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Evaluation of Rent Smart Wales Baseline Evaluation Report

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Evaluation of Rent Smart Wales
Baseline Evaluation Report

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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

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1. Introduction/Background

- 1.1 PACEC Limited has been appointed by Welsh Government to undertake an evaluation of the implementation of Part 1 of the Housing (Wales) Act 2014 (the Act) via Rent Smart Wales. This is a baseline report covering the period November 2015-July 2016.

Evaluation Objectives

- 1.2 The Welsh Government has commissioned a longitudinal evaluation over 2–3 years, with repeated fieldwork and reporting, to monitor the impact the implementation of the Act has on awareness, attitudes, behaviours and practices of landlords, letting/managing agents and tenants within the Private Rented Sector (PRS) in Wales.
- 1.3 The evaluation will also gather and assess evidence in respect of the processes involved in implementation and in doing so, will also provide learning regarding the practical implementation of the Act. The objectives of the evaluation are:
- to evaluate the implementation by the licensing authority (Rent Smart Wales) and local authorities of the new legislation, considering the process of change, the impacts and benefits;
 - to report on progress against the main objectives of the legislation;
 - to identify, through interim reporting, the need for further improvement, developments and support;
 - to obtain the views of the licensing authority, local authorities, private landlords, letting agents and tenants on the implementation of the new legislation; and
 - to evaluate the impacts on private landlords, letting agents, local authorities and tenants.
- 1.4 The purpose of the baseline report is to review how effectively the processes to implement the Act have been developed, levels of awareness and perceived future impacts.

Methodology

- 1.5 The methodology for the baseline report uses qualitative and quantitative information gathered from primary and secondary data collected across the period February 2016–August 2016. The timeframe for primary research was longer than would typically be expected due to the Welsh Assembly elections and the EU referendum, during which times no primary research could be conducted. The methodology comprised: desk research and analysis of internal monitoring data; quantitative surveys with landlords/letting agents and tenants and subsequent in-depth qualitative interviews with a sample of respondents; and in-depth telephone interviews with local authority representatives and key external stakeholders representing both the landlord and tenant segments of the private rented sector in Wales. More details regarding the steps taken to deliver the methodology are set out below.

Desk Research

- 1.6 A review of secondary documentation regarding the rationale for introducing the Act, the status of the private sector housing market in Wales and any factors such as the economy impacting on the Act. This included a review of:
- Stats Wales data on the levels of home ownership and provision of affordable housing to ascertain the growth and reliance on Private Rented Sector housing.
 - Published policy documents detailing the rationale and context for improving housing standards in the Private Rented Sector.
 - Welsh Government/Rent Smart Wales publications on the intended effects of the Act on landlords, letting agents and tenants and its implications for local authorities.
- 1.7 A review of aggregate data from Rent Smart Wales relating to:
- monthly figures for the number of accounts set up on the system;
 - monthly registrations received and approved;
 - monthly training attendance and analysis;
 - monthly licences approved;
 - call volumes and performance;
 - monthly service requests received by type; and
 - breakdown of data showing where customers have heard of Rent Smart Wales.

Research with Landlords and Letting Agents

- 1.8 A quantitative online survey of landlords and letting agents administered as follows:
- The survey was piloted with five landlords/letting agents before being sent directly to seven representative bodies for landlords and letting agents in Wales (requesting that they forward this to their landlord and letting agent contacts) and directly to 260 letting agents. All representative bodies were then contacted by telephone to encourage their participation. A registration link inviting landlord participation was also sent to 61 letting agents. The survey was issued via email to letting agents on 12 February 2016 and to the initial sample of landlords on 29 February 2016. This approach relied upon the goodwill of third party organisations. After two weeks it had not generated the sample/response rate required. Therefore, it was agreed with Welsh Government to utilise the database held by Rent Smart Wales which covers the Landlord Accreditation Wales scheme and others in order to reach a greater number of landlords and letting agents. It is acknowledged that there is a potential bias with this approach¹, however it was the only way to reach a substantial sample and investigate whether the scheme leads to changes in behaviour, which this sample will still allow the team to investigate.
- The survey link was subsequently issued by Rent Smart Wales to those on their database (c.9,400 letting agents and landlords) during 9/10 March 2016. The link was also placed on the Rent Smart Wales homepage and twitter posts were issued by Rent Smart Wales (on 14 and 18 March 2016).
- 1.9 The landlord and letting agent survey closed on 18 March 2016 having been completed by 783 landlords (86%, n=662) and letting agents (14%, n=110). The precise survey population is not known and it is not therefore possible to state the confidence with which results can be reported². It should therefore be noted that the sample is not representative of all landlords and letting agents and therefore findings should be treated as indicative.
- 1.10 Following the quantitative survey, in-depth interviews were completed with a sample of landlords and letting agents. From a sample of 469 landlords/letting agents that agreed to be re-contacted following the quantitative survey, telephone interviews

¹ Those drawn from the Rent Smart Wales database were more likely to have already had an awareness of the scheme.

² The legislation used 2011 Census figures to estimate that there were approximately 185,000 properties and 130,000 landlords in the Private Rented Sector in Wales. See CIH Cymru "*Part 1 Housing (Wales) Act 2014 and Rent Smart Wales*", 2015 and Welsh Local Government Association "*Understanding Your Private Rented Sector*" available at: <http://www.wlga.gov.uk/understanding-your-local-private-rented-sector>.

were carried out with 50 landlords and letting agents within the first Wave of research to gather more in-depth information on their experience of the Rent Smart Wales scheme to date (i.e. March 2016), specifically in relation to registration, licensing, training and communication. These same interviewees will be contacted at subsequent waves of the evaluation with a view to completing 25 interviews in the final Wave, allowing for attrition.

Research with Tenants

- 1.11 A quantitative telephone survey was piloted with five tenants and launched in July 2016. A usable sample of 880 contacts were identified via the National Survey for Wales re-contact database. Each contact was called a minimum of three times at different times of the day/week (including weekday, weekend and evening calls) and of the 880 contacts, 170 refused to participate. A breakdown of the responses is as follows:

Total Sample	880
Refusals	170
Wrong Numbers/No Number	441
No longer in the PRS	24
No Answer	81
Achieved Sample	164

- 1.12 Telephone interviews were completed with 164 tenants, representing a response rate of 19%. Again, it should be noted that the sample cannot be considered to be representative of private rented sector tenants in Wales, and therefore findings should be treated as indicative.
- 1.13 Following the quantitative survey with tenants, in-depth interviews were conducted with 50 tenants within the first Wave of research drawn from the survey cohort, who indicated they were willing to be re-contacted. The research team used purposive sampling to ensure that responses were obtained across ages and geography.
- 1.14 The telephone interviews with tenants were designed to gather in-depth qualitative information on their experience of renting in the private sector, and their awareness of the Rent Smart Wales scheme. As with the landlord and letting agent in-depth

interviews described above, these interviewees will be contacted again with a view to completing 25 interviews in the final Wave, allowing for attrition.

Interviews with Local Authorities

- 1.15 Telephone interviews were carried out with 21 local authorities during March and May 2016 to help understand their expectations regarding the likely impact of the scheme and to gather their views on what further support may be required during the implementation period.
- 1.16 Interviews were conducted with Environmental Health Officers/Managers, Private Sector Housing Leads/Managers, Housing Enforcement Officers, Private Sector Development Officers, Domestic Public Health, Project Managers for Enforcement and Supply, Community Wellbeing Managers, Public Protection Managers and Housing Improvement Managers.

Interviews with Key Stakeholders

- 1.17 E-mail invitations were sent to 14 key stakeholders who were identified as being able to provide a strategic perspective on the Rent Smart Wales scheme from the landlord/letting agent, tenant and local government perspectives. Of the 14 contacted, seven agreed to take part in a telephone interview during March and May/June 2016³:

Rent Smart Wales.

WLGA.

Shelter Cymru.

Residential Landlords Association.

Guild of Residential Landlords.

National Approved Lettings Scheme.

Welsh Tenants.

- 1.18 Please note that as outlined above, all the fieldwork for the project was undertaken between March and July 2016, and the RSW monitoring data discussed in this report covers the period up to July 2016. More up-to-date RSW data (on number of registrations, licensing etc) is now available.**

³ Note that several attempts were made to contact other external stakeholders, including the Public Services Ombudsman, who was invited to take part in the research via both e-mail and telephone on a minimum of three occasions; no response was received.

Report Content

1.19 The remainder of the report is set out under the following headings:

Section 2: Context and Rationale.

Section 3: Respondent Profile.

Section 4: Baseline Findings.

Section 5: Conclusions and Future Considerations.

2. Context and Rationale

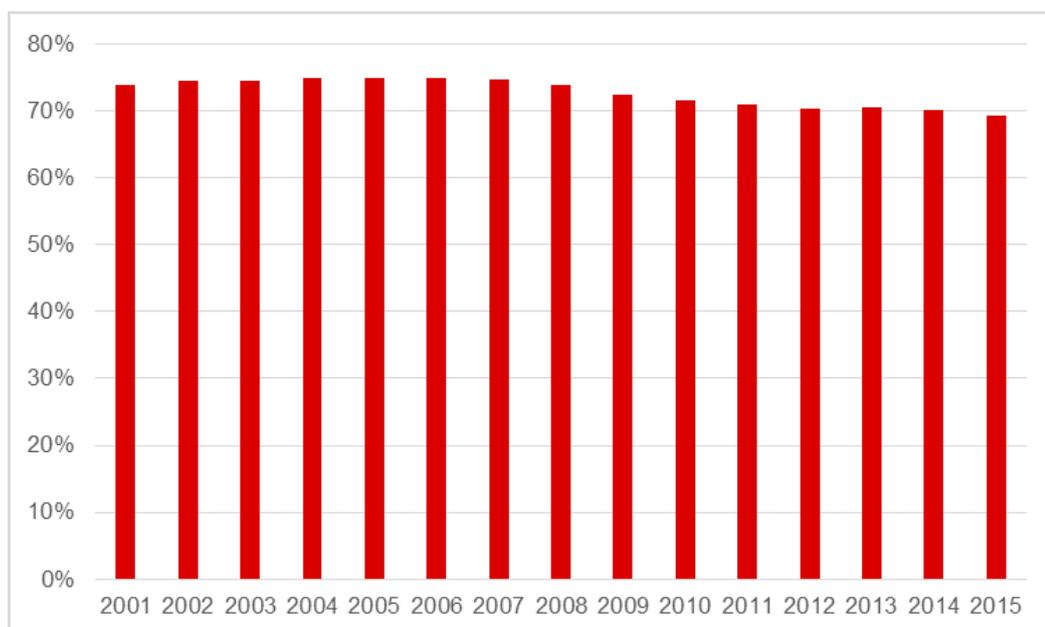
2.1 This section sets out the background to the Housing (Wales) Act (2014), to provide context and rationale for its objectives, and to describe the baseline position of the Private Rented Sector (PRS) prior to implementation of the Act⁴.

Growth in and Reliance on Private Rented Sector Housing

2.2 Increased demand and supply side factors have both contributed to the growth of the Private Rented Sector in Wales in recent years. According to the Welsh Government, the sector now makes up about 14% of the housing in Wales, which means that as many people are now renting privately as they are from social landlords⁵.

2.3 Owner occupancy levels in Wales have dropped to less than 70% in 2015 from a peak of 75% in 2005 as shown in Figure 2.1⁶.

Figure 2.1: Welsh Home Ownership Levels 2001-2015



Source: Live tables on dwelling stock DCLG/StatsWales

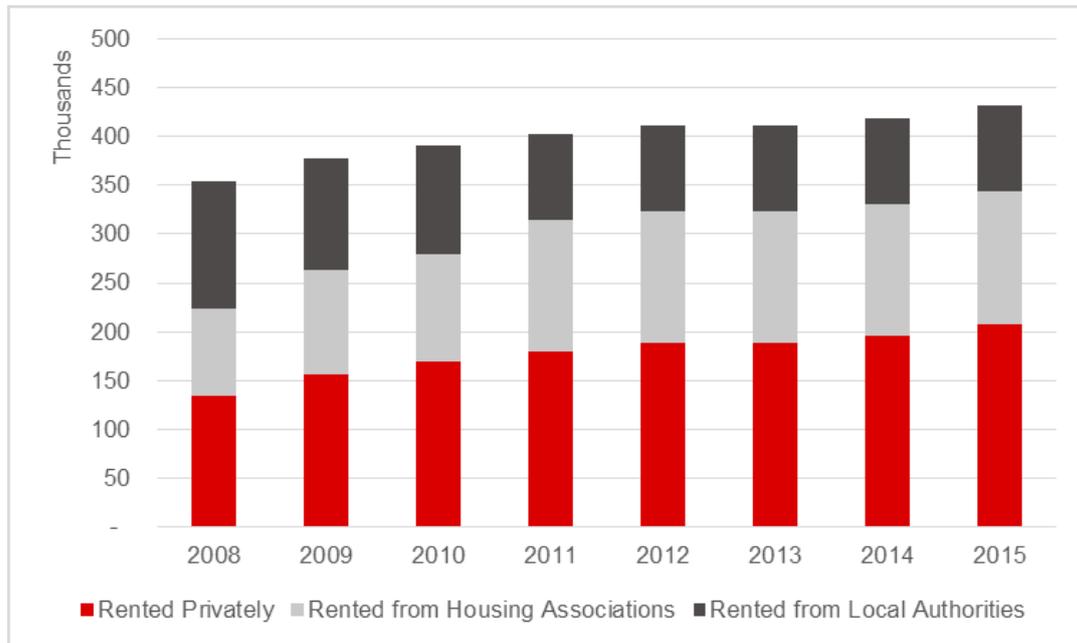
2.4 Since 2008, the number of privately rented properties in Wales has increased steadily from 157,000 in 2008 up to 208,000 in 2014-15, as illustrated in Figure 2.2.

⁴ Note that there are limitations to the data on the Private Rented Sector in Wales which limits the ability to estimate the actual scale of private landlordism.

⁵ Welsh Government: <http://gov.wales/topics/housing-and-regeneration/housing-supply/renting/privately/?lang=en>

⁶ Department for Communities and Local Government (DCLG) / StatsWales (2015) Live tables on dwelling stock <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

Figure 2.2: Dwelling stock by tenure (2008–2015)



Source: Live Tables on Dwelling Stock, StatsWales 2015

- 2.5 In addition, the demand for affordable housing is outstripping supply in Wales. The 2014 Programme for Government (PfG)⁷ included the commitment to support the development of 10,000 additional affordable houses over the course of the previous Assembly term and a key objective of the Programme for Government is “increasing supply and choice by helping people to find a home that suits their individual circumstances”. In 2014-15 local authorities provided an additional 2,416 affordable housing units across Wales; this represents an 18% increase compared with the 2013-14 figure of 2,042⁸ (and is 85% of the Welsh Government target of 2,829).
- 2.6 On the supply side, attractiveness of property for investment and the availability of buy-to-let mortgages, has seen levels of ownership and therefore house prices, rise, while the social housing sector has failed to keep pace with demand. As a result, the private rented sector in Wales has expanded in recent years, and it therefore makes an increasingly important contribution to meeting housing need⁹.

⁷ Welsh Government (2015) Programme for Government Summary Report.

⁸ StatsWales (January 2016) Provision of affordable housing by all providers, by location.

⁹ CIH Cymru (2013) *The Private Rented Sector in Wales*, and subsequently Bentley, D., (2015) *The Future of Private Renting*, Civitas, 2015.

Rationale and Context for Improving Housing Standards

2.7 However, research from across the UK has highlighted that accommodation and management standards within the private rented sector vary considerably, for example:

“...there are areas of growth where there are concentrations of unemployment, low income and poor quality housing”¹⁰.

“We are obsessed with supply but the quality of the stock is a problem”¹¹.

“On most measurements of quality, the private rented sector performs worse than local authority and housing association portfolios. If the quality of many neighbourhoods in our cities is to improve, it is imperative to enhance standards of rental property in private ownership”¹².

2.8 The origins of the intention to introduce regulation to the Private Rented Sector, stems from the Rugg review of the Private Rented Sector in England in 2008. The review suggested steps that could be taken by Governments to deal with issues of poor property condition, bad management and insecurity of tenure¹³.

2.9 The Welsh Government recognised that some aspects of the principles of the review would apply equally to Wales and saw advantages in introducing and operating a number of the Department for Communities and Local Government’s (DCLG’s) proposals on a joint England/Wales basis. The Welsh Government therefore consulted on these proposals in February 2010, and found general support for the principle for improving standards in the private rented sector¹⁴.

2.10 The National Assembly for Wales’ Communities and Culture Committee launched an inquiry to look at standards in the private rented sector in October 2010. The report published in February 2011 “Making the Most of the Private Rented Sector in Wales” made a number of recommendations for the Welsh Government to help regulate the sector, including that the Welsh Government¹⁵:

- actively seeks to promote a positive public image of the private rented sector as a tenure of choice in Wales;

¹⁰ Public Policy Institute for Wales (2015) “The Potential Role of the Private Rented Sector”.

¹¹ Commons Select Committee (2013) Private Rental Sector.

¹² IPPR (2014) Back to Rising Damp – Addressing Housing Quality in the Private Rented Sector.

¹³ Rugg, Julie and Rhodes, David (2008) The private rented sector: its contribution and potential.

¹⁴ Welsh Government: <http://gov.wales/consultations/housing-and-regeneration/proposalprivaterentsector/?lang=en>.

¹⁵ National Assembly for Wales Communities and Culture Committee (2011) Making the most of the Private Rented Sector in Wales.

- promotes the development and use of Social Letting Agency schemes and Private Leasing Schemes by local authorities;
- produces a specific strategy for making the most of the private rented sector in Wales;
- continues to promote Landlord Accreditation Wales, working with publicly- funded bodies and bodies representing the interests of both landlords and tenants to share and develop understanding and incentives for landlords to become accredited;
- researches the potential effectiveness and feasibility of a mandatory licensing or registration scheme for all managers of private rented sector accommodation (including landlords) in Wales;
- takes appropriate legislative action to enable the introduction of statutory regulation of all letting agencies in Wales;
- encourages local authorities to continue to improve the strategic co-ordination of their different departments' engagement with the private rented sector;
- works with local authorities to develop ways of increasing tenants' knowledge of their legal rights;
- works with local authorities to develop and disseminate further guidance on bringing empty homes back into use, including the provision of examples of good practice, and monitors the outcomes of such guidance; and
- examines the potential for developing a ring-fenced fund, from which local authorities can allocate grants or recyclable loans to landlords and property developers, with the purpose of improving empty properties, recycling them back into use for renting to vulnerable households.

2.11 Wales already had a voluntary Landlord Accreditation Wales scheme (LAW) in place, which had been operated by Cardiff Council on behalf of all local authorities in Wales. Research on the perspectives of landlords and agents on landlord accreditation in Wales found that the Landlord Accreditation Wales scheme had positive effects on the standards and practices of a number of landlords and agents¹⁶. However, at this stage it noted that there was not significant support for proposed mandatory registration and accreditation in Wales and there were significant pockets of uncertainty about, and resistance to, the introduction of legal regulation within the private rented sector.

¹⁶ Jones, Gary Allan (2015) "Perspectives of landlords and agents on landlord accreditation in Wales", International Journal of Housing Markets and Analysis, Vol. 8 Iss: 2, pp.223 – 238.

Provisions regarding the Private Rented Sector within the Housing (Wales) Act 2014

- 2.12 The Housing (Wales) Act 2014 was introduced in order to improve the supply, quality and standards of housing in Wales. The priorities of the housing act are: more homes; better quality homes; and better housing-related services¹⁷.
- 2.13 There are eight elements to the Housing (Wales) Act 2014 covering a broad range of issues including homelessness, standards for social housing and housing finance among others. Part 1 of the Act relates specifically to the “Regulation of Private Rented Housing” and is the focus of this evaluation.
- 2.14 As a result of the Act, the Welsh Government has designed and implemented the Rent Smart Wales scheme. The Rent Smart Wales scheme is the brand name for the new registration and licensing requirements under Part 1 of the Housing (Wales) Act 2014, and was launched on 23 November 2015. From that date landlords who need to register and landlords and agents who need to become licensed, were able to register and apply for a licence. The scheme has allowed 12 months for them to meet the new requirements¹⁸.
- 2.15 Overall, the Act *“aims to improve the supply, quality and standards of housing in Wales”*¹⁹. Its purpose has been defined as to *“introduce significant improvements across the housing sector to ensure that people have access to a decent, affordable home, and better housing-related service”*²⁰.
- 2.16 Part 1 of the Act is primarily concerned with quality and standards in the private rented sector and is intended to deliver: *“Improved standards and management in the private rented sector by the introduction of a mandatory registration and licensing scheme”*²¹.
- 2.17 Lesley Griffiths, the then Minister for Communities and Tackling Poverty, highlighted the expected benefits of the Act for tenants and landlords in the following statement:

¹⁷ Welsh Government: <http://gov.wales/topics/housing-and-regeneration/legislation/housing-act/?lang=en>.

¹⁸ Welsh Government: <http://gov.wales/about/cabinet/cabinetstatements/2015/rentsmartstartdate/?lang=en>.

¹⁹ Welsh Government: <http://gov.wales/topics/housing-and-regeneration/legislation/housing-act/?lang=en>.

²⁰ Welsh Government: [http://www.assembly.wales/Laid%20Documents/PRI-LD9558-EM%20-%20Housing%20\(Wales\)%20Bill%20-%20EXPLANATORY%20MEMORANDUM-18112013-251741/pri-ld9558-em-e-English.pdf](http://www.assembly.wales/Laid%20Documents/PRI-LD9558-EM%20-%20Housing%20(Wales)%20Bill%20-%20EXPLANATORY%20MEMORANDUM-18112013-251741/pri-ld9558-em-e-English.pdf).

²¹ Welsh Government: <http://gov.wales/legislation/programme/assemblybills/housing/?lang=en>.

“Rent Smart Wales will improve the image of the private rented sector, which is an increasingly important housing option for many people. It will bring benefits to people who rent their home in the sector whilst at the same time, improve the practices of landlords and agents and help to tackle the bad landlords who give the sector a bad name”²².

What Rent Smart Wales means for Landlords

- 2.18 The new regulations for landlord registration and licensing within the private rented sector will include training for landlords and agents who let and manage property in Wales²³.
- 2.19 With the introduction of this new legislation, landlords and agents must comply and become registered and licensed via Rent Smart Wales. This will mean that:
- all private landlords who have a rental property in Wales must register themselves and the addresses of their rental properties in Wales. This is a separate legal requirement to licensing. The registration system is intended to provide vital information on the private rented sector which has not been available before, and a registration fee will have to be paid. Registration will be valid for five years; after which date it must be renewed and a further fee paid. The registrant is also required to notify the authority should their contact details or personal circumstances change in order to keep the information on the register up-to-date²⁴; all landlords and agents, wherever they operate, can approach one body (Rent Smart Wales) to register and obtain a licence; in order for the licensing authority to grant a licence, the applicant must be deemed ‘fit and proper’ (as defined in section 20 of the Act) and be appropriately trained. A fee for the licence will have to be paid. The licence will be valid for five years; after which time it must be renewed and a further fee paid²⁵; licensing is intended to improve management standards by ensuring landlords and letting agents are aware of their responsibilities; with the Rent Smart Wales service, landlords and agents will be able to complete one process, pay a single fee, and receive a registration number and a licensing number that will be recognised throughout Wales; ensuring landlords and agents who carry out letting and management tasks are well trained and operating to a Code of Practice, is intended

²² Welsh Government: <http://gov.wales/about/cabinet/cabinetstatements/2015/rentsmartstartdate/?lang=en>.

²³ Welsh Government: <http://gov.wales/topics/housing-and-regeneration/housing-supply/renting/privately/?lang=en>.

²⁴ Welsh Government: <http://gov.wales/topics/housing-and-regeneration/housing-supply/renting/privately/landlord-and-agent-registration/?lang=en>.

²⁵ Rent Smart Wales: https://www.rentsmart.gov.wales/Uploads/Downloads/00/00/00/14/DownloadFileEN_FILE/RENT-SMART-WALES-FEE-POLICY-2015.pdf.

to deliver better managed properties in the private sector which, in turn, will improve standards²⁶; licensing training will be offered through Rent Smart Wales or via Rent Smart Wales approved training courses, delivered by other approved training providers²⁷. This will provide landlords and agents with relevant, up-to-date information and professional development opportunities in order to successfully manage tenancies within the law and rented accommodation in good repair. Under Regulation 4 of The Regulation of Private Rented Housing (Training Requirements) (Wales) Regulations 2015, the licensing authority must specify requirements in relation to training. In determining applications for approval, the licensing authority will assess whether a course meets the minimum content requirements^{28&29}; and if a licence holder fails to comply with any condition of their licence, or is no longer ‘fit and proper’, then their licence can be revoked. This is a serious action as it means that the person can no longer undertake any letting or management activities at any rental properties in Wales. Instead, they must instruct a licensed agent to act on their behalf at all rental properties³⁰.

What Rent Smart Wales means for Tenants

- 2.20 Rent Smart Wales has developed a guide for tenants called “A Home in the Private Rented Sector” which is available on the Rent Smart Wales website to assist tenants in understanding their responsibilities and rights when renting privately.
- 2.21 As a result of the Act, tenants can ask the prospective landlord if they are licensed when viewing a property and can verify if the landlord is licensed, or the property they wish to rent is listed and the landlord is registered, via the on-line check on the website: www.rentsmart.gov.wales.
- 2.22 The new regulations for landlord registration and licensing within the private rented sector is intended to make tenants more aware of their rights and responsibilities. The guide states that they must:
- pay their rent on time or they could lose their home because they have broken their tenancy agreement;

²⁶ <http://gov.wales/topics/housing-and-regeneration/legislation/housing-act/specific-elements/private-rented-housing/?lang=en>.

²⁷ Regulation 3 of The Regulation of Private Rented Housing (Training Requirements) (Wales) Regulations 2015, states that any Rent Smart Wales training should be delivered by a training provider authorised by the licensing authority.

²⁸ Welsh Government: <http://gov.wales/topics/housing-and-regeneration/housing-supply/renting/privately/landlord-and-agent-registration/?lang=en>.

²⁹ Rent Smart Wales: <https://www.rentsmart.gov.wales/en/training/>.

³⁰ Rent Smart Wales: <https://www.rentsmart.gov.wales/en/landlord/landlord-licensing/>.

look after the property (including the garden) and get their landlord's permission before attempting repairs or decorating;

be considerate to their neighbours or they could be evicted for anti-social behaviour, such as playing excessively loud music, which causes a nuisance; and not take in a lodger or sub-let without seeking permission from their landlord³¹.

2.23 The guide also provides information in respect of home health and safety for the benefit of tenants, including guidance stating that tenants should:

make sure they know how to operate the boiler and other appliances and know where the stop cock, fuse box and any meters are located;

test the smoke alarms and carbon monoxide detector at least once a month; and report any need for repairs or maintenance to their landlord or agent.

2.24 The Rent Smart Wales tenants' guide also intends to make tenants aware of their **rights** and inform them that their landlords must:

maintain the structure and exterior of the property;

deal with any problems with the water/sewerage, electricity and gas supplies;

maintain in good working order any appliances and furniture they have supplied;

carry out the repairs landlords are responsible for;

arrange an annual gas safety check by a qualified gas safety engineer;

give at least 24 hours' notice of visits when they need access the property; and

be registered with Rent Smart Wales and have a personal and property licence if necessary³².

Implications for Local Authorities

2.25 Under the Housing Act 2004 local authorities can assess housing conditions and improvement works in the private rented sector. The new Act will be in addition to the regulatory functions that local authorities already have within the private rented sector and is intended to have a number of implications for local authorities, including the provision of:

more information on landlords to assist with strategic intervention and dissemination of information;

³¹ Rent Smart Wales: https://www.rentsmart.gov.wales/Uploads/Downloads/00/00/00/02/DownloadFileEN_FILE/RSW-Tenant-s-Guide.pdf.

³² Rent Smart Wales: https://www.rentsmart.gov.wales/Uploads/Downloads/00/00/00/02/DownloadFileEN_FILE/RSW-Tenant-s-Guide.pdf.

an overview on where rented accommodation is, which will allow them to disseminate information and, if necessary, strategically intervene in issues as necessary;

an up-to-date register of landlord details; and

powers of enforcement to local authorities one year after the Act comes into force³³.

³³ Welsh Government (2015) Frequently asked questions on Rent Smart Wales and the new legislation for private sector landlords and agents.

3. Respondent Profile

3.1 This section sets out the respondent profile to the landlord and letting agent survey issued in March 2016 and the survey of tenants issued in August 2016.

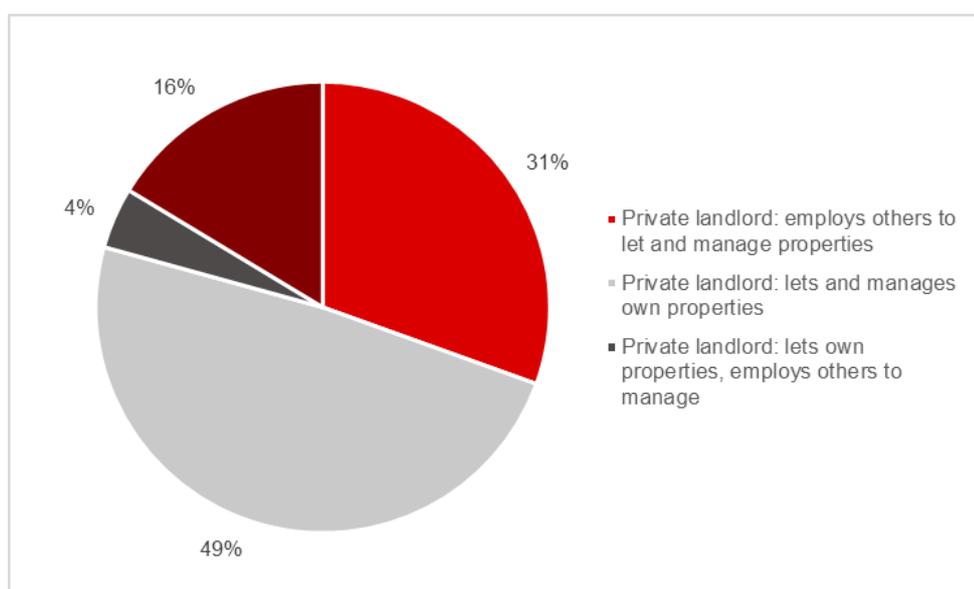
Respondents to the Landlord and Letting Agent Survey

3.2 A total of 772 responses were received³⁴ from a combination of letting and management agents, and private sector landlords with varying degrees of involvement in the letting and management of their properties.

3.3 Eighty-six per cent of respondents were private landlords (n=662) and 14% of respondents (n=110) were letting and/or management agencies.

3.4 As illustrated in Figure 3.1, the majority of landlords responding to the survey let and manage their own properties (49% of landlord respondents, n=323). Thirty-one per cent of landlord respondents employ others to let and manage their properties (n=202). The remaining 20% are private landlords that employ others to either manage or let their property.

Figure 3.1: Which of the following profiles best describes your role? (Landlords)

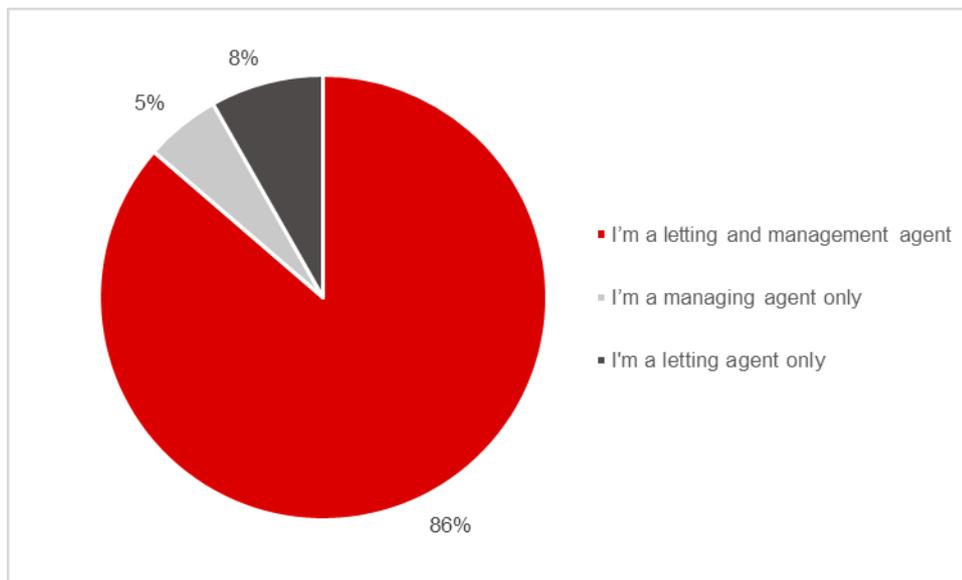


Source: PACEC, n=662

³⁴ The survey was sent directly to seven representative bodies for landlords and letting agents in Wales, and directly to 260 lettings agents. All umbrella bodies were then contacted by telephone to encourage their participation. A registration link inviting landlord participation was also sent to 61 lettings agents. The survey was later sent to c.9,400 lettings agents and landlords registered on the Rent Smart Wales database. While the precise survey population is not known, a credible estimate of c.10,000 contacts represents a Margin of Error of 3%.

3.5 As illustrated in Figure 3.2, of the 110 lettings and/or management agents responding to the survey, the vast majority are both letting and management agents (86%, n=95) and a small number (14%, n=15) have either letting or management roles, but not both.

Figure 3.2: Which of the following profiles best describes your role? (Agents)



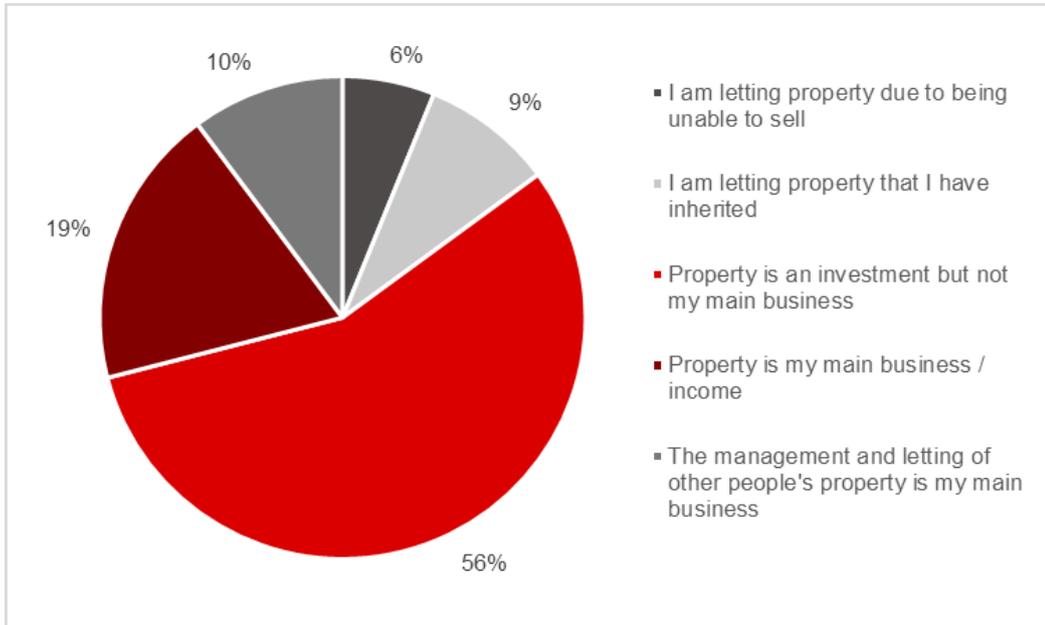
Source: PACEC, n=110

Involvement in Property

3.6 Respondents were asked about their involvement in the private rented sector, including whether it was their main income or business, a form of investment or if they were involved for some other reason, such as being unable to sell.

3.7 For the majority of respondents, property is an investment but not their main business or income (56%, n=429). Just under 20% of respondents viewed property as their main business or source of income (n=144). Ten per cent stated that their main business is solely the management and letting of other people's properties (n=78).

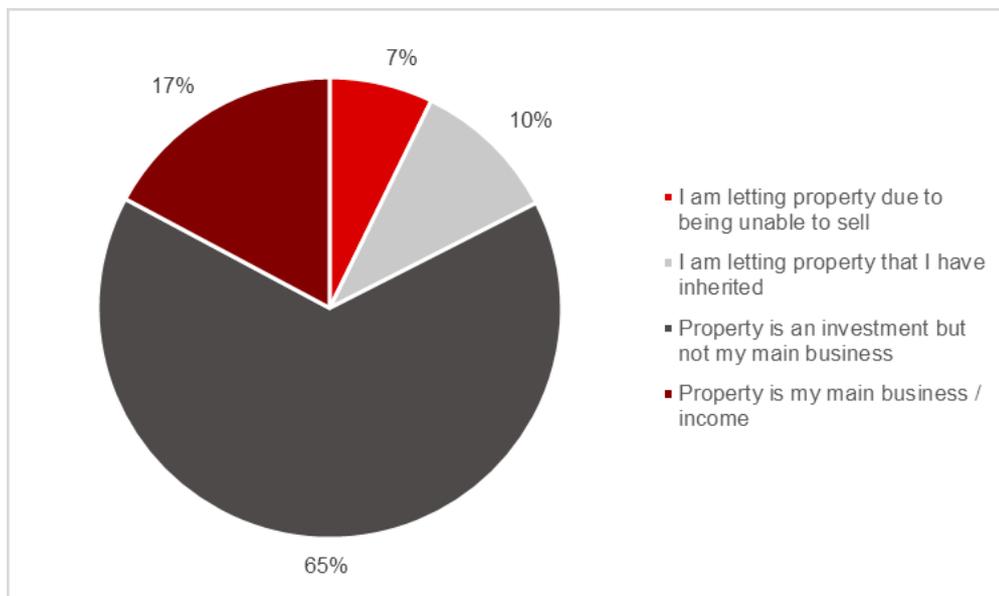
Figure 3.3: Which of the following best describes your involvement in property? (All respondents)



Source: PACEC, Q6, n=765

3.8 As illustrated in Figure 3.4, the majority of landlords responding to the survey (65%, n=427) indicated that property was an investment, but not their main businesses. Just under 20% (n=112) indicated that property was their main business. A similar percentage of respondents (17%, n=114) indicated that they are landlords because they have either inherited property or are unable to sell, so called 'accidental' landlords.

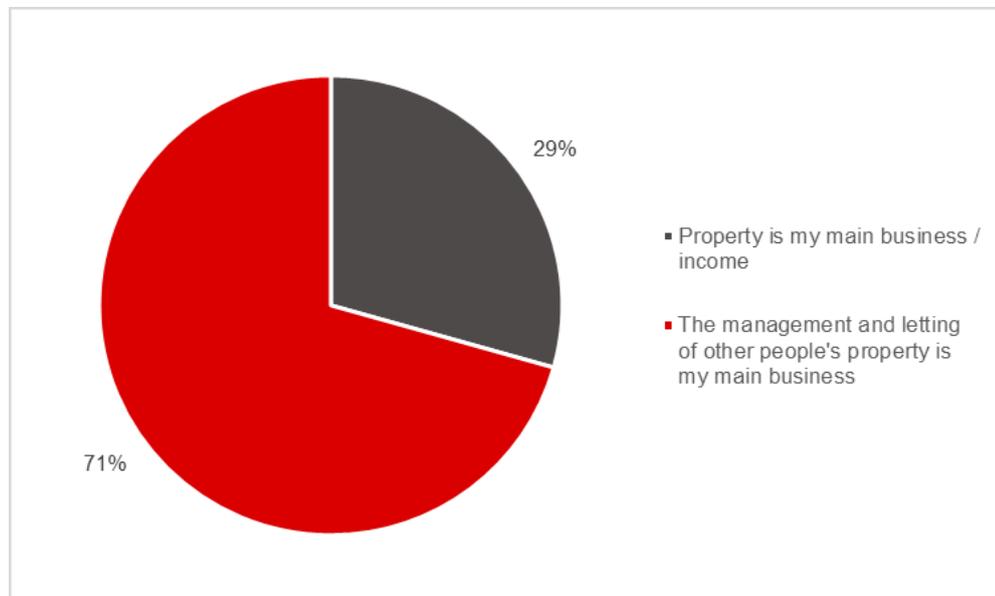
Figure 3.4: Which of the following best describes your involvement in property? (Landlords)



Source: PACEC, Q6, n=653

3.9 As might be expected, all agents indicated that property was their main business, or that the management and letting of other people's property was their main business.

Figure 3.5: Which of the following best describes your involvement in property? (Agents)



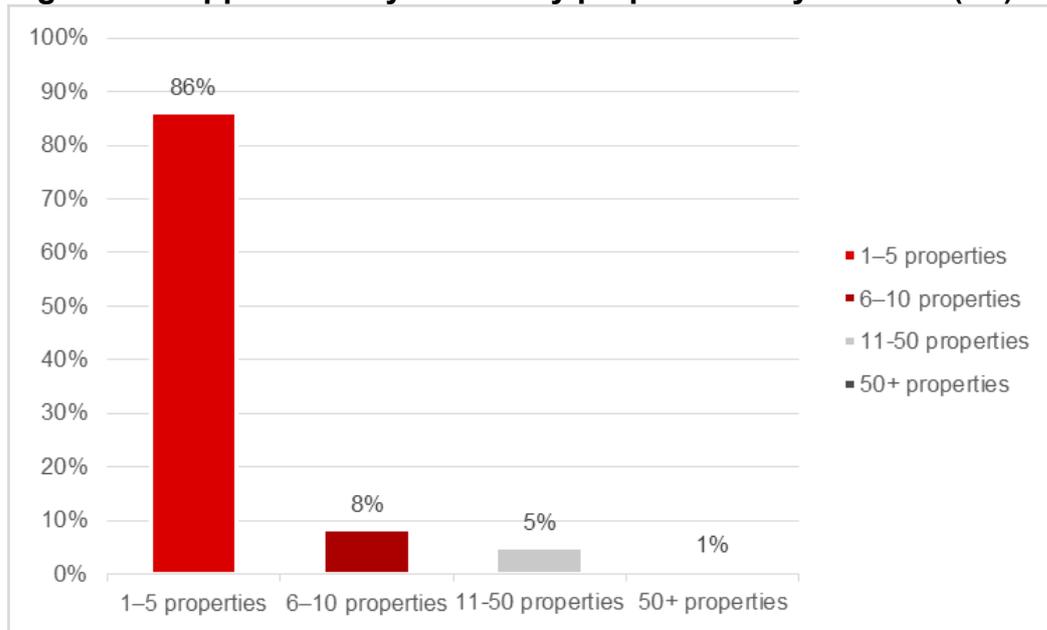
Source: PACEC, Q6, n=109

Property Ownership

3.10 When asked approximately how many rental properties they owned, a total of 657 landlords provided a response³⁵. The majority stated they owned between one and five rental properties (86%, n=566), with a further 8% (n=54) owning between six and 10 rental properties. Five per cent (n=32) owned between 11 and 50 rental properties, and 1% owned more than 50 properties.

³⁵ Note that only landlords provided a response to this question.

Figure 3.6: Approximately how many properties do you own? (All)

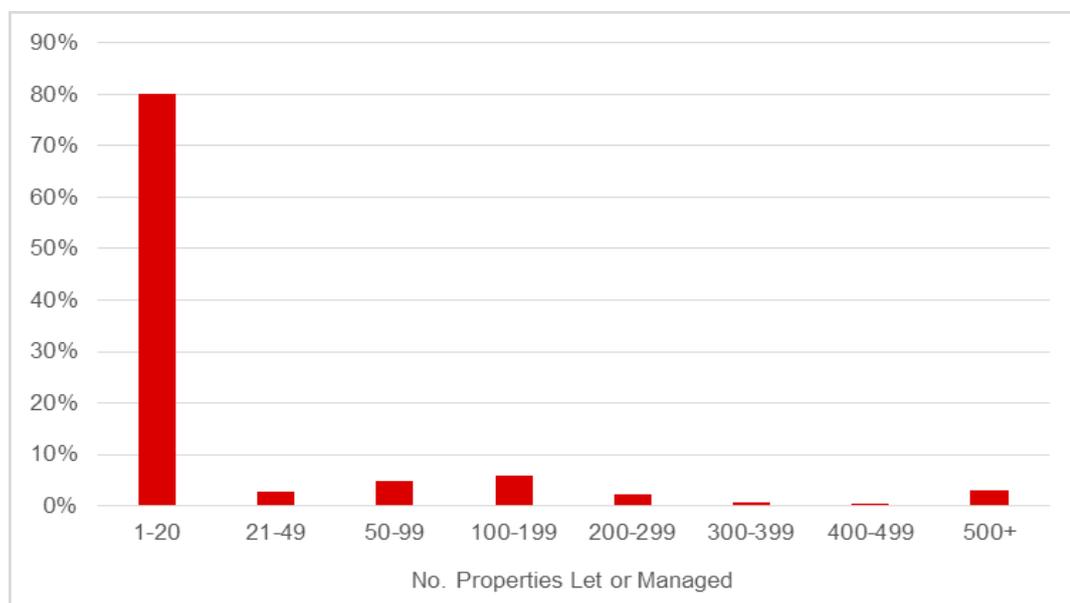


Source: PACEC, n=657

Location of Letting and Management Activity

3.11 Respondents were also asked about the number of rental properties they let and/or manage. Figure 3.7 shows the number of properties let and/or managed by all survey respondents. Given that there are notably more private landlord respondents than there are letting/management agent respondents, it follows that the majority of respondents let and/or manage between one and 20 properties. Subsequent paragraphs describe the variation in this data when analysed for landlords and letting/management agents separately.

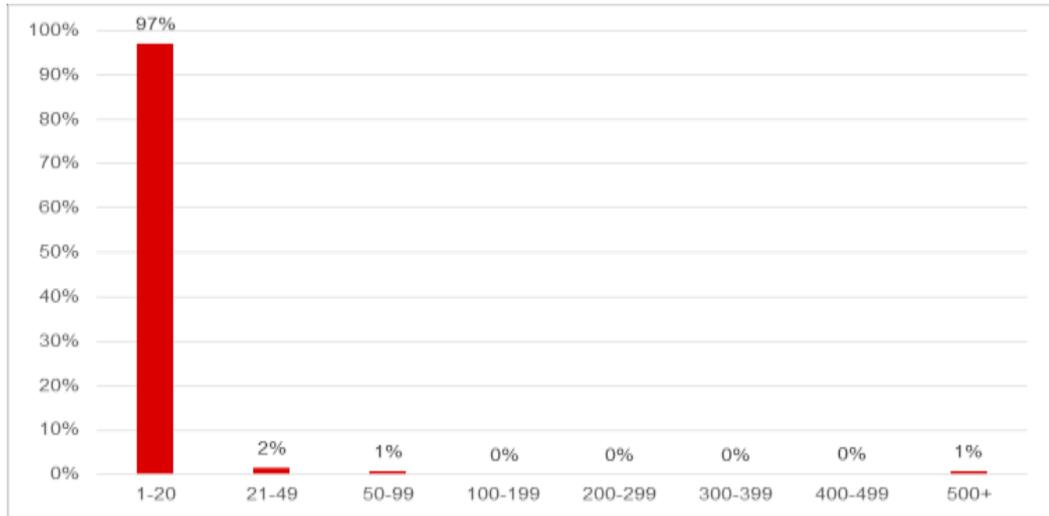
Figure 3.7: How many rental properties do you let and/or manage? (All)



Source: PACEC, n=566

3.12 As illustrated in Figure 3.8, the majority of landlords let and/or manage between one and 20 properties (97%, n=441). Three per cent let or manage between 21 and 99 properties, and just 1% of landlord respondents (n=4) indicated that they let or managed more than 100 properties.

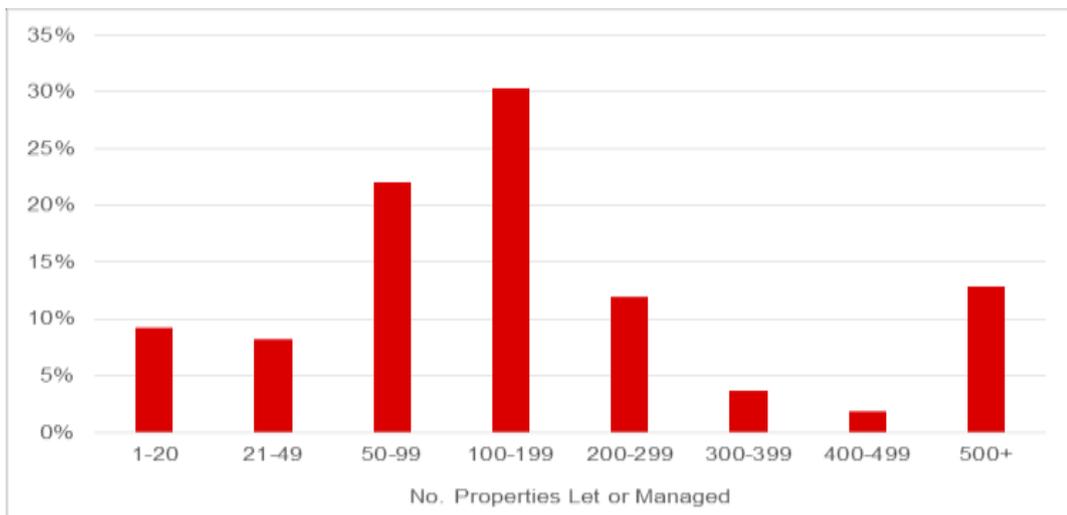
Figure 3.8: How many properties to you let and/or manage (Landlords)



Source: PACEC n=455

3.13 In contrast, just under 20% of letting/management agencies let and/or manage fewer than 50 properties (n=19). The median range of properties ‘on the books’ of letting and/or managing agent is between 100 and 199 properties (31% of respondents, n=33). Approximately 13% of agencies let and/or manage over 500 properties (n=14), as illustrated in Figure 3.9.

Figure 3.9: How many rental properties do you let and/or manage? (Agents)



Source: PACEC, n=109

3.14 Survey respondents were asked to identify the local authority areas in which the properties they owned, let or managed were located. Eighteen per cent of all respondents indicated that they owned, let or managed property in more than one local authority area (n=139). Most landlords only operate in one local authority area, however agents tend to operate in two local authority areas on average.

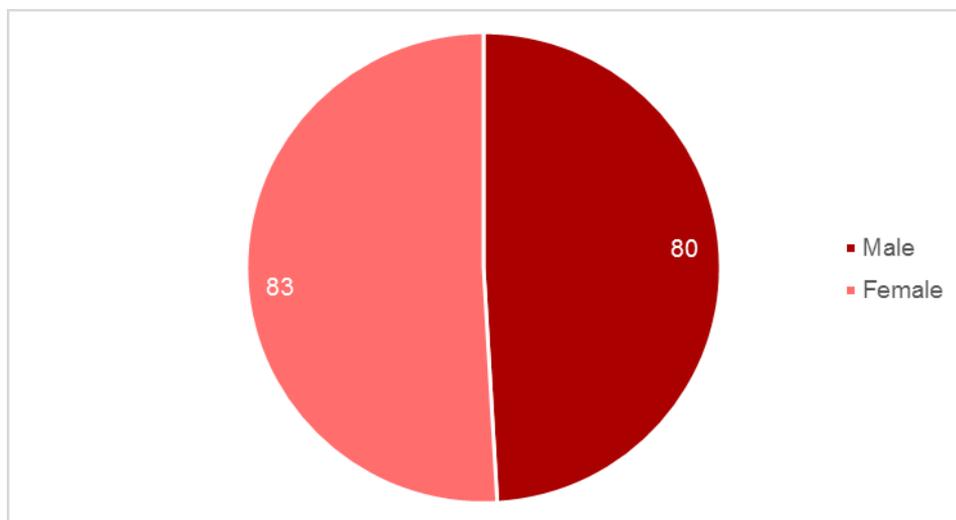
Respondents to the Tenant Survey

3.15 This section details the profile of the respondents to the tenant questionnaire administered in August 2016. As detailed in the methodology, the majority of tenant responses were obtained from individuals that had completed the National Survey for Wales in 2014 and had agreed to be re-contacted. To minimise the burden on respondents, profile questions were not asked in the evaluation questionnaire. Instead, responses from the evaluation questionnaire were matched to respondent profile data contained within the National Survey for Wales 2014-15 re-contact database. The profile information set out here is therefore drawn from the National Survey for Wales 2014-15 data. There were 164 responses to the tenant questionnaire and 163 of these had information in the National Survey for Wales' dataset 2014-15.

Gender

3.16 There was an even distribution of male and female respondents, with marginally more females completing the survey than males (51% or 83 compared to 49% or 80 respectively).

Figure 3.10: Gender of respondents

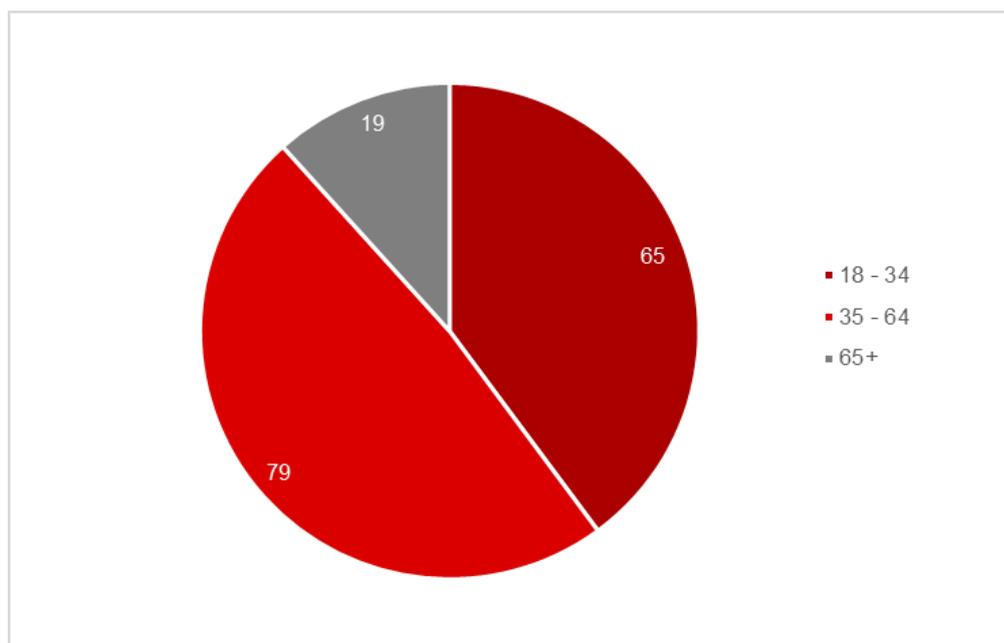


Source: National Survey for Wales 2014-15 (n=163)

Age

- 3.17 In terms of the age of respondents, most respondents (48% or 79) were aged between 35 and 64 while 40% (65) of respondents were aged between 18 and 34. Finally, there were 12% (19) of respondents aged 65 and over.

Figure 3.11: Age of respondents

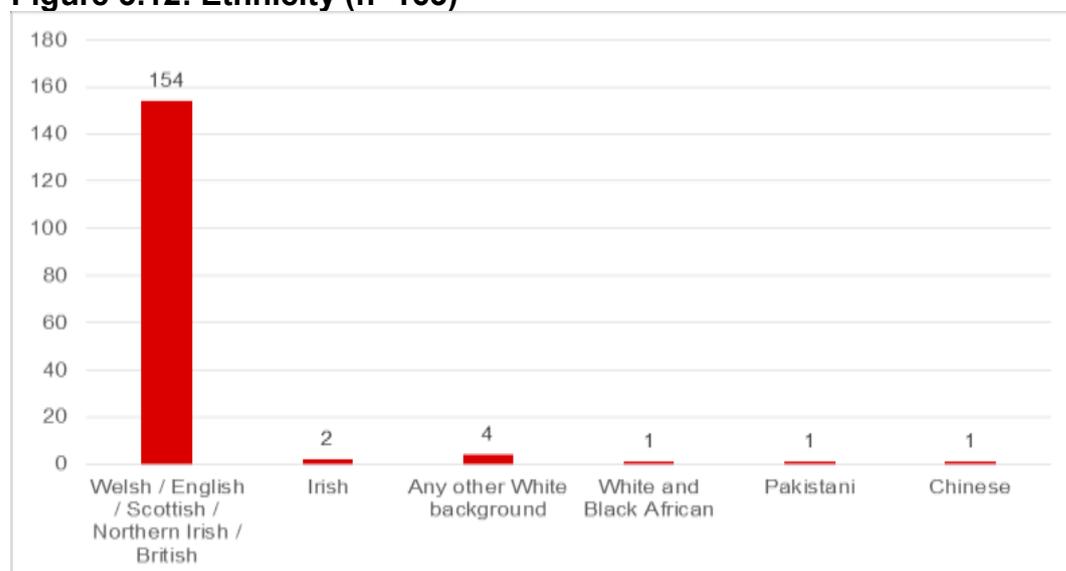


Source: National Survey for Wales 2014-15 (n=163)

Ethnicity

- 3.18 The vast majority of respondents (94%, n=154) identified as being of Welsh/English/Scottish/Northern Irish/British ethnic origin.

Figure 3.12: Ethnicity (n=163)

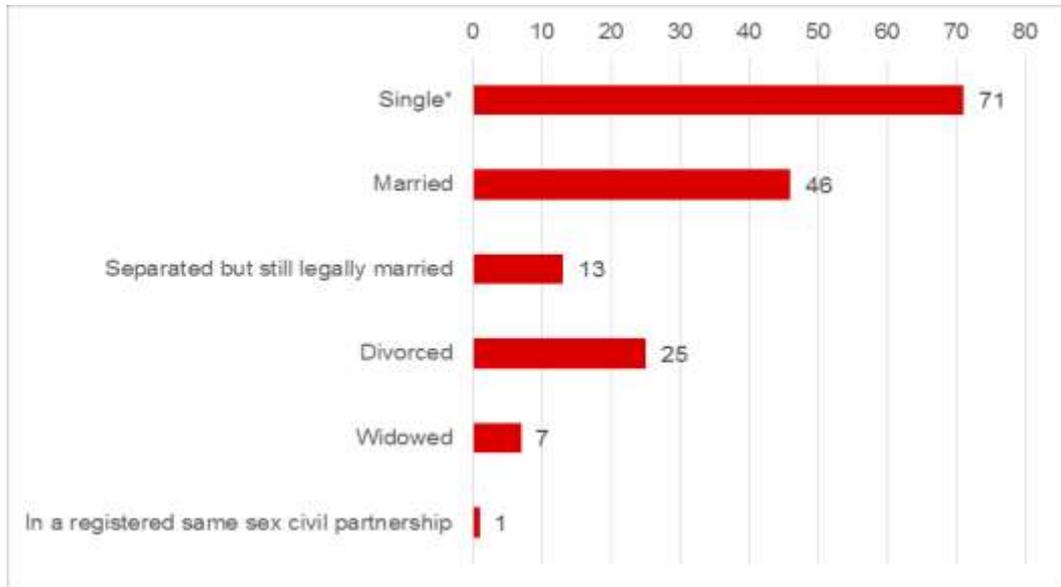


Source: National Survey for Wales 2014-15

Marital status

3.19 In total, 44% of respondents who completed the survey were single (44% or 71) while 28% (46) were married.

Figure 3.13: Marital status

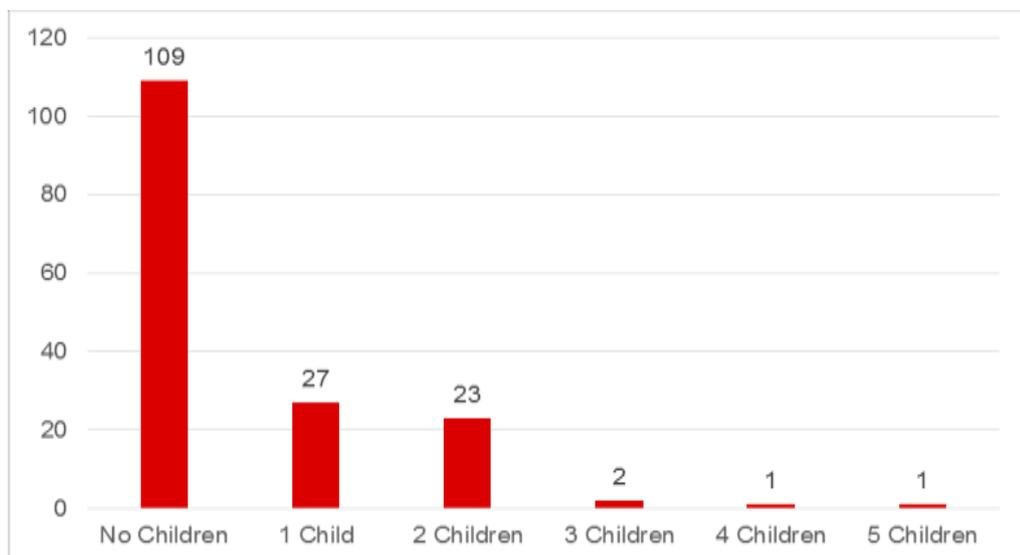


Source: National Survey for Wales 2014-15 (n=163)

Dependents

3.20 Most households did not have any dependent children (67% or 109). Seventeen per cent of households (n=27) had one child, and 17% (27) had two or more children.

Figure 3.14: Number of children in the household (n=163)

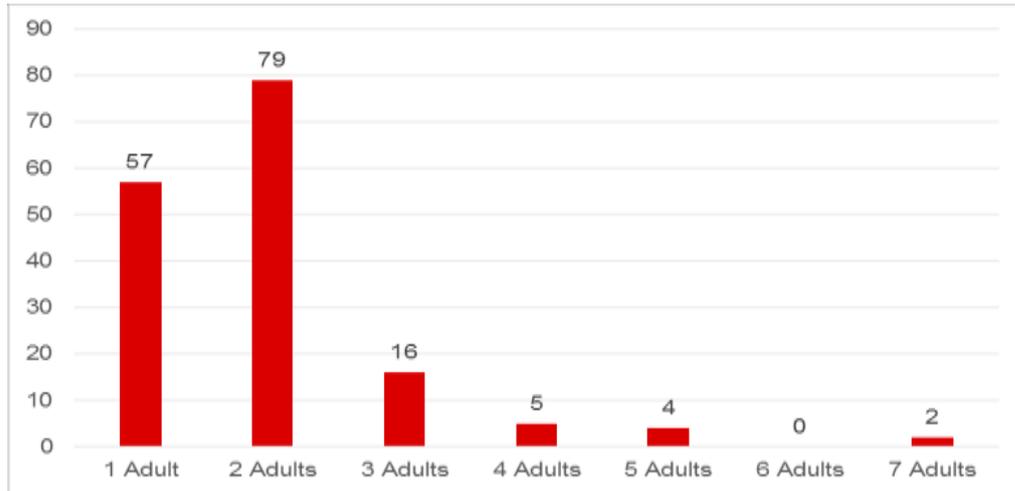


Source: National Survey for Wales 2014-15

Adult Occupancy

3.21 Most respondents had two adults (48% or 79) living in their household, while 35% (57) of households had one. There were 16% (27) of respondents living in a household that had three or more adults.

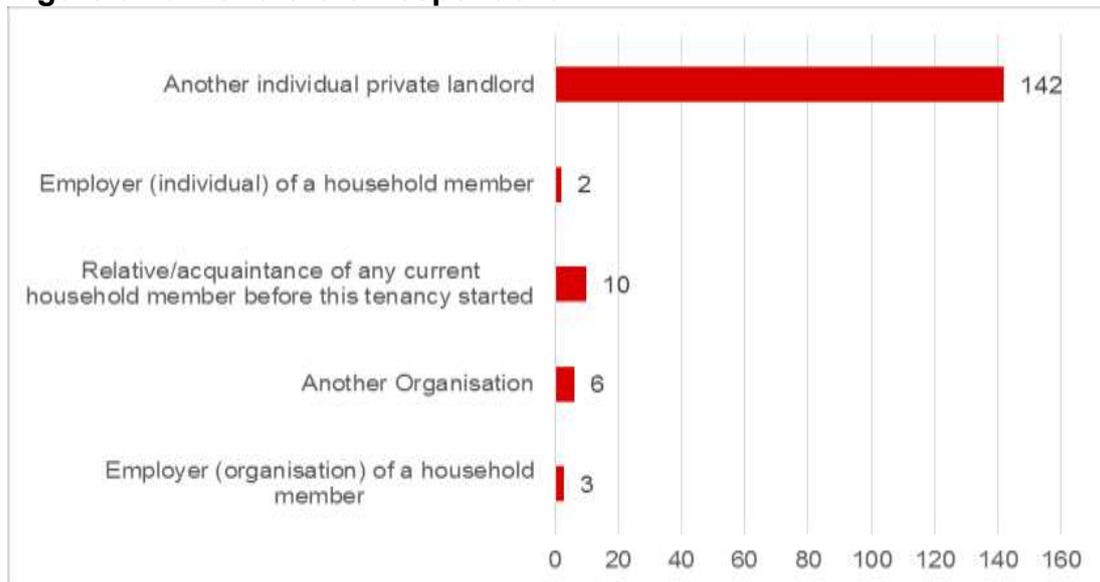
Figure 3.15: Number of adults living in household³⁶



Source: National Survey for Wales 2014-15 (n=163)

3.22 In addition to background information drawn from the National Survey for Wales database, the evaluation questionnaire also asked some background questions. Specifically, tenants were asked in the evaluation questionnaire to identify their relationship to their landlord. Figure 3.16 shows that the majority of respondents (87% or 142) rent their accommodation through a private landlord.

Figure 3.16: Landlord of respondent

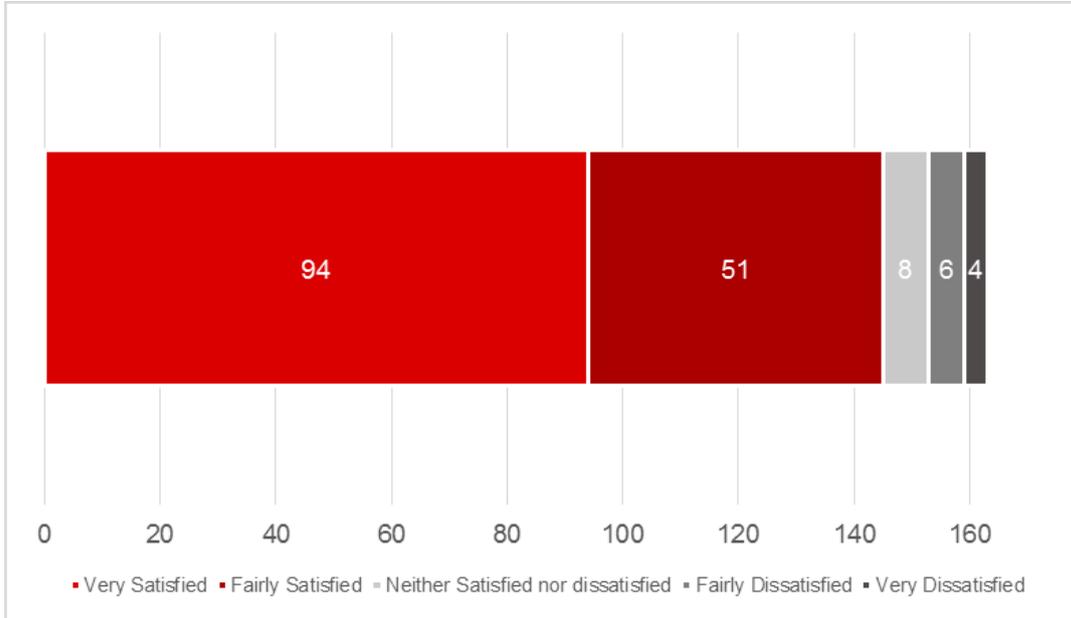


Source: PACEC Tenant Survey (n=163)

³⁶ Aged 16+.

3.23 The majority of respondents 89% (n=145) stated that they were satisfied or very satisfied with their current accommodation, as illustrated in Figure 3.17.

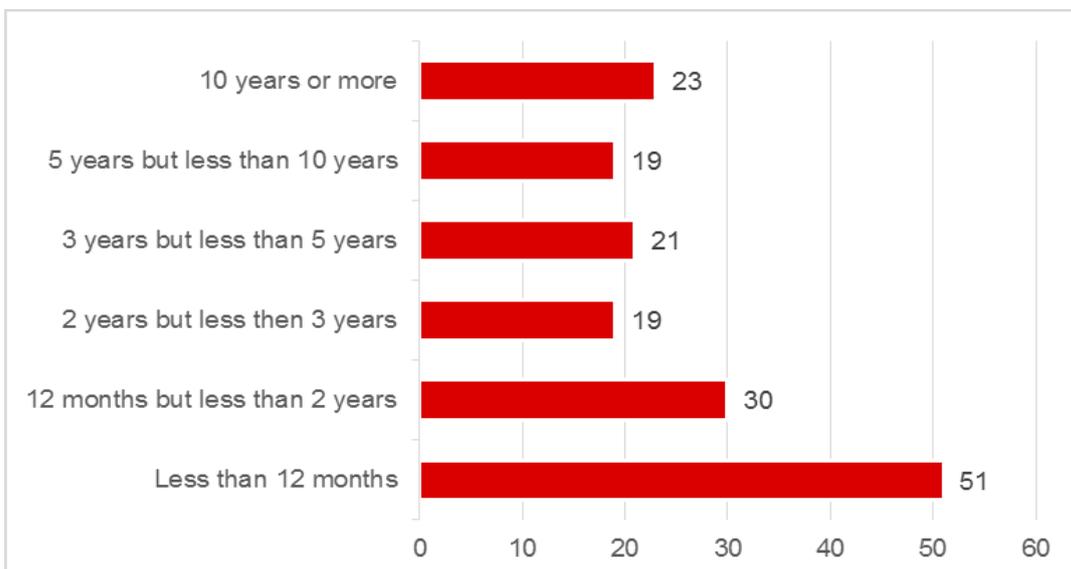
Figure 3.17: Satisfaction with accommodation



Source: PACEC Tenant Survey (n=163)

3.24 Most respondents (31% or 51) said that they had been living in their current accommodation for a period of less than 12 months. Approximately 18% (n=30) had lived in their current accommodation for between 12 months and two years and beyond that, fairly equal numbers of respondents had been living in their current accommodation for longer periods (between 19 and 23 respondents across remaining timeframes), as illustrated in Figure 3.18.

Figure 3.18: Time in accommodation



Source: PACEC Tenant Survey (n=163)

Respondent Profile – Key Points

- 3.25 While sample sizes cannot be considered to be representative of the landlord/letting agent or tenant populations, respondent numbers provide a useful statistical basis for analysis.
- 3.26 A total of 662 responses were received from private sector landlords, and 110 responses from letting or management agencies.
- 3.27 Responses from private sector landlords include a relatively even distribution from those who let and/or manage their own property (41%) and those who employ others to let and/or manage their property (43%).
- 3.28 The majority of landlords responding to the survey indicated that property was an investment, but not their main businesses (65%). Just under 20% indicated that property was their main business. Interestingly, 17% of respondents indicated that they are landlords because they have either inherited property or are unable to sell. Unsurprisingly, all agents indicated that property was their main business, or that the management and letting of other people's property was their main business.
- 3.29 The majority of landlords let and/or manage between one and 20 properties (97%, n=441). In contrast, just under 20% of letting/management agencies let and/or manage fewer than 50 properties (n=19). Most landlords only operate in one local authority area, however agents tend to operate in two local authority areas on average.
- 3.30 A total of 164 responses were received from tenants in the private sector. There was an even distribution of male and female respondents; almost 90% were aged between 18 and 64, the vast majority identified as being of Welsh/English/Scottish/Northern Irish/British ethnic origin (94%), and the majority were either single (44%) or married (28%).
- 3.31 Eighty-three per cent of respondents lived in a household comprising of either one or two adults, and 17% lived in a household with three or more adults. Most households were without dependents (67%) and 31% had one or two children.
- 3.32 Just under one-third of respondents had been living in their accommodation for less than one year (31%) and approximately 40% had been living in their accommodation for more than three years. Most tenants responding to the survey (89%), were satisfied or very satisfied with their current accommodation suggesting that their recent experience of renting in the sector is positive.

4. Baseline Findings

4.1 This section presents findings from the methodology set out in Section 2. It is structured under the following sub-headings:

Implementation of the scheme.

General awareness and understanding.

Registration and licensing.

Training provision.

Current and perceived future impact.

Strengths/weaknesses.

Implementation of the Scheme

4.2 Interviews with two **Rent Smart Wales representatives** indicated that they were pleased with progress in setting up the scheme to date (May 2016). Interviewees suggested that significant progress had been made regarding the implementation of systems, the website and content development, transfer of existing data and initial promotional work.

4.3 However, these interviews also highlighted a number of obstacles encountered (up to May 2016), notably:

While the landlord database has developed to allow for online licensing, this has placed internal pressure on staff as internal licensing processes are still under development, causing a delay in issuing licences and difficulty in complying with the eight week deadline³⁷.

There have been fewer applications for licences than anticipated, perceived to be due to landlords and letting agents believing that they do not have to apply until November 2016, however Rent Smart Wales has adapted its communication messages accordingly to target this issue (for example, highlighting that people should not leave it too late to apply).

4.4 Rent Smart Wales representatives indicated that work had been undertaken to plan for enforcing the Act, for example Rent Smart Wales is preparing to employ enforcement officers and develop procedure manuals/provide training for staff and it has been agreed between the Rent Smart Wales and local authorities that £5 million in funding from registration and licensing fee income will be allocated to local

³⁷ Once a completed application is submitted it can take up to eight weeks for Rent Smart Wales to determine it and either grant a licence or refuse it.

authorities over the next five years to enforce the Act and ensure compliance with Rent Smart Wales activity.

4.5 **Local authorities** were asked for their view on how the scheme had been administered to date (March/May 2016). There were mixed views from local authorities as while most (n=14) felt that it had progressed well, others felt that initial communication had been slow and confusing and highlighted the need for a wider media campaign (n=4) to reach landlords that are resident in the rest of the UK but have rental properties in Wales. However, two local authorities highlighted that Rent Smart Wales had effectively dealt with issues as they had arisen. For example, initially in November 2015 the fee for letting agents was the same regardless of the size or number of properties on their portfolio; this approach was subsequently amended and fees for letting agents are now linked to the number of properties they manage. This was brought up unprompted by the two local authorities as a positive and pragmatic approach by Rent Smart Wales.

4.6 Local authorities were asked if they had advertised Rent Smart Wales in their local area and all indicated that they have carried out promotion and awareness-raising activities by using existing staff or the employment of additional staff³⁸. Examples of activities undertaken include:

Seminars/promotional events.

Promotional literature/material (e.g. distribution of leaflets and posters in locations such as libraries and doctors' surgeries).

Roadshows.

Bus adverts.

4.7 Local authorities were asked if they thought landlords in their area were aware of the existence and requirements/implications of the Act. Approximately 50% of local authorities believed that landlords in their area were aware of the existence and requirements/implications for them of the Act. However, it was noted by all that promotion was still ongoing and there could be a number of landlords still to be reached, in particular those who are 'less diligent' and less likely to comply with the legislation.

³⁸ For example, one local authority used blended finance (funding for the implementation of the homelessness legislation and Rent Smart Wales funding) to employ people to deal with both pieces of new legislation.

- 4.8 Local authorities were asked if they felt the scheme was achieving its objectives. All stated they could not confirm with certainty as they did not know how many landlords in their area had registered. However, approximately 70% of local authorities believed that most landlords would not register until enforcement begins, and that the introduction of enforcement is likely to result in a large number of registrations at once.
- 4.9 Two local authorities also highlighted that while the funding from the Welsh Government to promote the scheme at a local level was beneficial, it was provided at relatively short notice and had a brief window in which it could be used. It was suggested that Welsh Government funding could have been more effective if it had been provided over a longer timeframe.
- 4.10 Local authorities were asked to consider what could be done to support local authorities in the implementation of the Act over the next 18 months. Six local authorities reported that either additional resources would be needed to enforce the Act, or that staff within existing housing teams may need to be reallocated and time taken from existing duties. While all local authorities noted (at the time of fieldwork) that they did not know the exact scale of their responsibilities once enforcement begins, six anticipated that they will require additional resources to respond to additional queries from landlords and letting agents, additional complaints as a result of increased awareness of licensing and standards, and additional officers to deal with enforcement cases.
- 4.11 In response to questions that asked for their view on how the scheme had been administered to date (March/May 2016), four local authority interviewees suggested that there should be greater sharing of data and good practice to minimise any waste of resources and avoid duplication. For example, one local authority suggested that there should be a central record of material developed by each local authority that would allow other areas quick access and ensure an efficient use of resources and money if these templates had already been approved by the Welsh Government. Another local authority had begun to work together with tax colleagues to develop a landlord database, including those houses that are in the county but where council tax is paid from a separate address. In addition, three local authorities highlighted the need to simplify or streamline the process for claiming grants as this was described as excessive and disproportionate to the funding received.

4.12 All local authorities highlighted uncertainty about how the enforcement process will work, and as such were unable to comment on what operational adjustments they would plan to make in the future. Local authority representatives suggested that more information was needed on the role, responsibility and powers of local authorities, as well as guidance on how information could be passed between local authorities (for landlords that have properties across boundaries). It is understood from the licensing authority that work on enforcement is underway, specifically:

- a new procedures manual;
- recruitment and training of Rent Smart Wales and local authority staff; and
- the development of a Memorandum of Understanding (MoU) between the licensing authority and local authorities detailing the role and responsibilities of the licensing authority, the enforcement procedures to be followed as well as Fitness and Propriety and Financial Protocols, and agreement to the £5 million being made available to local authorities towards enforcement activity costs.

General Awareness and Understanding

4.13 There have been a number of activities undertaken by the Welsh Government to promote Rent Smart Wales, both directly and via financial support to the 22 local authorities. This section describes the activity that has been undertaken to raise awareness of the scheme, before presenting findings from landlords/letting agents, tenants, local authorities and wider external stakeholders regarding baseline levels of general awareness and understanding of the Rent Smart Wales scheme to date (March to June 2016).

4.14 Interviews with local authority representatives identified additional activities undertaken by the local authorities to promote the scheme including:

Delivery of information, training and landlord and agent events.

Distribution of promotional literature, including leaflets, booklets and posters.

Direct mail.

PR activities, including press releases.

Internet and intranet updates.

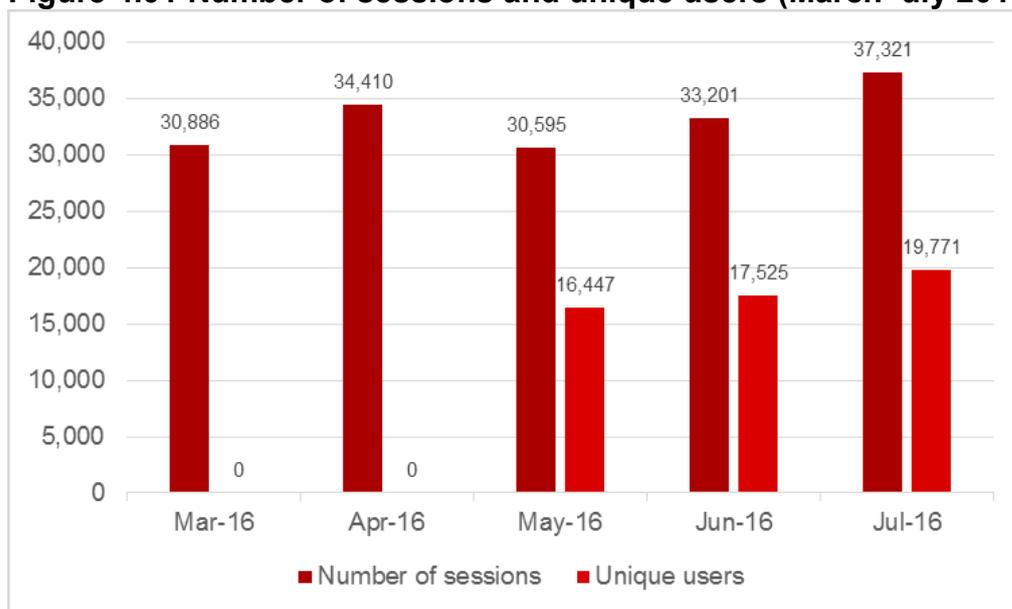
Sharing messages via social media.

Advertising using local media, including press and radio.

Advertising on local bus networks.

4.15 Google analytics data from Rent Smart Wales suggests that there has been increased awareness of the scheme as evidenced by increased website usage, including increases in the number of times the Rent Smart Wales pages have been viewed (referred to as the number of ‘sessions’³⁹) as well as the number of different individuals that have accessed the Rent Smart Wales website (referred to as the number of ‘unique users’⁴⁰), as shown in Figure 4.01. Please note data on unique users was not available before May 2016.

Figure 4.01 Number of sessions and unique users (March–July 2016)



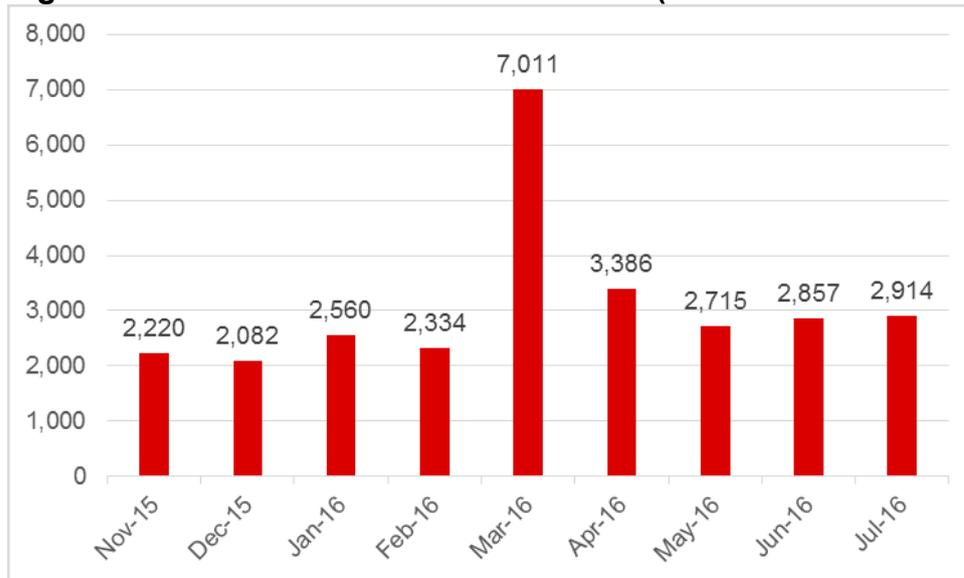
Source: Rent Smart Wales

4.16 Figure 4.01 shows that the number of web sessions increased from 30,886 in March 2016 to 37,321 in July 2016, while the number of unique users increased from 16,447 in May 2016 to 19,771 in July 2016. This suggests that while the number of sessions reduced slightly between April 2016 and May 2016, there has been a gradual increase in the usage of the Rent Smart Wales webpage.

³⁹ Refers to the number of visits to the Rent Smart Wales website (i.e. one user could have made multiple visits).

⁴⁰ Unique user refers to the number of individual users that have accessed the website.

Figure 4.02 Number of new user accounts (November 2015–July 2016)⁴¹

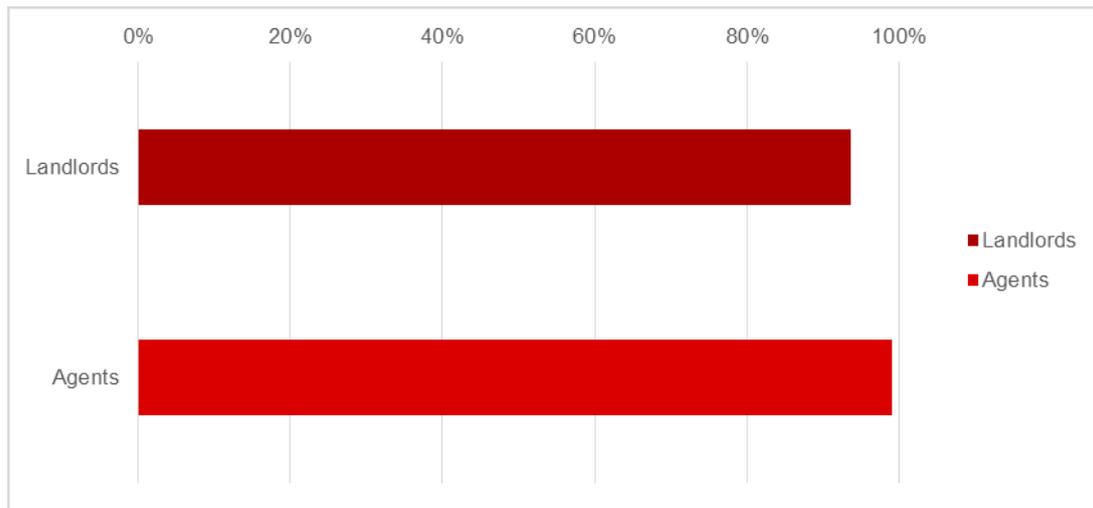


Source: Rent Smart Wales

- 4.17 Figure 4.02 shows that the number of user accounts created has also increased from 2,220 in November 2015 to 2,914 in July 2016, with a peak of 7,011 in March 2016. This may be in part due to the promotional activities of the local authorities as the increase in user accounts coincides with the provision of Welsh Government funding in February/March 2016.
- 4.18 Results from the **survey of landlords and letting agents** identified high levels of awareness regarding the Rent Smart Wales scheme. When asked whether they were aware of the 2014 Housing Wales Act, and specifically Rent Smart Wales, 94% of landlords and letting agents stated that they were. Awareness among letting agents was marginally higher than awareness among individual landlords, as illustrated in Figure 4.03. Ninety-nine per cent of letting agents were aware (n=108) compared to 94% of tenants (n=620).
- 4.19 Note that high levels of awareness are to be expected among the survey population given that the sample was drawn primarily from Rent Smart Wales' registration database. In subsequent tranches of fieldwork, it is conceivable that levels of awareness will decline if future survey results include greater numbers that respond via channels other than the Rent Smart Wales registration database.

⁴¹ User accounts are password protected accounts set up on the Rent Smart Wales website by unique users.

Figure 4.03: Are you aware of the Housing Wales Act and Rent Smart Wales?

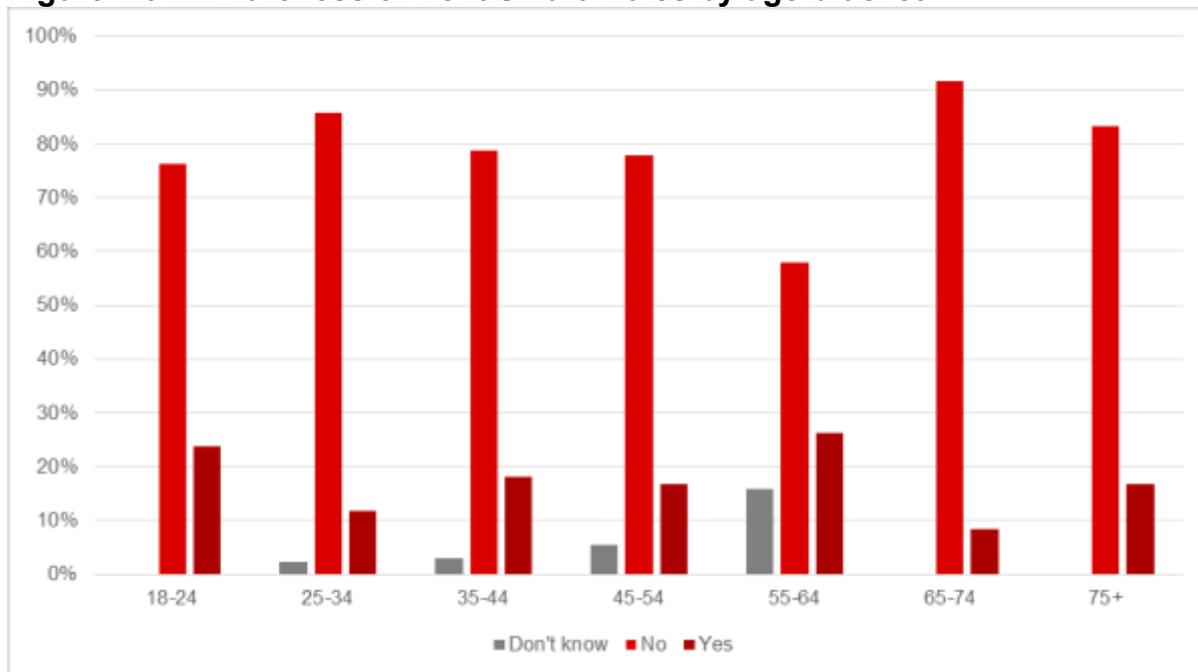


Source: PACEC, Q8, n=774

- 4.20 **Longitudinal interviews with landlords and letting agents** suggested that awareness-raising via umbrella bodies has been one of the more effective methods of engagement. Almost one-third of the 53 landlords and letting agents that took part in the longitudinal study in March 2016, indicated that they were made aware of the Rent Smart Wales scheme via membership of either Landlord Accreditation Wales, the Residential Landlords Association or the Association of Residential Letting Agents.
- 4.21 When asked about the steps they subsequently took to find out more about the scheme, interviews with landlords and letting agents indicated that, having been made aware of the scheme via their membership body, the next 'port of call' for landlords and letting agents was the Rent Smart Wales website.
- 4.22 **Tenants** were also asked if they had ever heard, read or seen anything about Rent Smart Wales via the survey carried out in July 2016. Responses to the survey indicate relatively low levels of awareness about the scheme. Less than one-fifth of tenants (17%, n=26) were aware of the Rent Smart Wales scheme, with 79% (n=121) of tenants indicating that they were not aware of the scheme.

4.23 Analysis of responses by age bracket suggest that tenants aged between 25 and 34, and those aged between 65 and 74, were less likely to be aware of the scheme, as illustrated in Figure 4.04.

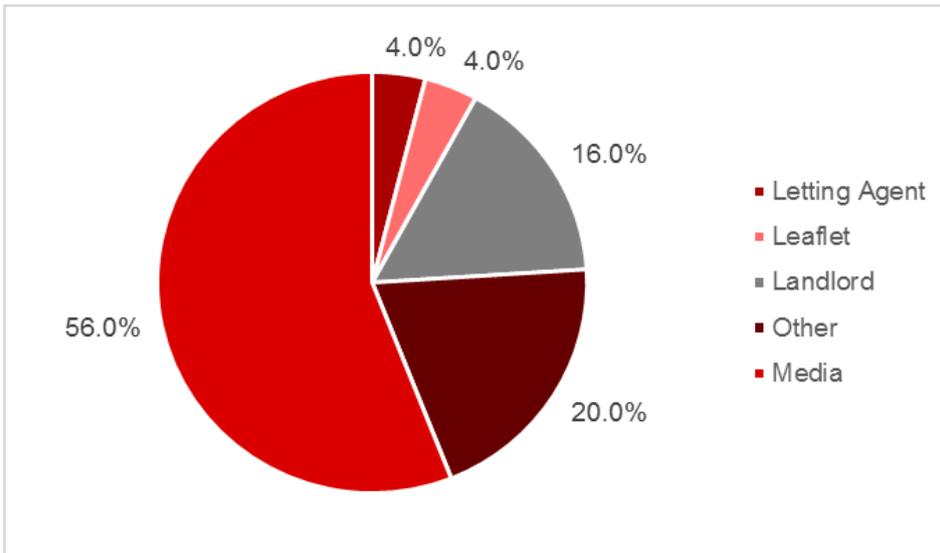
Figure 4.04: Awareness of Rent Smart Wales by age bracket



Source: PACEC Tenant Survey, n=151

4.24 Of the 26 tenants who stated that they had previously heard of Rent Smart Wales, 25 gave an answer as to how or where they found out about the scheme. Most of the 25, 56% (14), heard about the scheme via the media. Other sources of information included landlords (16%, n=4), and letting agents and leaflets both accounting for 8%. Lower proportions found out about Rent Smart Wales via tenant organisations, posters and via 'other' avenues.

Figure 4.05: How did you hear about Rent Smart Wales?

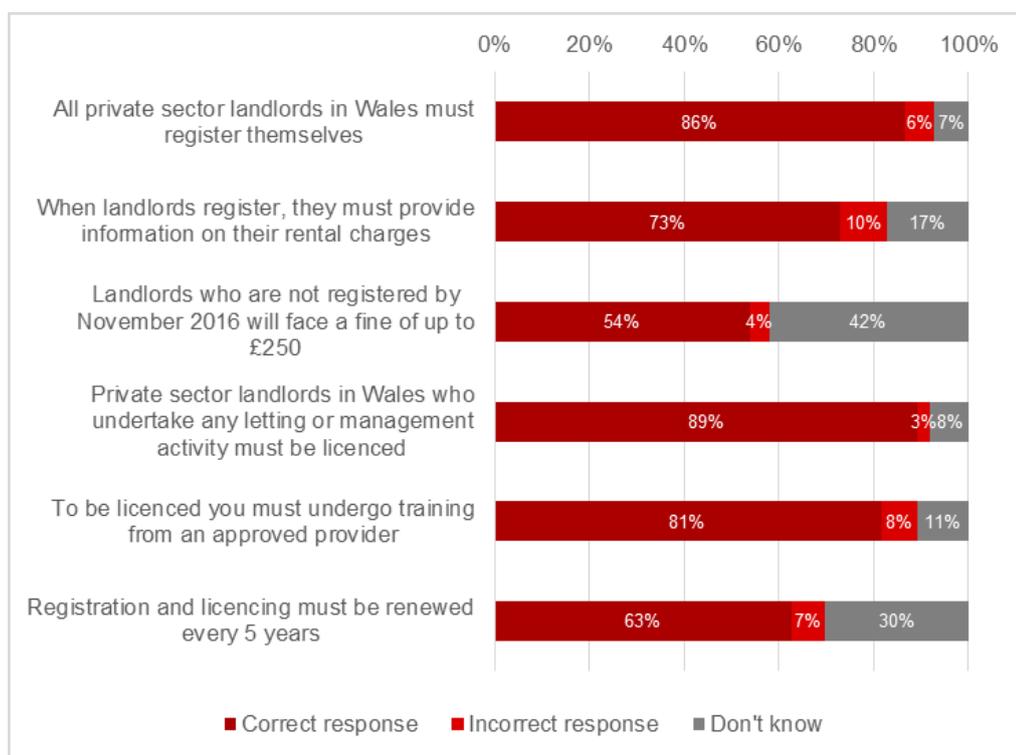


Source: PACEC Longitudinal Tenant Survey, n=25

- 4.25 Interviews with **external stakeholders, including landlord and letting agent, tenant and local government representative bodies** returned mainly positive findings regarding levels of awareness of the Rent Smart Wales scheme. Interviews with organisations with responsibility for representing tenants identified high levels of awareness among those organisations regarding the scheme. Key tenant representative bodies indicated that they had been closely involved in the development of the scheme as a result of pro-active engagement by Welsh Government.
- 4.26 In a small number of cases, interviewees from tenant representative bodies indicated that their level of involvement in the scheme had waned during the implementation phase, and stressed the need to sustain tenant engagement through representative bodies going forward. Specifically, it was suggested by one group that the tenant guide and the tenant section of the Rent Smart Wales website, could provide better advice about how to address any difficulties encountered with landlords.
- 4.27 Interviews with landlord and letting agent representative bodies also identified good levels of awareness regarding the scheme. Findings suggest that representative bodies were appropriately engaged in the development of the legislation via Welsh Government, and a number of representative bodies have since successfully applied to be registered training providers as part of the scheme.

- 4.28 Beyond levels of awareness, the landlord and letting agent survey sought to understand the degree of more detailed knowledge in the sector regarding the scheme.
- 4.29 To explore levels of knowledge regarding registration and licensing requirements, respondents were asked to state whether they thought a series of statements regarding the requirements were true or false. Results are presented in Figures 4.06 and 4.07 (data for Landlords and Agents respectively).

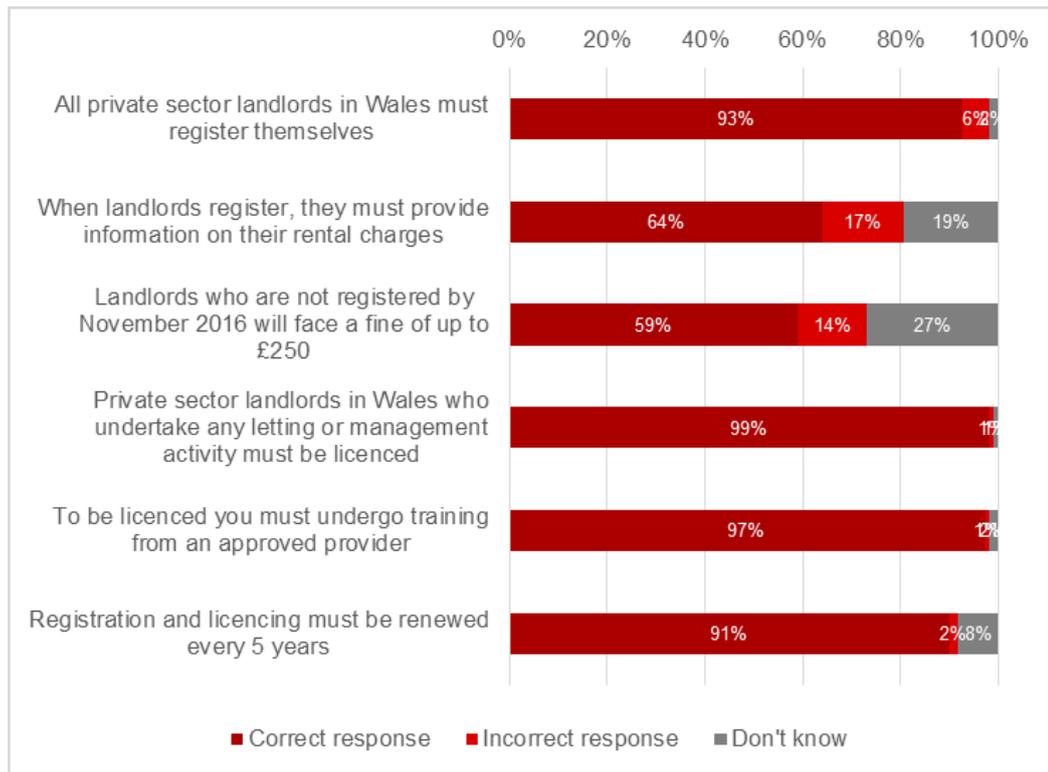
Figure 4.06: Landlord knowledge of registration and licensing



Source: PACEC, Q36-41, n=659

- 4.30 Knowledge among landlords of the requirement to register, and of the requirement to be licensed is high (86% and 89% of respondents chose the correct response to these questions). Private landlords' knowledge of the need to undertake training in order to be licensed was also high (81% of respondents choosing the correct response). Knowledge regarding penalties for not registering, and knowledge regarding the need to renew registration and licensing was marginally lower (54% and 63% choosing the correct response respectively).

Figure 4.07: Agent knowledge of registration and licensing



Source: PACEC, Q36-41, n=110

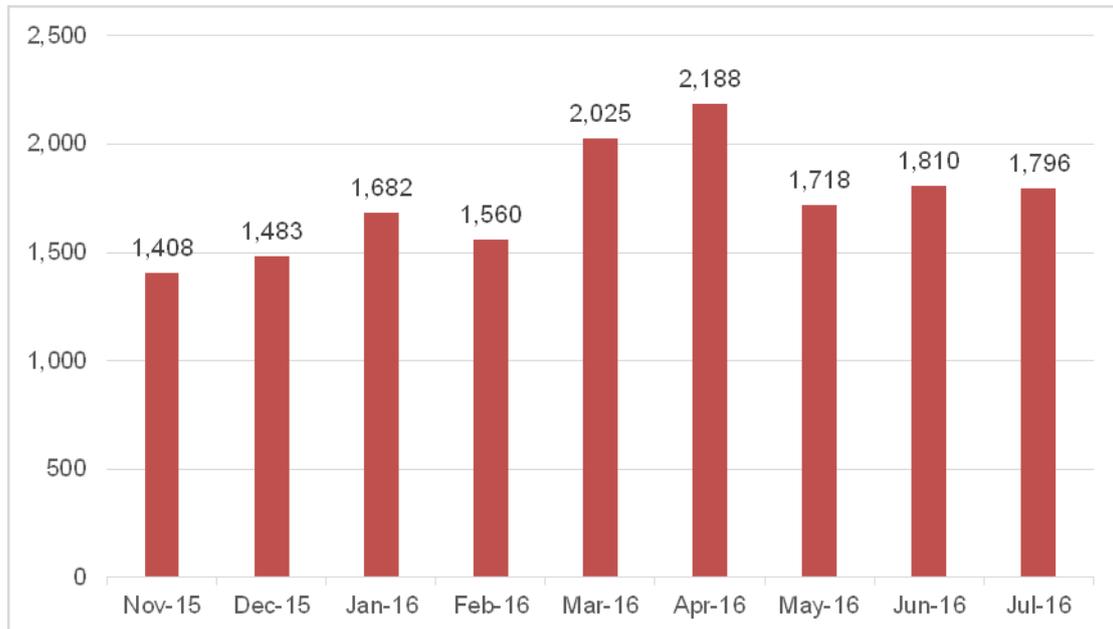
- 4.31 Overall, knowledge among letting and management agents regarding the requirements of the Act was higher than it was among landlords (as should be expected). More than 90% of agents chose the correct response regarding the requirement for registration (93%), licensing (99%), undergoing training (97%) and renewal of registration and licensing (91%).
- 4.32 There is a notable difference between knowledge among private landlords and agents of the requirement to renew registration and licensing (63% of private landlords choosing the correct answer compared to 91% of agents). Agents' knowledge about penalties for not registering were lower, and comparable to knowledge among landlords (59% compared to 54% choosing the correct response respectively).
- 4.33 The responses from both landlords and letting agents suggest that the Welsh Government and Rent Smart Wales have effectively communicated the more detailed requirements of the Act among those directly affected. But there is some scope to more effectively communicate the penalties for not registering.
- 4.34 In contrast to the results of the landlord and letting agent quantitative survey set out above, **interviews with local authorities** indicated that their depth of knowledge about the scheme varied.

- 4.35 The majority of local authority representatives displayed a good depth of knowledge about the scheme in March/May 2016, appear to have been well engaged and are proactively promoting the scheme. However, five local authority representatives suggested that their awareness of the scheme was more limited. One indicated that they were unable to answer more detailed questions about the scheme, and referred these enquiries to Rent Smart Wales. Two local authority representatives suggested that they were unclear about how the scheme would improve standards of management and letting within the sector, and two stated that they were not aware of the requirements upon local authorities regarding enforcement of the scheme.
- 4.36 However, the majority of local authority interviewees did also state that they now receive regular updates from Rent Smart Wales, have a good relationship with the licensing authority and are provided with responses to more complex queries.
- 4.37 One local authority representative questioned the extent to which individuals without an internet connection were able to access information about the scheme.
- 4.38 Regardless of perceived levels of awareness regarding the scheme, at the time of fieldwork (March/May 2016), very few local authorities were able to describe a clear plan for identifying landlords in their area so that they can effectively enforce the legislation.
- 4.39 Evidence regarding general awareness and understanding presented above suggests that there is a need for further awareness-raising activity within the private rented sector generally, and particularly among private rented sector tenants. It also suggests a need for a more detailed awareness and understanding among local authorities of their enforcement requirements, and subsequent resource and planning implications. These results are to be expected at this early stage of the scheme. They will serve as the baseline position against which future levels of awareness can be compared.

Registration and Licensing

- 4.40 Figure 4.08 shows that the number of landlords registering with Rent Smart Wales per month has increased from 1,408 in November to 1,796 in July 2016 and of July 2016, 15,670 landlords have registered with Rent Smart Wales. The number of monthly registrations peaked in March (2,025) and April (2,188), with an average of 1,741 registrations per month between November 2015–July 2016.

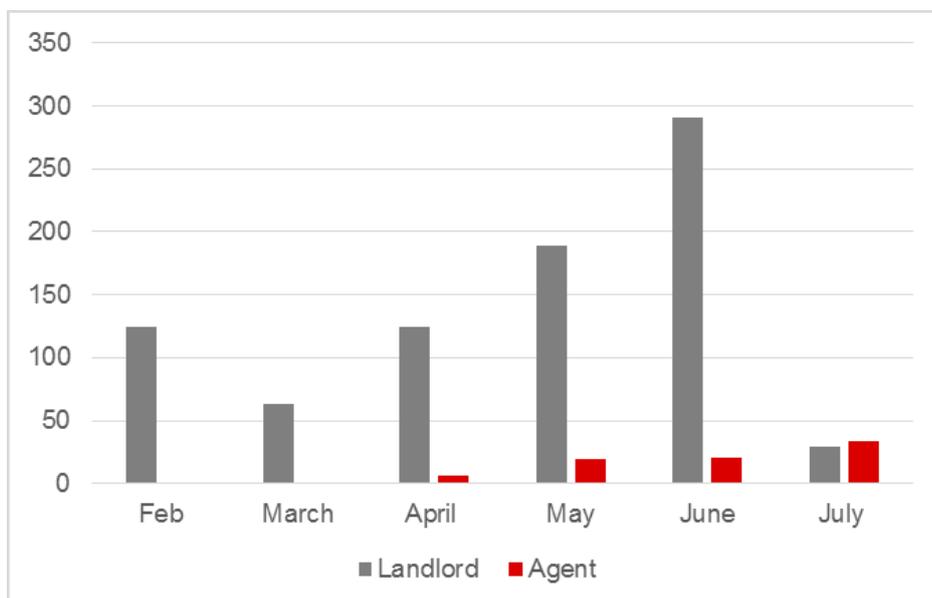
Figure 4.08: Monthly landlord registrations (November 2015–July 2016)



Source: Rent Smart Wales

4.41 Figure 4.09 shows that the number of landlords obtaining a licence has increased from 124 in February 2016 to 295 in July 2016, and has increased month on month from March 2016. The number of licences obtained by letting agents has also increased month on month. However the numbers of landlords obtaining licences are significantly lower than for registrations. This is most likely due to the fact that not all landlords who are registered will need to obtain a licence.

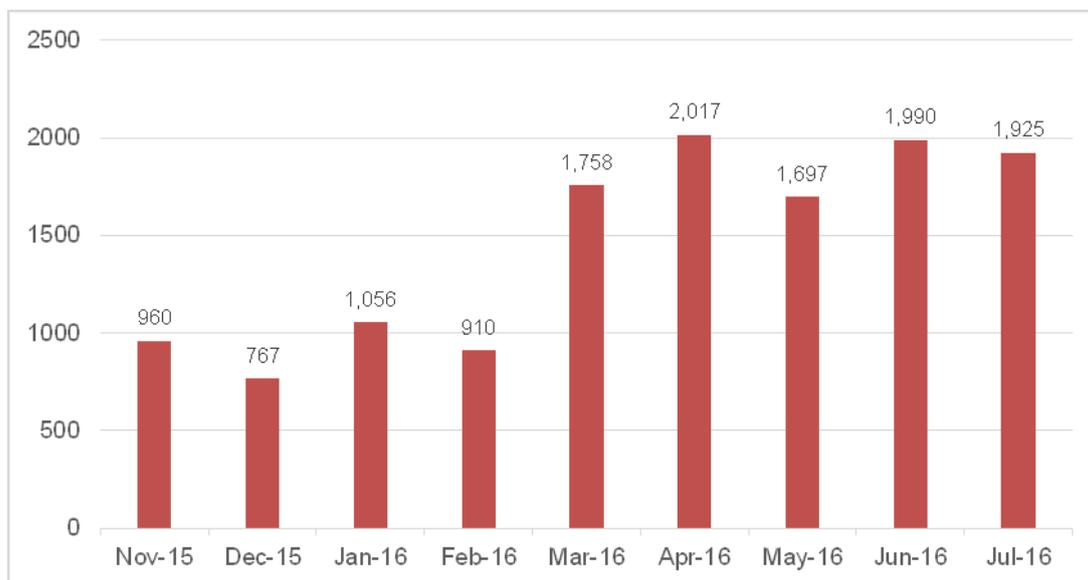
Figure 4.09: Monthly licences issued



Source: Rent Smart Wales

4.42 Rent Smart Wales' monitoring data also identifies increases in the number of telephone enquiries (referred to as 'call volumes') regarding registration and licensing since the scheme began, as illustrated in Figure 4.10.

Figure 4.10: Monthly call volumes - registration and licensing enquiries (November 2015–July 2016)

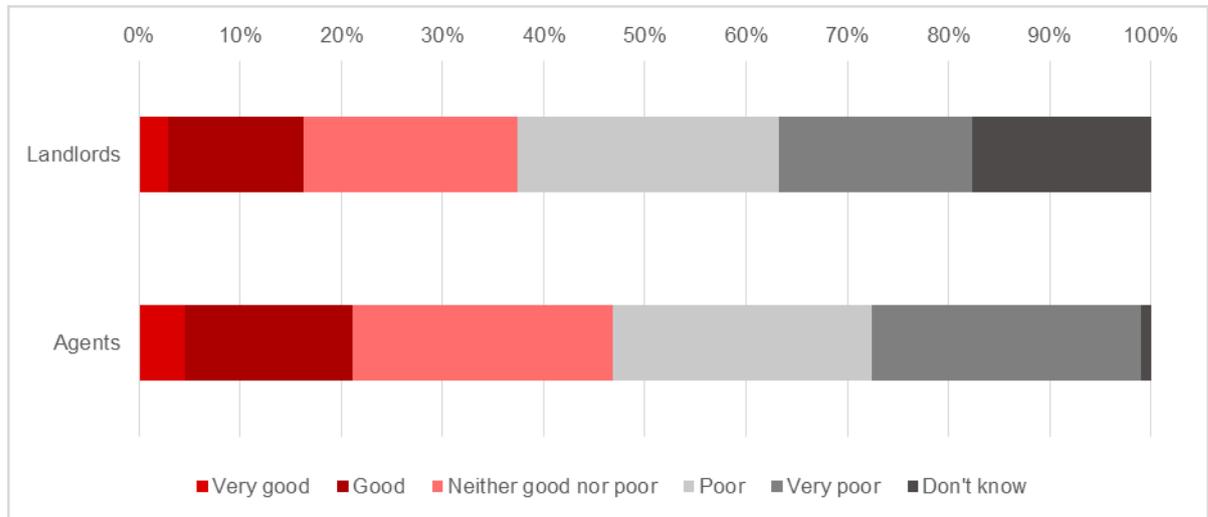


Source: Rent Smart Wales

4.43 Figure 4.10 shows that the number of calls to Rent Smart Wales in relation to registration and licensing has more than doubled from 960 in November 2015 to 1,925 in July 2016. These figures provide an indication that awareness and uptake of registration and licensing is increasing.

4.44 **Landlord and letting agent survey respondents** were asked about how they would rate levels of awareness regarding mandatory registration and licensing within the sector more generally. In total only 16% of landlords and 22% of letting agents felt that overall awareness was either very good or good as of March 2016.

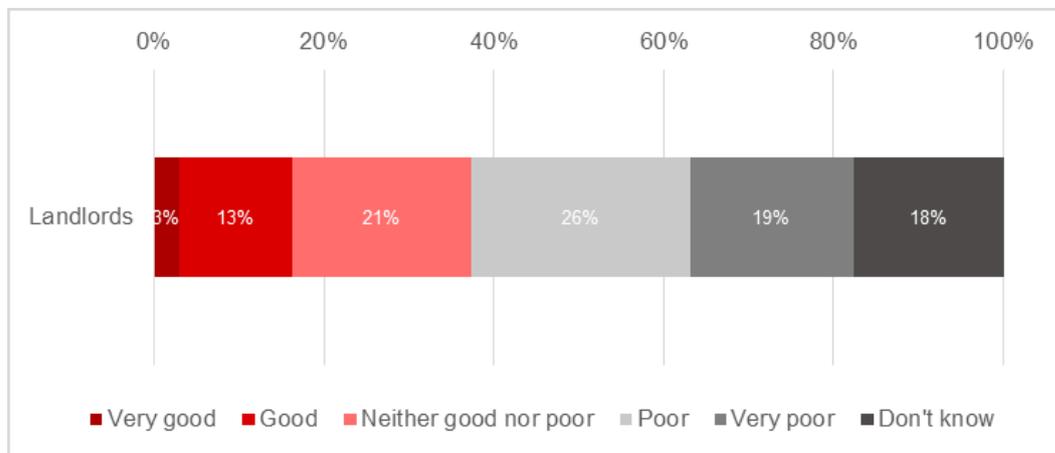
Figure 4.11: How would you rate levels of awareness regarding mandatory registration and licensing in the sector generally?



Source: PACEC, Q42, n=769

4.45 Forty-five per cent (n=309) of landlords felt that sector awareness was poor or very poor, and a further 18% (n=116) of landlords felt they did not know the state of awareness within the sector as of March 2016.

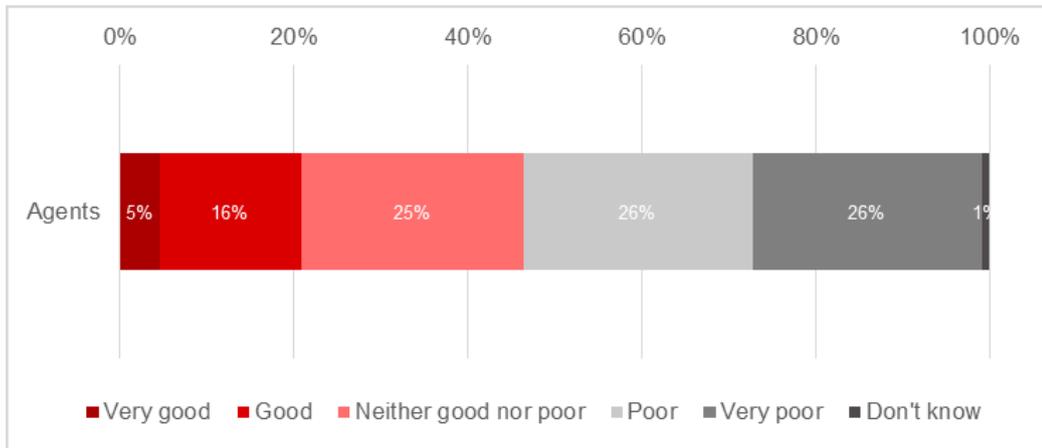
Figure 4.12: Levels of awareness regarding mandatory registration and licensing (Landlords)



Source: PACEC, n=659

4.46 Moreover, the majority (53%, n=57) of letting agents responding to the survey in March 2016 felt levels of awareness regarding mandatory registration and licensing were poor or very poor within the sector.

Figure 4.13: Levels of awareness regarding mandatory registration and licensing (Agents)

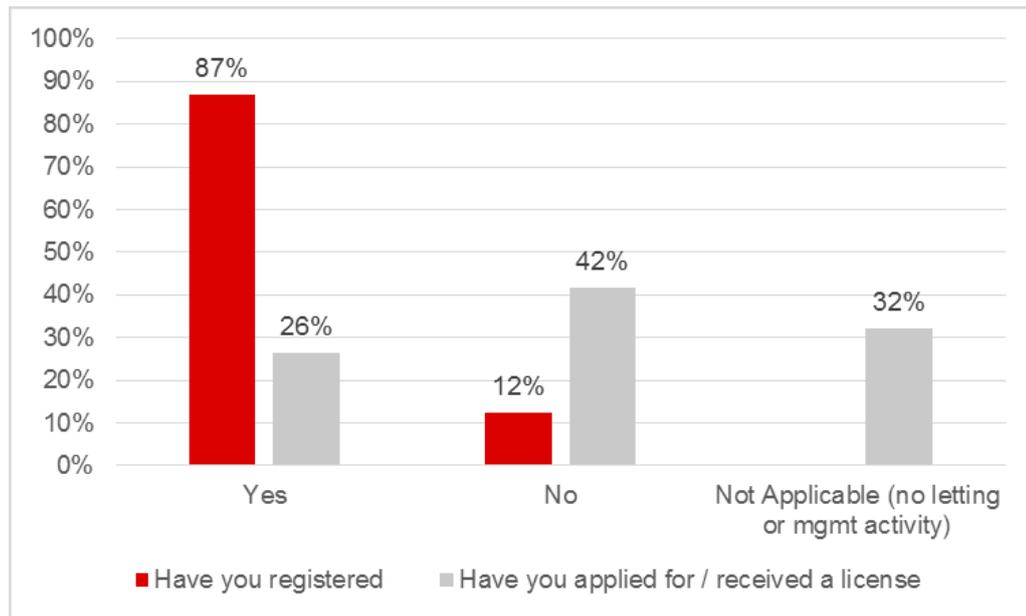


Source: PACEC, n=110

4.47 In addition to questions regarding perceived levels of awareness regarding registration and licensing, landlords and agents were also asked whether or not they had registered (landlords only) and/or obtained a licence (agents, and those landlords that let or managed their own properties). The following paragraphs set out results from the landlord and letting agent survey regarding the extent of registration and licensing, the ease with which respondents could register and/or obtain a licence, and levels of knowledge and understanding among landlords and agents of different facts about registration and licensing.

4.48 **Landlord respondents** were asked whether they had registered or obtained a licence (n=661). Figure 4.14 shows that the majority of landlords responding to the survey have already registered (as of March 2016) as a landlord with Rent Smart Wales (87%, n=578). The percentage of landlords that have obtained or applied for a licence as of March 2016 is notably lower, at 26% (n=174).

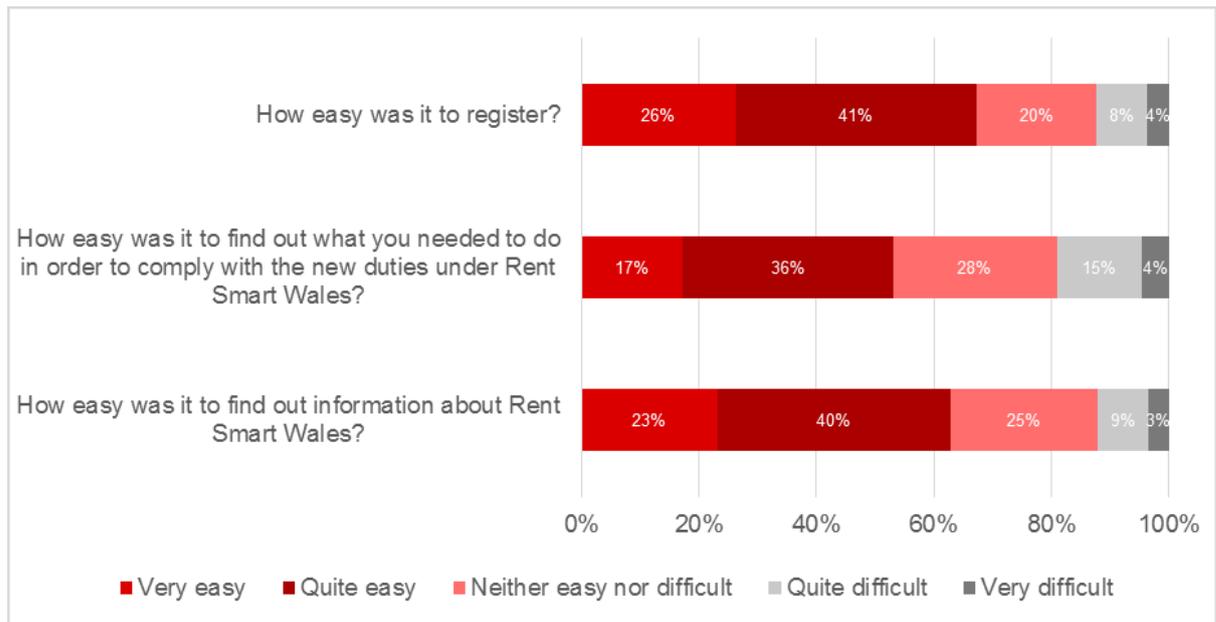
Figure 4.14: Landlord registration and licensing



Source: PACEC, n=662

- 4.49 For landlords who had not already registered as of March 2016 (12%, n=79), the majority (57%, n=45) were aware of the scheme and intend to register soon. A further 29% (n=23) provided other reasons for not registering including personal reasons, the cost of the scheme, or waiting until the deadline. Four per cent (n=3) were aware of the scheme, but did not feel it applied to them, and 10% (n=8) were unaware of the scheme or requirement to register.
- 4.50 For the respondents who had not yet applied for a licence (n=351), 15% responded that they were either unaware, or that it did not apply to them. A further 85% responded with other reasons including waiting until they could afford to do so, the need to finish training courses, and the preference to wait regarding confirmation of fees/preference to 'maximise' the licence period.
- 4.51 Landlords who have already registered were asked about the registration process, including how easy was it to register, how easy was it to find out what they needed to do in order to comply with the new duties under Rent Smart Wales, and how easy was it to find out information about Rent Smart Wales.

Figure 4.15: Ease of registration, information and compliance (landlords)



Source: PACEC, Q16.17 and 20, n=579

4.52 The majority of landlords found it very easy or quite easy to register with Rent Smart Wales (67%), and found it very or quite easy to find out information about Rent Smart Wales (63%). Landlords found it more difficult to find out about compliance duties. Just 53% felt this was easy, with 19% feeling this process was quite or very difficult.

4.53 When asked about how landlords and letting agents could be encouraged to *register* in future, **in-depth interviews with landlords and letting agents** provided further suggestions including:

The process could be simplified and made clearer. Some respondents suggested that there should be a welcome pack with more information or a guide to registering online.

The online platform could be made more user friendly.

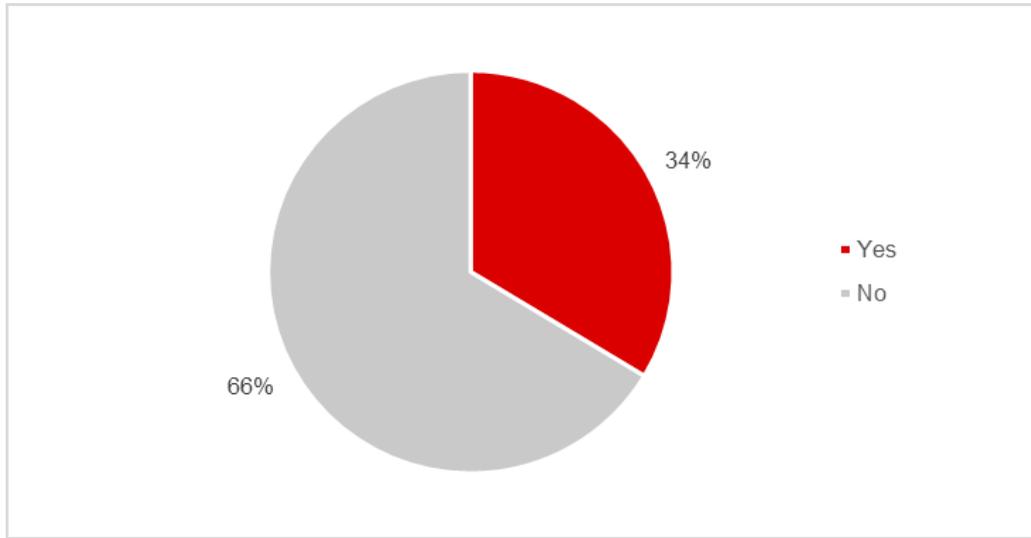
Helpdesk staff could be more knowledgeable and able to answer more queries.

The registration process could be made more accessible for people who may not have access to online resources (e.g. older people).

4.54 Agents were asked the same questions about licensing⁴². At this baseline stage (March 2016), 34% had applied for or received their licence, as illustrated in Figure 4.16.

⁴² Note that they were not asked about registration as a result of survey routing as registration is not a requirement for letting or management agents.

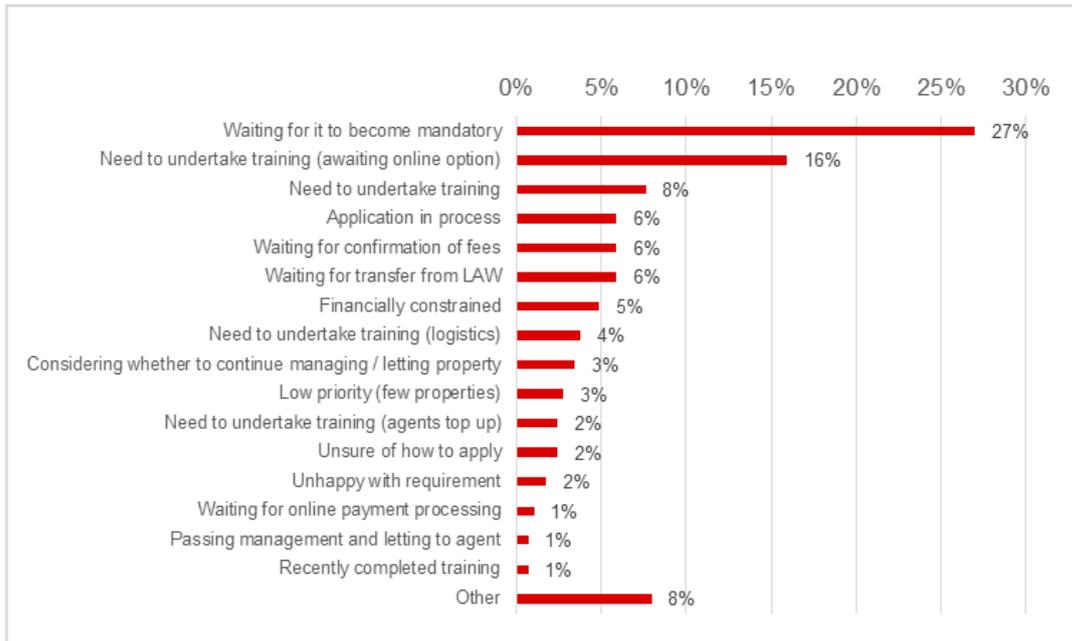
Figure 4.16: Agent licensing



Source: PACEC, n=110

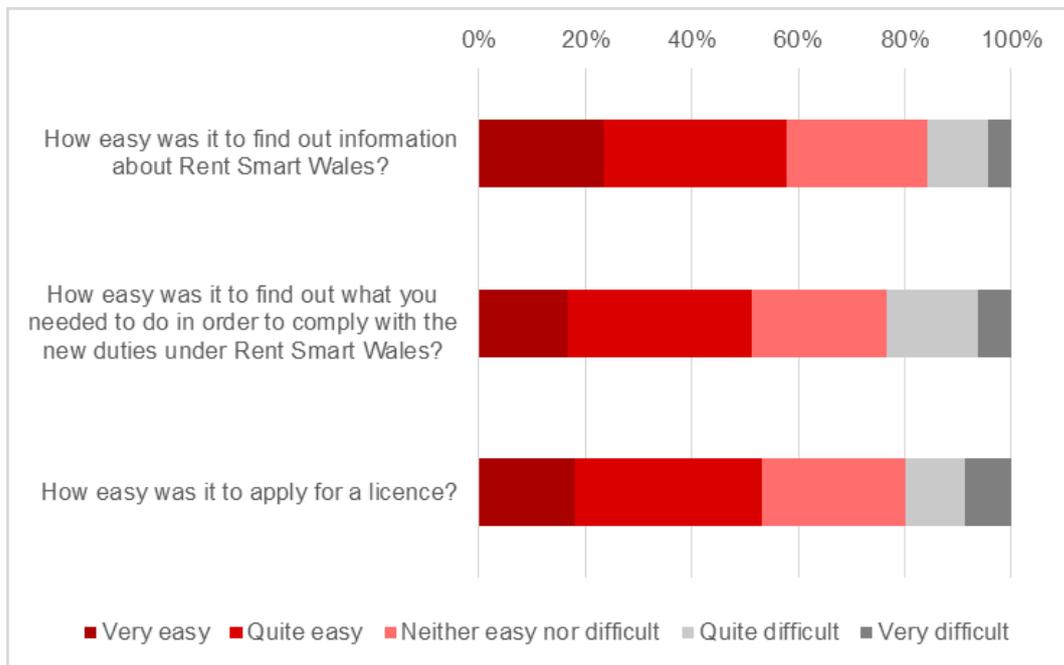
- 4.55 Of those agents that had applied for or received their licence, 50% felt it was very easy or quite easy to do, a similar proportion (51%) found it easy to find out what they needed to do to comply with new duties, and a higher proportion (62%) found it easy to find out information about Rent Smart Wales.
- 4.56 When asked to provide other reasons for not yet having applied for or obtained a licence, landlords and letting agents provided a wide range of responses. As illustrated in Figure 4.17, the most common reason cited was that respondents were waiting for the requirement to become mandatory (27%, n=78). Other commonly cited responses included the need to undertake training – a total of 28% referred to undertaking training, with most (16%) indicating that they were waiting for the online training to become available. Other respondents citing the need to undertake training as their reason for not yet having a licence referred to logistical constraints (4%), for example, accessing training in close proximity, or the logistical challenges posed by having to train multiple staff. Beyond waiting for the requirement to become mandatory and undertaking training, equal proportions of respondents (6% in each case) indicated that either their application was in progress, that they were waiting for confirmation of fees, or that they were waiting for transfer of details from Landlord Accreditation Wales (LAW).

Figure 4.17: Other reasons for not yet obtaining a licence



Source: PACEC Landlord / Letting Agent Survey, n=289

Figure 4.18: Ease of application, compliance and information (agents)



Source: PACEC, n=36, 37, 37

4.57 When asked about how the *licensing process* could be improved in future, in-depth telephone interviews with landlords and letting agents as part of the longitudinal study returned the following suggestions:

The licensing fee should relate to the size of the business and/or to the size of the property portfolio.

There should be more guidelines and support about the licensing process.

The licence should run from the day it becomes mandatory.

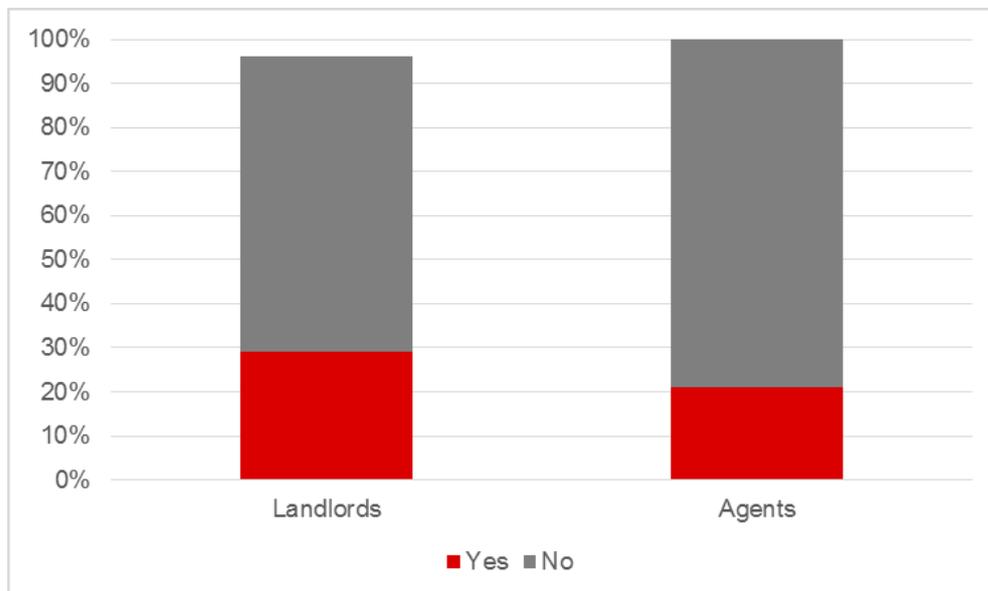
There should be more support and information on how to carry over housing law training.

There should be more information about CPD requirements.

The licensing process should be faster and less time consuming.

- 4.58 Landlords and letting agents were also asked if they thought the differences between registration and licensing were adequately understood by landlords and agents (as of March 2016). As set out in the table below, 69% of all respondents feel that the differences between registration and licensing are not yet well understood (79% of letting agents and 67% of landlords).

Figure 4.19: Understanding the difference between registration and licensing



Source: PACEC Landlord / Letting Agent Survey, n=772

- 4.59 A commonly cited issue, raised by **landlords, letting agents, local authorities and key stakeholders** is the perception that many of the landlords that have registered (as of March–June 2016) are those that already maintain relatively high standards of property management, and are therefore more open to being involved at an early stage of the Rent Smart Wales scheme. Suggestions made by these respondent groups about how to encourage more, less proactive landlords to register included:
- “Landlords should be made more aware of the scheme, the need to register and the penalties for not registering or obtaining a licence”.
 - “Offering a lower price or incentives to those who register early to create a ‘first mover advantage’ or an early bird option”.
 - “Better promotion of the benefits of registering early”.

“Notifying tenants of their landlords’ obligations to register”.

4.60 Landlords, local authorities and external stakeholders also commonly suggested that the following could encourage more landlords and letting agents to apply for a licence:

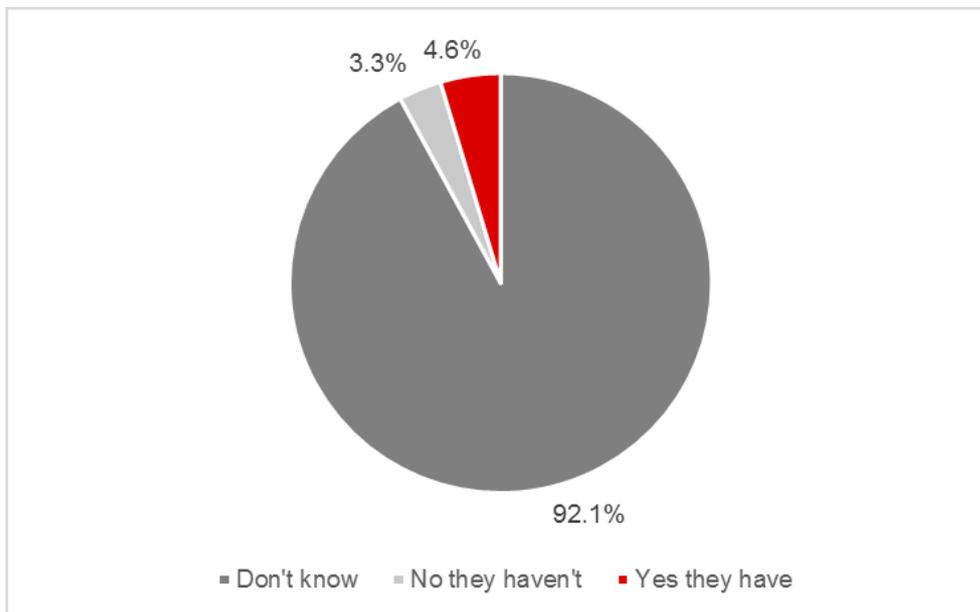
“Lowering the costs of training and licensing, especially for landlords and smaller agents or a cost structure related to their property portfolio”.

“Provision of more information on landlords’ obligations in relation to management of a property”.

“Having the timeframe for the licence run from the day it becomes mandatory to encourage people to get a licence early to maximise value for money”.

4.61 When **tenants** were asked in July 2016 whether they knew if their landlord was *registered*, a majority (92%) stated that they did not. Only 5% of tenants (n=7) were able to provide a definitive ‘yes’ answer while 3% (n=5), said that their landlord wasn’t registered.

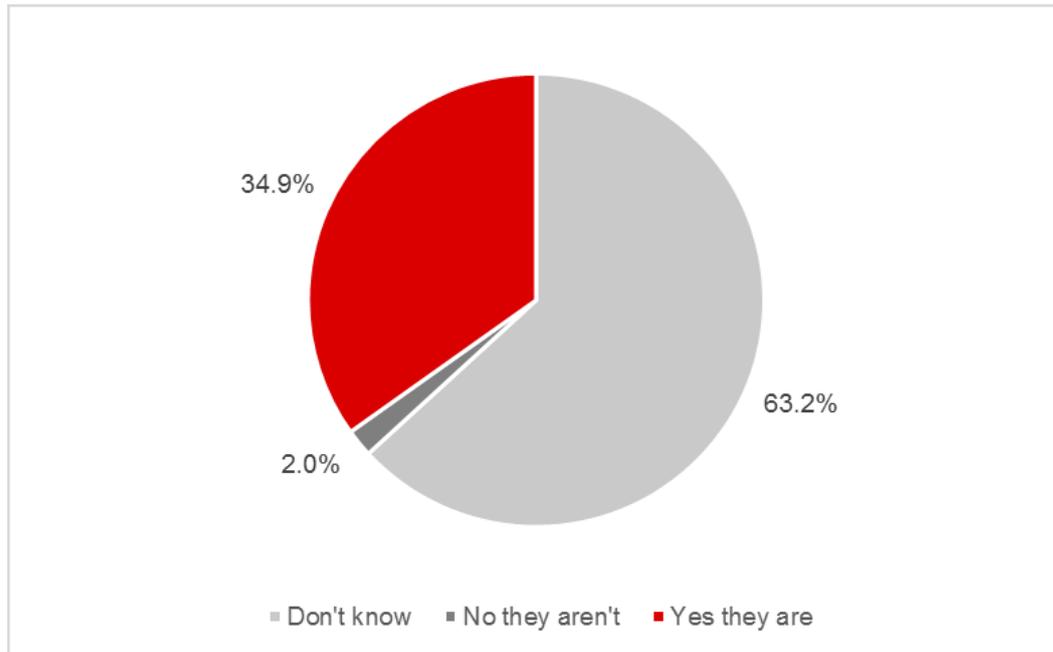
Figure 4.20: Do you know if your landlord has registered with Rent Smart Wales?



Source: PACEC Longitudinal Tenant Survey, n=152

4.62 Tenants were then asked if they knew if their landlord or letting agent was *licensed*. The results mirror that of the previous question in that the majority of tenants, 63% (96), responded ‘don’t know’. Unlike the previous question, a higher proportion of tenants (35%, n=53) stated that their landlord or letting agent was licensed, with only 2% of tenants saying ‘no’.

Figure 4.21: Do you know if your landlord or letting agent is licensed?



Source: PACEC Longitudinal Tenant Survey, n=152

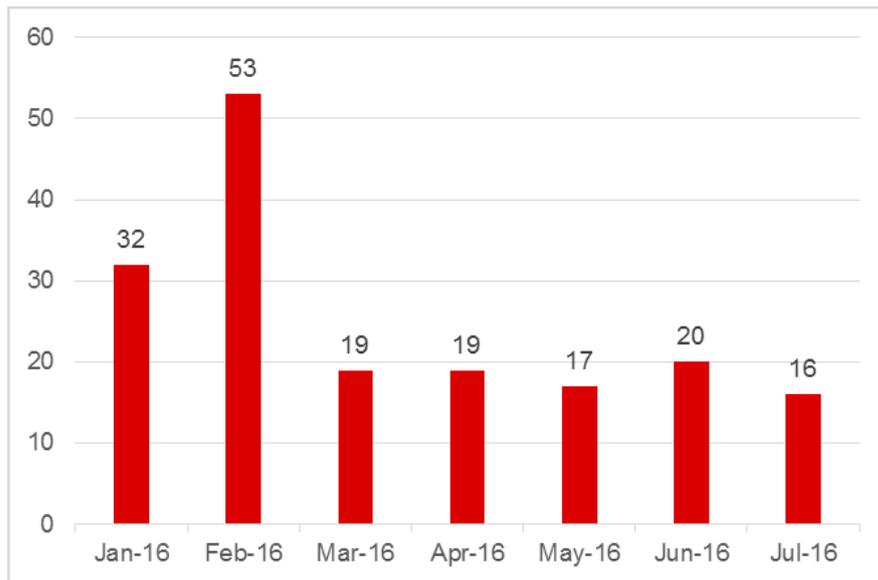
- 4.63 A small number of **local authorities** suggested that some landlords and letting agents did not understand the difference between registration and licensing, with one local authority noting that *“the problem is that some landlords do not understand what they need, they get confused. We have taken it upon ourselves to write and email them to remind them about it, then they call us and they don’t know enough about it. Older landlords are intimidated as they have to register online”*.

Training Provision

- 4.64 Training is a key part of the licensing process for both landlord and letting agents and it is expected that those involved in managing or letting a property will be trained and licensed by 23 November 2016.
- 4.65 The number of courses and rate of completion of training for January–June 2016 is shown in Figures 4.22 and 4.23⁴³. Figure 4.24 illustrates the number of training attendees by landlords and letting agents separately. The number of delegates by course type is illustrated in Figure 4.25.

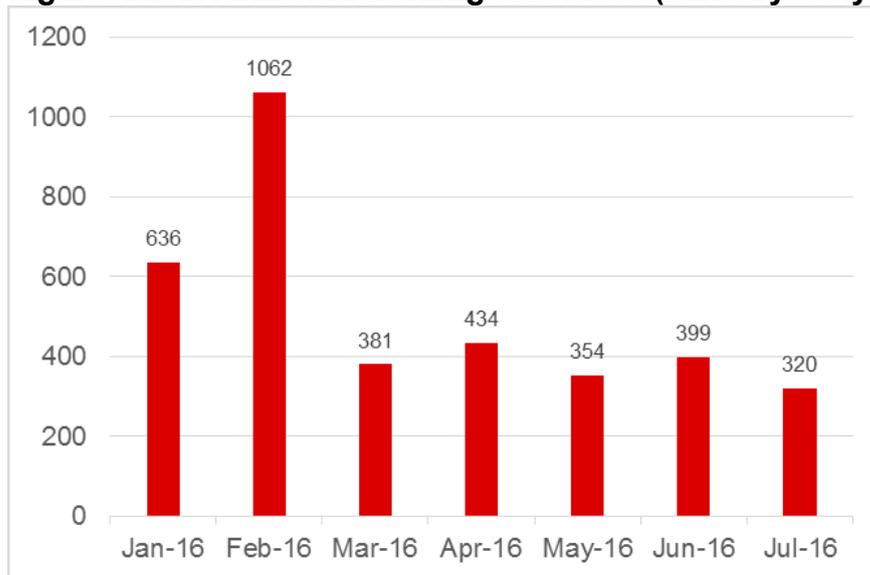
⁴³ Based on Rent Smart Wales monitoring records which includes face-to-face training delivered by both Rent Smart Wales, and accredited external training providers, and completion of online training to July 2016.

Figure 4.22: Total number of courses per month (January–July 2016)



Source: Rent Smart Wales

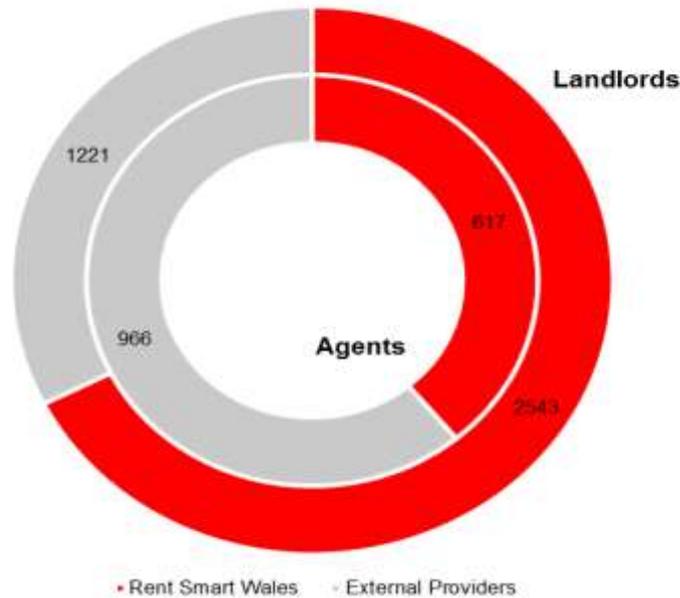
Figure 4.23: Number of training attendees (January–July 2016)



Source: Rent Smart Wales

4.66 Figures 4.22 and 4.23 show that there was a substantial peak in training in February 2016, coinciding with Welsh Government and local authority promotional activities. The number of training courses and attendees has levelled off at a significantly lower rate since then. It would be expected that levels of training in October to November will increase as the deadline for enforcement comes closer. This will be examined in the next report.

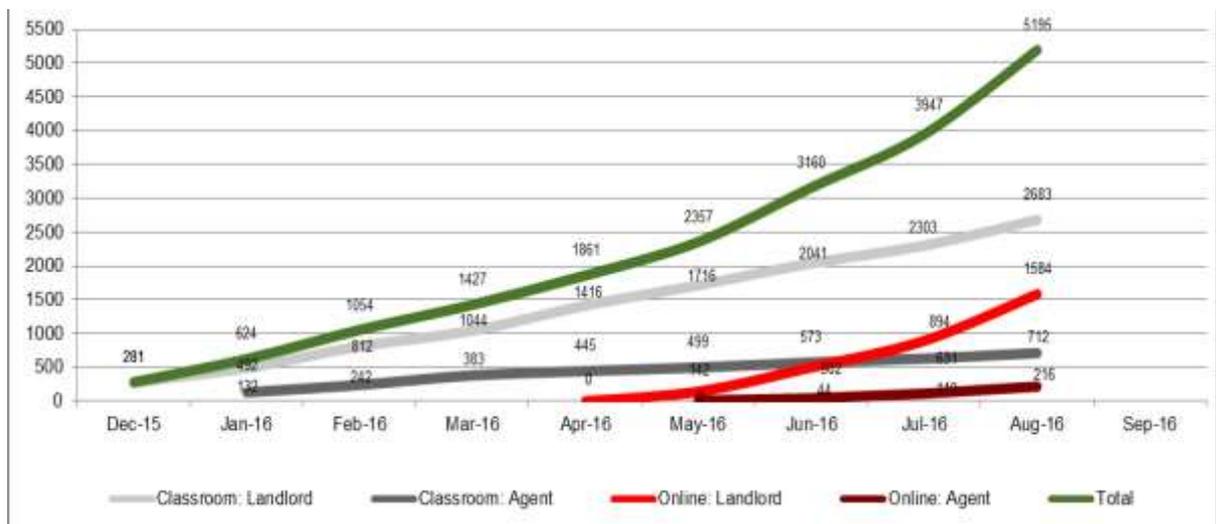
Figure 4.24: Number of training attendees (split by Rent Smart Wales provided training and other) (January–July 2016)



Source: Rent Smart Wales

4.67 Figure 4.24 shows that as of July 2016 the majority of training provided to landlords was through Rent Smart Wales (68%) while the majority delivered to letting agents is by external providers (61%). The data suggests that external training providers could potentially deliver more training to landlords. However, as indicated by the steep upward trajectory of online training presented in Figure 4.25, online training is likely to be a key source for significant numbers of landlords in future. The volume and effectiveness of training will be revisited in subsequent evaluation fieldwork.

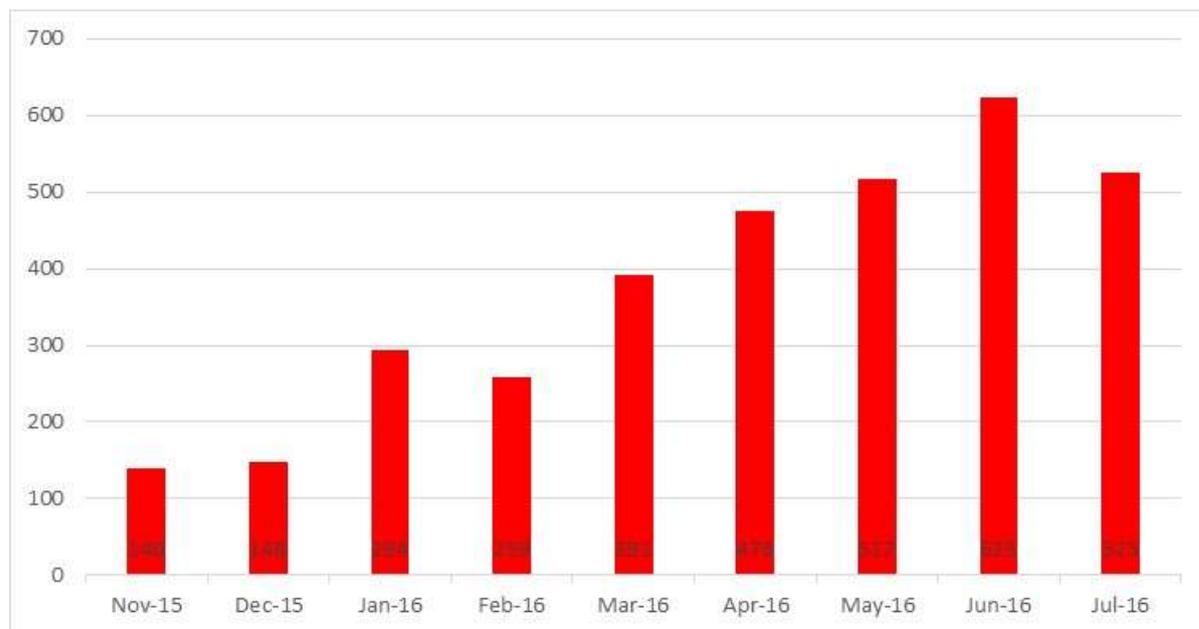
Figure 4.25: Number of delegates by course type (January–July 2016)



Source: Rent Smart Wales

4.68 Figure 4.26 shows an increase in training enquiries from 140 in November 2015 to 623 in June 2016 and 525 in July 2016. This can be used as an indicator of increasing awareness and uptake of training. However, the dip in July 2016 highlights the need to sustain promotional activities.

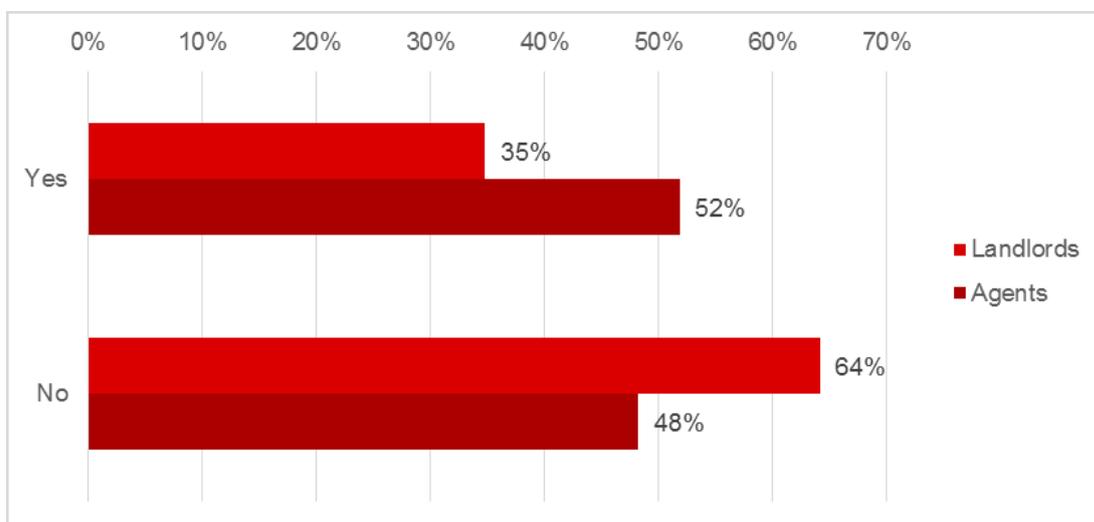
Figure 4.26: Monthly call volumes - training enquiries (November 2015–July 2016)



Source: Rent Smart Wales

4.69 Respondents to the quantitative **landlord and letting agent survey** were asked if they had accessed licensing training. As of March 2016, 52% of agents had already accessed licensing training, compared to 35% of landlords⁴⁴.

Figure 4.27: Have you accessed licensing training yet?

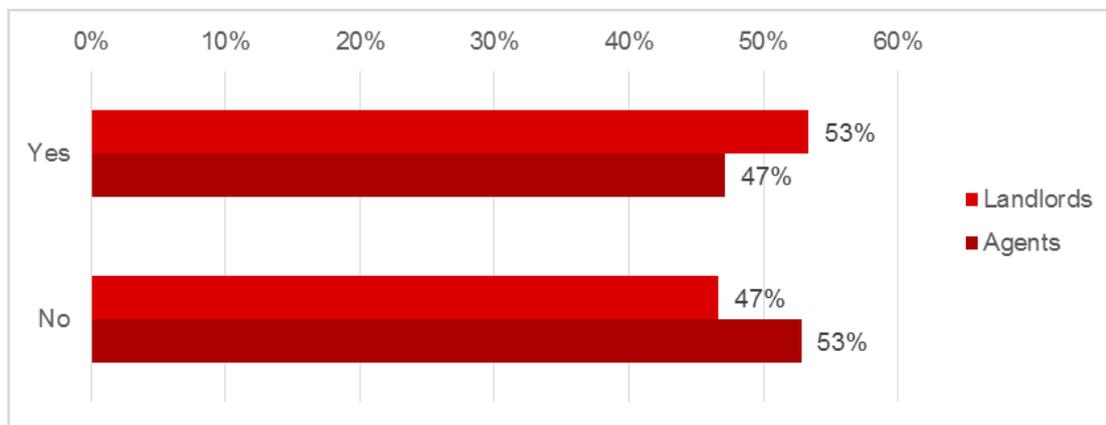


Source: PACEC, Q44, Landlord n=460, Agent n=110

⁴⁴ Percentage relates to only those landlords who identified as letting or managing property.

4.70 Those who had not accessed training were asked if they had plans to do so. Fifty-three per cent of landlords and 47% of agents have plans in place to access training (n=142 and 25 respectively).

Figure 4.28: Do you have plans in place to access licensing training?



Source: PACEC, Q54, Landlord n=270, Agent n=53

4.71 Respondents were asked to explain why they do not have plans in place to access training, responses included:

Relatively recent (as of March 2016) availability of the option for online training: several landlords (n=35) indicated that they would access training online however they had not been aware that this was an option. Qualitative comments included:

- *"I live in Kent so it is not easy to access training other than online".*
- *"Nothing available online when I registered".*
- *"Waiting for online training to become available".*

Some landlords (n=24) were unaware about why they might be required to have a licence or how to find information on the training. Qualitative comments included:

- *"Didn't realise I needed to have licence training".*
- *"I thought this was a voluntary thing not a mandatory requirement".*

A smaller number of landlords (n=12) did not believe that they should have to undertake training because of the level of service they already provide (however it is noted that this is an incorrect assumption). Qualitative comments included:

- *"I am competent enough (and have had some legal training) to be able to find out anything I need to know to be a good landlord".*
- *"Twelve years landlord experience with no problems and content tenants".*

- *“I have only one rental property - my tenants are 'very well' looked after and I have in place 'all' that is needed for their safety/comfort i.e. gas safety checks/regularly redecorated - any small problems are instantly addressed and every tenant that I've had have been looked after very well and all have remained friends when they have moved on. I have a 5* property and am a 5* landlord!”*

In other cases, small numbers of landlords (n=8) were considering exiting the market, particularly those with one property or a small portfolio. Qualitative comments included:

- *“[I am] thinking of selling my properties. I am a small landlord and this is all an unnecessary burden”.*

In some cases (n=6) the cost associated with training was making landlords delay completing it. Qualitative comments included:

- *“The whole process to register and get licensed including training is going to cost me over £400 including hotel accommodation”.*
- *“It needs doing however it is pretty low on my list of reasons to take a day’s holiday.”*

Accessing training is a relatively low priority for some landlords (n=5) who have to fit it in around other commitments. Qualitative comments included:

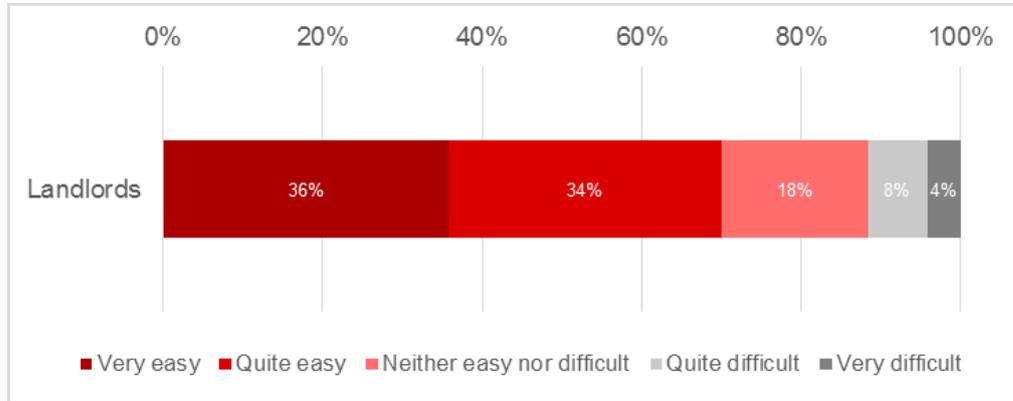
- *“Other courses have been Mon-Fri when I am at work, and I can’t get approval to be released for this purpose, and there is no weekend provision or online training available”.*

4.72 These landlord perspectives on the need to access training suggest a need to raise awareness about when licensing is required, and the variety of training options on offer. It should be noted that online training is now available and will help to address some of the challenges regarding travel, cost and time commitment referred to in the survey.

4.73 Those who had accessed training were asked about the ease of organisation, quality and value for money of the training. Figures 4.29 and 4.30 below show that the majority of landlords and letting agents found it easy to organise to undertake training (70% and 76% respectively found it very or quite easy to arrange training).

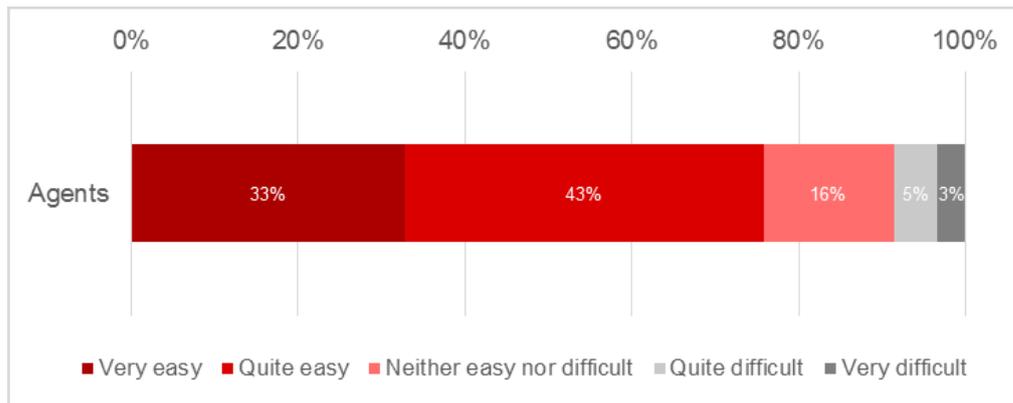
This suggests that Welsh Government, Rent Smart Wales and training providers have been facilitating the provision of training effectively so far.

Figure 4.29: How easy was it to arrange to undertake training? (Landlords)



Source: PACEC, Q45, n=173

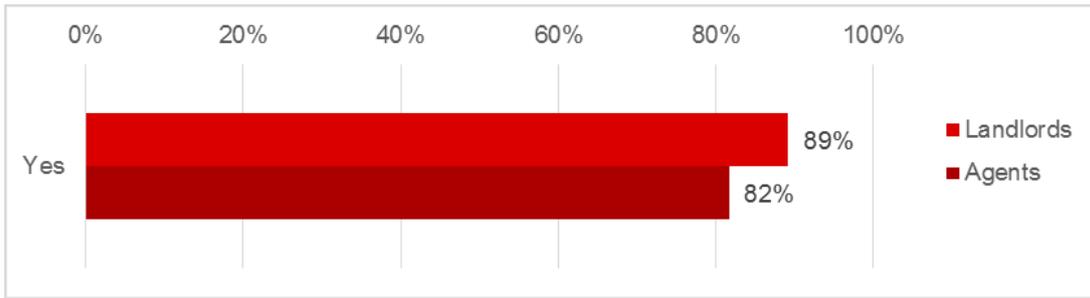
Figure 4.30: How easy was it to arrange to undertake training? (Agents)



Source: PACEC, Q45, n=58

- 4.74 In terms of the format of training, the majority (up to March 2016) has been completed face-to-face, with over 80% of both landlords and agents accessing face-to-face training. Based on qualitative responses regarding reasons for not yet having plans in place to complete training (set out above), it is likely that the numbers accessing online training (currently fewer than 10% of landlords and agents) will see a notable upturn in the near future.
- 4.75 Respondents who had completed training were asked if they felt the Code of Practice was adequately covered within the training events. The majority of landlords (89%) and a similar proportion of agents (82%) felt this was the case.

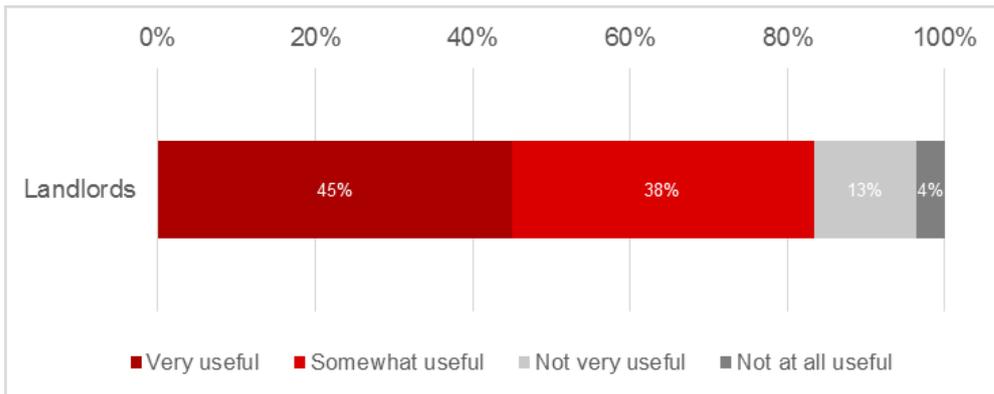
Figure 4.31: Was the content of the Code of Practice adequately covered?



Source: PACEC, Q51, n=206

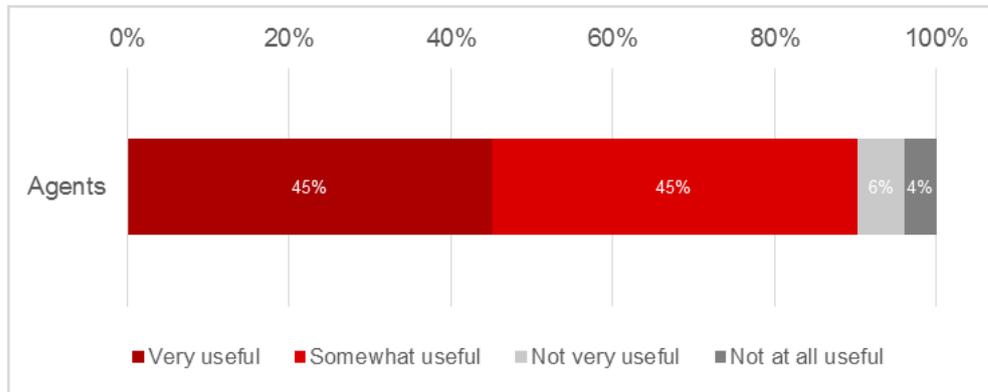
4.76 The majority of respondents felt that the training was very or somewhat useful as illustrated in Figures 4.32 and 4.33 (83% of landlords and 90% of agents). For those that felt it was not useful comments included that the content was too basic, there was overlap between content provided at other courses/institutes, and that they were already aware of the information.

Figure 4.32: How useful did you find the training? (Landlords)



Source: PACEC, Q52, n=162

Figure 4.33: How useful did you find the training? (Agents)



Source: PACEC, Q52, n=51

- 4.77 Seventy per cent of respondents (69% landlords, 71% agents) felt the training was good value for money.
- 4.78 Landlords and letting agents who completed the survey, reported a number of positive impacts as a result of the training, with 45% of landlords and 47% of letting agents indicating that they would be making changes as a result of training, typical responses including: 'We will improve our terms of business for landlords, and ensure our contractors have the correct job sheets', 'We will inform all of our landlords of the new legislation' and one letting agent indicated that as a result of the training they are now providing more details to landlords about property requirements standards and are conducting more thorough inspections.
- 4.79 **Interviews with landlords and letting agents** suggested that the majority found it easy to find a training provider via the Rent Smart Wales website and other webpages.
- 4.80 Approximately one-quarter of the interviewees who completed the face-to-face training opted for that option because the online training was not yet available. Others felt that face-to-face training would be more efficient and more in-depth and therefore better value for money and would give them more of an opportunity to ask questions, Respondents described the training as being comprehensive, informative, very detailed and interesting. One respondent explained: *"I found the training very reassuring as it clarified that everything I was doing was correct. I also developed a greater understanding of the rights of tenants and found that meeting with other landlords and hearing and sharing experiences with them was beneficial"*.

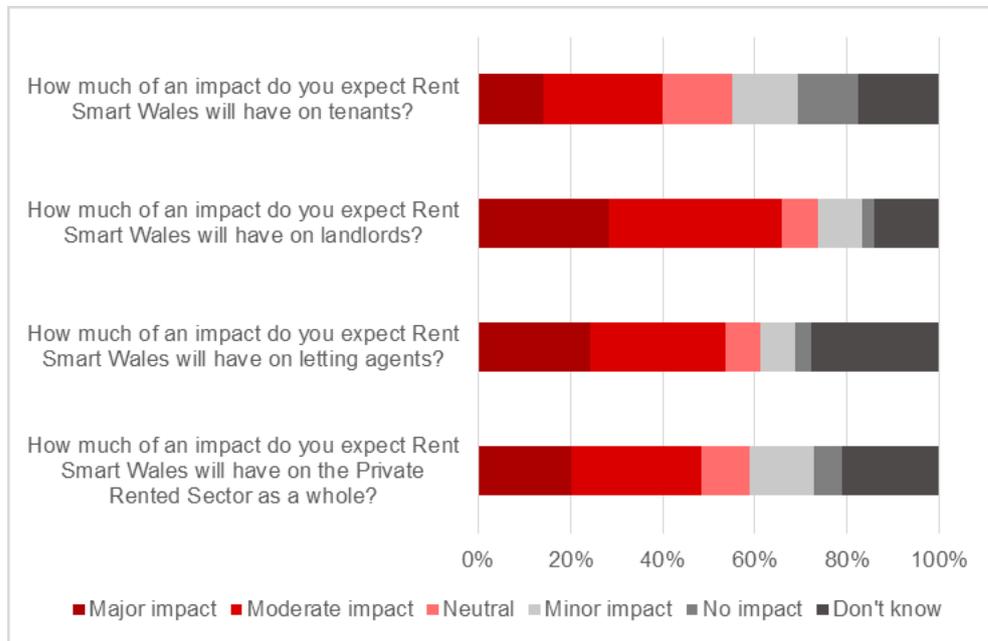
- 4.81 Another commented: *“It was very useful to me. It helped me understand the different legislation and have a better idea of my role”*. The respondents who did not find the training useful were mostly those who chose the top-up online training⁴⁵ as they were already trained and did not feel that they learned anything new.
- 4.82 **Interviews with tenants** found that the majority of tenants interviewed stated that their landlord had registered with Rent Smart Wales and had taken part in a training course.
- 4.83 In relation to areas for development, one stakeholder suggested that there should be an introductory element to the training for landlords whose first language is not English and therefore may struggle with some concepts.
- 4.84 **Local authorities** were asked if they had fulfilled any role in the planning/ delivering of training. While the majority stated that they had some involvement in planning or delivering training, five local authority representatives stated that as of March/May 2016 they had not been involved in the planning/delivery of training.
- 4.85 **Interviews with external stakeholders, including landlord and letting agent, tenant, and local government representative bodies** also highlighted progress with regard to local authority staff training in the context of their new statutory duties. It was highlighted by the licensing authority representative that there are ‘big training activities’ upcoming with a focus on the local authority development plan and while training as of March/May 2016 had concentrated on training people on what the legislation is about, post enforcement *“there will be work to do on consistency of message across local authorities”*.

⁴⁵ Refers to the course ‘Part 1 of the Housing (Wales) Act 2014: An Overview (for landlords and agents who require a top-up)’.

5. Current and Perceived Future Impact

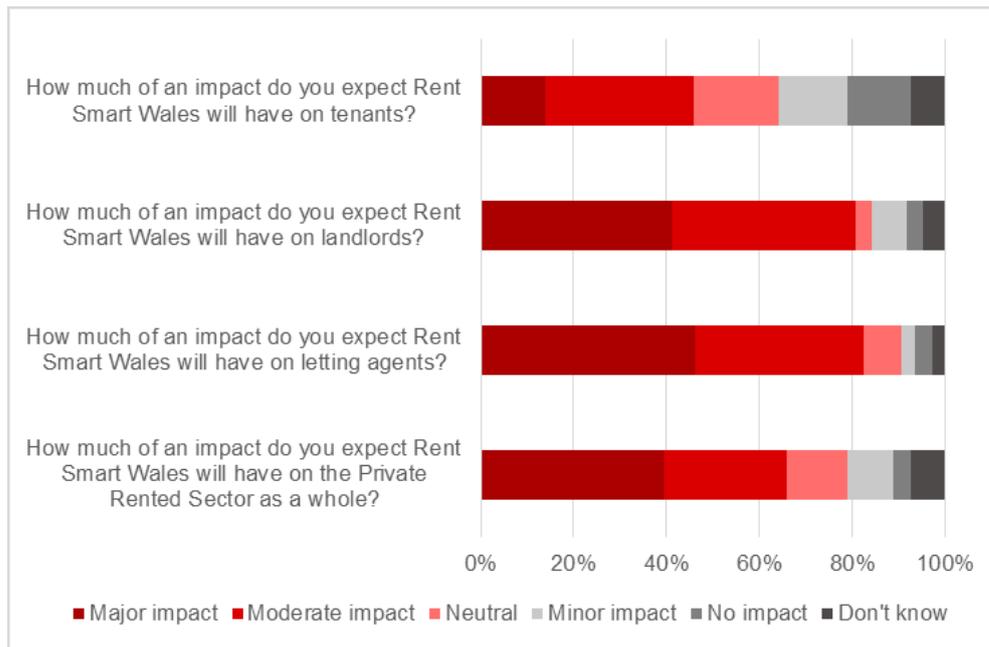
- 5.1 Respondents were asked what sort of impact they anticipated Rent Smart Wales would have on tenants, landlords, letting agents and the Private Rented Sector as a whole. Figures 5.01 and 5.02 below summarise landlord and agent perspectives on the likely impact of the Rent Smart Wales scheme on tenants, landlords and the sector as a whole.
- 5.2 Notable proportions of both landlords and letting agents believe that the Rent Smart Wales initiative will have either a major or moderate impact on landlords (66% and 81% respectively). Agents are unsurprisingly more inclined than landlords to believe that the impact on agents will be major or moderate. Both groups are of the view that there will be a more limited impact on tenants (40% of landlords and 46% of agents believing the impact on tenants will be major or moderate). However, approximately 20% of landlords stated that they ‘don’t know’ what the impact will be on tenants, suggesting some scope for raising knowledge and awareness in this area.

Figure 5.01: Anticipated impact of Rent Smart Wales (Landlords)



Source: PACEC, Q66-69, n=653

Figure 5.02: Anticipated impact of Rent Smart Wales (Agents)



Source: PACEC, Q66-69, n=109

- 5.3 **Interviews with landlords and letting agents** suggested that some landlords may not wish to undertake the training and licensing and therefore may employ a letting agent to manage their properties.
- 5.4 Findings from these interviews also suggested that the Act could have both a positive and negative impact on tenants. Specifically, it was suggested by just under half of landlords and letting agents (around 25) that rents could rise as costs of licensing and training are passed on from landlords to tenants. However, there is no evidence of this to date and this will be examined in subsequent reports.
- 5.5 Landlords and letting agents also suggested that it would improve the quality of the housing stock and that tenants would receive a better service as landlords become more aware of their obligations
- 5.6 **Tenants** were asked to specify what the scheme should seek to address in future. Eighty-eight per cent (n=85) of respondents stated that it should seek to improve property conditions as a priority, and 37% (n=36) believed it should improve management standards.
- 5.7 A large proportion of tenants felt satisfied with the management standards and level of communication with their landlord/letting agent, the condition of their current accommodation and overall management of their property. As a result, the majority of tenants felt that Rent Smart Wales had not had a positive or negative impact on their situation to date (July 2016), noting that they had not experienced any change

in their rent or their relationship with their landlord/letting agent. Subsequent evaluation fieldwork will provide greater insights into the current and perceived future impacts of the scheme.

5.8 **Interviews with the local authorities** found that all were optimistic that Rent Smart Wales could realise the impacts it was intended to achieve over time. However, all felt it was too early in the process to ascertain definitive impacts and that the realisation of these will depend on a number of factors including:

The accurate and timely identification of 'harder to reach' landlords.

Effective sharing of good practice among local authorities.

The availability of sufficient resource to deliver enforcement.

Sufficient uptake of both mandatory licensing training and local authority staff training regarding new statutory duties.

5.9 It should be noted that while a small number of local authorities are taking steps to identify landlords in their own area, several local authorities are expecting Rent Smart Wales to identify landlords on their behalf. All local authorities believed that a 'live' database of landlords (whether generated locally or by Rent Smart Wales) was a vital tool for enabling enforcement. At the time of interview (April– June 2016) not all local authorities had access to this information. It was also noted that the MoU to clarify the process for enforcement would be key to achieving improved standards in the sector, and this is currently under development by Rent Smart Wales, and local authorities.

5.10 It was the view of local authorities that the training provided has helped to raise awareness by landlords and agents of their respective rights and responsibilities. However, it was also highlighted that many of those trained are 'good' landlords that are willing to engage and further consideration should be given to how to reach those that have not yet been made aware of the new requirements under Rent Smart Wales. It was also suggested that ongoing communication was needed between Rent Smart Wales and the local authorities and between the local authorities and landlords/letting agents. For example, it was suggested that there should be an ongoing mechanism for sharing questions that are commonly asked of local authorities, and the consistent responses that could be a resource for local authorities to refer to.

- 5.11 When asked about what they expect the Rent Smart Wales scheme to achieve, most **key external stakeholders** believed that as a result of Rent Smart Wales the private rented sector would become professionalised, better managed and believed that it should become 'a sector of choice' as the reputation of the private rented sector is enhanced.

Future Opportunities and Challenges

- 5.12 Responses from all of those involved in the research indicated there are a number of strengths and weaknesses that will provide opportunities and challenges within the next 18 months.

- 5.13 Key strengths highlighted include:

Promotion and awareness-raising: A wide range of promotional activities has led to a good level of awareness of Rent Smart Wales amongst landlords, letting agents and local authorities.

Registration and licensing: The number of registrations and licences has increased.

Relationship with Rent Smart Wales: Local authorities report that a good relationship has been established with Rent Smart Wales.

- 5.14 Key weaknesses highlighted include:

Funding/planning for implementation: The funding provided by Welsh Government to local authorities had to be spent in a short period of time when the ability to plan for this spend may have potentially increased its impact further. Also, as of March/May 2016 local authorities report that they have not undertaken any detailed planning for enforcement as clarity on roles and responsibilities is currently being worked out. They expressed concerns that the workload was yet unknown as they were not aware of how many landlords had registered/were still to register, and there was the possibility of an 'influx of enforcement cases' that they would not be able to manage due to insufficient resources. However, since fieldwork was undertaken in March/May a Memorandum of Understanding has been developed, £5 million has been agreed to local authorities for enforcement activity, and enforcement guidance prepared.

Claim process: Local authorities highlighted the need to simplify or streamline the process for claiming grants, as this was described as excessive and disproportionate to the funding received.

Licensing process: Responses from local authorities and key stakeholders suggested that, at the time of the fieldwork, it was generally taking longer than the statutory eight week time period for licences to be issued by Rent Smart Wales. This was identified as an area for improvement in future.

Registration and training: Landlords and letting agents suggested it would have been beneficial to have an incentive for early registration (e.g. an initial discount or discount on renewal), believing that a number of landlords are waiting until before the enforcement date to register and/or get a licence. As a result, there could be an increased demand for training at this time and if there are insufficient places this could be used 'as an excuse for not getting licensed'.

Sharing of information:

- *Local authorities suggested that information and experience following the first prosecution/fixe d penalty action should be shared (what works/what doesn't work about the process) in order to develop expertise across the local authorities.*
- *Greater sharing of information amongst local authorities to help identify non-compliant landlords.*

6. Conclusions and Future Considerations

6.1 The following paragraphs summarise the key findings from each stage of the research.

Implementation

6.2 The baseline research concludes that Part 1 of the Housing (Wales) Act 2014 is being implemented as intended, with an initial period of one year to allow for registration of landlords and licensing of landlords/letting agents prior to enforcement by local authorities and Rent Smart Wales which is due to begin in November 2016.

6.3 There have been visible awareness-raising activities by both Rent Smart Wales and local authorities and evidence of registration and licensing by landlords and letting agents.

6.4 Responses from local authorities (n=7) and landlords/letting agents indicates that Rent Smart Wales has provided good quality information and guidance. However, it was also suggested that in the initial stages of introducing the scheme there was insufficient planning, particularly in relation to the funding given to local authorities which two interviewees felt could have been provided in a timelier way to allow for greater planning of activities.

6.5 Four local authority interviewees felt that information sharing and communication between local authorities could be better, particularly regarding approaches for identifying non-compliant landlords, and regarding sharing detail on any commonly cited enforcement issues in future.

The focus up to March/May 2016 has appropriately been on awareness-raising and promotion. However responses from all local authorities highlighted a lack of clarity on how the scheme will be enforced following the November deadline for registration and licensing, and the roles and responsibilities of those involved. A key issue for Rent Smart Wales going forward will be the identification of non-compliant landlords and the ability of local authorities to enforce the scheme. As discussed previously in the report, Rent Smart Wales representatives indicated that work had been undertaken to plan for enforcing the Act, for example Rent Smart Wales is preparing to employ enforcement officers and develop procedure manuals/provide training for staff and it has been agreed between the licensing authority and local

authorities that £5 million will be allocated to local authorities over the next five years to enforce the Act and ensure compliance with Rent Smart Wales activity.

Awareness of the Scheme and its Requirements

- 6.6 Awareness-raising has had a positive effect, as evidenced by the increasing call volumes to Rent Smart Wales relating to registration and licensing (increased from 960 in November 2016 to 1,925 in July 2016). In addition, landlords and letting agents indicated high levels of awareness of the scheme and its requirements (94% of landlords and 99% of letting agents stated that they were aware of the Housing Wales Act and Rent Smart Wales). Respondents were also asked if they thought the differences between registration and licensing were adequately understood by landlords and agents, and as of March 2016 67% of landlords and 79% of letting agents felt this was well understood.
- 6.7 Respondents were subsequently asked about how they would rate levels of awareness regarding mandatory registration and licensing within the sector generally, and only 16% of landlords and 22% of letting agents felt awareness of mandatory registration and licensing within the sector was good or very good. In addition, there is little evidence of tenant awareness of the Act, what the requirements are or what it means for them/their landlords. While raising awareness amongst tenants has not been a focus of activity to date, tenants should be made more aware of what they can expect from their landlords as a result of the Act. Therefore, the promotion of the scheme could be improved for both the housing sector and tenants.

Registration/Licensing

- 6.8 The number and rate of landlords registering with Rent Smart Wales is increasing (from 1,408 in November 2015 to 1,796 in July 2016) and as of July 2016, 15,670 landlords have registered with Rent Smart Wales. While this is an encouraging number at this early stage, the total number of landlords that remain outside the scheme is estimated to be significant. While there may be a number of reasons for this (for example landlords not registering until the 'last moment'), the scale of work to increase the number of registrations and process these prior to enforcement, and the scale of the task facing local authorities to enforce the Act based on those that have not registered will both be significant.

- 6.9 The number of landlords obtaining a licence has increased from 124 in February 2016 to 295 in July 2016 and has increased month on month from March 2016. The number of licences obtained by letting agents has also increased month on month, however to a lesser degree (from zero in February 2016 to 34 in July 2016).
- 6.10 Of those that have registered and/or obtained a licence, landlords and letting agents both noted that they were satisfied with the registration process (67% of landlord survey respondents stated that they had found the registration process to be easy or quite easy) and to a lesser extent, the licensing process (50% of letting agents felt the licensing process was easy or quite easy).
- 6.11 However, it was suggested that there are ways in which the registration and licensing process could be improved (for example, it was suggested that the process could be simplified/made clearer via an introduction or welcome pack for both registration and licensing).

Training

- 6.12 Of those responding to the March 2016 survey, 83% of landlords and 90% of letting agents indicated that the training they received was very or somewhat useful and helped them to understand the legislation, their requirements and the rights of their tenants. In addition, almost half of respondents indicated that they would be making changes as a result of training (45% of landlords and 47% of agents).
- 6.13 However based on data from Rent Smart Wales, the number of training courses per month has decreased from 32 in January 2016 to 16 in July 2016, while the number of attendees has decreased from 636 in January 2016 to 320 in July 2016. In addition, only 52% of letting agents and 35% of landlords that responded to the survey had accessed training as of March 2016.
- 6.14 Landlord perspectives on the need to access training suggest a need to raise awareness about when licensing is required, and the variety of training options on offer.

Current and Perceived Future Impact

- 6.15 Landlords, letting/managing agents and local authorities consider that Rent Smart Wales has the potential to improve standards and management within the private rented sector. However, each highlighted that it was too early in the process for evidence of impact.
- 6.16 However, it was perceived that the Act could have both positive and negative implications for the future and positive impacts are dependent on all letting agents and landlords understanding the code of practice and on effective enforcement by local authorities on 'non-compliant landlords and agents'.
- 6.17 As of July 2016, tenants have reported limited to no impacts on their experience of renting and have not reported any change in the practice of their landlord/letting agent or their relationship with them. For example, most tenants (83%) said that the management of their property by the landlord was already quite good or very good, while 70% of tenants rated the management standards of letting agents as quite good or very good. However, it is recognised that this would not be expected at this stage and the data in Section 3 provides a baseline for the current experience of tenants and the change in which will be subsequently reported on.

Strengths/Weaknesses

- 6.18 The strengths and weaknesses of the scheme are highlighted in Sections 4.46 and 4.47. However in summary these are:

Strengths:

- *A wide range of promotional activities has led to increased awareness amongst some landlords and letting agents.*
- *Increasing number of registrations and landlord licences.*
- *A working relationship is developing between local authorities and Rent Smart Wales.*

Weaknesses:

- *Insufficient opportunity to undertake detailed planning regarding the use of funding to local authorities for local promotional activities in their area, limiting the activities undertaken and the potential impact of these activities.*

- *(As of March/May 2016) there was insufficient information available to local authorities for them to effectively plan for implementation in relation to resources and/or their roles and responsibilities. However, it is noted that there is work underway to support local authorities post-enforcement, specifically additional funding, staff training and the development of a procedure manual.*
- *Greater information should be available to local authorities on landlords/letting agents that are registered and licensed in their area.*
- *Incentives would possibly have encouraged more early registrations.*
- *There is a need for greater sharing of information amongst local authorities to help identify non-compliant landlords.*

Future Considerations

- 6.19 Since the fieldwork was undertaken, the communication strategy has developed to place greater emphasis on a need to comply in the phase leading up to 23 November and that also targets tenants specifically. This is key, as the findings of this research highlights the need for a promotional strategy that places sufficient emphasis on enforcement that should be put in place to encourage landlords and letting agents that have not registered/obtained a licence to engage with the scheme.
- 6.20 The research also highlights the need for the promotional strategy to include activity and messaging that targets tenants so that they are empowered to identify where they believe their landlord or letting agent is not part of the scheme.
- 6.21 The newly developed Memorandum of Understanding contains detail on the roles and responsibilities of local authorities, provisions for the sharing of information and details on enforcement plans/monitoring. It is key that this document should:
- Communicate the roles and responsibilities for enforcement of the Act to local authorities and what assistance will be available from Rent Smart Wales to support this. Consideration should be given on how best to identify non-compliant landlords.
 - Put processes in place for local authorities to share information on non-compliant landlords and their experience of enforcement.

- 6.22 To ensure that the registration and licensing process is efficient and effective, a guidance document for registration and licensing should be produced and made available online.
- 6.23 At the time of fieldwork (March/May 2016), very few local authorities had detailed plans for enforcement, and although work on this has been undertaken since then, the progress on enforcement by local authorities, particularly in the early stages, will need to be monitored so that the legislation is applied consistently across Wales.
- 6.24 The level of resource required on both the part of Rent Smart Wales and local authorities to successfully implement enforcement, should not be underestimated. The Memorandum of Understanding includes detail on what local authorities can expect from Rent Smart Wales fees if they deliver enforcement effectively, but it will be key to monitor how this works in practice. For example, via research with local authorities undertaken as part of this evaluation, to gain understanding on the progress on enforcement, including for example: good practice among local authorities and elsewhere in the UK; key challenges faced, and potential solutions for local authorities as enforcement is implemented.

7. Annex A: Landlord and Letting Agent Survey



Llywodraeth Cymru
Welsh Government

Post-implementation of the Private Rented Sector Part of the Housing (Wales) Act 2014 (Rent Smart Wales): Letting Agents Survey

The Welsh Government has commissioned PACEC to undertake an evaluation of the new private sector landlord registration and licencing scheme, Rent Smart Wales.

The aim of the evaluation is to assess the implementation of the scheme. Key to this is understanding the perspective of landlords and letting agents.

With this in mind, we would be grateful if you could take a few minutes to complete the following survey (whether or not you have registered with Rent Smart Wales) about how the new law might affect you, and about what you already know (or not) about it.

The survey will take approximately 30 minutes to complete and all of your answers will be treated in strict confidence. No information pertaining to any one individual will be shared with any third party. The results of this research will be presented to the Welsh Government in aggregate form.

2. Introduction and Profile

1. Please provide the following details: *

Name
*
Telephone number
*

2. Please provide the following details:

Name of company (if not applicable leave blank)
Company postcode (if not applicable leave blank)

3. Legal status of company

- Sole Trader
- Limited Company
- Not Applicable
- Other (please specify):

4. Please state how you came to access this survey? *

- Received an e-mail from PACEC
- Received an e-mail from Rent Smart Wales
- Received from Landlord Umbrella / Member Body
- Another way
- Don't know / can't remember

'Another way' (please state)

5. Please indicate which Umbrella Body *

6. Which of the following best describes your involvement in property?

- Property is my main business / income
- Property is an investment (I own a house which I rent out), but not my main business
- The management and letting of other people's property is my main business
- I am letting property that I have inherited
- I am letting property due to being unable to sell
- I am not involved in property at all (do not own, let or manage any property)

7. In which of the following local authorities are the properties you own / let / manage?
(Please tick all that apply)

- Isle of Anglesey
- Gwynedd
- Conwy
- Denbighshire
- Flintshire
- Wrexham
- Powys
- Ceredigion
- Pembrokeshire
- Carmarthenshire
- Swansea
- Neath Port Talbot
- Bridgend
- The Vale of Glamorgan
- Cardiff
- Rhondda, Cynon, Taff
- Merthyr Tydfil
- Caerphilly
- Blaenau Gwent
- Torfaen
- Monmouthshire
- Newport
- All Wales Local Authority areas

8. Are you aware of the 2014 Housing [Wales] Act and specifically Rent Smart Wales?

- Yes
- No

If 'Yes', how did you hear about it?

9. Please select which of the following sentences applies to you...

- I'm a private landlord who lets and manages my own properties
- I'm a private landlord who lets my own properties, but employs others to manage them
- I'm a private landlord who manages my own property, but employs others to let them
- I'm a private landlord who employs others to let and manage my properties
- I'm a letting agent only (i.e. do not own properties but let properties on behalf of others)
- I'm a letting and management agent (i.e. do not own properties but let and manage properties on behalf of others)
- I'm a managing agent only (i.e. do not own properties but manage properties on behalf of others)

10. Approximately how many rental properties do you own?

- None
- 1-5
- 6-10
- 11-15
- 16-20
- 21-49
- 50-99
- 100-199
- 200-299
- 300-399
- 400-499
- 500+

11. Approximately how many private sector landlords do you provide services for?

12. Approximately how many tenants are registered with you?

13. Have you already registered as a landlord with Rent Smart Wales?

- Yes
- No

14. Approximately when did you register?

Registered:

15. What motivated you to register early on in the scheme?

16. How easy was it to find out information about Rent Smart Wales?

- Very easy
- Quite easy
- Neither easy nor difficult
- Quite difficult
- Very difficult

17. How easy was it to find out what you needed to do in order to comply with the new duties under Rent Smart Wales?

- Very easy
- Quite easy
- Neither easy nor difficult
- Quite difficult
- Very difficult

18. From where did you get information on Rent Smart Wales?

- Welsh Government
- Local Authority
- Representative body (*please specify)
- Letting Agents (*please specify)
- Media
- Rent Smart Wales
- Other (please specify):

*please specify the representative body or letting agents

19. From where did you get information about the need for landlords to register with Rent Smart Wales?

- Welsh Government
- Local Authority
- Representative body (*please specify)
- Lettings Agents (*please specify)
- Media
- Rent Smart Wales
- Other (please specify):

*please specify the representative body or letting agents

20. How easy was it to register?

- Very easy
- Quite easy
- Neither easy nor difficult
- Quite difficult
- Very difficult

21. Please explain why you found it difficult to register?

22. Based on your experience are there any ways in which the registration process could be improved?

23. Please explain why you have not registered to date? (Tick one)

- Unaware of scheme and requirement to register
- Aware of scheme, but don't think it applies to me
- Aware of scheme, and intending to register shortly
- Other (please specify):

24. Approximately how many rental properties do you let and/or manage?

- 1-5
- 6-10
- 11-15
- 16-20
- 21-49
- 50-99
- 100-199
- 200-299
- 300-399
- 400-499
- 500+

25. Have you already applied for / received a licence?

- Yes
- No

26. Approximately when did you apply for / receive a licence?

Month/Year applied:

27. What motivated you to apply for a licence early on in the scheme?

28. How easy was it to find out information about Rent Smart Wales?

- Very easy
- Quite easy
- Neither easy nor difficult
- Quite difficult
- Very difficult

29. How easy was it to find out what you needed to do in order to comply with the new duties under Rent Smart Wales?

- Very easy
- Quite easy
- Neither easy nor difficult
- Quite difficult
- Very difficult

30. From where did you get information on Rent Smart Wales?

- Welsh Government
- Local Authority
- Representative body (*please specify)
- Letting Agents (*please specify)
- Media
- Rent Smart Wales

*Please specify the representative body/letting agents:

31. From where did you get information about the need for landlords and letting agents to become licensed with Rent Smart Wales?

- Welsh Government
- Local Authority
- Representative body (*please specify)
- Lettings agents (*please specify)
- Media
- Rent Smart Wales
- Other (please specify):

*please specify the representative body or letting agent

32. How easy was it to apply for a licence?

- Very easy
- Quite easy
- Neither easy nor difficult
- Quite difficult
- Very difficult

33. Please explain why you found it difficult to apply for a licence?

34. Based on your experience are there any ways in which the application process could be improved?

35. Please explain why you have not applied for a licence to date? (Tick one)

- Unaware of requirement to have a licence
- Aware of requirement, but don't think it applies to me
- Other (please specify):

22. Process

This section aims to uncover the extent to which landlords and letting agents are currently aware of their duties under Rent Smart Wales. This is not a test but rather a means of measuring how successful Rent Smart Wales have been at communicating information to landlords and letting agents.

Do you think each of the following statements are true or not true? (If you can't choose, just select don't know)

36. All private sector landlords in Wales must register themselves (and the addresses of their properties) - even if they don't undertake letting and management activities.

- True
- Not true
- Don't know

37. When landlords register, they must provide information on their rental charges

- True
- Not true
- Don't know

38. Landlords who are not registered by November 2016 will face a fine of up to £250

- True
- Not true
- Don't know

39. Private sector landlords in Wales who undertake any letting or management activity (such as collecting rent, checking the condition of the property, terminating the tenancy etc.) must be licenced

- True
- Not true
- Don't know

40. To be licenced you must undergo training (from an approved provider)

- True
- Not true
- Don't know

41. Registration and licencing must be renewed every year

- True
- Not true
- Don't know

42. How would you rate levels of awareness regarding mandatory registration and licencing in the sector generally?

- Very good
- Good
- Neither good nor poor
- Poor
- Very poor
- Don't know

43. Do you think the differences between registration and licencing are widely understood by landlords and letting agents?

- Yes
- No

If 'No' – what could be done so that they are better understood?

44. Have you accessed licencing training yet?

- Yes
- No

45. How easy was it to arrange to undertake training?

- Very easy
- Quite easy
- Neither easy nor difficult
- Quite difficult
- Very difficult

46. When did your training take place? (to the nearest month)

DD/MM/YYYY

47. Who was the training provider?

48. What was the cost of the training? (£)

49. Do you feel that the training was value for money?

- Yes
- No

Please explain your answer

50. What format did the training take?

- Online
- Face to face
- Other (please specify):

51. Was the content of the Code of Practice adequately covered in the training?

- Yes
- No

52. How useful did you find the training

- Very useful
- Somewhat useful
- Not very useful
- Not at all useful

If you chose 'not very useful' or 'not at all useful', why was this?

53. Will you be doing anything differently in your letting/managing activities as a result of the training you have received?

- Yes
- No

If 'Yes', please provide details:

54. Do you have plans in place to access licensing training?

- Yes
- No
- Not applicable - I am a landlord and will assign a licensed agent to let and manage my property / properties

55. When will your training take place?

DD/MM/YYYY

56. Who will be the training provider?

57. What format will the training take?

- Online
- Face to face
- Other (please specify):

58. Please explain why you don't yet have plans in place to access licensing training.

59. What more could be done to ensure landlords and letting agents are aware of their new obligations?

60. In your view, what are the three most significant challenges presented by Rent Smart Wales?

61. In your view, what opportunities are presented by Rent Smart Wales?

62. What implications, if any, do you think Rent Smart Wales will have for tenants?

63. Have you made tenants aware of new registration and licencing arrangements?

Yes

No

If 'No', Why not?

64. Have you provided a copy of the tenants guide to tenants?

Yes

No

If 'No', why not?

31. Impact

65. How effective do you think Rent Smart Wales has been in encouraging registrations to date?

- Very effective
- Fairly effective
- Not very effective
- Not at all effective
- Don't know

Please explain your answer

66. How much of an impact do you expect Rent Smart Wales will have on the Private Rented Sector as a whole?

- Major impact
- Moderate impact
- Neutral
- Minor impact
- No impact
- Don't know

Please explain your answer

67. How much of an impact do you expect Rent Smart Wales will have on letting agents?

- Major impact
- Moderate impact
- Neutral
- Minor impact
- No impact
- Don't know

Please explain your answer

68. How much of an impact do you expect Rent Smart Wales will have on landlords?

- Major impact
- Moderate impact
- Neutral
- Minor impact
- No impact
- Don't know

Please explain your answer

69. How much of an impact do you expect Rent Smart Wales will have on tenants?

- Major impact
- Moderate impact
- Neutral
- Minor impact
- No impact
- Don't know

Please explain your answer

70. Do you have any other comments regarding Rent Smart Wales?

71. Would you be happy to be contacted again towards the end of the year to discuss your views in more detail by telephone? This would help the evaluation to more fully understand the issues and opportunities presented by the new legislation. *

Yes

No

72. Please confirm your contact number. *

8. Annex B: Rent Smart Wales: Tenants questionnaire (baseline)

Rent Smart Wales: Tenants questionnaire (baseline)

1. Introduction

The Welsh Government has commissioned PACEC (a research company) to find out what you (a tenant who rents accommodation from a private landlord) think about the changes introduced by the Housing (Wales) Act, specifically the new Rent Smart Wales Scheme. This Scheme makes it mandatory for a landlord to be registered and for those who undertake letting or property management activities to be licenced. The Welsh Government is evaluating the Scheme and is keen to understand the difference the Scheme makes to your experience of renting from your private sector landlord.

We would be grateful if you could take a few minutes to answer some questions about how the new Scheme might affect you, and about what you already know or not about it. Your views are very important and will help Welsh Government continue to improve experiences of renting from the private sector in the future.

All your answers will be treated in strict confidence, and none of your individual information will be conveyed or transferred to any third party, including Welsh Government.

2. About You

This section will ask for some general details about you, and about your living arrangements.

1. REFERENCE NUMBER - to be entered by the person completing the telephone interview and must match what is on the database *

2. Do you rent your accommodation from a private landlord (i.e. not from a Housing Association or Local Authority)?

- Yes
 No

3. What type of accommodation do you rent?

- Detached house
 Semi-detached house
 Terraced House
 Flat or maisonette
 Other (please specify):

4. Are you currently....? (Tick one)

- Employed (Full-time)
- Employed (Part-time) (less than 25 hours per week)
- Self-employed
- In full-time education
- In part-time education
- Undertaking an apprenticeship
- Undertaking vocational training
- Unemployed
- Retired

4. About your rental situation

This section will ask for some more details about your renting arrangements.

5. How long have you been renting in the private sector?

- Less than 12 months
- 12 months - 2 years
- 2-5 years
- 5-10 years
- 10 years +

6. How long have you been renting from your current landlord?

- Less than 12 months
- 12 months - 2 years
- 2-5 years
- 5-10 years
- 10 years +

7. Does your landlord manage the property or use a letting agent (or both)?

- Landlord manages
- Letting agent manages
- Both landlord and letting agent manage
- Not sure

5. About Rent Smart Wales

This section will ask you what you have heard about Rent Smart Wales.

8. Have you seen, heard or read anything recently about the new landlord registration scheme in Wales, called Rent Smart Wales?

- Yes
- No
- Don't know

9. If 'Yes', where have you heard about Rent Smart Wales? (Tick all that apply)

- Landlord
- Letting Agent
- Tenant Organisation
- Media
- Leaflet
- Poster
- Other (please specify):

10. Do you know if your landlord has registered with Rent Smart Wales?

- Yes they have
- No they haven't
- Don't know

11. Do you know if your landlord or letting agent is licenced?

- Yes they are
- No they aren't
- Don't know

12. How much would you say that you know about the new landlord registration scheme in Wales, called Rent Smart Wales?

- A great deal
- A fair amount
- A little
- Nothing at all
- Don't know

13. In your view what are the most important issues that a scheme targeted at Private Rented Sector landlords should address? Please explain your answer

- Improving property conditions
- Improving understanding of roles & responsibilities
- Improving communication between landlord and tenant
- Improving management standards
- Improving tenants' awareness of legal obligations
- Other (please specify):

Please give reasons for your selection

10. Rent Smart Wales Information

Wales' first ever housing act aims to improve the supply, quality and standards of housing in Wales. The Act introduces a legal requirement for all private rented sector landlords to register themselves and their rental addresses. Upon registration the landlord must provide correspondence information; give addresses of all rental properties; pay a fee; and identify who is responsible for the letting and management of all their properties. Under the new Act, agents who act on the behalf of a landlord to let and / or manage rental properties also must become licensed. In order to receive a licence, the applicant must be fit and proper, and undertake approved training.

14. From what you know / what you have heard, do you think Rent Smart Wales will have any effect on your experience of renting from a private sector landlord?

- Yes
- No

If Yes, please specify what this effect will be and why you think this?

15. How would you rate the following:

	Very good	Quite good	Neither good nor bad	Quite bad	Very bad	Not applicable
Management standards of your landlord currently	<input type="checkbox"/>					
Management standards of your letting agent currently	<input type="checkbox"/>					
Communication between you and your landlord	<input type="checkbox"/>					
Communication between you and your letting agent	<input type="checkbox"/>					

16. Are you aware of the tenants guide that Rent Smart Wales has issued?

- Yes
- No

17. If yes, how did you find out about it?

- Landlord
- Letting Agent
- Tenant Organisation
- Media
- Leaflet
- Poster
- Other (please specify):

18. How useful do you think the guide is for tenants?

- Very useful
- Somewhat useful
- Not very useful
- Not at all useful

19. What do you think could be done to make the guide more helpful for tenants?

16. About your current experience of renting from a private sector landlord

This section will ask for your views of renting from a private landlord.

20. How satisfied are you with the condition of your current accommodation? Please provide details for your answer

- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied

Please provide details for your answer

21. Have you brought any issues / complaints to your landlord or letting agent?

- Yes
- No

22. How satisfied are you with the responsiveness of your landlord or letting agent to issues / complaints?

- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied

23. Have you taken your complaint to any other organisation?

- Yes
- No

If yes please state where you have taken your complaint:

24. Has your landlord or letting agent carried out any repair works?

- Yes
- No

25. How satisfied are you with the quality of any repair works that have been carried out by your landlord or letting agent?

- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied

26. Please specify any issues you have experienced regarding repair works

27. How satisfied are you with the overall management of your property by your landlord or letting agent?

- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied

Please provide reasons for your answer:

28. How would you describe your relationship with your landlord / letting agent?

- Excellent
- Good
- Fair
- Poor
- Very poor

Please explain your answer:

23. Close

29. Do you have any other comments regarding the scheme?

Thanks for taking the time to complete this survey. The Welsh Government is grateful for your contribution to this research. Research into the Rent Smart Wales Scheme will be undertaken over the next year or so and we're keen to speak to tenants again over this time.

There will be a follow-up survey in a years' time to see whether anything has changed for tenants renting in the private sector. But in order to understand in more depth the experience of renting in the private sector we will be undertaking short telephone interviews with some tenants (one later in 2016 and one in 2017). We'd like to invite you to take part in this element of the research. Whilst we are keen to gather the views of as many tenants as possible, your involvement in two further telephone interviews is of course completely voluntary and you are under no obligation to take part.

30. Would you be interested in taking part in 2 telephone interviews?

Yes

No

24. Please confirm the following details

In order for a member of our team to be able to contact you, we need the following details. These will not be shared with anyone beyond the research team.

31. Name:

32. Home telephone number

33. Mobile telephone number

34. E-mail address

9. Annex C: Landlord / Letting Agent Longitudinal Interviews Guide

Landlord / Letting Agent Longitudinal Interviews Guide

Awareness

How did you first become aware of the scheme and the requirement to register/get a license? (probe for method, so if via a rep body – was it a newsletter or at an event etc?)

How did you find out what you needed to do as part of the scheme?

Registration

- What motivated you to register early on in the scheme?
- What would have encouraged others to register earlier?
- Are there any particular reasons why you haven't registered yet?

[Question will depend whether they are already registered, as indicated in the survey]

- What was your experience of the registration process?
- Is there any ways that the registration process could be improved?

Licensing

- What motivated you to get a license early on in the scheme?
- What would have encouraged others to get a license earlier?
- What would have encouraged you to get a license earlier?

[Question will depend whether they are already recorded as having a license, as indicated in the survey]

- Are there any ways that the licensing process could be improved?

Training

For those who have undertaken training:

- Was it easy to find a training provider? How did you know where to access training?
- What format did you chose and why? (face to face, online etc)
- Was the training useful for you?
- Do you think the training would be useful for other landlords/letting agents?
- Do you think the training provided value for money / why?
- How has the training impacted on your letting / management activities?
- Is there anything you now intend to do differently? (probe for examples)

For those who have yet to undertake training:

- Are there any particular reasons you have not accessed training so far?
- Are you planning on accessing training soon?
- Will you be accessing face to face or online training?

Information / Communication

- What do you think would be the most effective way to communicate Rent Smart Wales to other landlords and letting agents?
- What more could be done to make landlords and letting agents aware of their new obligations?

Impact:

Tenants

- What implications do you think Rent Smart Wales will have, if any, for tenants?
- Have you made tenants aware of new registration and licensing requirements? *If yes, how have you done this / what has been the outcomes to date? If no, do you intend to do so in the future?*

Impact on Landlords / Letting Agents

- What impact do you think RSW will have on you and your business? (i.e. will the cost of business increase, rents or other costs for tenants increase, will some landlords give up management activities, will some leave the sector, will some letting agents pick up more work etc.)
- How do you think Rent Smart Wales will impact on landlords / letting agents?
- How do you think Rent Smart Wales will impact on tenants?
- Do you think RSW will improve the quality of the Private Rented Sector in Wales?
- What do you think are the most significant challenges posed by Rent Smart Wales for landlords and letting agents?

Close

- Do you have any other comments regarding Rent Smart Wales?
- Would you be happy to be contacted again next year to discuss your experience of the implementation of Rent Smart Wales?

10. Annex D: Tenant Longitudinal Discussion Guide

TENANT LONGITUDINAL DISCUSSION GUIDE

Reference:

User ID:

Name:

Introduction

Hello, could I speak to [XXXX] please?

My name is [XXXX] I work for a research company called PACEC. You very kindly took time to speak to one of our interviewers a few weeks ago, and mentioned that you would be willing to speak to us again in future. We are contacting a small number of people back to understand a bit more about your experience of the sector, and your awareness of a new scheme called Rent Smart Wales. Could you spare 15 minutes to talk to me now?

If yes: Thank you, before we start I need to tell you that you don't have to answer any questions you don't want to, and that anything you say will be treated in strictest confidence in line with the Market Research Society Code of Conduct.

If no: ok, is there another time that would suit for me to call you to talk for 15 minutes?
[Interviewer schedule time]

- Firstly, can you tell me a bit more about your experience of renting in the private sector to date?

How long have you been renting in the private sector

[interviewer probe to understand reasons for moving into the private sector for those that are new to the sector, and to understand reasons why those that have rented for long periods remain in the sector]

- Experience of renting in the social sector or owning own home
- Comparison where applicable
- Have you moved to a new landlord or letting agent recently?

[interviewer probe to understand reasons for moving to a new landlord or letting agent]

- For those who have moved recently or started renting recently – interviewer probe to understand their experience of taking up the accommodation i.e. what information were they given, was there any mention of the Rent Smart Wales scheme, did they get all the information they felt they needed?
- Do you mainly deal with a landlord, or a letting agent, or both regarding any issues to do with your rental property?

[interviewer to document which the tenant primarily deals with]

- *[If tenant deals with both landlord and letting agent then ask]* Can you tell me a bit more about what dealings you have with a) your landlord and b) your letting agent?
- How would you describe your relationship with a) your landlord and / or b) your letting agent? *[Interviewer probe to understand similarities or differences in relationship with landlord or letting agent where applicable]*
- How easy is it to get in touch, how responsive are they etc. How often are you in touch, and for what reasons
- Can you tell me a bit more about the condition of the property you live in?

Have you made any improvements yourself?

Have you asked your landlord / agent to make any improvements?

Does your landlord / agent arrange for relevant safety checks and certificates?

- Can you tell me a bit more about your interaction with your landlord / agent?

How often do you communicate, why, and is this level of interaction appropriate?

How, if at all, would you like your interaction with your landlord / agent to be different?

- Can you tell me a bit more about what you know or have heard about the Rent Smart Wales scheme / the need for landlords and lettings agents to be registered and licensed?
- Have you spoken to other people locally, or friends who rent in the sector about the scheme?

[Interviewer probe to explore extent of awareness and identify any potential 'myths']

- Is there anything in particular you would like to know about the Rent Smart Wales scheme?

[Interviewer probe to understand why any particular issues are raised]

- Do you know whether or not your landlord / letting agent is registered / licensed as part of the Rent Smart Wales scheme?

[If no] Do you know how you might go about finding that out?

[Interviewer to provide Rent Smart Wales details where applicable]

[If yes] How did you find out that your landlord / letting agent was registered / licensed?

Do you think that the fact that your landlord / letting agent is licensed has made / will make any difference to you?

[Interviewer probe to understand what difference registration / licensing has made or is expected to make in future]

- When we spoke to you before, we asked about what you think are the most important issues that a registration and licensing scheme should address [interviewer provide response options: improving property conditions, improving understanding of roles &

responsibilities, improving communication between landlord / letting agent and tenant; improving standards of management; or something else].

- Can you tell me a bit more about what you think the big issues are in the private rented sector that any scheme should address, and why?
- Do you have any suggestions as to how these could be addressed?
- Has the amount of rent that you pay changed recently?

[If yes] Do you know / were you told why your rent was changing?

What will the change in rent mean for you?

- Did you know that there is a guide available through the Rent Smart Wales scheme that provides advice to tenants who are renting in the private sector?

Is that guide something that is of any interest to you *[interviewer probe to understand why / why not?]*

- How satisfied are you generally with your current rental situation? *[Interviewer probe to understand reasons for satisfaction / non satisfaction]*
- What effect do you think Rent Smart Wales will have on your experience of renting from a private sector landlord?
- Can you tell me a bit more about what you hope the Rent Smart Wales scheme will achieve for tenants?

How best could it achieve this in future?

- Did you know that in November the new scheme will start to be enforced?
- Do you think that enforcement is likely to make any difference to your situation, or the situation for other private sector tenants in future?

[Interviewer probe to find out why / why not]

- Is there anything else you would like to mention about your own experience of renting in the private sector, or about the Rent Smart Wales scheme that we haven't covered?

Thank you very much for taking time to speak to me today.

Your input to the Rent Smart Wales evaluation is very helpful.

11. Annex E: Local Authority Discussion Guide

Local Authority Interview Guide

Introduction

Thank you for agreeing to take part in the interview today. As you will be aware from our communication to date the Welsh Government has commissioned PACEC to undertake an evaluation of the new private sector landlord registration and licencing scheme, Rent Smart Wales. The aim of the evaluation is to assess the implementation of the scheme and key to this is understanding the Local Authority point of view. This is the first stage of the evaluation, and as such is intended to get your feedback on the processes, potential challenges and opportunities to date regarding the new Private Rented Sector legislation and Rent Smart Wales. This is to understand your expectations regarding the likely impact of the scheme and to gather your views on what further support may be required during the implementation period.

Background

- Can I ask what your current role is?
- What do you currently know about the new PRS legislation and Rent Smart Wales? (For example registration requirements, licensing requirements, the training that is available for Landlords and Letting Agents, the support that is available for Local Authorities etc.)
- What do you see as the implications of the scheme for your Local Authority?
- What involvement, if any, have you had to date? (For example, have you had any training / presentations from Rent Smart Wales etc?)

Process

- What, if any, processes have you put in place to date to support implementation of the Act?
- Has the Local Authority made any operational adjustments (e.g. dedicated financial or human resources to date to support with implementing the Act – if so could you describe these for me please?) If not do you expect that the Local Authority will make operational adjustments in future *[explore which adjustments, for what purpose, requiring what resource, and when these are planned]*?
- How, if at all, have you communicated the requirements of the Act to your landlord contacts (both in relation to registration and licensing - e.g. by email / via your website etc.?)
- Do you have any plans in place to communicate the implications to landlords that do not register? If yes what are your plans for enforcement?
- Have you advertised Rent Smart Wales in your local area? If so please provide details
- Has your Local Authority had any role in planning / delivering training to date?
- What is your perception of how the scheme has been administered thus far?
- How is your working relationship with the Licensing Authority?
- Are there any other process-related issues regarding the new legislation and the Rent Smart Wales scheme that you believe should be raised / need to be addressed at this stage?

Impact

- How is the scheme working, from a Local Authority perspective?
- Rent Smart Wales we intended to:
 - improved standards of letting and management practice in the private rented sector
 - information on properties available for tenant verification
 - information on landlords and agents available for local authorities to assist with strategic intervention and dissemination of information
 - raised awareness by landlords and agents of their respective rights and responsibilities
 - in turn, raised awareness by tenants of their respective rights and responsibilities.

Do you think it is likely to meet these objectives?

- How aware do you think landlords in your Local Authority area of a) the existence and b) the requirements and implications for them of the new Act?
- What do you believe will the benefit be of the scheme (e.g. do you believe it will improve standards in the sector; *if not why not and what more could Rent Smart Wales do to improve standards or support local authorities to improve standards in the sector?*)
- Do you anticipate that Rent Smart Wales will be of benefit to the Local Authority when it comes to delivering its housing objectives (local licensing schemes, empty homes, homelessness prevention etc.)? If so how, and if not why not?
- Local authorities will have a responsibility for any necessary enforcement action against non-compliance from November 2016; what do you know about the power and responsibilities you will have from this date? How will you carry out these responsibilities? Will you require additional resources to carry out these responsibilities (e.g. staff, money, time etc.?)
- Do you think there is anything more that could be done to support local authorities in the implementation of the Act?
- Do you think there is any non-financial support that that you require to implement the Act?
- What do you feel are the key obstacles / opportunities facing implementation of the Act within the next 18 months? How can obstacles be overcome / opportunities be maximised?
- Are there any other key issues regarding either the implementation or potential impact of the new Act that we have not covered and you would like to mention?

12. Annex F: Key Stakeholder Interview Guide

Key Stakeholder Interview Guide

Introduction

Thank you for agreeing to take part in the interview today. As you will be aware from our communication to date the Welsh Government has commissioned PACEC to undertake an evaluation of the new private sector landlord registration and licencing scheme, Rent Smart Wales. The aim of the evaluation is to assess the implementation of the scheme and key to this is understanding the view of key stakeholders in the sector. This is the first stage of the evaluation, and as such is intended to get your feedback on the processes, potential challenges and opportunities to date regarding the new Private Rented Sector legislation and Rent Smart Wales. This is to understand your expectations regarding the likely impact of the scheme and to gather your views on what further support may be required during the implementation period.

Areas for discussion:

- What is your awareness / involvement in the Act to date?

[Probe for detail based on the response]

- What is your understanding of the aims / objectives of the Act?
- What is your perception of how the scheme has been administered thus far?
- What are your expectations regarding impact in the longer term?
- What do you see as being key to maximising impact in the longer term (strategic and operational issues)?

- Specifically for Umbrella Bodies: feedback from members on the Act

- Is there anything you feel needs to be done now to support implementation?
- Are there any other key issues regarding either the implementation or potential impact of the new Act that we have not covered and you would like to mention?