

Quarter of a million threatened with homelessness by UK government's lifting of evictions ban

Dennis Moore
16 July 2020

Research from homelessness charity Shelter estimates that nearly 230,000 tenants across England have fallen behind with rent payments since the start of the pandemic and are at risk of losing their homes.

The research was based on a poll of 1,058 private tenants carried out by YouGov on behalf of Shelter in England between June 4-11.

Of the 8.7 million tenants who rent their homes from private, council or housing association landlords—including three million households with children—it is estimated there are 442,000 tenants in rent arrears, twice as high as in the same period last year.

174,000 tenants have already been threatened with eviction by their landlords or letting agents.

As the pandemic took hold in Britain, the Conservative government imposed a ban on evictions for three months, ending August 23. Following public complaints that this was not enough to protect renters, the courts were forced to suspend possession hearings for 90 days, meaning no evictions could legally complete until this is lifted.

However, landlords were not prevented from still being able to serve eviction notices, with many fearing that when the ban on evictions ends, there will be a surge in eviction cases and homelessness.

To prevent the deadline from ending, emergency legislation would have had to be passed by July 16. Responding to a series of parliamentary questions, Lord Greenhalgh, a minister at the Ministry for Housing, Communities and Local government said from August 24 “the courts will begin to process possession proceedings cases again.” Greenhalgh ruthlessly declared that this would be “an important step towards

ending the lock down and will protect landlords' important right to regain their property.”

Many renters are in a vulnerable position under the present court system because they can be evicted automatically when they accrue eight weeks rent arrears, and also face section 21 “no fault” evictions that give little option in the courts but to evict.

Section 21 of the Housing Act 1988 enabled private landlords to give prospective tenants the right only to short-term tenancies of between six and 12 months. Tenants could be asked to vacate tenancies, and the landlord would not have to give a reason why, as long as the correct notice period was served—a no fault eviction.

Prior to the pandemic, the Conservatives pledged to “good landlords” in their election manifesto last December that “we will strengthen your rights of possession.” The *Independent* noted at the time, “It is unclear exactly what is intended, but a previous consultation proposed allowing new fixed contracts, of unknown length, rather than simply ‘assured tenancies’ with no time limit.”

“They would be introduced by strengthening section 8 of the existing 1988 Housing Act – if section 21 of the same legislation is scrapped, to end ‘no fault’ evictions carried out with no reason given.”

With the ban on evictions being lifted, the 230,000 already in rent arrears could face automatically being evicted from their homes if they are eight weeks behind with their rent. Shelter's CEO, Polly Neate, said, “We know people have been doing whatever they can to pay their rent and keep their home safe. Despite this, the minute the eviction ban lifts, the 230,000 already behind with their rent could be up for automatic

eviction if they've built up eight weeks' worth of arrears."

The Generation Rent organisation believes that 45,000 people are at serious risk of homelessness this autumn. The winding down of the government's furlough scheme—ahead of its termination at the end of October—will lead to mass unemployment, pushing millions into financial ruin, unable to pay their rent and losing their homes. Around 11 million workers and the self-employed have had 80 percent of their wages paid by the state under the furlough scheme.

Since the imposition of lockdown in March, Shelter have seen an increase in calls for assistance, with a quarter of all calls from private renters worried about losing their homes.

The possibility that thousands of people, after losing their homes, could present themselves as homeless at local authority homelessness departments is a perfect storm. Many local authorities are already overstretched and have little capacity to meet a sudden surge in homelessness presentations.

The last decade saw a substantial growth in the private rented sector across England. Between 2010-11 and 2017-18, the number of private renting households rose from 3.6 to 4.5 million—accounting for the second largest tenure in England. In 2017-18, of all households in the private rented sector, 35 percent included dependent children.

Recent research from payment technology firm Flatfair and real estate investor Rowan Asset Management points to a significant number of younger people being heavily exposed to falling into financial distress due to this crisis. One in two renters with residential landlords are aged 16-34, and a high proportion of these workers work in retail or the gig economy. Nearly half of all UK retail workers (2.8 million) are aged 16-34, with a quarter aged 25-34. Restaurant workers are more likely to be younger, with six in 10 aged 16-34. The impact of the exposure of these workers to job insecurity and a loss or reduction in income puts them at risk of losing accommodation.

Research from the Resolution Foundation found that many young people are earning less than they were before the COVID-19 crisis, with a third of 18-24-year olds (excluding students) being furloughed or losing their jobs. This compares to one in six of prime-age adults.

Franz Doerr, CEO and founder of Flatfair, said, "As more firms start to furlough staff and others cease due to the economic impact of the virus, swathes of young renters up and down the country will see incomes plummet and may not be able to pay their rent. Rising rent arrears are likely to mount over the year as a consequence."

Vast numbers of people struggle to pay their rent already. According to an English Housing Survey covering 2018/19, more than one million (28 percent) of private renters find it difficult to pay rent. Nearly two thirds (61 percent) reported having no savings at all. Among social renters, the proportion without savings is even higher at 82 percent. Private renting households, noted Shelter, spent 33 percent of their household income on rent on average and for people aged between 16 and 24, this increased to 47 percent.

The policies of the Johnson Tory government during the pandemic—aimed solely at the bailout of big business—is leading to mass unemployment and enormous financial insecurity for millions. There is no sign that even with workers being told to get back to work this will offset the enormous economic damage that has taken place, with many livelihoods threatened by mass job losses reported on a weekly basis.

While the government attempted to stimulate the housing market, with exemptions on having to pay stamp duty on properties up to the value of £500,000, hundreds of thousands face being made homeless.

The response of the Labour Party to the evictions crisis amounted to nothing more than Shadow Housing Secretary Thangam Debbonaire issuing a five-point plan calling for an "extension to the ban on evictions to allow further protections to be introduced" and for a two-year period for tenants to pay back any arrears accrued during the pandemic.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact