- 56% of tenants oppose charging extra rent for newly built, energy-efficient homes. Resistance was stronger in the North and South West regions, while opinions among underrepresented groups was more divided.

Resistance for rent increases for energy efficiency:

- 71% of tenants felt rents should not increase for homes with improved energy efficiency, reflecting a strong consensus that lower energy bills should not lead to higher rents.

Opposition to Rent Variation based on access to public services:

- 67% of tenants oppose varying rents based on access to public services like transport and local services such as shops. Housing Association tenants were slightly more open to this idea, while those on Universal Credit showed more support than working tenants.

Strong Rejection for Market-Linked Rents:

- Tenants don't want social rents to be linked to discounted market rents, they want to be protected from market fluctuations.
- 88% of tenants oppose linking social rents to local private rental prices, with a preference for rents to be based on the property itself rather than the area. BAME tenants were particularly concerned about the complexity and feasibility of this system.

Section 3: Service Charges

Growing awareness of the breakdown of service charges:

- There has been a positive increase since 2023 in the percentage of tenants knowing what their service charges are for. This has grown from 41% in 2023 to 58% in 2024.
- Despite this improvement, 42% of all tenants who pay service charges still do not fully understand what they are paying for, and 13% of tenants are unaware but want to know more about what these payments mean.

Perception of unreasonable increases:

- The subject of reasonableness split tenants, with 37% saying their service charge increase was reasonable and 39% of tenants reporting feeling that their service charge increases this year were unreasonable. The remaining responses reported not knowing if this cost had gone up or not.

Landlord discrepancies (Local Authority v's Housing Association):

- There is a big difference in service charge awareness between Housing Association tenants (67% awareness) and Local Authority tenants (37% awareness), suggesting a disparity in how well different types of landlords communicate and justify these charges.

Tenant dissatisfaction with service quality:

- Tenants report feeling frustrated with the quality and frequency of services they are paying for, feeling that they are being charged for sub-standard or even non-existent services. This includes concerns about poor contractor performance and a lack of accountability.

Lack of transparency and value for money:

- Many tenants express strong concerns about the lack of transparency in how service charges are calculated and a widespread belief that these charges do not reflect the value of the services provided for tenants.

Section 4: Affordability

Perception of rent affordability:

- 62% of tenants reported believing their rent is affordable, a decrease from 78% in 2023.
- Housing Association tenants are slightly more likely (65%) to find their rent affordable compared to Local Authority tenants (57%).

Of those tenants who found it unaffordable, the key reasons were:

High rent costs relative to income:

- Tenants report feeling that their rent is disproportionately high compared to their income, particularly those on fixed incomes (E.g those tenants with pensions, welfare benefits).
- High rents are forcing tenants to sacrifice essential needs, leading to financial distress.

Impact of welfare and benefits system:

- Tenants report that the bedroom tax and challenges with Universal Credit are exacerbating financial strain.
- There are concerns about moving to Universal Credit from legacy benefits due to potential financial losses.

Poor housing conditions:

- Tenants report feeling dissatisfaction with maintenance and repairs services, feeling that the quality of their housing does not justify the rent price.
- Energy efficiency issues increase tenant spending on utility bills and contribute to poor living conditions.

Emotional and psychological strain:

- Tenants report that the financial pressure, poor housing conditions, and difficulty navigating the benefits system is causing stress and mental health issues.

Inadequate support for vulnerable groups:

- Vulnerable groups, such as older persons and those with disabilites), report feeling unsupported, particularly in accessing appropriate housing and financial assistance.

Perceived unfairness and lack of control:

- Continuous rent increases, without improvements in housing quality, frustrate tenants.
- Tenants report feeling powerless with no input on rent decisions or property management.

Tenant priorities for rent spending:

- Repairs and maintenance to existing homes are the most important services for tenants.
- Improving energy efficiency and building new homes are also high priorities for tenants.

Opinions on the Social Housing Rent Settlement:

- There is support for the current settlement: 39% of tenants support maintaining the rent settlement at CPI+1%.
- Although our data presents a majority opposition: 62% of tenants believe the rent settlement should change, with 30% favouring adjustments based on affordability and inflation data.

Recommendations

Section 1: Landlord and Tenant Communication

- **Enhance and target communication:**
Landlords should focus on improving communication with specific demographic groups, (particularly older tenants and those in regions like South West Wales, to ensure all tenants are informed about rent increases and available support).

- **Increase transparency and justification:**
To address dissatisfaction, landlords should provide and improve transparent explanations for rent increases, and how the additional income will be utilised to ensure that tenants feel their payments are justified.

- **Increase engagement on rent expenditure:**
Given the growing interest in understanding how rent money is spent, landlords should offer clear and accessible information on financial expenditure.

- **Improve service quality:**
Landlords should concerns about service charges and maintenance by enhancing the quality and timeliness of repairs, and ensuring service charges are reflective of the services provided.

- **Enhanced support for vulnerable tenants:**
Special attention should be given to vulnerable tenant groups, ensuring they are adequately informed and supported, particularly in light of the financial challenges posed by rent increases.

Section 2: Changing Rent Formula

- **Consider tenant preferences in rent policies:**
Landlords should prioritise ensuring rent policies focus on affordability. Data shows there is little appetite for rent variances based on community, EPC ratings etc.

- **Landlords should tailor communications and engagement activities:**
There is a need to address the diverse opinions among different regions across Wales, and underrepresented groups are heard through targeted communication and engagement efforts.

- **Complex rent structures:**
Given tenants' widespread concerns about the complexity of varied rent systems, landlords should avoid overly complicated rent-setting models that could confuse or alienate tenants.

Section 3: Service Charges

- **Improve communication:**

Landlords should improve transparency by clearly communicating what service charges cover and how they are calculated, addressing the significant awareness gap for tenants.

- **Enhance service quality:**

Landlords need to ensure that the services for which tenants are charged are delivered consistently and to a high standard.

- **Address tenant concerns:**

Regular feedback from tenants should be used to adjust service charges and service delivery, ensuring that charges are fair and reflect the quality and frequency of services provided.

- **Regularly review contractor performance:**

We suggest stricter oversight and accountability for contractors to ensure reliable and high-quality service delivery.

Section 4: Affordability

- **Address affordability concerns:**

Landlords should explore rent formulas that consider tenants' incomes and affordability, particularly for vulnerable and BAME tenants who are more likely to find their rent unaffordable.

- **Enhance support for vulnerable groups:**

Landlords should provide targeted financial assistance and improved access to appropriate housing for vulnerable groups, including older persons, those with disabilities, and those on fixed incomes.

- **Improve housing conditions:**

Landlords must prioritise repairs, maintenance, and energy efficiency improvements to ensure tenants feel their rent reflects the quality of their housing.

- **Reform rent-setting mechanisms:**

More flexible, affordability-based rent-setting models should be considered, that respond to inflation and tenants' financial situations. Tenants should be engaged in decision-making processes to ensure their needs and preferences are reflected in rent adjustments and decisions.

- **Increase transparency and tenant involvement:**

Improve communication with tenants about determining rent increases and involve them in discussions about priorities for rent and service spending. Landlords should consider a communications campaign to share the work that is being carried out at the Landlord and Welsh Government level.

Introduction to TPAS Cymru's Tenant Pulse

Tenant Pulse is the national platform for Wales that enables tenants to provide anonymous accounts of their experiences, thoughts and feelings relating to their homes and communities. They currently take the following form:

1) **Annual surveys** - subjects we believe are important and need tracking. Currently we have 3 annual surveys:
   - Energy and Net Zero survey
   - Rent setting consultation
   - Annual 'What Matters' survey looking at what really matters to tenants and their communities

2) **Specific topical surveys** we develop with stakeholders such as Welsh Government to help bring insight to policy developments. Such as the recent Green Paper on Housing Adequacy and Fair Rents.

3) **Specific audience surveys**: occasionally we provide specific surveys for organisations, including PRS Tenants in north Wales on support options, Housing Association tenants on regulation reform etc.

We hope the findings and recommendations within this research offer valuable insight into the challenges tenants are experiencing and their thoughts on Rent setting. We believe that by listening to tenants, and stakeholders, we can enable, open, honest, and transparent conversations.

All reports are published on Tenant Pulse portal on our website. www.tpas.cymru/pulse

Purpose and objective of this report

At the request of the Welsh Government, we have undertaken our 3rd dedicated Tenant Pulse focused on rent setting. Whilst we are now seeing inflation and energy prices coming down, the cost-of-living crisis remains.

Rent setting is a challenging subject and requires balance on both sides. Landlords need certain levels of a rent settlement to continue services as they have seen an increase in the costs of building materials, repair contractors and staff wages. However, tenants must be able to afford these increases.

This is a comprehensive and detailed report that investigates tenants' perceptions of landlord-tenant communication, possible Rent Adaptations, Service Charges, and Affordability.

We are working closely with landlords and Welsh Government to ensure the tenant voice is at the heart of decision making.

Authors: Elizabeth Taylor, David Wilton and Eleanor Speer
September 2024

How the survey was promoted

TPAS Cymru presented 27 questions in total, with the choice to answer 10 initial questions, followed by sections of 5 questions which tenants had a choice to answer. These were sent to Pulse database members and members of the public.

The survey was sent to tenants signed up to our Tenant Pulse portal, excluding PRS tenants as this subject is specific to the social housing sector.

We saw some publicity support from social landlords and tenant groups to their tenants. This method creates some noticeable differences in tenant responses per landlord, depending on the landlord's degree of engagement/promotion. We thank all landlords for their continued support with this.

Social media campaign

TPAS Cymru utilises social media and digital campaigns to promote our Tenant Pulse surveys. For this survey, we launched a snapshot bilingual social media campaign to promote the Tenant Pulse to our networks and members. We utilised all our social media channels as per our Tenant Pulse campaign protocol, which has been in place for the last 3 years. Overall, this protocol has led to a growing increase in our tenant responses over time.

It's worth noting for this Tenant Pulse that this survey was extremely limited on time. We ran this as a snapshot of tenant views on rent and affordability. Alike our previous Tenant Pulse surveys, this promotion was completed in collaboration with the Welsh Government in a joined-up approach. We were able to share a quote from a senior Welsh Government official to support the promotion of this survey.

Despite this short timeframe, we saw an outcome representing the tenant voice in Wales, and our social media promotion allowed an audience of RSL and Local Authority tenants to engage with the survey.

Advertising

In line with our previous practice regarding our Tenant Pulse surveys, we ran an advert through the Meta platforms to promote this survey to the wider public.

As seen here, our digital campaign was bilingual and shared through all of our social media platforms. (Facebook, Twitter/X, Instagram and LinkedIn).

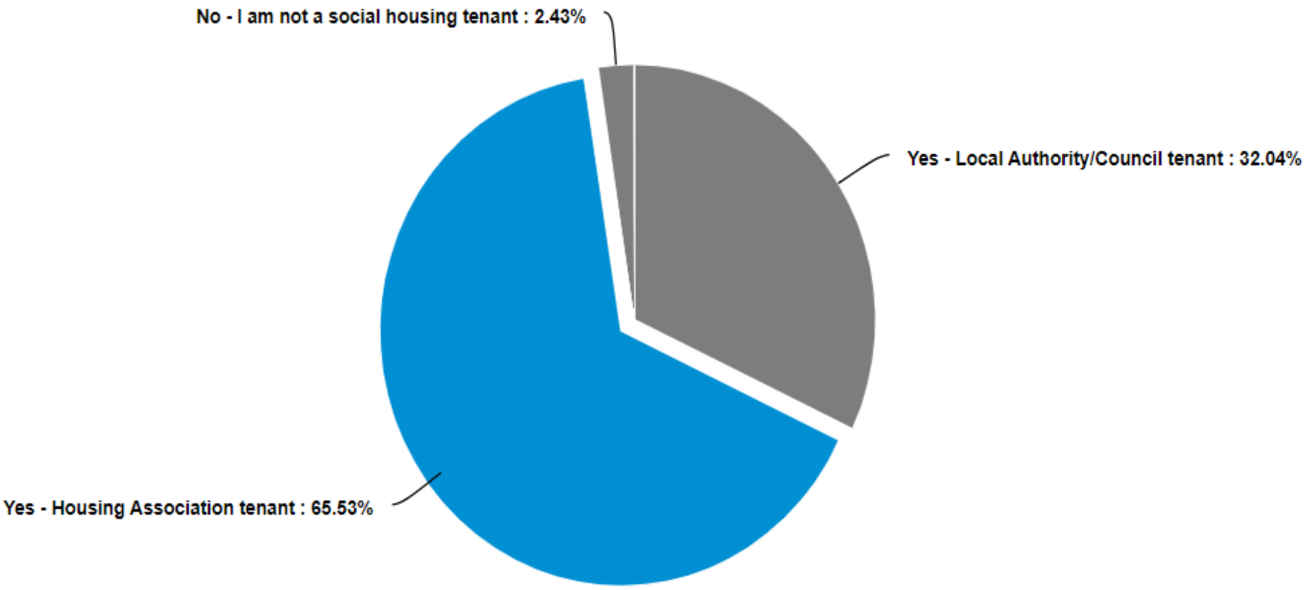
The advertisement ran through the Meta platform (Instagram and Facebook) for 7 days from the 17th of July, 2024, until the 24th of July, 2024.

This advert had a reach of 20,067 users and analysis showed that 58% of the visits to the survey were a direct impact of the advert.

Demographics of respondents

418 tenants living in social housing from across Wales responded to this survey. It must be noted that the response level is lower this year as we had a short window to ask for responses. Last year, with a longer response window, we reached over 800 responses. This is something we will be considering in future Pulse planning to ensure more voices are heard and represented.

Local Authority Tenants vs Housing Association Tenants Response



In this survey, we saw a reduction in responses from tenants living in Local Authority housing, in comparison to previous years. Based on feedback, the short response window did not help some Local Authorities as some Local Authorities were not being able to promote in time to their tenants as some have slower/more complex communications channels.

However, interestingly, there were no notable differences in regional responses based on social housing provider.

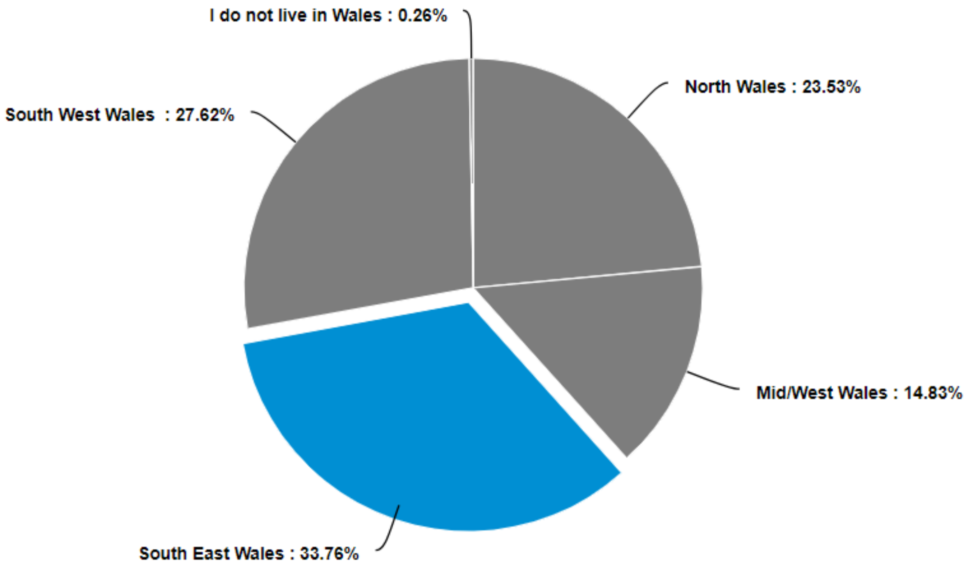
Responses in regions

We asked respondents to identify which region in Wales they lived in, rather than Local Authority area. This decision was made following feedback from Housing Officers across Wales who fed back that regional insights from Pulse might be better to implement changes within their organisations.
Other reasons include:

- We saw an early drop off on surveys due to the long list of 22 LA areas.
- The results per LA weren't as statically significant.
- Social landlords told us that they weren't using the data internally because they did not know if it was relevant for urban vs rural locations.

We will meet with stakeholders bi-annually to ensure they are able to use the findings in Pulse to help shape their organisation's policies and strategies.

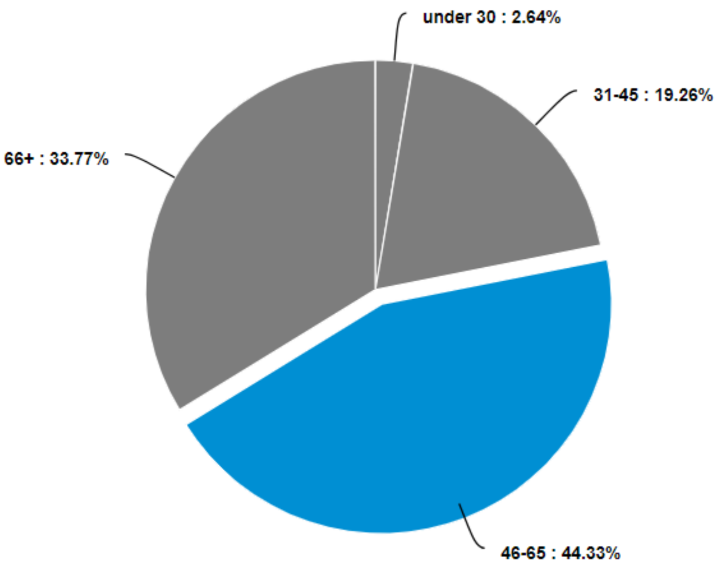
Responses in regions



As expected, with previous surveys and based on the overall housing stock in Wales, our highest responding areas were South East Wales - SEW (34%) and South West Wales - SWW (28%).

We did not provide boundary guidelines, so tenants have self-identified with each region of Wales. Regarding the age range of respondents, our youngest respondents – those under the age of 45 live in South West Wales.

Age groups

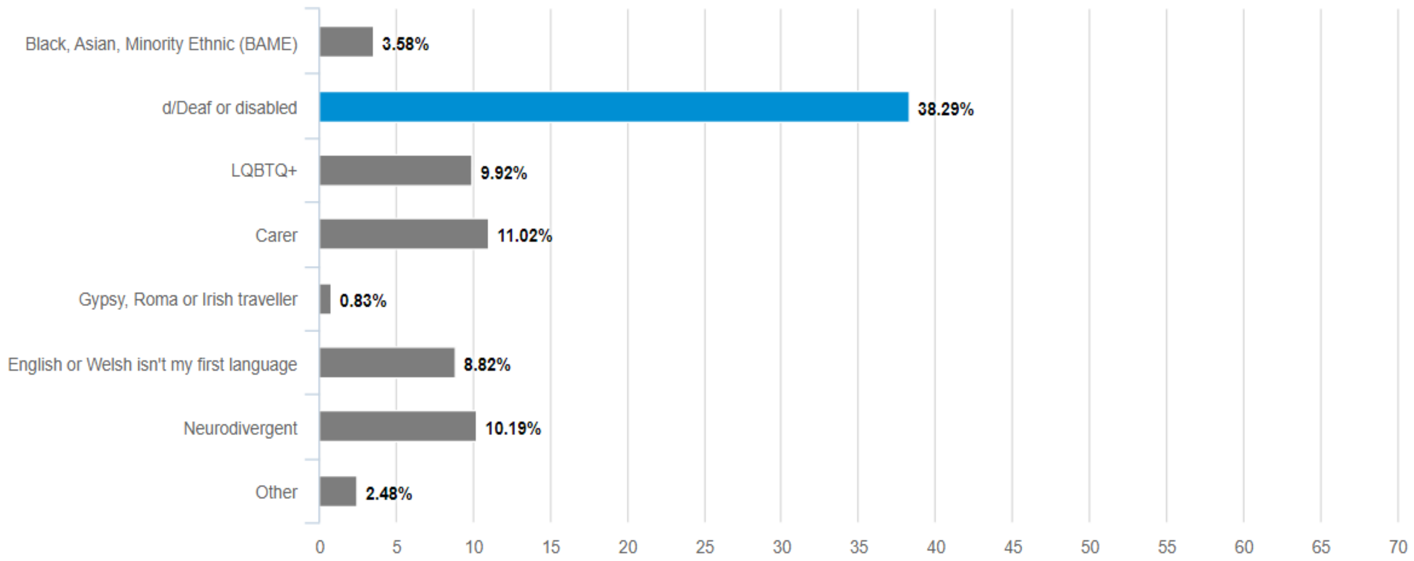


The highest responding age range for all respondents was 46-65 (44%).

Underrepresented Groups

We asked respondents if they considered themselves or anyone in their household as belonging to any of these underrepresented groups:

(Note: respondents can select more than one)



As with previous Tenant Pulse surveys, the highest responding group was **d/Deaf or disabled** (38%). This is a lower response than usual but aligns with the lower overall response.

- Of the 38% of tenants identifying as d/Deaf or disabled, 64% are living within a Housing Association.
- Overall, the split is equally distributed between the four regions, with Mid and West being the lowest; again, aligning with the overall responses (SEW 27%: SWW 27% NW: 26%: M/WW 18%).

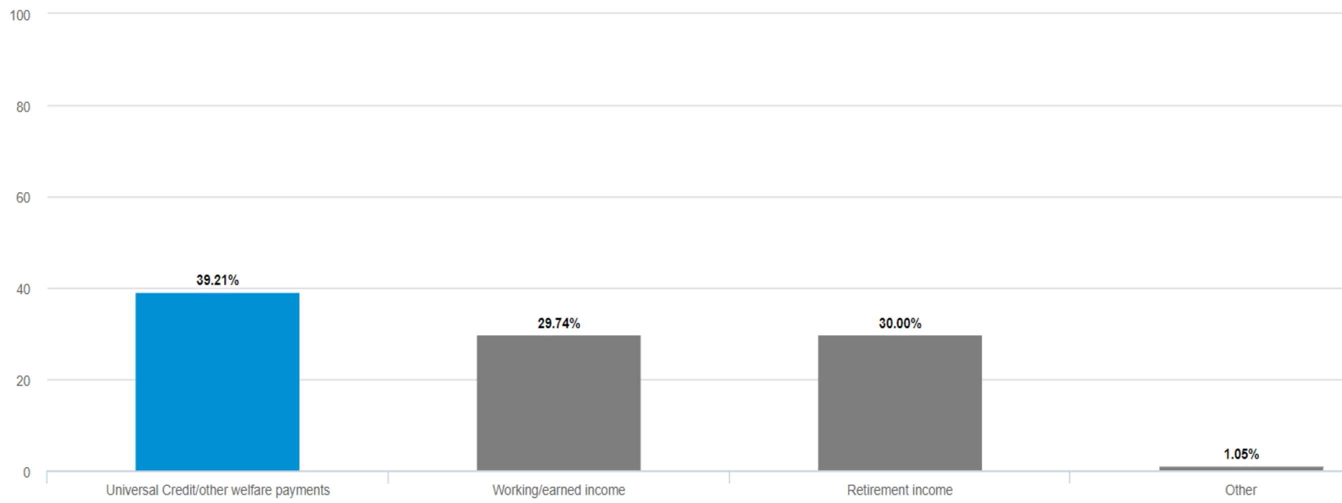
3.5% of the respondents identified as **Black, Asian, Minority Ethnic (BAME)** which has increased from 2023, where we had 2.5%. Whilst we recognise that this still isn't representative of the 5% which is Welsh reported average, we are continuously working to improve this.

(Note: Our past Tenant Pulse surveys that include Private Renters have reported a higher minority ethnic response level)

Other notable responses from tenants identifying as Black, Asian, Minority Ethnic (BAME) include:

- 69% reported living within a Housing Association.
- 69% lived in South East Wales.
- 33% were under the age of 30.

Main source of household income



We asked respondents what their main source of household income was.

Respondents were only able to choose **one** of the options. Since our 2023 survey, the number of respondents whose main source of income is earned income has decreased from 36% to 30%, and the number of those receiving UC as their main source of income has increased from 37% to 39%.

These findings may be a consequence of the lower number of respondents, as we saw a lower number of younger respondents who are more likely to have working income as the main source of income compared to tenants of pension-receiving age.

However, our findings line up with the Universal Credit statistics 23/24, suggesting the findings may be due to the increase in uptake of Universal Credit.

We broke this into different age groups to understand tenants' income in more detail:

Age	Work	UC
Under 30s	70%	30%
31-45	49%	51%
46-65	38%	58%
66+	4%	9%

All remaining percentages are made up of retirement income or 'other'.

When drawing on comparisons from 2023, we saw that those aged 31-45 who have working income as their main source of income decreased from 59% to 49%. This was the only notable difference.

Questions

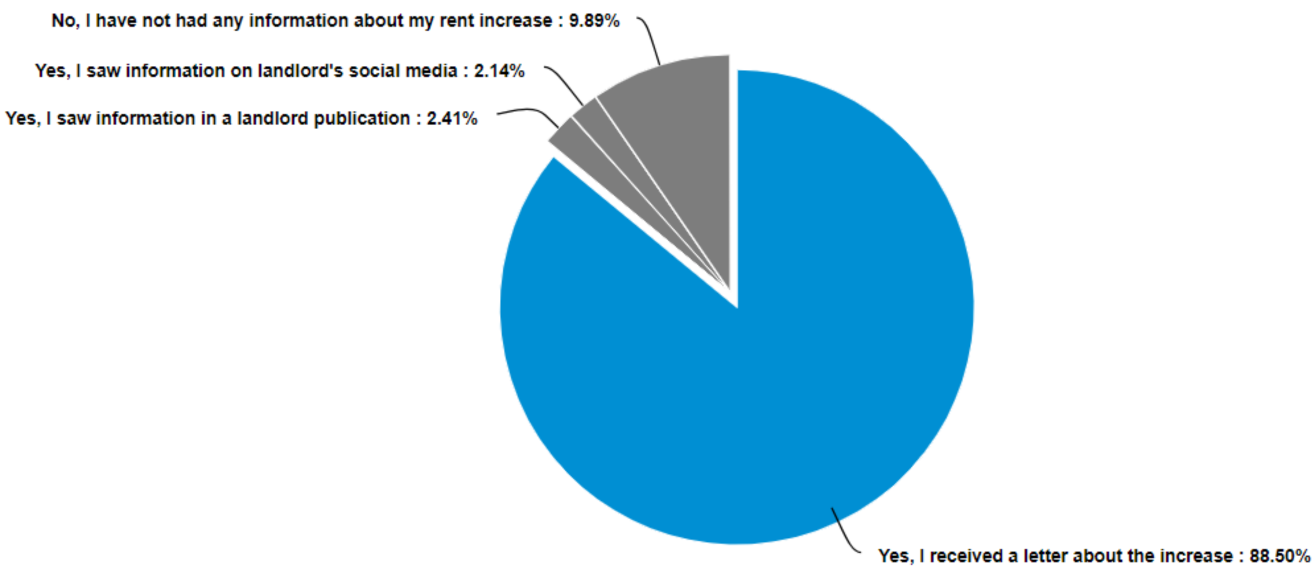
Section 1: Landlord Communication

1) Did you receive any communication from your landlord about your rent increasing from April 2024?

(This is a key commitment from social housing providers in previous rent settlements to improve transparency around rent changes and offer enhanced support to tenants)

Results indicated the following:

- The majority of tenants (89%) have received a letter from their landlord regarding their rental increase.
- There has been a positive notable 52% increase (from 59% to 89%) in tenant and landlord communication being noticed since 2023.
- 10% of tenants still aren't aware of the rent increase they may see.
- The highest proportion of tenants to have received the letter were working tenants (91%).



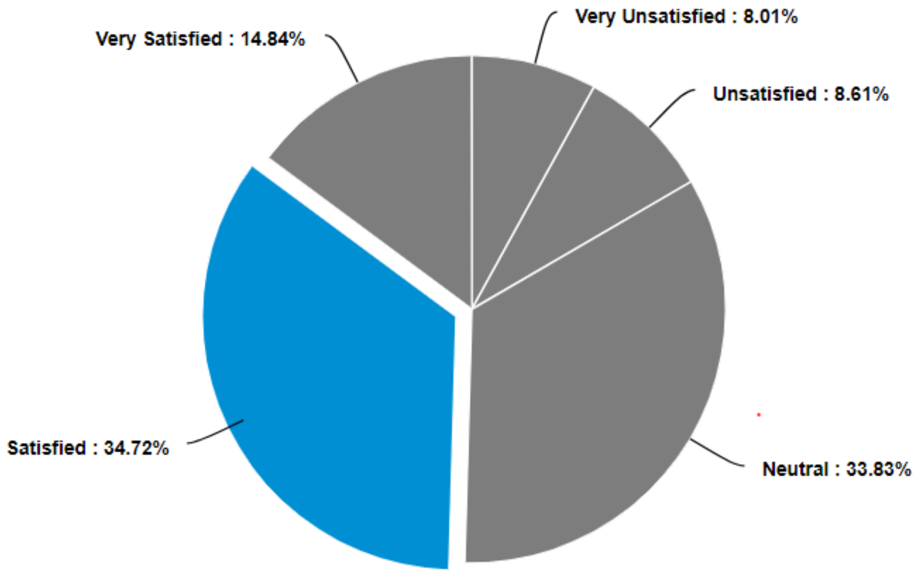
Of the 10% of respondents who hadn't received any communication regarding their rents increasing, the majority were over the age of 46. 65% of this group lived within a Housing Association, and 35% lived in Local Authority housing. 38% were living in South West Wales, 25% in North Wales.

Overall, it is important to note that this Tenant Pulse shows that there have been significant improvements in tenant and landlord communication regarding rent changes.

2) How satisfied were you with communication/engagement on the rent rise?

Results to this question indicated the following:

- 35% of respondents were satisfied, which has **changed from 2023**, where the majority of respondents were 'Neutral'.



Respondents who were very unsatisfied and unsatisfied

- 17% of respondents are very unsatisfied and unsatisfied in regard to this question.
- Of the 17% of respondents who were **very unsatisfied and unsatisfied**, 71% were living within a Housing Association, 38% of which were living in South East Wales, 29% in South West Wales, 18% in North Wales and 15% in Mid/West Wales.
- 96% of respondents who were **very unsatisfied and unsatisfied** had received a letter from their landlord.
- BAME tenants were the most unsatisfied underrepresented group (30%)

Compared to those satisfied or very satisfied

- Of the 50% of respondents who were satisfied or very satisfied, 46% were aged 46-65.
- 66% were tenants of a Housing Association.
- Other data indicators were insignificant and aligned with the overall data.

Similar to the previous question, there has been a notable change in tenant perception regarding landlord communication and engagement on rents.

There were no significant differences between tenants whose main source of income was working income and those with other forms of income.

3) If you were unsatisfied, please can you tell us why and what you would like to see

To understand the dissatisfaction among respondents, we asked them to share comments with us, which were broken down into the following key themes:

1. **Rent increases and affordability**:
    - Many respondents are frustrated with annual rent increases, especially given the current cost of living crisis.
    - Rent increases are seen as excessive and not justified by improvements in services or living conditions.
    - There is a significant concern about affordability, with tenants struggling to cover the increased costs without sacrificing essentials like food and heating.

2. **Service charges and value for money**:
    - Service charges are perceived as 'extortionate' and not reflective of the services provided.
    - Tenants feel that they are not getting value for the high amounts they are paying in both rent and service charges.

3. **Lack of communication and consultation**:
    - Respondents reported a lack of consultation and communication from landlords regarding rent increases.
    - There is a desire for more transparency and clearer explanations about why rent increases are necessary and how the funds are being used.

4. **Quality and timeliness of repairs and maintenance**:
    - Many tenant responses highlight ongoing issues with repairs not promptly or effectively addressed.
    - There is a significant dissatisfaction with the quality of work and maintenance, with some respondents stating that issues remain unresolved for years.

5. **Comparative discrepancies and fairness**:
    - Tenant responses highlight concerns about discrepancies in rent increases between different estates or properties within the same area.
    - There is a perception of unfair treatment and a lack of consistency in how rent and service charges are applied.

6. **Living conditions**:
    - Several tenant comments mention poor living conditions, including issues with heating, hot water, and overall maintenance.
    - Respondents shared a desire for older properties to be renovated to the standards of newer leases.

7. **Administrative and procedural issues**:
    - Tenants shared complaints about the clarity and accessibility of communication from landlords, such as complex letters and poor initial notifications.
    - Issues with incorrect rent calculations and administrative errors have also been noted and shared with us in this survey.

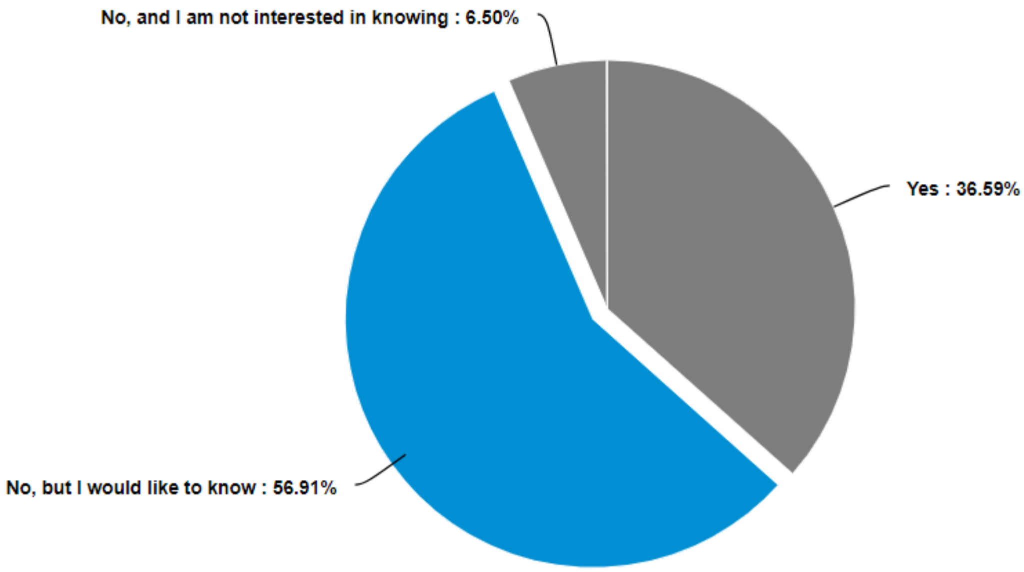
8. **Impact on vulnerable populations**:
    - There is a particular concern about how rent increases disproportionately affect vulnerable populations, including tenants with disabilities and those not receiving benefits.

Overall, the comments reflect a dissatisfaction with the management of rent and services, calling for greater transparency, fairness, and responsiveness from landlords. That dissatisfaction will reflect in views on effective communications.

4) Do you know what your landlord spends your rent money on?

We have asked this question each year, and our findings have been consistent: respondents do not know what their rents have been spent on, but they would like to know more. This year, that percentage has increased from 42% to 57% of tenants.

The largest proportion (57%) of tenants were not aware of what their rents were being spent on. Choosing the option: *'No, but I would like to know'.*



We noted slight variations between Housing Associations and Local Authority tenants. Housing Associaiton tenants responded yes in slightly higher numbers.

However, the most significant findings were when we drew on comparisons from 2023. Whilst the number of respondents in this research was lower and, therefore, we can't draw exact comparisons, there has been a clear shift in tenant perceptions around wanting to know more about how their rents are spent, as well as an increase in those who have been made aware of how it's been spent.

	Housing Association Tenants	Local Authority tenants
No, but I don't want any info	6% (14% in 2023)	8% (21% in 2023)
Yes	38% (33% 2023)	33% (23% in 2023)
No, but I would like to	56% (39% 2023)	59% (45% in 2023)

Variations based on regions:

	North	Mid/West	South East	South West
No, but I don't want any info	9%	6%	7%	4%
Yes	31%	41%	40%	36%
No, but I would like to	60%	54%	54%	59%

There were slight variations between the 4 regions, but there was still a consistent desire for tenants to receive information about what their rents were being spent on. We have previously looked at variations between specific LA areas, so we can't draw direct comparisons from previous years on this specific section.

In regard to age, the most significant finding was that **all under 30s** across all regions hadn't received any information about this and **80% would like to.**

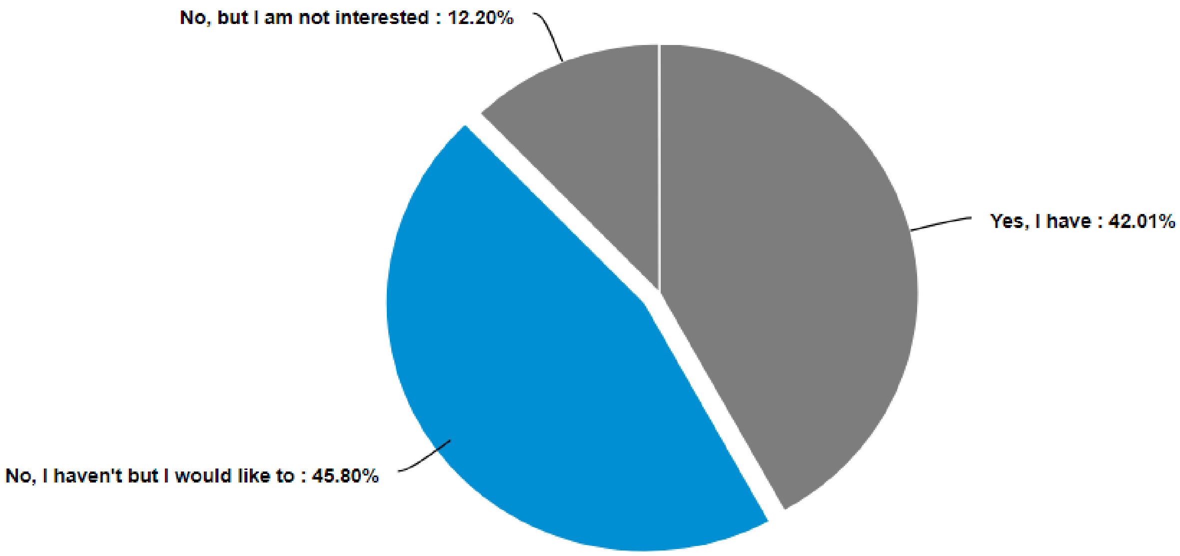
Note: There were no significant differences between underrepresented groups

5) All social landlords have agreed to give financial support to tenants struggling to pay their rent. Have you seen any information about the financial support and advice they offer?

This was a key commitment from landlords in 2022 after discussions with the Minister.

This year, our report highlights that:

- Almost half (46%) of tenants hadn't seen offers of support from their landlord, which is the same figure as 2023.
- 42% had seen the information about this, which is a 52% increase from 2023.



Variations across landlords:

The variation across landlords was minimal, and whilst we have seen an overall increase of 52% since 2023, we must note that almost half of tenants haven't seen any information about the financial support despite feeling it a necessity.

	Housing Association Tenants	Local Authority tenants
No, but I am not interested	11%	15%
Yes, I have	43%	39%
No, but I would like to	45%	46%

Variations based on region:

	North	Mid/West	South East	South West
No, but I'm not interested	18%	9%	10%	12%
Yes, I have	41%	50%	45%	35%
No, but I would like to	41%	41%	45%	53%

From our results, we can see that there are some variations based on region, with the South West having the least amount oof tenants aware of the financial support offered and Mid/ West Wales having the most.

Other key findings:

- Tenants under the age of 30 has the highest levels of disinterest on this matter (31%), compared with their peers aged 45+ (3%).
- Those aged 45+ were more likely to have seen information (45%)
- We noted no significant differences with underrepresented groups.
- The highest group of tenants who hadn't seen this information were tenants whose main source of income was working income, with 66%.

Section 2: Rent Adaptation

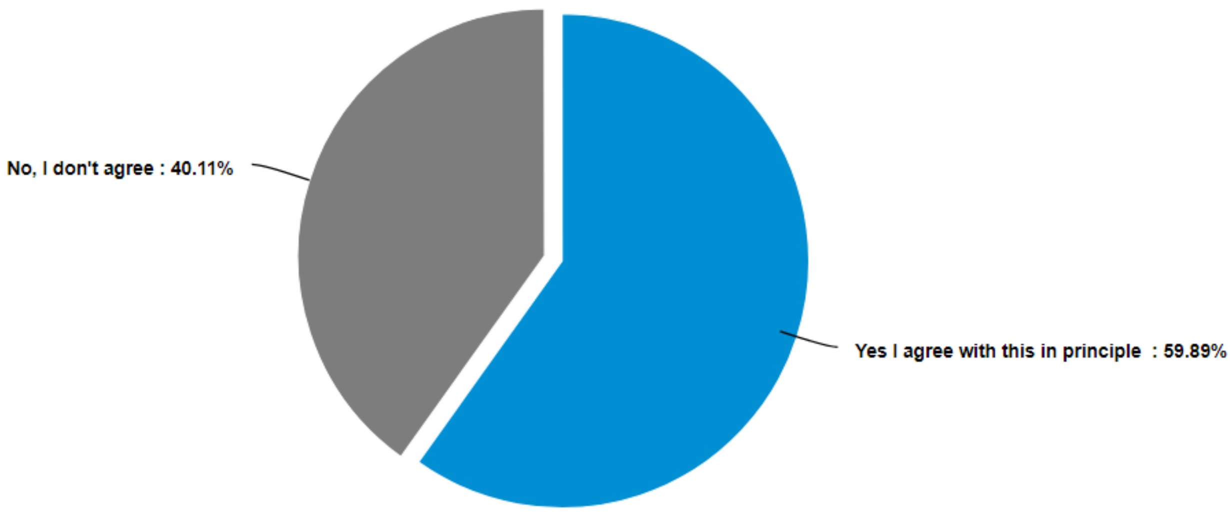
1. **One of the principles being considered by policymakers is whether tenants should pay more, or less, depending on other property factors rather than size (i.e. if you live in a new energy efficient property or more desirable area, or less rent if the opposite etc).**

   Do you agree with this thinking?

   Our results showed the following:

   60% of tenants agreed with the principle of paying higher rents for properties in desirable areas and newer energy systems.

   We have not asked comparable questions in previous years, so we are unable to draw a comparative analysis.



Housing Association versus Local Authority Variation

There were **no significant variations** across landlord type.

Variations based on region:

	North	Mid/West	South East	South West
No, I don't agree	46%	48%	33%	40%
Yes, I agree with the principle	54%	52%	67%	60%

Results show that tenants in the North/ Mid/West were less strongly in agreement with the principles around varied rents than those in the South East.

Variations based on primary source of income:

There were slight variations based on income source and the agreement of the principle to pay more rent for energy efficiency etc.

Results show that 55% of individuals whose main source of income comes from working agreed with this principle, compared with 63% of those relying on benefits or retirement income as their primary source of income.

Variation based on underrepresented groups:

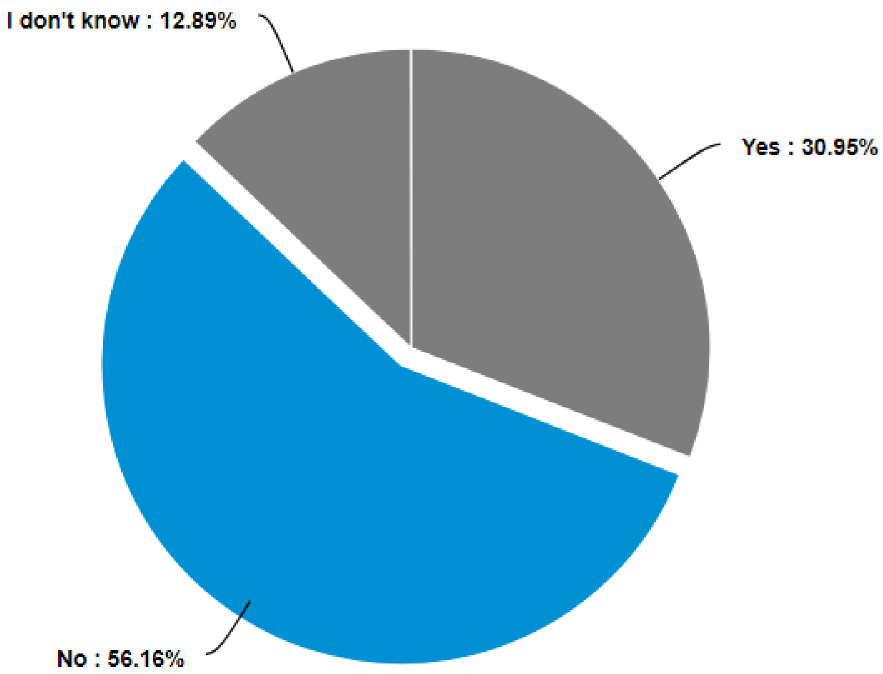
Results showed:

- Tenants from a Black, Asian and Minority Ethnic background were the most agreeable in terms of this principle, with 77% feeling it was fair.
- None of the other underrepresented groups showed any statistical differences.

Interestingly, there was a direct connection between the tenants who didn't agree with the principles and the tenants who hadn't seen any information from their landlord about financial support.

2. Do you think that landlords should charge a small rent supplement for newly built homes as they are more energy efficient, new windows, flooring etc?

Results indicated that half of tenants (56%) don't think that a supplement should be charged for new builds, despite the potential decreases in other costs.



Landlord Variation

There **were no significant variations** across landlord type.

Variations based on region:

	North	Mid/West	South East	South West
No, there shouldn't be a charge	69%	60%	50%	66%
Yes, there should be a charge	26%	32%	36%	20%
Don't know	5%	8%	14%	14%

Variations based on main source of income:

There **were no significant variations** between tenants relying on earned income, benefits and retirement income.

Variation based on underrepresented groups:

There were some variations when looking at underrepresented groups, specifically Black, Asian and Minority Ethnic, d / Deaf or Disabled and Neurodivergent:

	Yes, pay more	No, don't pay more	Don't know
BAME	38%	31%	31%
d/ Deaf or Disabled	28%	61%	11%
Neurodivergent	34%	45%	21%

Out of all the data, two underrepresented groups didn't feel that they knew if there should be a small rent supplement for new builds. 30% of those identifying as Black, Asian, Minority Ethnic, and 20% of those identifying as Neurodivergent.

Note 1: *This question wasn't asked in 2023, so we are unable to draw on a comparative analysis.*
Note 2*: The question did not say what the landlord would do with the increased rent, i.e. use it to build more homes, fund community work, put it towards retrofit of other homes. TPAS Cymru didn't give suggestions as there isn't a consistent approach in Wales. Having justification and reason could have resulted in more acceptance.*

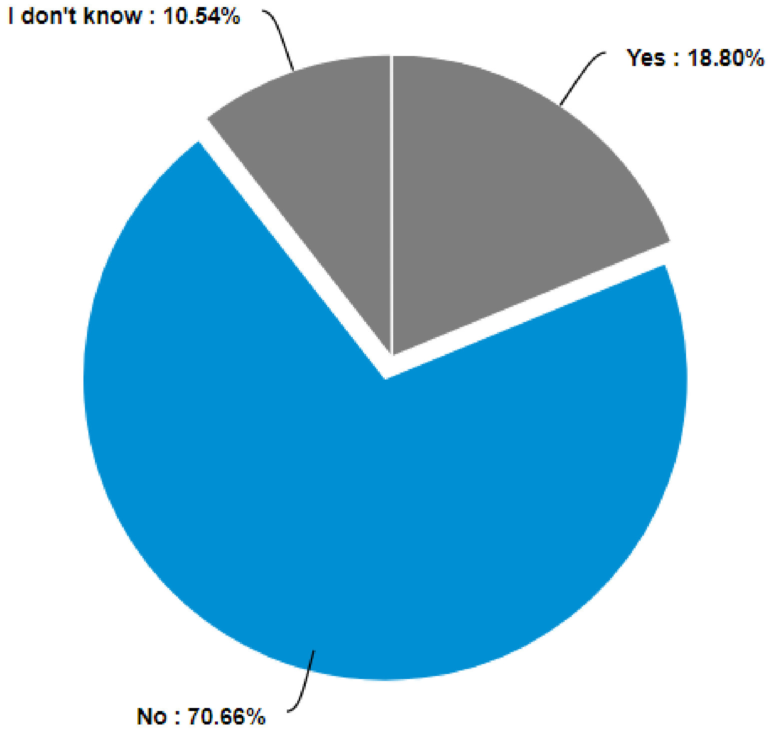
Summary
56% of tenants oppose rent supplements for new builds, despite potential cost savings from energy efficiency.

This opposition is consistent across landlord types and income sources, but regional variations show stronger resistance in the North and South West. Among underrepresented groups, opinions are more divided: 38% of Black, Asian, and Minority Ethnic tenants and 34% of neurodivergent tenants support the idea, while 61% of Deaf or tenants identifying as d/Deaf or disabled oppose these additional charges, indicating a potential polarization of affordability over perceived benefits of new construction.

These findings suggest that while the general tenant population has a slight majority **against** rent supplements for new builds, specific demographic groups exhibit more varied attitudes, with some showing uncertainty or greater acceptance of higher rents.

This highlights the importance of considering diverse perspectives when designing rent setting policies and rent strategies.

3. Do you think that landlords should charge more rent for homes that have improved energy efficiency? (meaning energy bills should be lower)



There is a clear consensus across 71% of tenants that rents should not go up if homes are made more energy efficient i.e. energy bills are lower.

Landlord Variation

There **were no significant variations** across landlord types.

Variations based on region:

There **were no significant variations** across regions.

Variations based on main source of income:

There **were no significant variations** between tenants relying on earned income, benefits and retirement income.

Variation based on underrepresented groups:

There were some variations when looking at underrepresented groups, specifically Black, Asian and Minority Ethnic, with a higher percentage of tenants (32%) reported feeling like they didn't know if rent should be varied based on energy efficiency.

Of those identifying as d/ Deaf or Disabled, 79% felt strongly about rents not being varied as a result of better energy efficiency.

Similar to the previous question, 20% of Neurodivergent tenants also felt that they didn't know rent should be varied based on energy efficiency.

There were no notable differences in any other underrepresented group.

Summary

These findings suggest a strong overall tenant consensus (71%) against the idea of landlords raising rent for properties with improved energy efficiency (EPC), likely reflecting a belief that the benefits of lower energy bills should not be offset by higher rent.

The lack of significant variation across different landlord types, regions, or income sources indicates this view is widely held across diverse demographics.

However, the uncertainty among some underrepresented groups, specifically 32% of Black, Asian, and Minority Ethnic tenants and 20% of neurodivergent tenants could point to either a lack of information or differing priorities within these groups.

The strong opposition (79%) among Deaf or Disabled tenants may suggest a heightened sensitivity to cost-of-living issues for these tenants. While the consensus is clear, the variations among specific underrepresented groups highlight areas where further education, and engagement might be needed.

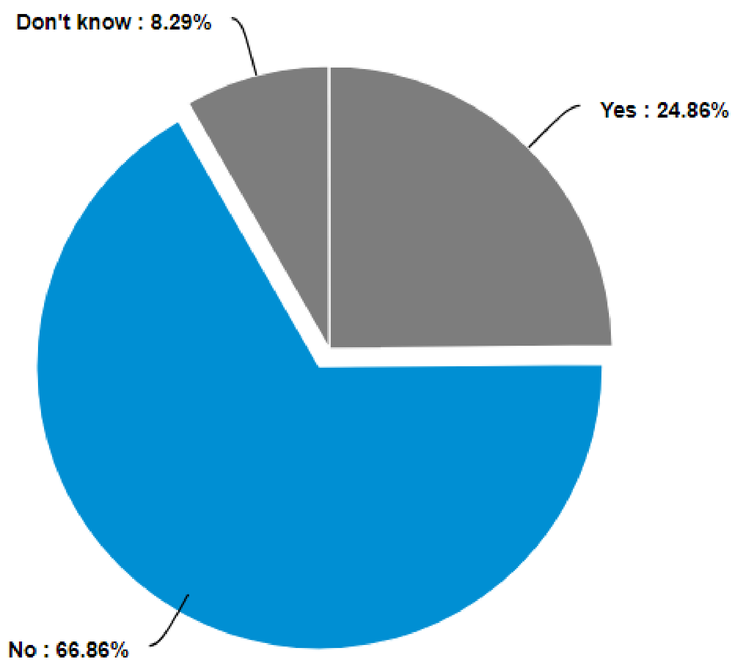
Note 1: *when we have asked similar question in more qualitive smaller focus groups, the most common responses centre around 2 themes:*

> *1 'Don't trust any energy saving would be offset by rent rises '*
> *2 'Just because it now has a higher EPC certificate doesn't mean I will save money'*

4. Should landlords vary rents for homes depending on their access to public services (public transport, shops, surgeries etc)?

As with the previous questions about increasing rents, tenants feel strongly that rents should not change for a specific purpose.

In this case regarding access to public services. 67% of tenants felt their rent shouldn't vary regardless of public services.



Housing Association versus Local Authority Variation

There **were slight** variations based on landlord

	Housing Association Tenants	Local Authority tenants
No	**64%**	**73%**
Yes	**27%**	**20%**
I don't know	**9%**	**7%**

Variations based on region:

	North	Mid/West	South East	South West
No	**67%**	**58%**	**71%**	**66%**
Yes	**23%**	**32%**	**23%**	**25%**
I don't know	**10%**	**9%**	**7%**	**9%**

Variations based on main source of income:

In earlier questions about rent differences, most tenants reported similar views. However, tenants who reported their income comes from work were more certain that rent shouldn't change based on access to public services.

There was a 13%-point difference in opinion between those on Universal Credit (UC) and those tenants who reported their income comes from work. More tenants on UC (32%) felt that rent should vary based on access to public services, compared to 21% of working tenants who agreed.

There was no variation between tenants' responses on UC and retirement income.

Variation based on underrepresented groups:

Results indicate a slight variation among tenants who identified as carers, with 33% (compared to 25% overall) feeling that rent should vary based on access to public transport.

There were no notable differences in any other underrepresented group.

Summary

These findings identify a majority (67%) of tenants opposed to varying rents based on access to public services like transport and shops.

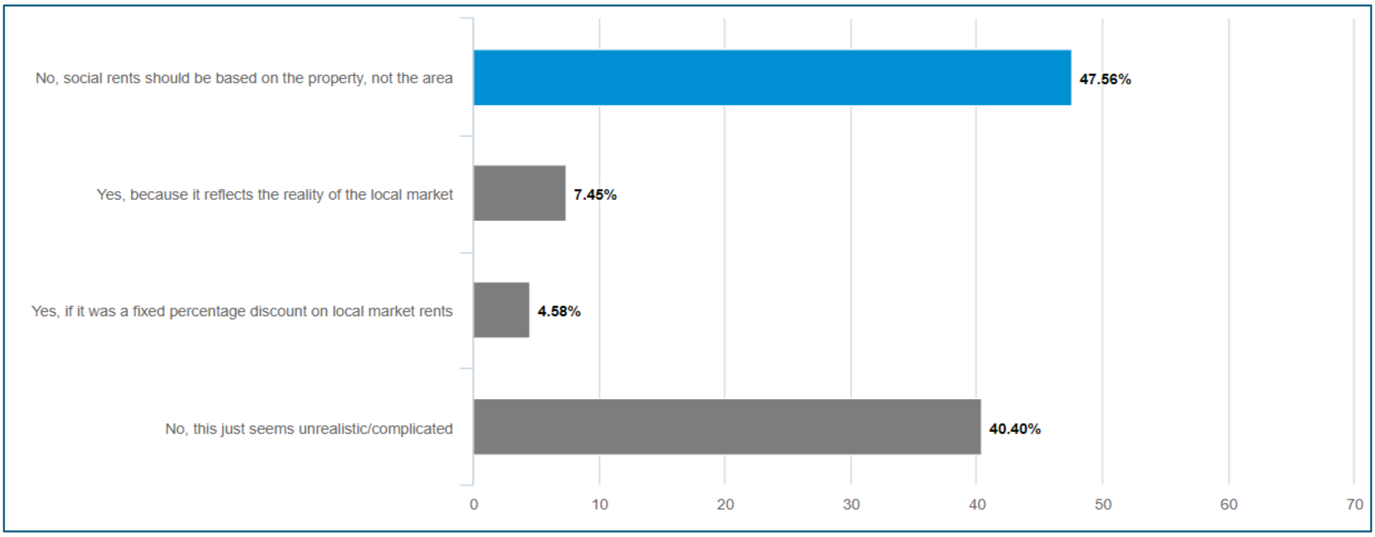
This view is consistent across regions and landlord types - though Housing Association tenants (27%) are slightly more open to rent variation than Local Authority tenants (20%). Tenants on Universal Credit are more likely (32%) than those tenants who reported their income comes from work (21%) to support rent variation, indicating financial vulnerability may influence their views. Carers show slightly more support (33%), but other underrepresented groups largely align with the overall opposition.

5. Should social housing rent setting be linked to local private rents prices (i.e. linked as X% cheaper than the private sector in that area, creating different rent for similar properties for other areas)?

Overall, results indicate that 88% of respondents don't think that social rents should be linked to private rental prices.

Almost half of tenants (48%) think that social housing rents should be based on the property rather than the area. That being said, 40% of respondents shared that they believe that it simply seems too complicated and unrealistic.

Housing Association v Local Authority Landlord Variation



There were some notable differences between Housing Association tenants and Local Authority housing tenants in that LA housing tenants felt more strongly towards rents being set based on the property rather than the area. A higher percentage of HA tenants thought that it was unrealistic and complicated.

	Housing Association Tenants	Local Authority tenants
No, social rents should be based on property, not area.	43%	56%
Yes, because it reflects the reality of the local market	8%	7%
Yes, if it was a fixed percentage discount on local market rents	5%	4%
No, it seems unrealistic and complicated	44%	33%

Variations based on region:

We can see some differences between the thoughts of tenants within different regions. Those in the North, Mid, and West felt more strongly about social rents being based on property, not area.

Those from the South East and South West felt more strongly than the North, Mid, and West that this style of rent setting is too unrealistic and complicated.

In terms of the regions in agreement with setting social rents based on private rents, Mid3/West Wales were most in favour, closely followed by South East Wales. However, this was still the minority choice.

	North	Mid/West	South East	South West
No, social rents should be based on property, not area	57%	52%	43%	42%
Yes, because it reflects the reality of the local market	6%	12%	9%	4%
Yes, if it was a fixed percentage discount on local market rents	1%	4%	5%	7%
No, it seems unrealistic and complicated	35%	33%	42%	47%

Variations based on main source of income:

There **were no significant variations** reported between tenants relying on income coming from a working salary, benefits and retirement income.

Variation based on underrepresented groups:

Tenants who identified as **BAME were the only underrepresented group with a significant variation in terms of their response**.

62% of tenants thought that this method of rent setting was unrealistic and complicated. With 15% stating it should be based on property, not area and 15% saying yes, because it reflects the reality of the local market.

There were no notable differences in any other underrepresented group.

Summary

These findings indicate a strong tenant consensus (88%) against linking social housing rents to local private rental prices, reflecting a widespread belief that social housing should be protected from market fluctuations.

Nearly half of the tenants (48%) prefer rents to be based on the property itself rather than the area, but a significant portion (40%) finds this approach too complex and impractical. Local Authority tenants are more likely to favour property-based rent setting, while Housing Association tenants are more concerned about its complexity.

Regional differences suggest that tenants in the North, Mid, and West are more supportive of property-based rents, whereas those in the South East and South West are more sceptical, considering it unrealistic.

Among underrepresented groups, BAME tenants notably view the proposed rent-setting method as unrealistic (62%), showing a higher level of concern about the feasibility of such a system.

Overall, the data reveals a clear preference for a non-market-linked rent model but also highlights significant doubts about the practicality of implementing property-based rent setting.

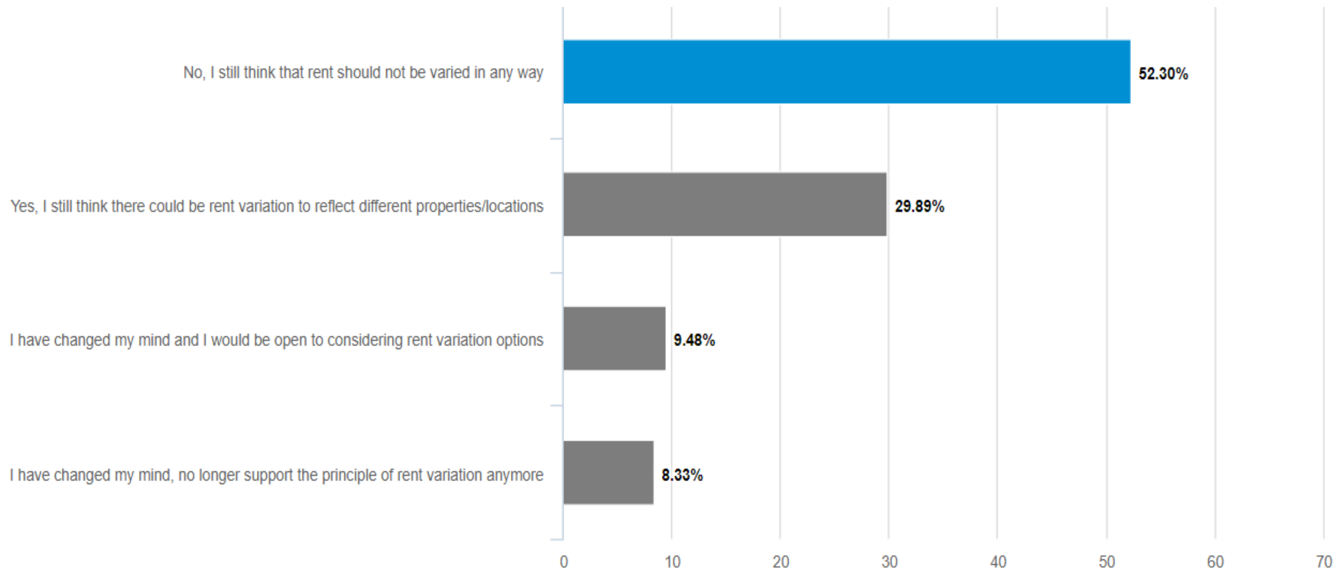
6. Based on the rent options we have shown you in this section, have you changed your opinion on the principle of rent variations?

By providing tenants with some potential rent models, we wanted to understand if this would change their opinion on the principle of rent variations.

The findings suggest that tenant opinions on rent variations are relatively stable, with a 52% majority maintaining their initial stance against any rent variation even after being presented with alternative rent models.

The small percentage of tenants who changed their minds - 9% becoming more open to different models and 8% reversing their initial support—indicates that while some tenants are swayed by new information, the overall resistance to rent variation remains strong. This emphasises the need for communication and transparency surrounding rent rises and spending.

This stability suggests that tenants have initially firmly held beliefs about rent fairness, and it may be challenging to shift these opinions through alternative proposals alone.



Section 3: Service Charges

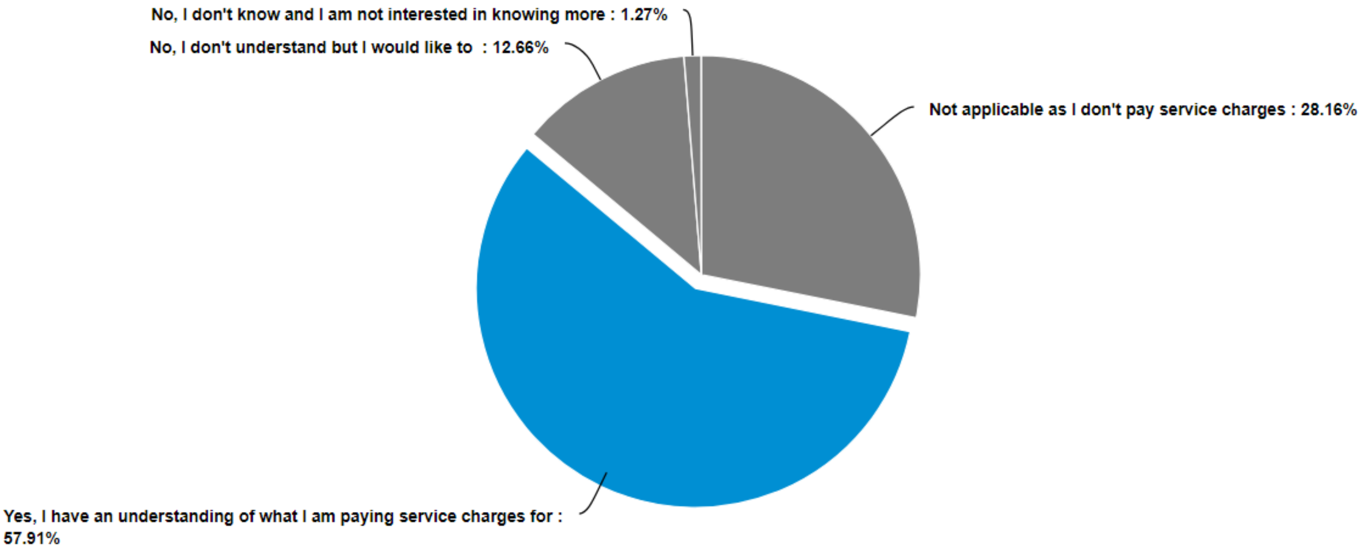
1. Where your landlord maintains communal areas or undertakes additional services such as maintaining communal gardens, they may charge you a 'separate' service charge in addition to your rent. Do you know what services you pay for?

Amongst all respondents, 72% paid service charges.

(Note: those with no service charges were skipped past this section)

Results showed the following:

- 58% of respondents knew what they were paying for in their service charge.
- 13% of respondents didn't know what their service charges were for and wanted to know more.
- There has been a positive increase since 2023 in the percentage of tenants knowing what their service charges are for. This has increased from 41% to 58%
- There has been an increase since 2023 in the percentage of tenants paying service charges. In 2023, 45% stated they don't pay service charges, and only 28% reported in this survey that they do not pay service charges.



Landlord Variation

There **were** notable differences between social landlord providers, with Housing Association tenants being more aware of their service charges than Local Authority Housing tenants.

- Of the Housing Association Tenants, 79% paid service changes and of that 79%, 67% were aware of what they were paying for.

- Of the Local Authority Housing tenants, 54% paid service charges and of that 54%, 37% were aware of what they were paying for.

Note: 32% of overall respondents are LA tenants, and 66% are HA tenants

	Housing Association Tenants	Local Authority tenants
Yes, I know	67%	37%
No, but want to	12%	15%
No, not interested	1%	2%
Not applicable	21%	46%

Variations based on region:

	North	Mid/West	South East	South West
Yes, I know	58%	61%	58%	55%
No, but want to	11%	14%	12%	14%
No, not interested	1%	0%	2%	1%
Not applicable	29%	24%	28%	30%

Variations based on main source of income:

There **were no notable differences** based on source of income

Variation based on underrepresented groups:

There **were no notable differences** in any underrepresented group.

Summary

This data indicates a significant awareness gap among tenants regarding service charges, with 58% of those who pay service charges knowing what they're paying for, though this represents an improvement from 41% in 2023.

A notable 13% of tenants are unaware of the specific services covered by these charges and express a desire for more information. Housing Association tenants are more informed about service charges (67%) compared to Local Authority tenants (54% and 37%, respectively).

This suggests that service charge transparency and communication may be better delivered by Housing Associations. There are minimal differences across regions and income sources, indicating that the issue of service charge awareness is widespread and not significantly influenced by geographic or economic factors.

2. If your service charge increased this year, was it reasonable?

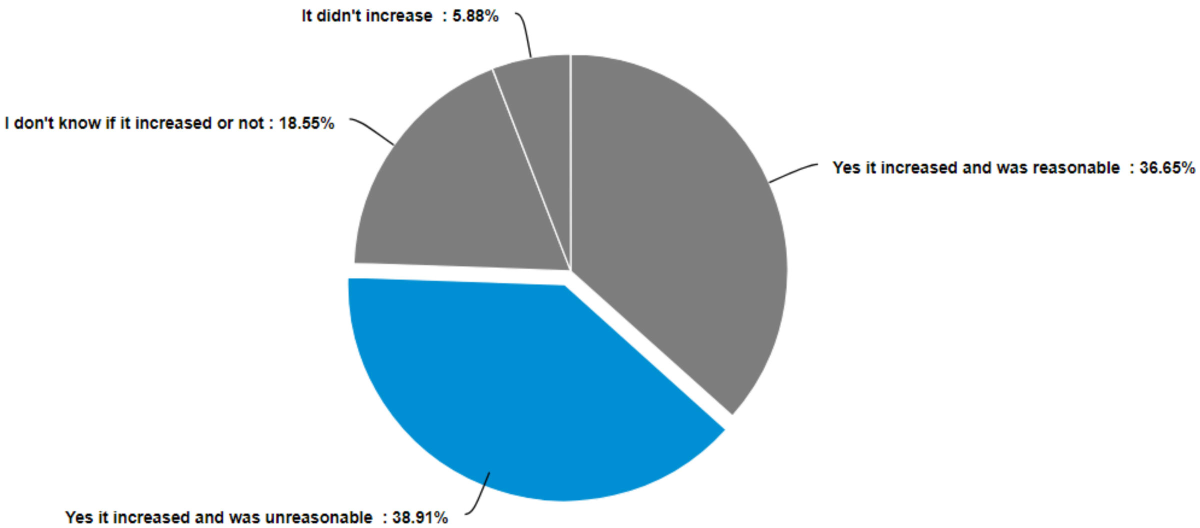
Results indicated that:

- 76% of tenants claim that their service charges increased this year.

Result outcomes presented a number of interesting attitudes:

- 39% of tenants felt that their service charge increases this year was unreasonable.
- 37% of tenants felt their service charge increase was reasonable.
- 19% did not know if it changed or not.

Tenants who felt their service charge was reasonable



These tenants reported the following data:

- The highest proportion of tenants paying service charges were aged 66+
- There was an equal distribution across regions.
- The main source of income was retirement income. However, 28% of tenants had working income as their main source of income.
- These tenants were amongst the same group of respondents who were satisfied with the communication they had had about their rent increases.
- There were no significant differences based on underrepresented groups.
- 84% of tenants who felt their service charge was reasonable were Housing Association tenants.

Tenants who felt their service charge was unreasonable

These tenants reported the following data:

- Those aged 46-65 were the highest proportion of responders in this category.
- The main source of income was Universal Credit. However, 28% of tenants in this category had working income as their main source of income.
- 81% were Housing Association tenants.
- They were amongst the same group of respondents who felt 'neutral' about the communication they had had about their rent increases.
- There were no significant differences based on underrepresented groups.

Note: The 19% of tenants who didn't know if their service charges had increased had retirement income and Universal Credit as their primary source of income.

3. Is there anything you would like to say about your service charges?

The tenants who left comments in this section were those who had said that their service charge increases were unreasonable. They revealed several key themes regarding **tenant dissatisfaction:**

1. **Quality and frequency of services**:
   Many tenants' express frustration with the **inadequate quality or infrequent nature of services** such as grass cutting, communal area cleaning, and maintenance. They feel **they are paying for services that are either not delivered properly or not delivered at all.**

2. **Lack of transparency**:
   Tenants frequently mention a **lack of clear communication** about what their service charges cover and how they are calculated.

3. **Value for Money (VFM)**:
   There is a strong opinion that the **service charges do not reflect the value of the services provided**. Tenants reported feeling that they are paying high charges for substandard or minimal services.

4. **Unfair charging practices**:
   Some tenants are concerned about being **charged for services they don't use or receive.** This includes dissatisfaction with being billed for services like gardening or cleaning that they believe are not carried out to an acceptable standard.

5. **Inconsistencies and inequities**:
   Comments highlight **inconsistencies in service provision**, such as differences in the quality of services between properties or areas, and perceived inequities in how charges are applied.

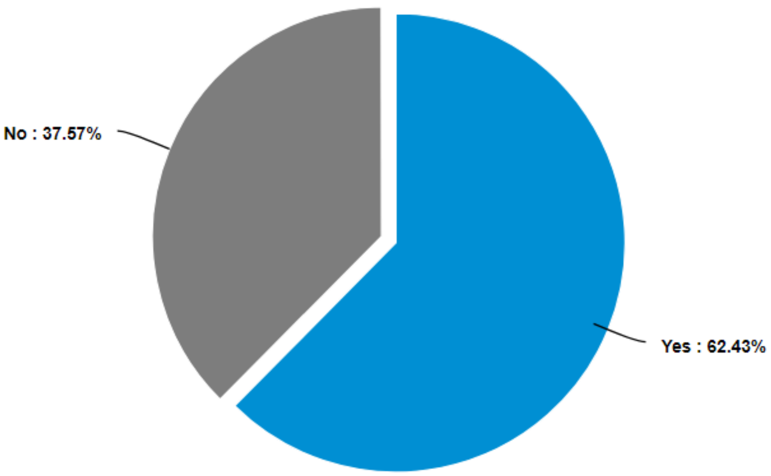
6. **Contractor issues**:
   There are complaints about the **performance and reliability of contractors**, including poor service delivery and **lack of accountability** from those responsible for maintaining the properties.

Overall, tenants are seeking clearer, fairer, and more consistent service charge practices, with improved communication and better value for the fees they pay.

Section 4: Affordability

1.Do you think your rent is affordable?

For this question, the majority (62%) of tenants who responded to the survey felt that their rent is affordable. This figure has decreased from 2023 when 78% of tenants felt their rent was affordable.



Landlord Variation:

There were some **slight variations** between social landlords.

	Housing Association Tenants	Local Authority tenants
Yes affordable	65%	57%
Not affordable	35%	43%

Variations based on region:

There were **no notable variations** based on regions.

Variations based on the main source of income:

There were **no notable variations** based on reported main source of income.

Variation based on underrepresented groups:

The majority of tenants (62%) who identified as BAME felt that their rents were not affordable.

There **were no notable differences** in any other underrepresented group.

Summary

Overall, 62% of responding tenants view their rent as affordable.

Among different landlord types, tenants of Housing Associations are slightly more likely (65%) to find their rent affordable than those of Local Authorities (57%).

There is a notable disparity among underrepresented groups: 62% of BAME tenants consider their rent unaffordable.

2. If you <u>don't think</u> your rent is affordable, can you please tell us why?

To further understand the concerns of tenants who felt their rents were unaffordable, we provided them with the opportunity to tell us more. Of the comments they have provided us, there are six key themes, with subthemes within:

a. High rent costs relative to income:

- Disproportionate rent to income: Many respondents emphasise that their rent is too high relative to their income, especially for those on fixed incomes like pensions, disability benefits, or low paid jobs.

- Impact on living standards: The high rent costs are forcing people to sacrifice essential needs such as food, clothing, and heating, which is leading to financial distress and a diminished quality of life.

b. Impact of welfare and benefits system:

- Bedroom Tax: Several tenants mention the financial burden imposed by the bedroom tax, which is seen as unfair, especially when there are no smaller, suitable properties available.

- Universal Credit challenges: Issues with the way Universal Credit is administered, such as mismatched payment schedules, are causing additional financial strain. Tenants also reported anxiety about being moved to Universal Credit from legacy benefits due to the fear of financial insecurity and instability.

c. Poor Housing conditions:

- Maintenance and repairs: Many tenants are dissatisfied with the state of their homes, citing poor maintenance, outdated facilities, and the landlord's lack of response to repair requests. Despite paying high rents, they feel the condition of the home often does not reflect the cost.

- Energy efficiency issues: Responses also point out issues with heating and insulation, leading to higher utility bills and difficulty maintaining a comfortable living environment.

d. Emotional and psychological strain:

- Impact on mental health: The financial pressures from high rent, combined with poor housing conditions and the challenges of navigating the benefits system, are causing significant stress and emotional distress to tenants.

- Some tenants report 'feeling trapped' and unable to move to more suitable accommodation due to a 'lack of available options'.

e. Inadequate support for vulnerable groups:

- A lack of adequate Support: Tenants who identify as careres, d/Deaf or disabled and older persons report feeling that the system does not adequately support them, particularly in terms of financial assistance and access to 'appropriate housing'.

f. Perceived unfairness and lack of control:

Rent increases: Many are frustrated with continuous rent increases that seem unjustified given the quality of housing and lack of improvements.

- **No Tenant input: There's a recurring theme of tenants feeling powerless, with no say in rent decisions or the management of their properties.**

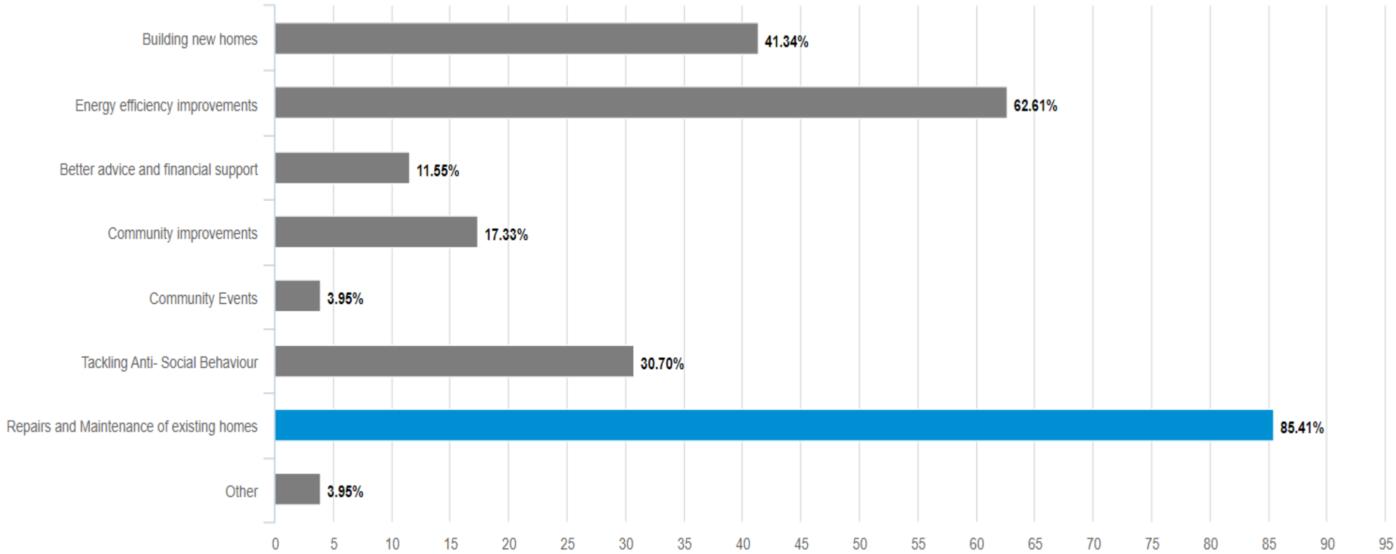
These themes collectively paint a picture of **widespread dissatisfaction** with both **the affordability and quality of social housing**, compounded by the **challenges of living on limited incomes** and **navigating a complex and often unsupportive benefits system.**

3. **Some Social Landlords have argued that they need above inflation rent rises to cover the increased cost of services. If you could decide what that rent increase is spent on, what would be your priority? (please tick up to 3 MAX)**

Due to the pressures on landlords to provide several services, we wanted to understand what would be of most importance to tenants if they could choose themselves. We gave the opportunity to choose from three.

As expected, the most desirable service was the **repairs and maintenance** to existing homes which was consistent across all social landlords and all regions.

Improving Energy efficiency and **building new homes** were also of significant importance to tenants.



Variations based on region:

There were **no notable variations** based on regions.

Variations based on the main source of income:

There were **no notable variations** based on main source of income.

Variation based on underrepresented groups:

Whilst the top 3 were the same for all demographic group, tenants identifying as BAME had a bigger need for community improvements.

There were **no notable variations** on any other underrepresented group.

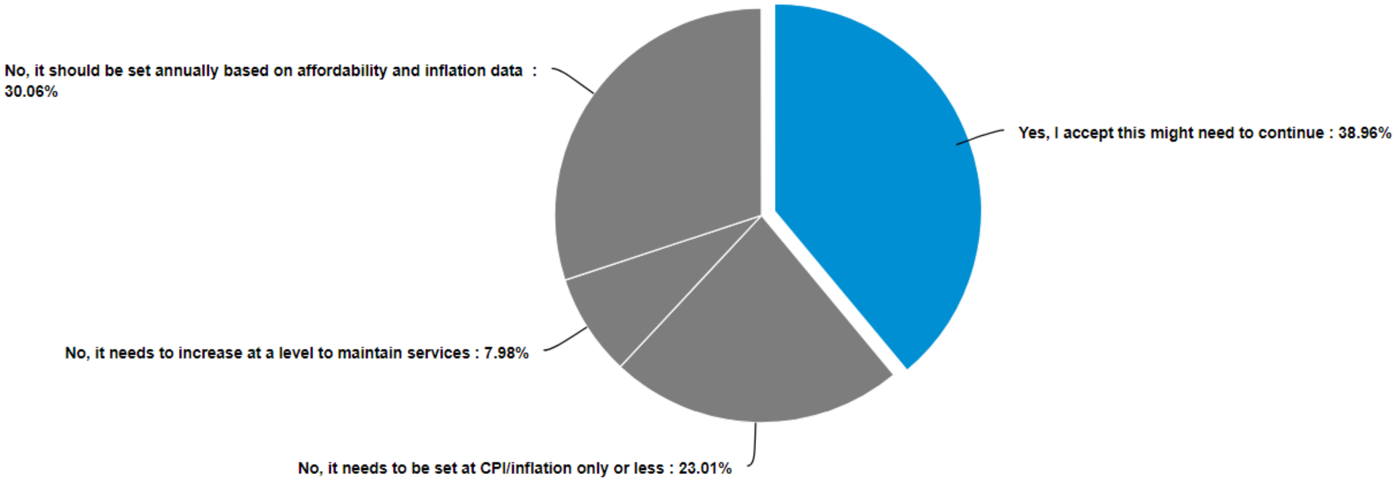
Note: building new homes has not previously polled highly amongst existing tenants.

4. **The current social housing rent settlement in Wales has been in place for almost 6 years. It is set at Consumer Prices Index (CPI) +1%. Do you think this should continue at the same level for another 5 years?**

Whilst it initially appears that the majority (39%) of tenants believe that the social housing rent settlement should stay at CPI+1%, 62% of tenants do not think this would be a viable option.

Results indicated the following:

- The highest proportion (62%) of tenants believe that social housing rents should be set annually based on affordability and inflation data (30%).
- 23% of tenants felt it should be set at CPI/ Inflation only and 8% reported feeling that it needs to increase to enable maintenance of services.



Variations based on landlord:
There were **no notable variations** based on landlord.

Variations based on region:
The only notable variation was from South East Wales where 30% felt that rents need to be set at CPI/Inflation only or less.

Variations based on main source of income:
Tenants whose main source of income was earned income felt most strongly that social rents should be set annually based on affordability and inflation data (37%).

Variation based on underrepresented groups
Tenants who identified as BAME felt most strongly that social rents should be set based on increased services.

There were no other **notable differences** for the other underrepresented groups.

Summary
The analysis shows that whilst 39% of tenants support maintaining the social housing rent settlement at CPI+1%, a majority (62%) disagree, with most preferring rent adjustments based on affordability and inflation data.

Notably, tenants with earned income and those in South East Wales particularly favour affordability-focused adjustments, while BAME tenants emphasise the need for rent increases tied to improved services.

There are no significant differences in preferences based on landlords or amongst other underrepresented groups, highlighting a consensus for more flexible and responsive rent-setting mechanisms that reflect tenants' diverse financial situations and priorities.

Thank you to reading this Tenant Pulse Report by TPAS Cymru.

Tenant voice is vital in shaping better housing services.

Next Steps

Tenants have given time to give their views in this survey.

Their voices matter and deserve your consideration and action.

1) All tenants who completed the survey and opted to receive a copy of the report will be sent a copy ahead of publication.
2) We will be sending this report to key decision makers across the housing sector including Welsh Government, Member of the Senedd (with an interest in housing), Housing CEOs and Heads of Service asking for their consideration and action.
3) TPAS Cymru will look for opportunities to present and discuss the findings withing sector and media to ensure stakeholders absorb and act on the report.
4) In addition, based on other TPAS Cymru's reports its likely we will be approached to present to tenant groups and staff teams across Wales. To request a session, please contact enquiries@tpas.cymru

We are very interested to know your views on this report and especially what action you took as result.

Acknowledgements

We would like to take this opportunity to thank our Tenant Pulse panel for their continuous inspiration and commitment to taking part in our surveys. Your input is truly valued and helps to shape the future of housing.

We would also like to thank the Welsh Government for part-funding TPAS Cymru as an organisation and Wales & West for the year-round lead sponsorship.

About TPAS Cymru

TPAS Cymru has supported tenants and landlords in Wales for over 35 years, developing effective tenant and community participation through training, support, practical projects, and policy development. Locally we support community empowerment through practical advice, support, training, and project work.

At Government level, we contribute to policy changes by working with partner organisations to ensure the tenant voice influences decision making.

Tenant Pulse is the voice of tenants in Wales. www.tpas.cymru/pulse. It's been created by TPAS Cymru and is supported by Welsh Government. We aim to:

i) Find out what matters most to tenants.

ii) Release regular surveys.

iii) Hold prize draws to reward people who take part.

The results of our surveys are used by decision makers to create housing policy which works for tenants, and which helps make housing in Wales safer and fairer.

Tenant Voice Sponsor

Tenant Pulse is part of programme of a work looking to amplifying the voice of tenants. We are very grateful for Pobl Group who sponsor this work.

To meet to discuss the points raised, please contact: Elizabeth Taylor, Policy lead, TPAS Cymru elizabeth@tpas.cymru.