

A close-up photograph of a hand holding a set of keys. The keys are attached to a wooden tag shaped like a house. The background is blurred, showing a person in a grey sweater.

Survey of Private Landlords 2019

Key Findings

Produced by the Research Unit **October 2020**

Housing
Executive

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A full tabular report, and a copy of this report, is available on the Housing Executive's website at <https://www.nihe.gov.uk/Working-With-Us/Research/Private-rented-sector-and-rents>

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FOREWORD

The private rented sector has grown dramatically in size and importance in recent decades; the 2016 House Condition Survey revealed that approximately one in five households in Northern Ireland lived in privately rented accommodation, and the private rented sector has been the second largest housing tenure in Northern Ireland since 2009. Private landlords in Northern Ireland therefore play a vital role in the provision of homes for a wide range of households, and invest time and resources in maintaining these homes and good relationships with their tenants.

In 2018, as part of our strategic research programme, and in response to feedback from stakeholders, we identified a need for a survey of private landlords to help gain an insight into how welfare reform might impact the private rented sector. Following consultation to inform questionnaire design in preparation for commissioning the research, it was agreed that a number of topics beyond, but related to, welfare reform should be included, in order to maximise the usefulness of the findings. The Survey therefore looked at: how landlords entered the sector and managed their role as a landlord; letting practices; awareness and experiences of welfare changes; and respondents' future plans. We are indebted to the external organisations and various departments within the Housing Executive who assisted with this research and – most of all – to the private landlords who took the time to participate in the survey.

The findings from this research are very timely, as the last survey of private landlords commissioned by the Housing Executive was carried out in 2009. However, the 2019 fieldwork took place prior to the COVID-19 pandemic, the impacts of which are still unfolding locally, nationally and globally. Many bodies, including the Housing Executive and Department for Communities (DfC), have taken an active role in guiding this vital sector of the housing market through this crisis. Along with relevant legislation, DfC has produced a comprehensive guidance document with advice and information for both private tenants and landlords. This guidance document continues to be updated and can be accessed on the DfC website.

Now, more than ever, continued research is important to help stakeholders and policy makers understand and support this sector of the housing market, which has traditionally been very difficult to access. I am pleased to be able to present these key findings, which provide a rich and timely insight into a key segment of Northern Ireland's housing sector, and which we hope will provide useful insights to inform discussions and decision making. In producing this report we have sought to provide an informative but relatively concise overview of the key findings of the survey. However, a wealth of data, cross-tabulated by four key landlord characteristics, is available in the accompanying Excel tables. We would encourage interested readers to explore the tables for additional, more detailed insights that time and space did not permit us to include in this summary.



KARLY GREENE
Head of Research

Summary

Background

As part of its role as the strategic housing authority for Northern Ireland, and following feedback from a range of stakeholders, the Housing Executive commissioned Cognisense Ltd¹ to carry out an online survey of private landlords with rental properties in Northern Ireland. Fieldwork took place between September 2019 and December 2019 and the findings are based on 1,719 completed surveys.²

Summary of Key Findings³

Profile and circumstances of landlords

Rental Portfolio

76% of respondents owned **one or two** rental properties

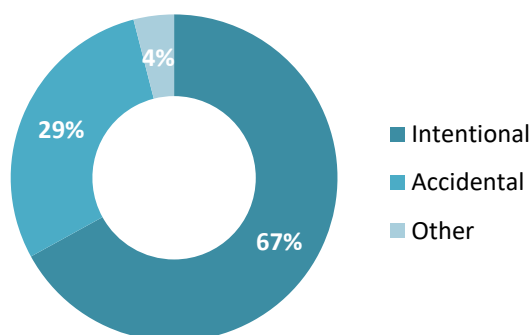
61% owned one or more rental properties which they ***managed themselves***

35% owned one or more rental properties but ***used a letting agent for management***
(4% described the management arrangements for their rental property/properties in other ways)

Becoming/being a landlord

71% of respondents had been a landlord for **five years** or more

Based on the main reason for becoming a landlord, respondents were grouped into ***Intentional landlords, Accidental landlords*** and ***Other***.



(Base: all respondents)

¹ <http://cognisense-uk.com>

² Our questionnaire acknowledged that landlords might own rental properties outside Northern Ireland, but noted that for the purposes of this research, we were *only interested in those rental properties they owned in Northern Ireland and their experiences of becoming and being a landlord in Northern Ireland*.

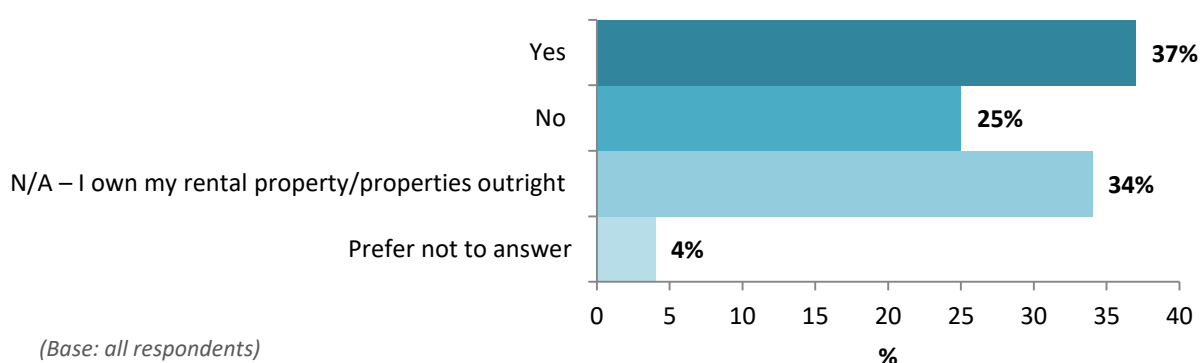
³ Percentage totals, where given, may not add to 100% due to rounding.

Irrespective of why they originally became a landlord, we asked respondents about their reason/s for being a landlord *at the time of the survey*. Respondents were able to give more than one reason, and the most common responses were:

- *It's a long term investment to contribute to my pension* (stated by 48% of respondents)
- *To provide a regular income* (34% of respondents)

Financial Circumstances

Do you depend on rental income to cover the mortgage repayments on any of your rental properties?



Letting Practices

We asked respondents about their most recent letting, to understand landlords' letting practices.

Upfront costs⁴

Rent in advance

66% of tenants from landlords' most recent letting had paid rent in advance
(25% had not and 9% of respondents did not know or could not remember whether rent had been paid in advance)

Average amount of **rent in advance** paid:
£541
(24% said *prefer not to say* or did not know/could not remember)

Deposit

76% of tenants from most recent letting paid a deposit
(19% had not and 5% of landlords surveyed did not know or could not remember whether a deposit had been paid)

Average amount of **deposit** paid:
£535
(27% said *prefer not to say* or did not know/could not remember the amount)

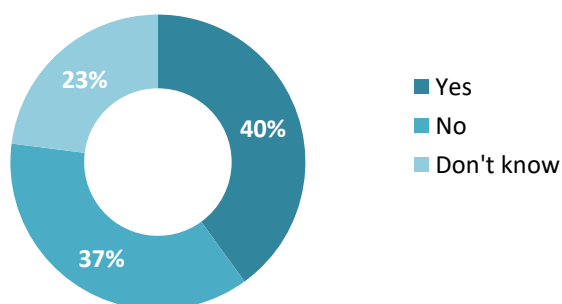
⁴ Some caution should be applied when interpreting the amount of upfront costs, as the most recent letting may have been some time ago.

Housing Benefit (HB)/Universal Credit (housing cost element) (UC) and welfare reform

- **52%** let to tenants in receipt of HB/UC housing cost at the time of the survey
- **61%** said they were willing to let to these tenants in the future

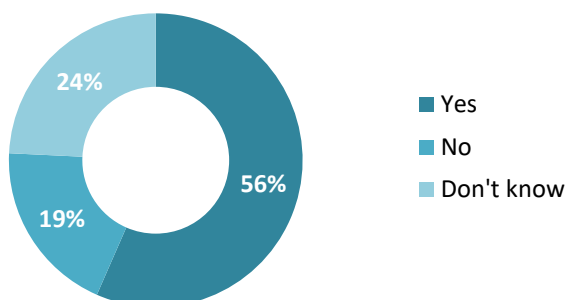
Housing Benefit

Are any of your **current** tenants in receipt of Housing Benefit (HB)?⁵



(Base: respondents who had a tenant/s)

During the next five years, thinking about your current tenant(s) or any new lettings that may come up, would you be willing to let (or continue to let) to tenants in receipt of Housing Benefit?

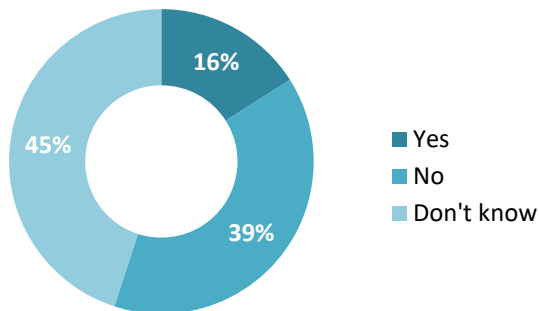


(Base: all respondents)

⁵ Several questions allowed respondents to indicate that they did not have any tenants at the time of the survey. The number of responses of this nature varied slightly between questions. The respondents who had no tenants at the time of the survey were excluded from analysis.

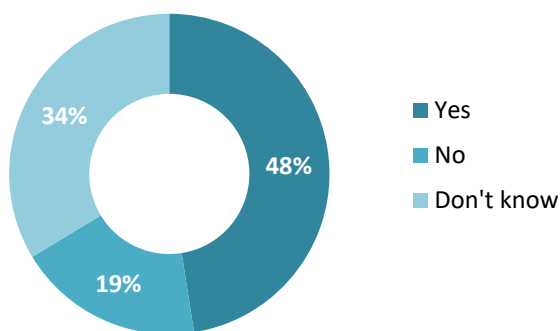
Housing cost element of Universal Credit

Are any of your **current** tenants in receipt of the housing cost element of Universal Credit?



(Base: respondents who had a tenant/s)

During the next five years, thinking about your current tenant(s) or any new lettings that may come up, would you be willing to let (or continue to let) to tenants in receipt of the housing cost element of Universal Credit?



(Base: all respondents)

Welfare Reform

44% of respondents said recent welfare changes had had some degree of impact on them as a landlord⁶

⁶ The proportion reporting 'some degree of impact' was calculated by combining the responses from landlords who said welfare reform had had 'a significant impact', 'some impact' and 'limited impact'.

Arrears

(Please see footnotes 7 and 8 for an explanation of why some percentages given in the table below do not match those in the 'HB/UC and welfare reform' section above)

<p>67%</p> <p>had a tenant/s who paid all of their rent themselves</p> <p>(24% did not, 10% did not know)</p> <p>6% said one (or more) of these tenants were currently in arrears</p>	<p>40%</p> <p>had a tenant/s who received Housing Benefit</p> <p>(39% did not and 20% did not know)⁷</p> <p>18% said one (or more) of these tenants were currently in arrears</p>	<p>14%</p> <p>had a tenant/s who received the housing cost element of Universal Credit</p> <p>(45% did not and 41% did not know)⁸</p> <p>28% said one (or more) of these tenants were currently in arrears</p>
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Future Plans

Rental practices

26% of respondents intended to **increase** the rents charged to current tenants within the next two years (including tenancy renewals)

35% of respondents intended to **increase** the rents charged to future tenants within the next two years

70% had offered an initial term of 12 months to their most recent tenant (11% did not state a tenancy term)

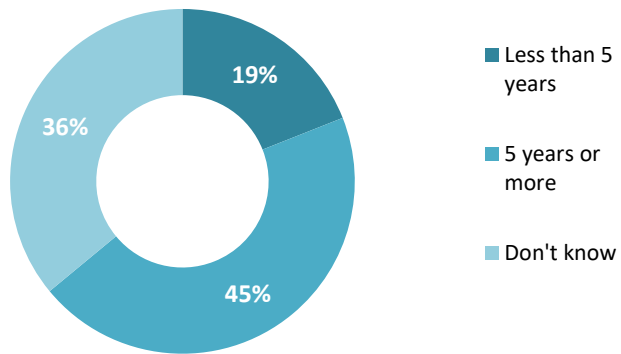
65% said they would be willing to offer tenancies of **more than 12 months** in the future⁹ (20% said they would not and 15% did not know)

⁷ The percentages do not match those included in the 'HB/UC and welfare reform' section as the survey was self-reported and respondents were asked at a number of different points in the survey if they let to tenants in receipt of HB/UC.

⁸ See footnote 7.

⁹ All respondents were asked this question, regardless of the length of tenancies they offered at the time of the survey.

How long do you plan to continue renting private properties?



(Base: all respondents)

Background: The Private Rented Sector in Northern Ireland

The private rented sector has grown dramatically in size and importance in recent decades, and by 2016 housed approximately one in five households in Northern Ireland.^{10, 11} The sector provides homes for a diverse range of individuals and families, including the most vulnerable in society, and research indicates that almost half (47%) of households living in private rented dwellings have children.¹² While perceptions of private tenants as a transient group mainly comprising students and young professionals may persist, in reality private renting is increasingly a longer term housing arrangement for many – sometimes by choice, but often by necessity. In Northern Ireland, despite having overtaken the social sector as the second largest housing tenure¹³, the private rented sector has generally been characterised by landlords with a small portfolio of one or two properties.

With the waiting list for social housing remaining consistently in the region of 37,000-38,000 and a growing proportion of applicants assessed as being in housing stress,¹⁴ there has been an increasing policy emphasis on providing a wider range of housing options to alleviate homelessness and meet housing need, including the promotion of a well-managed and appropriately regulated private rented sector. In 2010, recognising the growing importance of the sector, the then-Department for Social Development published a Private Rented Sector Strategy – *Building Sound Foundations* – which had a primary objective to create the conditions in which the private rented sector could contribute more fully to meeting rapidly changing housing needs, and ensuring the provision of good quality, well managed accommodation. Changes implemented as a result of the strategy included the introduction of longer notice to quit periods and Tenancy Deposit and Landlord Registration Schemes for Northern Ireland.

More recently, the Action Plan for the Department's Housing Strategy for Northern Ireland (2012-2017) again included a commitment to make the private rented sector a more attractive housing option for more people by improving standards and regulation. As part of the Housing Strategy, the Department launched a further review of the role and regulation of the private rented sector in November 2015, and subsequently consulted on a range of further proposals for change in early 2017¹⁵. The most recent consultation document had a focus on the future of the sector and how best to support it, considering issues such as the effectiveness of the regulation arrangements already in place and the potential for improvements to help make private renting a more attractive housing option. An over-arching theme was the need to 'get the balance right' by protecting tenants

¹⁰ NIHE (2017) *House Condition Survey - Preliminary report*. Belfast: NIHE

www.nihe.gov.uk/Documents/Research/HCS-2016-Preliminary-Report/NIHCS-Preliminary-Report-2016.aspx

¹¹ Where tenure is concerned, the Northern Ireland House Condition survey reports on the category 'Private Rented and Others'. This tenure grouping includes properties that are rented from a private landlord, private company, other organisation, relative or friend, and also includes tied accommodation and any 'other' type of accommodation not covered by the standard tenure types.

¹² NIHE (2018) *Northern Ireland House Condition Survey 2016: Main report*. Belfast: NIHE

www.nihe.gov.uk/Documents/Research/HCS-2016-Main-Reports/HCS-Main-Report-2016.aspx

¹³ Northern Ireland House Condition Survey; see footnote 10

¹⁴ At 31 March 2019, 26,387 of a total 37,859 social housing applicants in Northern Ireland (70%) were deemed to be in housing stress (i.e. they had 30 points or more under the social housing selection scheme). Annual waiting list and housing stress statistics are available at www.communities-ni.gov.uk/publications/northern-ireland-housing-statistics-2018-19

¹⁵ DfC (2017) *Private Rented Sector in Northern Ireland – Proposals for Change* www.communities-ni.gov.uk/consultations/private-rented-sector-northern-ireland-proposals-change

while also ensuring that good landlords are not burdened with unnecessary or cumbersome regulation. The collapse of the Northern Ireland Assembly in January 2017 delayed the Government's response to this consultation and at the time of writing the proposals awaited consideration by the Minister and Assembly.

Previous research

As part of our statutory responsibility to monitor housing conditions and need in Northern Ireland, the Housing Executive has been tracking trends in housing tenure in the region through the Northern Ireland House Condition Survey since 1974¹⁶. Between 2001 and 2006, the House Condition Survey showed that the private rented sector had grown by two thirds. However, at that time there was relatively little research and data to help us and other policy-makers better understand the role and dynamics of this growing sector. In 2007, in partnership with colleagues at Ulster University and PropertyNews.com, we began work on what has become the bi-annual rental index report: [*Performance of the Private Rental Market in Northern Ireland*](#).¹⁷ These reports provide ongoing insights on trends in the rental market at Northern Ireland and sub-regional level, and in addition to the two rental index reports produced each year, an output of this work has been a short annual overview of rental affordability at district council level.

As well as commissioning the collection of this quantitative data, over the last decade or so we have also carried out and commissioned a number of pieces of research designed to help provide greater insights on the dynamics of the private rented sector and the views and experiences of tenants.¹⁸ The findings cover a range of issues, but two broad themes are especially relevant in relation to the private rented sector; first, the importance of housing, its impact on a person's health and well-being and the cost of poor housing and, second, how the sector is affected by the wider social, economic and political context and what happens in other sectors of the housing market.

In November 2019, Housing Rights NI held their annual conference on the Private Rented Sector, bringing together a wide range of stakeholders. Some of the main issues affecting the sector were highlighted, including affordability and, in particular, the freeze on Local Housing Allowance rates at the 2015/16 rate from April 2016, which was still in place at the time. It was noted that lower income households were particularly affected by this freeze.¹⁹ Other issues highlighted included the increasing number of applicants in housing stress on the social housing waiting list and the need to ensure decent standards of accommodation in the private rented sector.

The context leading into this survey was therefore one of continuing demand for private rented housing, and tenants using the sector as a longer term housing option, which called for a sustainable sector and responsive policy-making in light of the challenges facing both landlords and tenants. However, the lack of an assembly over a period of time had significantly impacted the ability to take forward policy measures in relation to the future direction of the sector.

¹⁶ For more information on the House Condition Survey, see: www.nihe.gov.uk/Working-With-Us/Research/House-Condition-Survey

¹⁷ For the most recent reports in this series, see: www.nihe.gov.uk/Working-With-Us/Research/Private-rented-sector-and-rents

¹⁸ Previously-published reports include: [*Living in the Private Rented Sector: The experiences of tenants*](#) (2014); [*Private Rented Sector: Stock Profile, Physical Condition and Key Government Indicators Report*](#) (2014); [*Tenants' view of Tenancy Deposit Protection in Northern Ireland*](#) (2015) and [*Private Tenants Survey \(2016\)*](#)

¹⁹ In March 2020, the Chancellor of the Exchequer announced that the freeze on Local Housing Allowance rates would be lifted.

Survey methodology

Online methodology

An over-arching aim of the survey was to produce robust research findings that could be used by a wide range of stakeholders. Therefore, in order to capture the views and experiences of as many private landlords as possible, an online methodology was adopted as this was considered the most cost-effective and efficient means by which to access a large number of respondents. This was the first time we had attempted to engage with landlords on such a scale and using an online approach and we appointed Cognisense Ltd, an independent research company, to carry out the fieldwork. The fieldwork took place between September 2019 and December 2019.

Sample frame

The private rented sector has typically been the most difficult sector of the housing market to research; for many years it had been particularly challenging to identify suitable, reliable data sources to build the sample frame that would enable meaningful, large-scale engagement with private landlords. However, policy and regulatory developments within the last decade have meant that a number of key organisations with specific roles and responsibilities in relation to the private rented sector have engaged with substantial numbers of private landlords who own properties in Northern Ireland.

In planning the research, we therefore worked closely with colleagues within and beyond the Housing Executive to produce as comprehensive a sample frame as possible by drawing on the most up-to-date and reliable databases available. A key consideration from the outset was the importance of data protection, and in particular the need to minimise the amount of data that would be used to construct the sample frame. Having consulted thoroughly with relevant stakeholders, and confirmed the legal gateway and lawful basis for data sharing in accordance with the General Data Protection Regulation (GDPR), we drew on three different sources to collate a list of email addresses for landlords who owned rented properties in Northern Ireland that was as complete, robust and representative as possible.

Following a process of review and removal of any duplicate email addresses, an invitation to take part in the survey was sent to the email addresses (where available) of:

- all private landlords registered with the Northern Ireland Landlord Registration Scheme;
- those landlords protecting tenants' deposits with TDS Northern Ireland; and
- all private landlords on the Housing Executive's Housing Benefit system.

In order to maximise the response, three further reminders were sent to landlords who had not yet completed the survey.

Encouraging participation

In correspondence to private landlords, it was emphasised that we wanted to hear from all landlords, irrespective of how many rental properties they owned, whether they managed these themselves or used a letting agent, whether or not the properties were occupied at the time of the survey, and whether their tenants received help towards paying their rent (in the form of Housing Benefit or the housing cost element of Universal Credit) or paid their rent themselves.

While many of the key findings are in line with what is already known about the profile of landlords with properties in Northern Ireland (for example, that the majority own only one or two properties),

we are mindful that the data generated by this survey may not be fully representative of the circumstances, experiences and plans of the wider community of landlords. However, with findings based on 1,719 completed surveys, we know that this is one of the largest surveys of landlords undertaken to date in Northern Ireland and that it provides an important insight into the views and experiences of private landlords. The Survey adds to the body of research on the sector, enabling further understanding and contributing to discussions held by its stakeholders. At the foundation of the research is an understanding of the value of evidence-based policy and user-led insights.

For further information on how the survey was conducted, please see the User Guide at the end of this report.

Presentation of findings

This report presents the key findings of the 2019 Survey of Private Landlords. It is accompanied by appendix tables which cross tabulate the findings by four key variables:

Variable	Characteristics
Letting circumstances	<p>How respondents managed their rental property/properties, i.e. if they <i>managed them themselves</i> or <i>used a letting agent to manage them</i>.</p> <p>(A relatively small number of respondents stated 'other' letting circumstances that did not sit clearly within either group. Due to small numbers, analysis was not carried out of this group).</p>
Number of rental properties owned	Grouped into <i>one</i> , <i>two</i> and <i>three or more</i> rental properties
Reason for becoming a landlord	<p>The reasons for becoming a landlord were combined to create two broad groups, described as <i>intentional</i> and <i>accidental</i> landlords (see section 2).</p> <p>(The survey responses included a relatively small number of respondents with 'other' reasons for becoming a landlord, which could not be clearly categorised as accidental or intentional. Due to small numbers, analysis was not carried out of this group).</p>
Time as a landlord	Responses were grouped into <i>less than five years</i> and <i>five years or more</i> .

The report outlines the overall figures and highlights some of the relevant differences by the four key reporting variables. The appendix tables present percentages to one decimal place. For ease of reporting, percentages reported in the commentary are rounded, and therefore may not add to 100%. Caution should be applied when interpreting some findings, as at times response categories have been grouped together. For a full list of responses, please refer to the tabular report available at <https://www.nihe.gov.uk/Working-With-Us/Research/Private-rented-sector-and-rents>

Houses in Multiple Occupation

For the purposes of this survey, we wanted to gather the views of landlords who had **non-HMO** (House in Multiple Occupation) properties. Research specific to HMOs may be carried out at a later date. The survey recorded that 96% of respondents said none of their rental properties were currently registered as a HMO. The remaining 4% of respondents said some of their rental properties were currently registered as a HMO; these respondents were asked to complete the remainder of the survey thinking about their non-HMO rental properties.²⁰

²⁰ For accommodation to be considered a HMO, it must be occupied by three or more persons from more than two households

SECTION 1: Rental Portfolio

(Appendix tables 1.1 – 1.21)

1.1 Number of rental properties owned

We asked all respondents how many rental properties they owned in Northern Ireland. The information provided indicated that the **1,719** landlords who took part in the survey owned a total of **4,607** properties. Table 1 and Figure 1 show that more than half owned only one property, and around three quarters, in total, owned one or two properties. A further quarter (24%) owned three or more rental properties.

However, the figures also indicate that, within the sample, almost 3,000 of the 4,607 rental properties were owned by landlords with three or more properties; in other words, around two thirds of the total rental properties were owned by around one quarter of the landlords (Table 2 and Figure 2).

Table 1: Number and proportion of respondents by properties owned

Respondents who owned...	Number of respondents	% of respondents
...one property	979	57
...two properties	321	19
...three or more properties	419	24
Total respondents	1,719	100

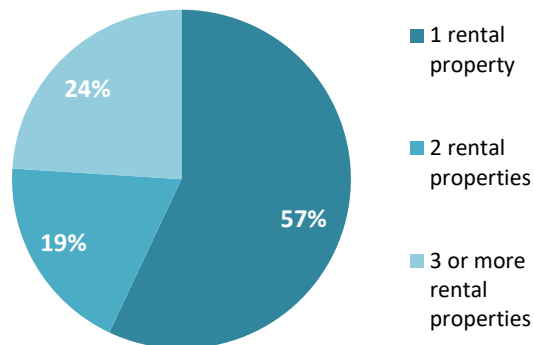
Base: 1,719 respondents

Table 2: Distribution of properties by total number owned

Total number of rental properties owned by respondent	Total number of properties	% of all properties owned by respondents
one property	979	21
two properties	642	14
three or more properties	2,986	65
Total rental properties owned	4,607	100

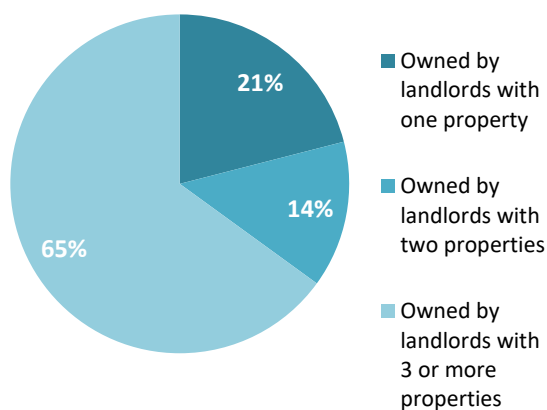
Base: 4,607 properties owned by 1,719 respondents

Figure 1: Proportion of *landlords* by number of properties owned



Base: 1,719 respondents

Figure 2: Proportion of *rented properties* by number of rented properties owned



Base: 4,607 properties

There was some variation by respondents' circumstances:

Respondents who used a letting agent to manage their rental property/properties were more likely to own only one property (68% compared to 53% who managed their rental property/properties themselves). Respondents who managed their rental property/properties themselves were more likely to own two or more properties; in particular, 27% of these respondents owned three or more properties compared to 17% of those who used a letting agent.

Accidental landlords were more likely to own only one rental property (83% compared to 45% of intentional landlords). The remaining proportion of intentional landlords owned two (23%) or three or more (32%) rental properties.

1.2 Type/Location of Rental Properties

For the purposes of more detailed analysis, respondents were asked to provide details of the rental property/properties they owned at the time of the survey. If they owned more than three rental properties, they were asked to provide details of *the three that they had rented out most recently*. The analysis was based on **2,878** rental properties and indicated that:

- The most common property types were terraced and semi-detached dwellings (37% and 28% of properties on which details were provided, respectively)²¹
- Approximately one-tenth (12%) of properties were bungalows²²
- 3 and 2 bedroom properties accounted for the majority of properties (51% and 33% respectively; 84% in total)
- The single highest proportion of properties (24%) was located in the Belfast Local Government District (LGD)

Comparisons (1): Northern Ireland House Condition Survey (2016)

This high level data generated by the Private Landlords Survey can be compared with evidence from other surveys and data sources that provide information on the structure of the private rented sector in Northern Ireland in terms of dwelling size and type. As the strategic housing authority for Northern Ireland, the Housing Executive has a statutory duty to regularly examine housing conditions in the region, and has carried out a cross-tenure House Condition Survey every five years since 1974, with Interim Surveys taking place in 2004 and 2009. The HCS is the most comprehensive survey of the dwelling stock in Northern Ireland and covers all types and tenures of housing. The most recent HCS was undertaken in 2016 and showed that for the 'Private Rented and Others' tenure:

- The two most common property types were terraced houses (44%) and semi-detached houses (26%)
- 12% of properties were bungalows²³
- 3 (59%) and 2 (26%) bedroom properties accounted for the majority of properties

²¹ For each rented dwelling owned that was analysed for the purposes of the Landlords Survey, respondents were asked whether the dwelling was one of six property types: detached; semi-detached; terraced; flat/maisonette/bedsit in a purpose-built block; flat/maisonette/bedsit in a converted house; non-residential plus flat. This list of property types *did not* include bungalows, and the percentages reported here are proportions of the six property types listed *only*.

²² Following on from the data captured on six property types (see footnote 21 above), a subsequent question asked if the property in question was a bungalow. For reporting purposes, the proportion of bungalows was calculated using this 'yes'/'no' question, but the 'bungalow' attribute is an additional characteristic of 12% of the six property types already identified, so this figure *should not be treated as additional to* the terraced/semi-detached etc. proportions listed above.

²³ Please note, the approach to data collection on bungalows differed slightly between the 2016 House Condition Survey (HCS) and the 2019 Landlords Survey. Surveyors who collected data for the HCS selected the dwelling type from a list of options that included 'detached', 'semi-detached', 'mid terrace' etc. Where these dwelling types could be a house *or* a bungalow, a flag was added to indicate when the property was a bungalow. For reporting purposes, the analysis was carried out in such a way that dwelling type was split into five categories, *of which 'bungalow' was one*. Therefore, the 12% of properties recorded as bungalows are *additional to*, rather than *part of*, the other dwelling types reported on in that survey (e.g. 44% terraced houses).

Comparisons (2): Performance of the Private Rental Market in Northern Ireland

Working on behalf of the Housing Executive, a team at Ulster University carries out an interlinked suite of research projects on the Northern Ireland housing market. One of the research projects involves the production of half yearly reports on the *Performance of the Private Rental Market in Northern Ireland*. These reports are produced in collaboration with the Housing Executive.

The reports, which are based on rental transactions recorded on PropertyNews.com and a dataset maintained by the Housing Executive's Housing Benefit Unit for the purpose of calculating the Local Housing Allowance, provide the most detailed insight available into the dynamics of the private rental market in Northern Ireland. The latest report (July-December 2019)²⁴ revealed that:

- Across Northern Ireland, as well as in Belfast City Council area and in the LGDs outside Belfast, the most common property types let during the second half of 2019 were terrace/townhouses and apartments, although there was considerable variation by location (Table 3).

Table 3: Properties let by property type (Ulster University/NIHE research sample), July-December 2019 (%)

	Northern Ireland	Belfast City Council Area	Local Government Districts (LGDs) outside Belfast
Terrace/Townhouse	41	47	36
Apartment	30	39	24
Semi-detached	19	12	23
Detached	11	2	16

- 3 and 2 bedroom properties accounted for the majority of lettings, although there was considerable variation by location (Table 4).

Table 4: Properties let by size (Ulster University/NIHE research sample), July-December 2019 (%)

	Northern Ireland	Belfast City Council Area	Local Government Districts (LGDs) outside Belfast
1 Bedroom	7	8	7
2 Bedroom	38	49	31
3 Bedroom	41	28	50
4+ Bedroom	13	15	13

- The greatest proportion of lettings – 40% of all rental transactions in the sample – occurred in Belfast, which continued to be the single largest rental market area.

²⁴ NIHE (2020) *Performance of the Private Rental Market in Northern Ireland July – December 2019*. Belfast: NIHE www.nihe.gov.uk/Documents/Research/Private-Rental-Market-CURRENT/performance-private-rental-market-NI-july-december.aspx?ext

1.3 Vacant properties

At the time of the Private Landlords Survey:

- **90%** of respondents had **no vacant properties**
- Of the 10% who did, the vast majority had *one* vacant property

There was minimal variation between intentional and accidental landlords, and between those who managed their rental property (or properties) themselves and those who used a letting agent.

Length of time vacant

For each rental property that was vacant, respondents were asked to indicate the length of time it had been vacant. If a respondent had more than three rental properties that were vacant, they were asked to provide this information on the three that had been vacant the longest. The total number of vacant properties recorded in the survey was 218 and more than two-thirds (68%) of these properties had been vacant for less than 6 months.

Reasons for vacancy

Of the 218 properties referred to by respondents that were vacant at the time of the survey, repairs/modernisation being carried out was the most commonly-cited vacancy reason (41%), followed by waiting for a new tenant to move in (19%). Just over one tenth (14%) of the properties were vacant because the landlord had been unable to find a tenant for the property and a further 26% of properties were vacant for 'other' reasons, including that the property was for sale or was to be sold.

Comparison: Northern Ireland House Condition Survey 2016

The 2016 House Condition Survey (HCS) reported an overall vacancy rate in Northern Ireland of 3.7%. Table 5 provides a breakdown of vacancy rates by tenure and shows that, at 6.7%, the vacancy rate for the private rented sector was higher than other tenures. More than one-third (35%) of all vacant properties in 2016 were privately rented when last occupied.

Table 5: Vacant dwellings by tenure, Northern Ireland, 2016 (Northern Ireland House Condition Survey)

	Vacant Dwellings (Number)	Vacancy Rate (%)
Owner Occupied	17,300	3.4
Private Rented and others	9,800	6.7
Social	1,400	1.1
All Vacant Dwellings	28,500	3.7

SECTION 2: Becoming/being a landlord

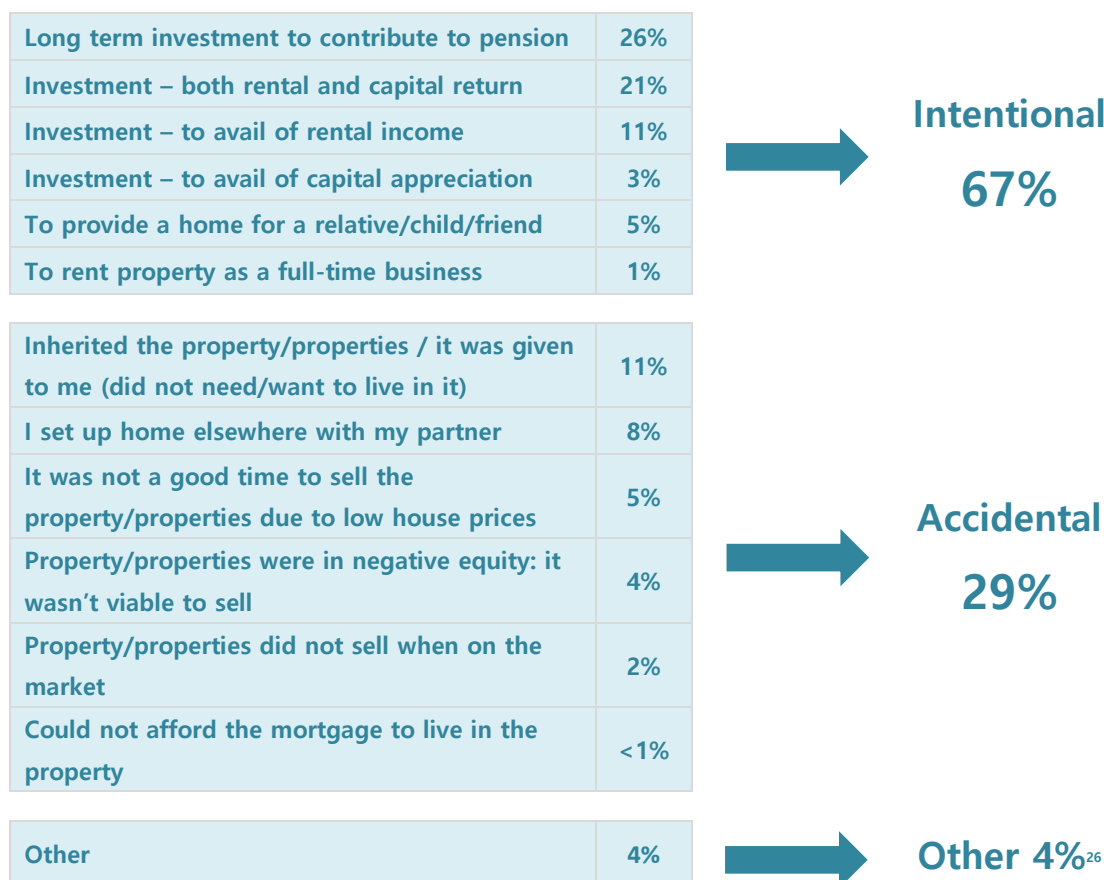
(Appendix tables 2.1 – 2.28)

2.1 Main reason for becoming a landlord

From a list of 12 possible reasons, respondents were asked to choose their *main* reason for becoming a landlord, and these reasons were then grouped to create two broader categories of ‘intentional’ and ‘accidental’ landlords. Figure 3 below illustrates these groupings, and shows that around two thirds (67%) of respondents had become landlords ‘intentionally’.

More than half (58%) had (intentionally) become landlords for investment reasons, while around one tenth (11%) had (‘accidentally’) inherited or been given a property that they did not need/want to live in themselves. In total, one tenth (10%) of all respondents said they were landlords for reasons relating to inability or unwillingness to sell a property (did not sell/was not a good time to sell/wasn’t viable to sell due to negative equity), and these respondents were also categorised as ‘accidental landlords’. Table 6 sets out the four most commonly-cited reasons for becoming a landlord.

Figure 3: Main reason for becoming a landlord, grouped by ‘intentional’/‘accidental’²⁵



²⁵ Due to rounding, the ‘accidental’ category does not equal the sum of the reasons it comprises

Table 6: Top reasons respondents gave for becoming a landlord

	% of respondents
As a long term investment to contribute to my pension	26
As an investment for both rental and capital return	21
As an investment – to avail of rental income	11
Inherited the property/it was given to me/I did not need/want to live in it myself	11

(Base: all respondents)

As part of the survey, we also asked respondents about how they had acquired the rental property, or the first of the rental *properties*, they owned at the time of the survey. Similar proportions had acquired the property by using personal savings (26%) and through a repayment mortgage (24%). Just under one in six (15%) had used a buy-to-let mortgage, while 13% had inherited or been given the property and one in ten had purchased it using an interest-only mortgage.

Perhaps reflecting the trends over time in lending and approaches to investment, there were some differences between those who had become landlords within the last five years and those who had been a landlord for five years or more: a greater proportion of more recent landlords (38% by comparison with 22% of those who were landlords for five years or more) had acquired their property using personal savings, while acquisition using an interest-only mortgage was more common among those who had been landlords for more than five years (12%) than shorter term landlords (5%).

While the experiences and motivations of individual landlords will have varied over time, and this overview will by no means account for the circumstances of *all* landlords and tenants, the survey findings appear to reflect events and trends within and beyond the wider housing market over the last two decades or so, a period during which the private rented sector in Northern Ireland grew substantially, both in absolute numerical terms and also as a proportion of the overall housing stock. In 2001, private rented dwellings accounted for 7.6% of the total housing stock in Northern Ireland but by 2016 the proportion had risen to 17.4% and at that time 18.4% of households were renting privately²⁷. The rate of growth increased substantially between 2006 and 2009, when the proportion of dwellings that was privately rented in Northern Ireland increased from 11.5% to 16.8%. The proportion has remained broadly the same since 2009.²⁸

Rising house prices from the turn of the century increased investor activity, but made purchasing a property less affordable for individual households, particularly first time buyers. While the global financial crisis of 2007 saw house prices fall, obtaining a mortgage became much more difficult, as lenders became more cautious and asked for larger deposits. This also had a significant effect on first time buyers. While many had intentionally entered a rising property market with a view to investment, in some cases one or more issues relating to the fall in house prices following the crisis, the increasing prevalence of negative equity, and reduced availability of mortgages created ‘accidental landlords’.

²⁶ The survey responses included a relatively small number of respondents with ‘other’ reasons for becoming a landlord, which could not be clearly categorised as accidental or intentional. Due to small numbers, analysis was not carried out of this group.

²⁷ The distribution of *households* is calculated as a proportion of the *occupied* stock (around 742,500 dwellings in 2016), whereas the percentage of private rented properties as a proportion of the *total dwelling stock* is based on a higher number of dwellings (780,000) that includes a separate category of vacant properties (with no associated household).

²⁸ NIHE (2011) *Northern Ireland House Condition Survey 2011: Main Report*. Belfast: NIHE
www.nihe.gov.uk/northern-ireland-house-condition-survey-main-report-2011.pdf

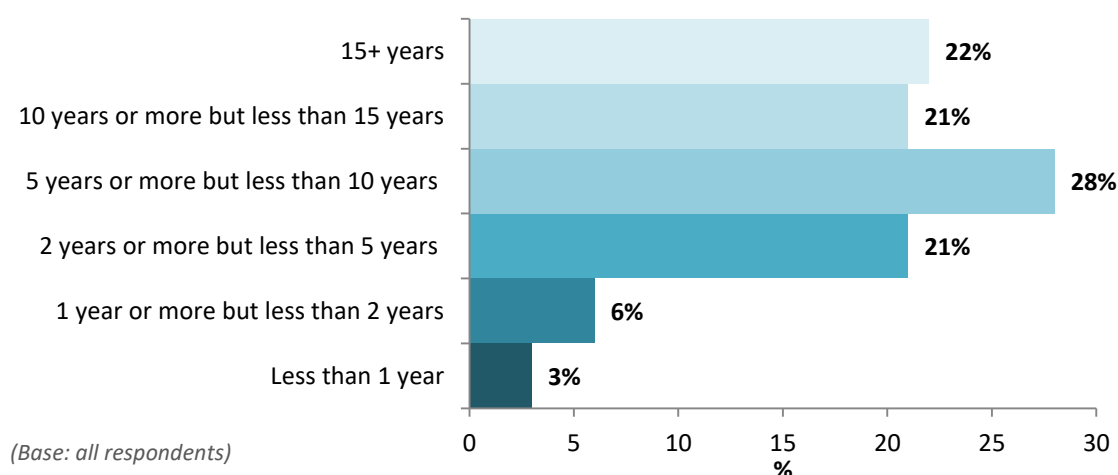
Meanwhile, social housing waiting lists remained lengthy, particularly in high demand areas, and the limited availability of public sector funding affected both the standards of existing social housing stock and the capacity to build new homes. Increasing numbers of people, who would have traditionally lived in social housing, were therefore now moving to the private rent sector. Anecdotal evidence suggests difficulties accessing social housing, along with good property standards and the availability of properties in desirable areas, are among the reasons for the growth in the private rented sector.

2.2 Length of time as a landlord

Overall, just under one third of respondents (29%) indicated that they had been a private landlord for less than five years²⁹, while just over two fifths (43%) had been landlords for 10 years or more (Figure 4).

- 29% had been a landlord for less than 5 years
- 71% had been a landlord for 5 years or more

Figure 4: Length of time as a landlord (%)



2.3 Management of rental property/properties³⁰

Overall, around three fifths (61%) of respondents indicated that they managed their own rental property/properties, while just over one third (35%) used a letting agent (Figure 5). Accidental landlords were more likely to use a letting agent (42% compared to 33% of intentional landlords), while intentional landlords were more likely to manage their rental property/properties themselves (63% compared to 57% of accidental landlords).

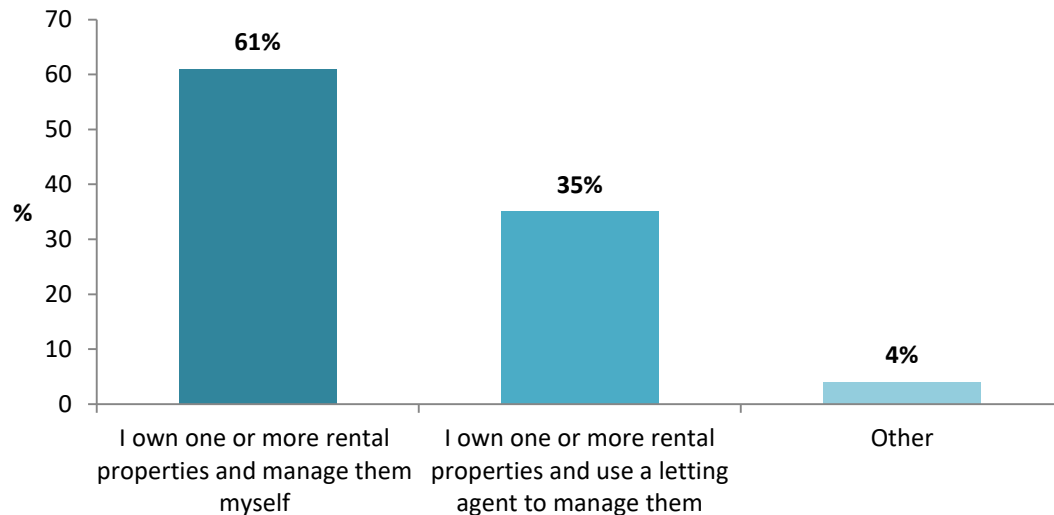
Respondents who had been a landlord for less than five years were more likely to use a letting agent (42% compared to 33% of those who had been a landlord for five years or more). Respondents who had been a landlord for five years or more were more likely to manage their rental

²⁹ Due to rounding, the 'less than five years' category does not equal the sum of the three categories it comprises.

³⁰ A relatively small number of respondents stated 'other' letting circumstances that did not sit clearly within either group. Due to small numbers, analysis was not carried out of this group.

property/properties themselves (63% compared to 56% of those who had been a landlord for less than five years).

Figure 5: Management arrangements



(Base: all respondents)

2.4 Overall experience of being a landlord

Respondents were asked about the extent to which they agreed that, overall, being a landlord had been a positive experience.

Intentional landlords (67%) were more likely to strongly agree/agree with this statement compared with accidental landlords (49%).

Respondents who had been a landlord for less than five years (67%) were more likely to strongly agree/agree with this statement compared with those who had been a landlord for five years or more (58%).

There was comparatively little variation by the number of rental properties a respondent owned and between those who managed their rental properties themselves and those who used a letting agent.

SECTION 3: Changes to Rental Portfolio

(Appendix tables 3.1 – 3.16)

In order to gain insights into landlords' decision-making and short-term plans, respondents were asked about any recent and planned changes to their rental portfolio. The vast majority (90%) had made no changes to their rental portfolio in the 12 months prior to the survey, and a smaller majority (68%) had no immediate plans for change. Looking ahead, similar proportions (around one in 20) planned to increase their portfolio (7%); reduce it (6%) or leave the rental market altogether (also 6%), while just over one in 10 had not made any concrete plans (Figure 6).

90% of respondents said, over the last 12 months, the number of rental properties they owned had remained the same. Six per cent said there had been an increase in the number of rental properties they owned, while 3% said the number had decreased (Figure 6).

Figure 6: Over the next 12 months, do you plan to...?

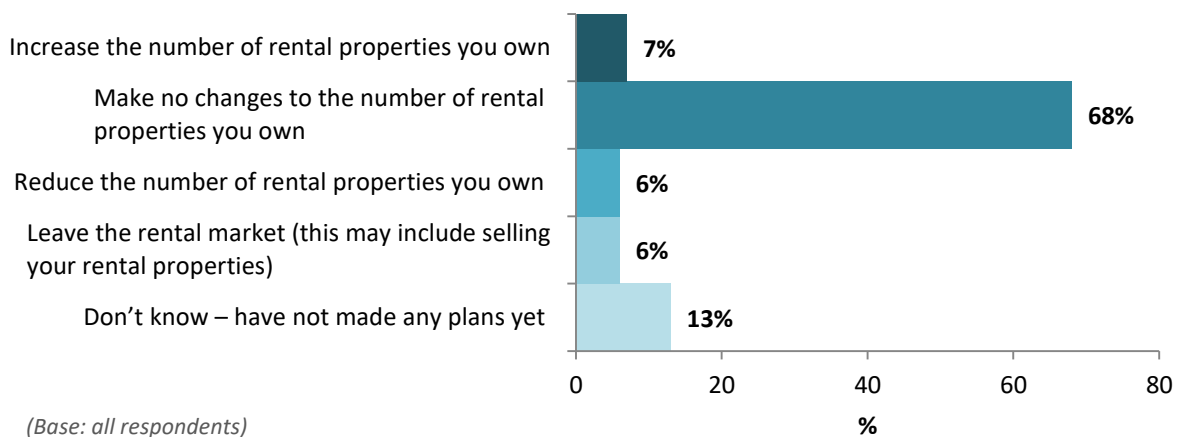


Table 7: Top reasons for planning to *increase* the number of rental properties owned

	% of respondents
Want to invest more of my assets in the rental market for future capital return	55
Want to maximise rental income	39

(Base: 122 respondents who planned to increase the number of rental properties they owned. Respondents could give more than one reason)

Table 8: Top reasons for planning to *reduce* the number of rental properties owned or to *leave* the rental market

	% of respondents
Recent tax changes (changes to tax relief introduced from April 2017)/Too much bureaucracy/regulations/associated costs for landlords /Welfare changes (including changes to Housing Benefit/the introduction of Universal Credit)	44
Rental returns decreasing (taking into account outgoings on properties)	32
Want to release capital	32

(Base: 201 respondents who planned to reduce the number of rental properties they owned or to leave the rental market. Respondents were able to choose more than one reason.)

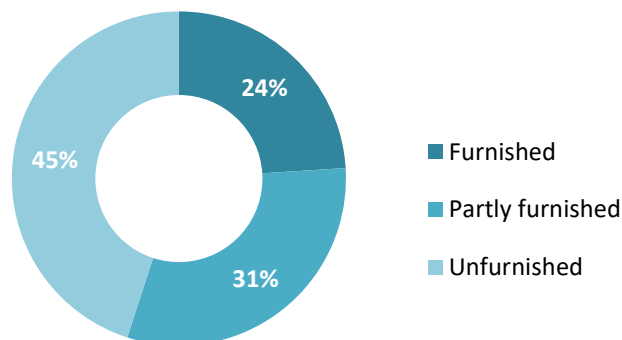
SECTION 4: Letting Practices and Upfront Costs

(Appendix tables 4.1 – 4.64)

4.1 Finding a tenant and provision of furniture

We asked respondents about their **most recent letting** to understand more about landlords' letting practices. The greatest proportion of respondents had found the tenant for the property through a letting agent (58%) while a further 17% had let the property through word of mouth and in one tenth of cases the letting had been to a friend/family member. Almost half (45%) of properties had been let unfurnished, but around one quarter (24%) were furnished and three in ten partly furnished (Figure 7).

Figure 7: Proportion of properties let furnished, partly furnished and unfurnished (most recent letting)



(Base: All respondents, excluding those whose most recent letting had an existing tenant when they took ownership of it)

4.2 Rent level

32% increased the rent above the previous letting
(63% kept the rent the same and 5% decreased the rent)

Respondents who used a letting agent to manage their rental property/properties were more likely to have increased the rent above the previous letting (36% compared to 30% of respondents who managed their rental property/properties themselves).

Among respondents who had increased the rent by comparison with the previous letting, there was little variation by the number of rental properties a respondent owned.

The two most common factors which influenced respondents' decision to **increase** the rent for the new tenants were:

- To keep in line with market rents in the local area (stated by 45% of these respondents)
- It had been a while since I had increased rents (stated by 43% of these respondents)

(Respondents could state more than one factor)

63% of respondents said the **rental charge included rates**³¹

Respondents who managed their rental property/properties themselves were more likely to have included rates in the rental charge (69% compared to 51% of those who used a letting agent to manage their property/properties).

Respondents with three or more rental properties were more likely to have included rates in the rental charge (76% compared to 69% who owned two rental properties and 55% who owned one rental property).

Intentional landlords were more likely to have included rates in the rental charge (66% compared to 56% of accidental landlords)

4.3 Up-front costs³²

Up-front costs, such as rent in advance and deposits, are an important component of affordability within the sector.

Rent in advance

66% of tenants from the most recent letting had paid rent in advance

(25% had not and 9% of respondents didn't know or couldn't remember)

Average amount of rent in advance paid

£541

(24% said prefer not to say or don't know/can't remember)

Respondents who used a letting agent to manage their rental property/properties were slightly more likely to have said the tenant from their most recent letting paid rent in advance (68% compared with 64% of those who managed their rental property/properties themselves).

³¹ Respondents were asked 'Does the rental charge include rates (or did it, if the tenant has since left)?'

³² Some caution should be applied when interpreting the amount of upfront costs, as the most recent letting may have been some time ago.

Deposit

76% of tenants from most recent letting paid a deposit

(19% had not and 5% of respondents didn't know or couldn't remember)

Average amount of deposit paid

£535

(27% said *prefer not to say or don't know/can't remember*)

Respondents who used a letting agent to manage their rental property/properties were more likely to say the tenant from their most recent letting paid a deposit (86% compared to 69% of those who managed their rental property/properties themselves).

4.4 Previous letting: deposit outcomes

Thinking of their most recent letting, respondents were asked if this was the first time they had rented out the property – 68% (1,169 respondents) indicated it was not. These respondents were asked about the tenant who left the property prior to their most recent letting.

78% had taken a deposit at the start of this tenancy (15% had not; 7% didn't know/couldn't remember)

65% returned the deposit in full

32% returned the deposit in part or had not returned it at all

Table 9: Top reasons for returning the deposit in part or not at all

	% of respondents
To cover damage to the property	63
To cover cleaning the property	50
To cover unpaid rent	40

(Base: 292 respondents who returned the deposit in part or had not returned it at all. Respondents could give more than one reason.)

SECTION 5: Current and Future Tenants

(Appendix tables 5.1 – 5.20)

The vast majority of respondents (97%) had a tenant or tenants at the time of the survey. We asked these landlords about their current tenants, and **all** respondents were also asked about the **types of tenants** and **types of households** that they would be willing to let to *in future*, regardless of how long they planned to be a landlord.

5.1 Tenant Types

Questions on current and future plans were structured with reference to a number of specific ‘types’ of tenant, which are set out in Table 10. The list of types was not exhaustive and not all landlords may have known enough about the composition of households living in their properties to allocate them to a specific category. Therefore, a total of 1,522 of the 1,658 respondents who had tenants at the time of the survey indicated that they were letting to one or more of the ‘types’ of tenants listed.

In addition, the findings represent a snapshot at the time of the survey, and could be expected to be largely circumstantial and/or reflective of the population in the particular area(s) in which rental properties were located. It is not possible or appropriate to make any inferences about landlords’ ‘policies’ on letting to certain groups from the structure of lettings *at the time of the survey*, and this is borne out by the information, also summarised in Table 10, about landlords’ willingness to let to the various types of tenant *in future*.

Again, while all respondents were asked about their future plans, the way the question was structured meant that some did not indicate willingness to let to *any* of the types listed. The proportions set out in Table 10 are therefore of the 1,649 respondents who indicated that they would let to one or more of the six tenant types that were specified.

Table 10: Tenant type - letting to at the time of the survey and willing to let to in future

	% who were letting to this type of tenant <i>at the time of the survey</i> (base, 1,522 respondents)	% willing to let to this type of tenant <i>in the future</i> (base: 1,649 respondents)
Families (with or without children)	72	87
Benefit claimants (in receipt of Housing Benefit or the housing cost element of Universal Credit)	52	61
Young professionals	43	94
Non UK/Irish passport holders	25	71
Students	3	19
HMO (House in Multiple Occupation) (non-students only)	3	9

(Please note: one tenant could fall into more than one category)

5.2 Lettings at the time of the survey: tenant type

The most consistent variations by respondent circumstances were around whether respondents currently let to tenants in receipt of Housing Benefit or the housing cost element of Universal Credit. For brevity, these tenants will be referred to as ‘benefit claimants’ within the remainder of this section.

- At the time of the survey, respondents who managed their rental property/properties themselves were more likely to be letting to benefit claimants than those who used a letting agent (61% compared with 34% respectively).
- A greater proportion of respondents who owned three or more rental properties (75%) than those who owned one rental property (42%) were letting to benefit claimants at the time of the survey.
- Intentional landlords were more likely than accidental landlords to be letting to benefit claimants, (56% compared with 41% at the time of the survey).
- Respondents who had been a landlord for five years or more were more likely to be currently letting to benefit claimants compared to those who had been a landlord for less than five years (58% compared with 37% respectively).

Aside from the varying proportions letting to benefit claimants, the largest variations by respondents’ circumstances were evident when looking at the types of tenants respondents currently let to and the number of rental properties they owned. While the numbers are too small to draw comparisons amongst ‘students’ and ‘Houses in Multiple Occupation (non-students only)’, as the number of rental properties a respondent owned increased, the proportions currently letting to families (with or without children), young professionals and Non UK/Irish passport holders also increased.

5.3 Willingness to let to in the future: tenant type

Again, the most notable variations by respondents’ circumstances were around whether they would be willing to let to benefit claimants in the future.

When drawing comparisons with those respondents who were currently letting to benefit claimants, the same categories of respondents were more likely to be willing to let to benefit claimants in the future. These were:

- Respondents who managed their rental property/properties themselves
- Respondents with more than one rental property (as the number of rental properties respondents owned increased, the willingness to let to benefit claimants also increased)
- Intentional landlords
- Respondents who had been a landlord for five years or more

While the differences varied, and some were small, across all the different types of tenants, as the number of rental properties a respondent owned increased, the likelihood of landlords being willing to let to a particular tenant group in the future also increased. There was one exception to this: very high proportions of respondents were willing to let to young professionals in the future whether they owned one (92%), two (95%) or three or more properties (95%).

5.4 Household type

Respondents were also asked about their lettings, and willingness to let, to a range of *household types* (Table 11). While the list of household types was intended to capture all circumstances, a number of respondents were unable to categorise their tenants into any of the household types. Among the 1,602 respondents who indicated that they were letting to at least one of the household types listed, the most common was small families (45%), followed by couples (36%) and single adults aged 35-59 (31%).

Similarly, when asked about willingness to let in future, a number of respondents did not select any of the household types listed. Among those who did (1,639 respondents), the majority (80%+) were willing to let to most household types, although the proportion was slightly lower for single adults under 35 (77%) and much lower for 'large family' and 'large adult' households (both 39%).

Table 11: Household type - currently let to and willing to let to in the future

	% who were letting to this type of household at the time of the survey (base: 1,602 respondents)	% willing to let to this type of household in the future (base: 1,639 respondents)
Single Person Household - under 35 (one person aged 16-34)	24	77
Single Person Household - over 35 (one person aged 35-59)	31	89
Small Adult Households - couples (2 people aged 16-59)	36	94
Small Adult Households - not a couple (2 people aged 16-59)	16	84
Small Families (1 or 2 persons aged 16 or over and 1 or 2 child/children aged 0-15)	45	83
Large Families (1 or 2 persons aged 16 or over and 3 or more children aged 0-15, or 3 or more people aged 16 or over and 2 or more children aged 0-15)	12	39
Large Adult Households (3 or more people aged 16 or over with or without one child aged 0-15)	6	39
Older Small Households (1 or 2 persons aged 16 or over, one or both of whom aged 60 or over)	18	84
Other (including: not enough details given to enable classification under a household type; would be willing to let to any type of household (within reason); any reliable tenant/tenant able to pay rent; and will decide based on specific tenant/circumstances)	4	13

SECTION 6: Welfare Reform

(Appendix tables 6.1 – 6.32)

Affordability, Housing Benefit and Welfare Reform

Affordability is a critical issue if the private rented sector is to play a role in meeting housing need in Northern Ireland, and – especially for lower income households – has been highlighted as one of the key challenges for private tenants. An important aspect of affordability is Housing Benefit, which is sometimes referred to as *Local Housing Allowance* (LHA; see below) in the private rented sector. For low-income tenants, the support available through Housing Benefit has been an important means to help ensure that rent costs are met and tenancies sustained. However, a number of changes to the benefits system have been applied in Northern Ireland since 2008 and The Welfare Reform (Northern Ireland) Order 2015 set in motion the most wide-ranging changes to the benefit and tax credit system in more than seven decades. Many of the benefits that had been in place for people of working age will eventually cease to exist, and new benefits and payment systems have been gradually introduced in recent years.³³ A series of adjustments to the calculation and administration of Housing Benefit from 2008 onwards has had impacts for private landlords and their tenants.

The Local Housing Allowance (LHA)

The private rented sector throughout the UK, including Northern Ireland, experienced an early strand of welfare reform with the introduction of the Local Housing Allowance (LHA). LHA refers to the rent assessment scheme that determines how much Housing Benefit someone renting in the private sector can receive, based on rent levels in their area and the number of people in their household. Subsequent reforms to the Local Housing Allowance regime in Northern Ireland were introduced on the same basis, and to the same timetable, as for the rest of the UK. Thus, when the LHA was introduced in 2008, it was calculated at the 50th percentile of local market rents. In 2011, LHA was reduced to the 30th percentile, meaning that the maximum rate of LHA payable could be no higher than the rent for the cheapest 30 per cent of properties in a defined area, known as the *broad rental market area* (BRMA).

More recently, LHA rates were frozen at the 2015/16 rate for four years from April 2016. Research carried out by the Chartered Institute of Housing revealed that in 2016, 80 per cent of LHA rates in Northern Ireland had *already* fallen below the 30 per cent threshold, partly as a result of the rates being capped in recent years. This meant that more householders were liable to pay a shortfall, or a *greater* shortfall, between the LHA rate they received and the rent the landlord or letting agent was charging and that the policy aim of making the bottom 30 per cent of the private rented market accessible to LHA claimants was no longer being achieved; the continued freeze in LHA rates would have further exacerbated this issue.³⁴ In March 2020, the Chancellor of the Exchequer announced that the freeze in LHA rates would be lifted. Following on from this, in response to the COVID-19 outbreak, the LHA rates were increased in April 2020 so that all rates from that point on were equal to the cheapest 30 per cent of properties in a given BRMA.

³³ NIHE (2018) *Welfare Reform in Northern Ireland: A Scoping Report* Belfast: Housing Executive www.nihe.gov.uk/getmedia/2b5db9a7-6fd8-420c-9265-da85a29d70b0/welfare-reform-ni-a-scoping-report.pdf.aspx?ext=.pdf

³⁴ CIH (2017) *Impact of welfare changes on rented housing in Northern Ireland*. Belfast: CIH www.cih.org/resources/PDF/NI%20policy%20docs/Impact%20of%20welfare%20changes%20on%20rented%20housing%20NI.pdf

In 2018, the Housing Executive's Research Unit commissioned *Economic Research and Evaluation* to carry out an independent review and impact assessment of the Northern Ireland Broad Rental Market Areas (BRMAs) and Local Housing Allowance (LHA) rates. The report, which was published in January 2019³⁵, indicated that, as at March 2018, 52,300 private tenants were subject to LHA, along with a further 7,200 claimants who were receiving Housing Benefit but who were not subject to LHA.³⁶ Analysis of the Housing Executive's Housing Benefit database highlighted that for 88% of the tenants subject to LHA, the contractual rent charged by the landlord or letting agent was higher than the amount of LHA they received. Reflecting this gap between contract rents and LHA rates, the analysis showed that 89% of private sector claimants experienced a shortfall between their weekly contract rent and the amount of Housing Benefit they received. The average shortfall was £28, representing 29 per cent of the average weekly contractual rent.

Shared Accommodation Rate for single people living alone

A further important change to Housing Benefit in the private rented sector was the extension of the Shared Accommodation Rate for single people living alone. Up to 2012, Housing Benefit for single people aged *under 25* was restricted to the amount allowed for someone who only had access to one bedroom and shared the use of a bathroom, kitchen and living room (i.e. living in shared accommodation) within the conditions of their tenancy agreement, even when occupying self-contained accommodation with full access to their own individual bedroom(s), kitchen, bathroom and living room. From 2012, the Shared Accommodation Rate was extended to anyone living alone in the private rented sector *under the age of 35*.

Universal Credit

Within the wider process of welfare reform, Housing Benefit is gradually being phased out for most applicants as part of the move to Universal Credit (UC). UC is a new, single benefit payment that brings together six working-age benefits with the aim of simplifying the benefits system. The 'personal responsibility' ethos underpinning UC is reflected in the design of the administrative system; claimants must set up a digital 'account' on application, verify their account and complete a number of 'to-dos' before their claim can be assessed, and with all ongoing management of the UC account undertaken on a digital basis, claimants require access to the internet and must have a bank account.

An award of UC may include an amount of 'housing costs' payments to assist those with eligible rent and service charge costs. In the private rented sector, LHA continues to apply for UC purposes, and UC awards are made by deducting any household contributions from eligible rent (the lower of either the Local Housing Allowance (LHA) rate for the postcode area or the actual rent).

The government's original policy design for UC included a UK-wide structure – designed to mirror salary payments – of single Universal Credit payments, made once-monthly in arrears and directly to claimants. However, exceptions to this administrative framework were applied in Northern Ireland, including the capacity for housing costs to be paid directly to landlords, twice-monthly UC payments to claimants and greater support for claimants through the funding of the advice sector. These changes have arguably lessened the potential impact of UC for private landlords and tenants in

³⁵ NIHE (2019) *Northern Ireland Broad Rental Market Areas Scoping Study and Impact Assessment*. Belfast: NIHE www.nihe.gov.uk/Documents/Research/Welfare-reform-BRMA/northern-ireland-broad-rental-market-areas-scoping.aspx

³⁶ The 7,200 claimants not subject to LHA included 1,800 claimants in the *regulated* private rented sector and 5,400 claimants in the *unregulated* private rented sector; the claimants in the unregulated sector included, for example, those in receipt of Housing Benefit prior to the introduction of LHA on 7 April 2008 and without a break in their entitlement, or who had not moved into a new private tenancy.

Northern Ireland by comparison with England, where research by Simcock (2017)³⁷ and reports in the media³⁸ suggested that concerns over UC-related rent arrears meant private landlords were reluctant to let properties to UC claimants.

Taking account of circumstances in Northern Ireland, the Welfare Reform Mitigations Working Group made recommendations to the Northern Ireland Executive as to how some of the impacts of welfare changes (in particular, the social sector ‘bedroom tax’³⁹) could be mitigated, and the Executive subsequently allocated a £501 million expenditure package over four years until 31 March 2020.⁴⁰ In February 2020, the Minister for Communities announced plans to introduce new legislation to extend mitigations to the bedroom tax, and indicated that other mitigations would need to be looked at.⁴¹

Depending on their circumstances, households living in the private rented sector may also have been impacted by a variety of other strands of the welfare reform programme, such as the Benefit Cap⁴² (which has been mitigated in some circumstances) and the gradual transition from DLA to Personal Independence Payment (PIP) for working age claimants⁴³. However, our focus for the purposes of this research has been on the aspects likely to have the most direct impact on private landlords and tenants through changes in the calculation and administration of benefits to assist with housing costs for those on low incomes. Housing Benefit/Housing Costs element of UC is a benefit intended for those on low incomes and while Discretionary Housing Payments can help meet shortfalls in some cases for a period of time, ongoing inability to meet a shortfall between the rent charged and the Housing Benefit/Housing Costs received can cause difficulties for tenants and landlords alike and threaten the long-term sustainability of tenancies, with the potential to result in rent arrears and possible eviction and homelessness.

³⁷ Simcock, T. (2017) *Welfare Reform and Universal Credit: The impact on the private rented sector August 2017* Residential Landlords Association [online] available at <https://research.rla.org.uk/wpcontent/uploads/Welfare-Reform-and-Universal-Credit-The-impact-on-the-private-rented-sector-2017.pdf>

³⁸ *The Guardian* (7 February 2017) ‘Universal Credit flaws pushing claimants towards debt and eviction’ available at: www.theguardian.com/society/2017/feb/07/universal-credit-flaws-pushing-claimants-towards-debt-and-eviction-warning?platform%3Dhootsuite (accessed 30 September 2020)

³⁹ The Social Sector Size Criteria, often referred to as the *bedroom tax*, was developed to engender more efficient use of social sector housing stock and lower government spending on Housing Benefit. Under SSSC, payments are based on a ‘size’ criterion, which determines the number of bedrooms deemed necessary for each household and adjusts payments accordingly. SSSC came into force in Northern Ireland on 20 February 2017.

⁴⁰ DfC: ‘Administrative Welfare Supplementary Payments’ available at www.communities-ni.gov.uk/articles/administrative-welfare-supplementary-payments (accessed 30 September 2020)

⁴¹ DfC (3 February 2020) ‘Minister announces extension of protections from bedroom tax’ www.communities-ni.gov.uk/news/minister-announces-extension-protections-bedroom-tax (accessed 30 September 2020)

⁴² The Benefit Cap places an overall limit on the amount of benefits a working-age household can receive. The figure was originally set at £500 per week per family household, and £350 per week for single people. In November 2016 the limits were reduced to £384.62 and £257.69 respectively. These caps remained in place at the time of writing (September 2020). For more information see: www.gov.uk/benefit-cap and www.gov.uk/benefit-cap/benefit-cap-amounts

⁴³ While people aged under 16 and over 65 will continue to claim DLA, PIP began to replace DLA in Northern Ireland for new claims from 20 June 2016. Six months later, a process of managed reassessments of existing DLA claimants commenced.

6.1 Awareness of changes to the welfare system

We asked respondents about their *awareness* of some of the key changes to the welfare system that have been implemented since 2008 (Table 12).

Table 12: Level of awareness of changes to the welfare system (%)

	Am aware, and know the detail, of the change	Am aware, but do not know the detail, of the change	Am not aware of the change
Introduction of Local Housing Allowance (LHA) rates in 2008	11	35	54
Reduction of Local Housing Allowance (LHA) rates in 2011	10	31	59
Local Housing Allowance (LHA) rates frozen in 2016	9	27	65
Introduction of Universal Credit (UC) in Northern Ireland	18	62	20
Introduction of Welfare Supplementary Payments (WSP: Also known as mitigation payments) in Northern Ireland	7	29	64
Introduction of a Benefit Cap in 2016	11	49	40

(Base: all respondents)

Combining those respondents who said they were aware, and knew the detail, of the change AND those who were aware, but did not know the detail of, the change:

- The highest levels of awareness were of the introduction of Universal Credit (UC) in Northern Ireland (80%) and the introduction of a Benefit Cap in 2016 (60%).
- Awareness of the introduction of, and subsequent changes to, LHA appeared relatively low, given the implications of these changes, in particular, for the private rented sector.

6.2 Awareness of features of Universal Credit

We also asked a number of questions about respondents' awareness of the administrative arrangements and regulations associated with Universal Credit. Figure 8 shows that the overall level of awareness varied for different aspects.

Figure 8: Awareness of features of Universal Credit (UC) (%)

62% knew tenants need a tenancy agreement to apply for the housing cost element of Universal Credit.

(This may be a formal tenancy agreement or a letter from the landlord containing the required information)

47% knew the housing cost element of Universal Credit is paid directly to landlords

(This is the default option for rented properties in Northern Ireland)

40% knew payments of the housing cost element of Universal Credit are paid to landlords monthly in arrears

28% knew landlords have to complete a certificate of occupation for Rates Rebate

26% knew applications for Rates Rebate are separate from applications for Universal Credit

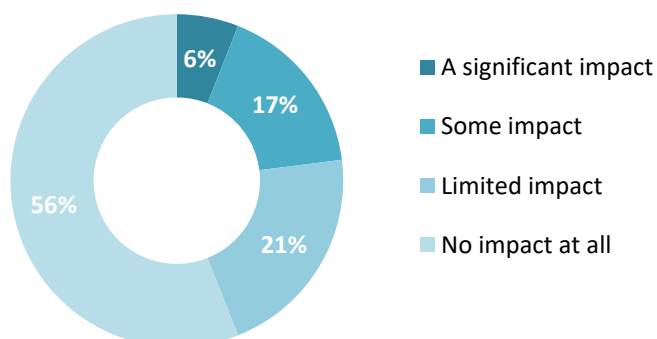
21% knew a Discretionary Housing Payment (DHP) may be made available for private tenants who receive the housing cost element of Universal Credit and find there is a gap between the actual rent charged and the eligible rent used to calculate the housing cost element of Universal Credit

17% knew an advance of up to 100% (of Universal Credit) for the assessment waiting period can be applied for by the tenant

(Base: all respondents)

6.3 Impact of recent welfare changes

Figure 9: Overall, how much impact, if any, have the recent welfare changes had on you as a landlord?



(Base: all respondents)

Overall, just over half of respondents said that recent welfare changes had had *no impact at all* on them as a landlord. Respondents who were most likely to report being impacted, to some degree⁴⁴, by recent welfare changes were:

- Those who managed their rental property/properties themselves (50% impacted compared to 32% of those who used a letting agent to manage their rental property/properties)
- Those who owned three or more rental properties (64% impacted compared to 51% of those who owned two rental properties and 32% of those who owned one rental property)
- Intentional landlords (49% impacted compared to 33% of accidental landlords)
- Those who had been a landlord for five years or more (48% impacted compared to 33% of those respondents who had been a landlord for less than five years).

6.4 Action as a direct result of recent welfare changes

In total, nearly two fifths of respondents (639; 37%) said they had taken one or more actions as a direct result of recent welfare changes. Of these:

- 51% had started carrying out reference/credit checks for new tenants
- 48% had visited the NI Direct website
- 26% had started asking new tenants for rent in advance
- 23% had contacted LANI and the same proportion had sourced information about welfare changes from sources *other than* NI Direct/the Landlord Advice Line/the advice sector/LANI

Respondents who used a letting agent to manage their rental property/properties were more likely to have started carrying out reference/credit checks for new tenants (65% compared to 44% of those who managed their rental property/properties themselves).

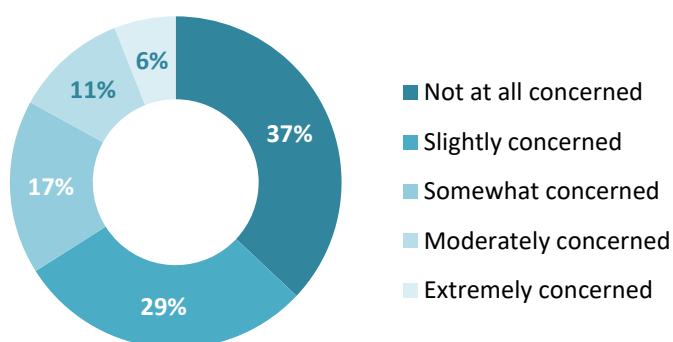
Respondents who managed their rental property/properties themselves were more likely to have visited the NI Direct website (54% compared to 36% of those who used a letting agent).

⁴⁴ 'Some level of impact' was calculated by combining the responses from those who said they had experienced 'a significant impact', 'some impact' and 'limited impact'.

6.5 Respondents' level of concern about how welfare changes might affect them as landlords

When asked about their level of concern about how welfare changes might affect them as a landlord, the greatest proportion of respondents (37%) said they were not at all concerned. Just over one quarter (28%) were 'somewhat' or 'moderately' concerned, and less than one tenth (6%) were 'extremely concerned' (Figure 10)

Figure 10: How concerned/unconcerned are you about how welfare changes may affect you as a landlord?



(Base: all respondents)

6.6 Experiences of the housing cost element of Universal Credit

Almost a quarter of respondents (24%; 412) said a past or current tenant received the housing cost element of Universal Credit. More than one third (35%) had not had a tenant in receipt of UC at the time of the survey, and the remainder (41%) did not know.

Table 13: Proportion of respondents with past/current tenants who received/were receiving the housing cost element of Universal Credit who had experienced...

	% of respondents
...tenants going into arrears because of delayed payments of the housing cost element of Universal Credit	44
...delayed payments of the housing cost element of Universal Credit	42
...the housing cost element of Universal Credit being paid directly to the tenant instead of to the landlord	25
...an issue gaining information about a tenant's Universal Credit payment because of explicit consent. (A tenant must provide explicit consent in writing for Universal Credit to discuss their payment details with the landlord)	15
...a tenant moving during the assessment period (if a tenant moves during the assessment period, the payment of the housing cost element of Universal Credit goes to the new landlord)	4
...other issues	5
...none of these	35

(Base: 412 Respondents with past/current tenants who received/were receiving the housing cost element of Universal Credit. Respondents were able to give more than one response.)

Landlords who had experience of letting to tenants in receipt of UC housing costs had experienced a range of issues, the most commonly-cited of which were tenants going into arrears because of delayed payments of UC housing cost elements (44%) and delayed payments of the housing cost element (42%). However, more than one third (35%) of those who let to UC claimants had not encountered any issues (Table 13).

6.7 Information/advice (*all respondents*)

Four per cent of respondents said a tenant/s (current or past) had asked them for information/advice in relation to welfare changes

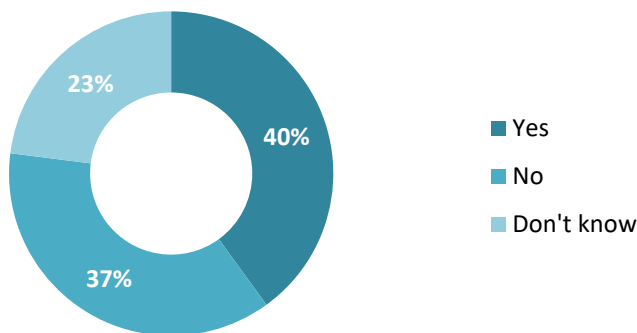
SECTION 7: Willingness to Let to Tenants in receipt of Benefits

(Appendix tables 7.1 – 7.36)

7.1 Housing Benefit

We asked respondents whether any of their current tenants were in receipt of Housing Benefit. A small proportion (2%) indicated they did not currently have any tenants: their rental property/properties were vacant. These respondents were excluded from this analysis. Of those who had tenants at the time of the survey, two fifths said that one or more were in receipt of Housing Benefit (Figure 11).

Figure 11: Are any of your current tenants in receipt of Housing Benefit?⁴⁵



(Base: respondents who had a tenant/s at the time of the survey)

The findings varied by respondents' circumstances, indicating that the respondents more likely to be letting to tenants in receipt of Housing Benefit were:

- Those who managed their rental property/properties themselves (51% compared to 22% of those who used a letting agent to manage their rental property/properties)
- Those with three or more rental properties (68% compared to 41% with two rental properties and 28% with one rental property)
- Intentional landlords (45% compared to 29% of accidental landlords)
- Those who had been a landlord for five years or more (46% compared to 26% who had been a landlord for less than five years)

Looking ahead, more than half (56%) of all respondents said that, thinking about their current tenant(s) or any new lettings that might come up over the next five years, they would be willing to

⁴⁵ Several questions allowed respondents to indicate that they did not have any tenants at the time of the survey. The number of responses of this nature varied slightly between questions. The respondents who had no tenants at the time of the survey were excluded from analysis.

let (or continue letting) to tenants in receipt of Housing Benefit. However, around one fifth (19%) said they would not, and approximately a quarter (24%) were unsure.

Letting to tenants in receipt of Housing Benefit in future

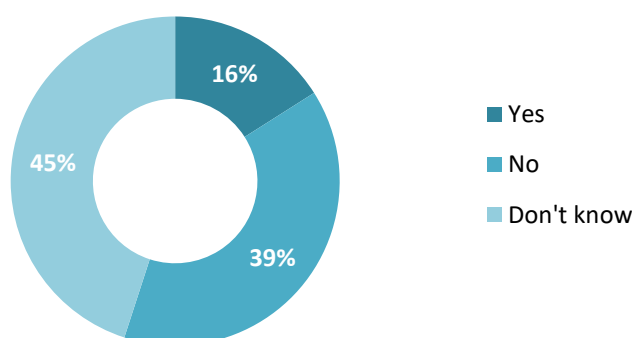
✓	<p>Among the 970 respondents who were willing to let to tenants receiving Housing Benefit in future, the most commonly-cited reasons were:</p> <ul style="list-style-type: none"> - Don't mind letting to Housing Benefit tenants so long as the rent is paid (81%) - Direct payment to landlords (49%) - Housing Benefit tenants account for a large part of the rental market/form a substantial part of my lettings (17%)
✗	<p>Those who were unwilling to let, or unsure about letting, to tenants receiving HB in future (749 in total) gave a variety of reasons, the most common of which were:</p> <ul style="list-style-type: none"> - Worried Housing Benefit won't cover the full rental charge/greater risk of delayed/unpaid rent by tenants (44%) - Greater risk of anti-social behaviour (36%) - There is demand from other types of tenants (34%) - Too much paperwork/admin (27%) - Delays in Housing Benefit (26%) - I have no knowledge or experience of this Benefit (25%)

As was the case for those already letting to tenants in receipt of Housing Benefit, attitudes around willingness to let (or continue to let) to tenants in receipt of Housing Benefit over the next five years varied according to respondents' circumstances. While the degree of variation was less pronounced than amongst those already letting to Housing Benefit tenants, the same types of landlords as outlined above were the most willing to rent to these tenants in the future.

7.2 Housing cost element of Universal Credit:

Of the landlords who had tenants at the time of the survey, around one sixth (16%) confirmed that they had tenants who were receiving the housing cost element of Universal Credit. Two fifths of respondents had no such tenants, and almost half (45%) did not know (Figure 12).

Figure 12: Proportion of landlords with tenants in receipt of UC housing cost element



(Base: respondents who had a tenant/s at the time of the survey)

Taking account of the characteristics of the 272 respondents who were letting to tenants in receipt of the housing cost element of Universal Credit at the time of the survey, they were most likely to be:

- Those who managed their rental property/properties themselves (21% compared to 8% of those who used a letting agent to manage their rental property/properties)
- Those with three or more rental properties (33% compared to 15% with two rental properties and 9% with one rental property)
- Intentional landlords (19% compared to 9% of accidental landlords)
- Those who had been a landlord for five years or more (18% compared to 12% who had been a landlord for less than 5 years)

Thinking about their current tenant(s) or any new lettings that might come up over the next five years, we asked all respondents whether they would be willing to let (or continue to let) to tenants in receipt of the housing cost element of Universal Credit. Almost half (48%) said they would, around one fifth (19%) said they would not and around one third (34%) were not sure.

Letting to tenants in receipt of the housing cost element of Universal Credit in future

✓	<p>Among the 816 respondents who were willing to let to tenants receiving the housing cost element of Universal Credit in future, the most commonly-cited reasons were:</p> <ul style="list-style-type: none"> - Don't mind letting to tenants in receipt of the housing cost element of Universal Credit so long as the rent is paid (82%) and - Direct payment to landlords (49%)
X	<p>Those who were unwilling to let, or unsure about letting, to tenants receiving the housing cost element of UC in future (903 in total) gave a variety of reasons, the most common of which were:</p> <ul style="list-style-type: none"> - Worried it won't cover the full rental charge/greater risk of delayed/unpaid rent by tenants (39%) - I have no knowledge or experience of this Benefit (32%) - There is demand from other types of tenants (31%) - Delays in housing cost element of UC (28%) - Greater risk of anti-social behaviour (27%) - Too much paperwork/admin (22%)

The landlords who said they were unwilling to let, or unsure about letting, to tenants in receipt of the housing cost element of UC (903 in total) were asked what would encourage them to let, or continue to let, to these tenants. Respondents were able to select a variety of suggestions, and the most commonly-chosen were:

- Government paying the benefit in advance rather than arrears (45%)
- Better support for landlords (33%)
- Easier referencing and credit check of these tenants (25%)
- Better processing of claims (errors made and time taken to process (23%)

However, around one sixth (16%) said nothing would encourage them to let to tenants in receipt of the housing cost element of UC and one quarter (26%) did not know of anything specific that would encourage them to do so.

Looking at those respondents who were willing to let (or continue to let) to tenants in receipt of the housing cost element of Universal Credit over the next five years, findings varied when analysed by respondents' circumstances. Broadly speaking, however, those who managed their own properties, those with three or more properties, intentional landlords, and longer-term landlords were more willing to rent to these tenants in the future.

The 2018 English Private Landlord Survey (EPLS)⁴⁶ included questions around willingness to let to benefit claimants. The EPLS was an online national survey of private landlords and letting agents⁴⁷ (hereafter 'agents') who owned and/or managed private rented properties in England and its findings were based on approximately 8,000 responses. The EPLS found that:

- 52% of landlords and 37% of agents said they would be unwilling to let to people in receipt of Housing Benefit (51% overall)
- 47% of landlords and 33% of agents said they would be unwilling to let to people in receipt of Universal Credit (46% overall)

Asked about their main reasons for being unwilling to let to benefit claimants (including tenants in receipt of Housing Benefit, LHA and/or Universal Credit), landlords and agents largely selected the same reasons (and were able to select more than one reason):

- Perceived greater risk of delays in payment or unpaid rent (stated by 68% of landlords and 78% of agents)
- Perceived risk that benefits won't cover all of the rent (62% of landlords and 70% of agents)
- Benefits paid directly to the tenant – not to the landlord or agent (55% of landlords and 64% of agents)
- Perceived greater risk of disturbance or anti-social behaviour or damage to property or furnishings (56% of landlords and 50% of agents)

⁴⁶ MHCLG (2019) *English Private Landlord Survey 2018 - Main report*. England: MHCLG
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/775002/EPLS_main_report.pdf

⁴⁷ Those who let and/or managed properties on behalf of landlords

SECTION 8: Arrears and Ending Tenancies

Given the critical importance of regular rent payments in relation to tenancy sustainment, we asked landlords a number of questions on payment of rent, rent arrears and ending tenancies. The findings are summarised in Figure 13, which provides analysis based on landlords' experience of tenants who pay all of their rent themselves, tenants in receipt of Housing Benefit, and tenants receiving the housing cost element of Universal Credit.

Figure 13: Arrears and ending tenancies of respondents who paid all of their rent themselves/received Housing Benefit/received the housing cost element of Universal Credit

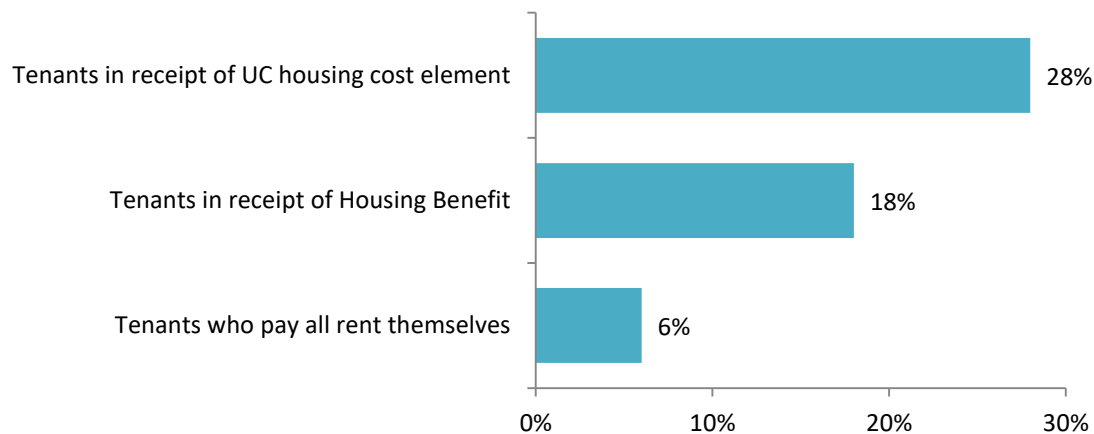
Tenants who pay all of their rent themselves (Appendix tables 8.1 – 8.24)	Tenants who receive Housing Benefit (Appendix tables 8.25 – 8.58)	Tenants who receive the housing cost element of Universal Credit (Appendix tables 8.59 – 8.78)
67% had a tenant/s who paid all of their rent themselves (24% did not; 10% were unsure) (Base: all landlords who had tenants at the time of the survey)	40% had a tenant/s who received Housing Benefit (39% did not and 20% were unsure) ⁴⁸ (Base: all landlords who had tenants at the time of the survey)	14% had a tenant/s who received the housing cost element of Universal Credit (45% did not; 41% were unsure) ⁴⁹ (Base: all landlords who had tenants at the time of the survey)
6% said one or more of these tenants were currently in arrears (Base: 1,123 landlords who had tenants who paid all of their rent themselves)	18% said one or more of these tenants were currently in arrears (Base: 674 landlords who had tenants in receipt of Housing Benefit)	28% said one (or more) of these tenants were currently in arrears (Base: 230 landlords who had tenants in receipt of the housing cost element of UC)
10% said in the past five years, they had evicted, not renewed or ended the tenancies of tenant/s who paid all of their rent themselves (Base: all 1,719 respondents) The most common reason was <i>rent arrears caused by reasons other than welfare changes</i> (67% of 169 landlords who had evicted, not renewed or ended the tenancy of someone who paid all their rent themselves)	8% said in the past five years, they had evicted, not renewed or ended the tenancies of tenant/s who received Housing Benefit (Base: all 1,719 respondents) The most common reason was <i>rent arrears caused by reasons other than welfare changes</i> (60% of 144 landlords who had evicted, not renewed or ended the tenancy of someone in receipt of Housing Benefit)	2% said in the past two years, they had evicted, not renewed or ended tenancies of a tenant/s who received the housing cost element of Universal Credit (Base: all 1,719 respondents) Numbers were too small to permit analysis of the reasons

⁴⁸ The percentages do not match those included in the 'willingness to let to benefit tenants' section as the survey was self-reported and respondents were asked at a number of different points in the survey if they let to benefit claimants

⁴⁹ As above

The fairly recent introduction of Universal Credit meant that a relatively small proportion of landlords (14%) were able to confirm that they were letting to tenants in receipt of the housing cost element at the time of the survey, although many were not sure. However, the findings suggest that tenants in receipt of Universal Credit were more likely to be in arrears than those receiving Housing Benefit or those paying all of their own rent.

Figure 14: Proportion of landlords reporting tenants in rent arrears at the time of the survey, by source of rent payments



(Bases: 1,123 landlords with tenants who paid all their rent themselves; 674 who had tenants in receipt of HB; and 230 who had tenants in receipt of UC housing cost element)

SECTION 9: Future Rental Practices

(Appendix tables 9.1 – 9.44)

In its 2017 consultation on proposals for change in Northern Ireland's private rented sector⁵⁰, the Department for Communities highlighted the importance of both affordability and security of tenure in ensuring a sustainable private rental market. In light of these issues, the survey included a number of questions that sought to help build a picture of landlords' planned approaches to rent setting and the duration of tenancies they might offer in future.

9.1 Rent setting

We asked respondents about their planned approach to rent setting for current and future tenants.

26% of the respondents who had tenants at the time of the survey intended to **increase** their rents for **current tenants** (including tenancy renewals) within the next two years. More than one third (36%) expected to keep their rents the same, 28% had not decided on a specific approach and one tenth said their approach would vary.

Respondents who managed their rental property/properties themselves were slightly more likely to intend to increase the rents for current tenants (28% compared to 24% of respondents who used a letting agent to manage their rental property/properties).

There was some variation by the number of rental properties a respondent owned, ranging from 22% of respondents who owned one rental property to 33% who owned three or more rental properties.

35% of all respondents intended to **increase** their rents for **future tenants** within the next two years. Around one fifth (21%) expected to keep rents the same for new tenants, and the same proportion had not made a decision on future rent-setting plans.

There was no variation when looking at whether a respondent managed their rental property/properties themselves or used a letting agent to manage them.

There was some variation by the number of rental properties a respondent owned, ranging from 33% of respondents who owned one rental property to 43% who owned three or more rental properties.

⁵⁰ DfC (2017) *Private Rented Sector in Northern Ireland – Proposals for Change* available at: www.communities-ni.gov.uk/sites/default/files/consultations/communities/private-rented-sector-proposals-for-change-consultation.pdf

The most common reasons given by respondents for planning to increase rents for both **current** and **future tenants** were:

- To keep in line with market rents in the local area
- It has been a while since I have increased rents
- Non-mortgage costs (including repairs), renovations/decoration, recent tax changes (changes to tax relief introduced from April 2017), letting agent fees

9.2 Tenancy term

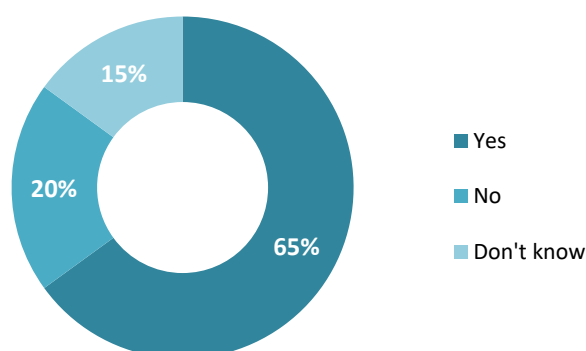
70% of respondents had offered an initial term of 12 months to the tenant from their *most recent letting*. More than one tenth (11%) had not specified a tenancy term at commencement of tenancy, and a similar proportion (12%) had offered an initial term of six months. Only around eight per cent of respondents reported offering initial terms that were longer than one year.

Continuing to think about their most recent letting, respondents who had specified an initial tenancy term (1,532 in total) were asked what happened after the initial term was over:

- 50% had allowed the tenant to stay on, on a periodic basis (rolling contract)
- 30% had offered the tenant a further fixed term
- 3% said the tenant left once (or before) the initial period ended and
- 16% said the initial term had not yet ended

Regardless of the current length of tenancies offered, all respondents were asked if they would be willing to offer tenancies of more than 12 months in the future: the majority (65%) indicated that they would (Figure 15).

Figure 15: Regardless of the current length of tenancies you offer, would you be willing to offer tenancies of more than 12 months in future?



(Base: all 1,719 respondents)

The most common reasons why respondents were **not willing** to, or **not sure** if they would, offer tenancies of more than 12 months in the future were:

- I am happy with the tenancy term I offer (50% of 610 respondents)
- Concerns about my ability to remove problem tenants (49%)
- The tenancy term I offer is standard practice (28%)
- I have never thought to increase the tenancy term beyond what I offered for my most recent letting (21%) (Respondents were able to select more than one reason.)

Those respondents who were not willing to, or not sure if they would, offer tenancies of more than 12 months in the future were asked about three specific factors that might encourage them to do so. Table 14 shows that assurances about removing 'problem' tenants and financial incentives were the factors most likely to encourage landlords to offer longer tenancies.

Table 14: Which, if any, of the following would encourage you to offer tenancies of more than 12 months in future?

	% of respondents
If it becomes easier to remove problem tenants	61
Financial incentives (e.g. tax cuts)	51
Changes to mortgage restrictions	6
Other	3
Nothing would encourage me	22

(Base: 610 respondents who were unwilling to offer, or unsure about offering, tenancies of more than 12 months' duration. Respondents were able to select more than one option)

The Residential Landlords Association's Private renting Evidence, Analysis and Research Lab (RLA PEARL) published a research briefing in August 2018 as part of ongoing longitudinal research into the private rented sector. The research briefing, *Longer Term Tenancies in the Private Rented Sector*⁵¹, presented findings from a survey of 4,970 private landlords. One of the key focuses of the research was gathering private landlords' views on the UK Government's proposed three-year tenancy model.

Some key insights highlighted were:

- Private landlords are not against longer term tenancies; however to be encouraged to offer these to tenants that need or want them, changes are needed. The success of longer term tenancies calls for a joined up approach to policy making, improvements surrounding regaining possession of properties, and taxation measures in favour of landlords.

Some findings from the research were:

- When asked about the obstacles to offering a longer-term tenancy, 77% of landlords indicated that the time and cost to recover possession of the property would be a barrier; 45% referred to the lack of financial incentives, and 37% were of the opinion that tenants did not want them.
- 46% of landlords said they experienced difficulties recovering possession of their property, costing an average of £2,867 and taking on average 6 months.
- Previous research by RLA PEARL found that the majority of landlords who had recovered possession of a property cited rent arrears as the reason.⁵²
- 22% of landlords had previously offered a tenancy term of more than 12 months.
- The main benefit of a longer term tenancy would be the reduced possibility of vacant periods. Other benefits would be savings made on the cost of finding new tenants and an expectation that tenants would be more likely to take care of the property.

⁵¹ Simcock, T. J. (2018) *Longer Term Tenancies in the Private Rented Sector (RLA PEARL Research Briefing)*. Manchester, UK: Residential Landlords Association

<https://research.rla.org.uk/wp-content/uploads/Longer-Term-Tenancies-and-the-Private-Rented-Sector.pdf>

⁵² Simcock, T. J. (2018) *Examining Energy Efficiency & Electrical Safety in the Private Rented Sector*. Manchester, UK: Residential Landlords Association

<https://research.rla.org.uk/wp-content/uploads/examining-energy-efficiency-electrical-safety-private-rented-sector.pdf>

SECTION 10: Advice and Support for Landlords

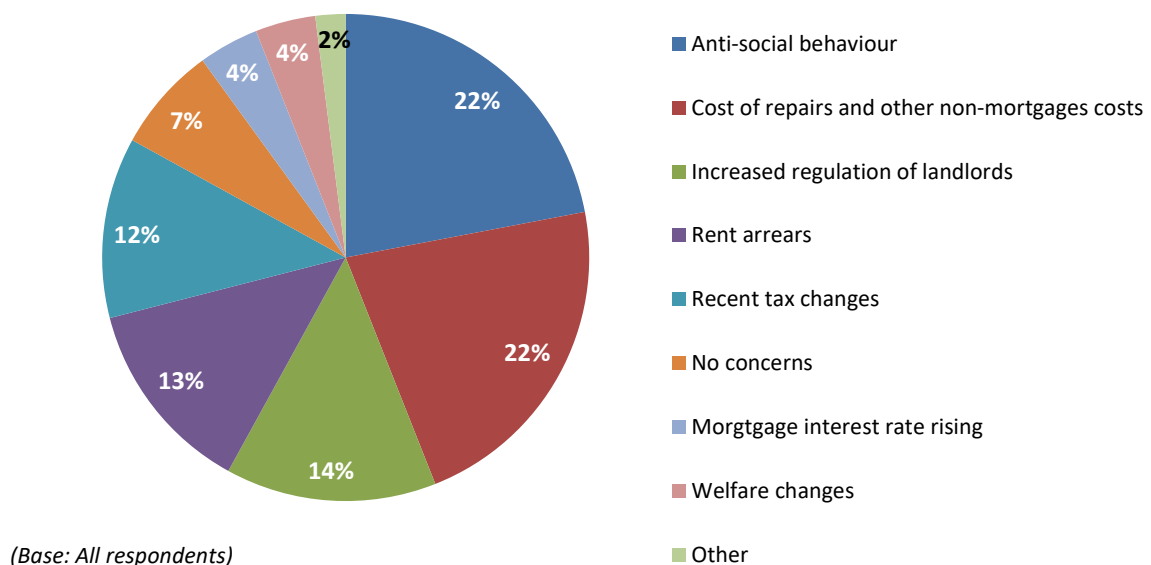
(Appendix tables 10.1 – 10.40)

10.1 Causes of concern

Respondents were asked what caused them the **most** concern as a landlord. The top concerns were:

- Anti-social behaviour (including disturbances and damage to property/furnishings) by tenants (22% of respondents) and
- Cost of repairs and other non-mortgage costs for rental properties (also 22%; Figure 16)

Figure 16: What causes you the most concern as a landlord?



10.2 Sources of advice and information

65% of respondents said they knew where to go for information/advice in relation to their role as a landlord. When asked about a number of sources from which they might seek advice, these respondents indicated that they were most likely to consult their letting agent (45%), the Landlord Advice Line (43%) and NI Direct (41%) (Table 15).

Table 15: Top sources respondents would likely use to get information/advice in relation to their role as a landlord

	% of respondents
My letting agent	45
Landlord Advice Line	43
NI Direct	41
Northern Ireland Housing Executive (including their website)	38
A landlord association/organisation	34

(Base: 1,119 respondents who knew where to go for information/advice in relation to their role as a landlord. Respondents were able to select more than one response.)

50% of those who knew where to go had sought information/advice in relation to their role as a landlord. The most commonly-consulted source was their letting agent (50%), followed by NI Direct (35%) (Table 16).

Table 16: Top sources respondents had used to get information/advice in relation to their role as a landlord

	% of respondents
My letting agent	50
NI Direct	35
Northern Ireland Housing Executive (including website)	28
A landlord association/organisation	23

(Base: 562 respondents who had sought information/advice in relation to their role as a landlord. Respondents could select more than one response.)

10.3 Awareness of advice and training services

Over the last decade or so, a number of services providing advice, assistance and training to landlords in Northern Ireland have been created or augmented, with the aim of supporting landlords in providing professional services to tenants and meeting regulatory requirements. These include:

- the Landlord helpline, 'Landlord Advice', operated by Housing Rights on behalf of the Department for Communities⁵³,
- the CIH Level 2 Award in Letting and Managing Residential Property⁵⁴, and
- the activities of the Landlords Association for Northern Ireland (LANI)⁵⁵

The Independent Welfare Changes Helpline operated by Advice NI as part of a range of services provided by the advice sector (Advice NI and the Law Centre NI), has also been put in place for *anyone* needing help or advice about any of the changes to the welfare system.⁵⁶ Respondents were asked whether they were aware of these services available to the private rented sector. Half of respondents (50%) were aware of LANI, and a slightly lower proportion of the Landlord Advice line (45%) (Table 17).

⁵³ For more information see: www.nidirect.gov.uk/landlord-helpline and www.landlordadviceni.org/

⁵⁴ For more information see: www.cih.org/qualification/display/vpathDCR/templatedata/cih/qualification/data/CIH_L2_A_in_Letting_and_Managing_Residential_Property_QCF

⁵⁵ For more information see: www.lani.org.uk/

⁵⁶ For more information see: www.nidirect.gov.uk/contacts/contacts-az/welfare-changes-helpline

Table 17: Awareness of advice and training services available to the private rented sector

	% of respondents who were aware
LANI (Landlord Association for Northern Ireland)	50
Landlord Advice Line	45
Level 2 award in letting and managing properties (previously known as "Learning to Let") provided by the Chartered Institute of Housing (CIH, Northern Ireland)	22
Independent Welfare Changes Helpline	8

(Base: all respondents)

10.4 Interest in training for landlords

Finally in this section of the survey, respondents were asked whether, in the future, they would be interested in taking part in training for landlords. Around 30% indicated an interest in training, while 43% said they would not be interested and a further 28% did not know.

The respondents most likely to indicate interest in taking part in training for landlords in the future were:

- Those who managed their rental property/properties themselves
- Those with more than one rental property (as the number of rental properties respondents owned increased, the proportion interested in training also increased)
- Intentional landlords
- Respondents who had been a landlord for less than five years

SECTION 11: Landlords' Financial Circumstances

(Appendix tables 11.1 – 11.16)

From a broad policy perspective, maintaining an appropriate level of overall housing supply is fundamental to economic success and housing market stability. Where the private rented sector is concerned, there has been a focus in Northern Ireland on assessing whether (a) there are enough homes available and (b) there will be enough in the future to meet demand and changing societal expectations.⁵⁷

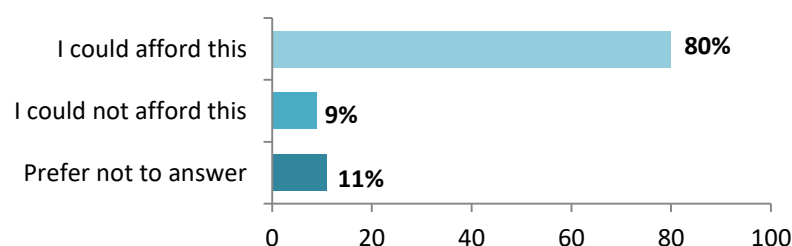
While administrative data and the findings of this survey (Section 1) indicate that a substantial proportion of the privately rented dwellings in Northern Ireland are owned by landlords with three or more properties, the majority of landlords in the region continue to operate on a relatively small scale and own only one or two rental properties. At micro-level, therefore, the circumstances and decisions of individual landlords might not seem likely to have a major influence on supply.

However, economic shocks, policy changes or other issues influencing the willingness and/or ability of substantial numbers of landlords to remain active in the rental market could have a more noticeable impact. Engagement with housing market experts and representatives of residential landlords carried out by the Department for Communities in the run-up to publication of its 2017 consultation document on proposals for change indicated that the private rented sector was continuing to grow, with no sign of a decrease in the number of landlords entering the market. However, it was also noted at that time that planned changes in income tax had the potential to discourage new landlords from entering the market and prompt some small landlords to leave.

As part of the survey, we asked landlords a number of questions with the aim of building a picture of their financial circumstances.

11.1 Unexpected costs

Figure 17: Thinking of your current income and your rental property/properties, could you pay an unexpected repairs bill of £500?



(Base: all respondents)

⁵⁷ DfC (2017) *Private Rented Sector in Northern Ireland – Proposals for Change Consultation Document January 2017* www.communities-ni.gov.uk/sites/default/files/consultations/communities/private-rented-sector-proposals-for-change-consultation.pdf

11.2 Financing of rental properties owned at the time of the survey

We asked respondents how their current rental properties were financed; recognising that those who owned two or more properties might have a combination of financing arrangements, respondents were able to give more than one answer. Table 18 indicates that more than half of landlords who took part in the survey had at least one property that was owned outright.

Table 18: How is/are your current rental property/properties financed?

	% of respondents
Outright ownership	57
Buy-to-let mortgage	19
Repayment mortgage	19
Interest-only mortgage	15
Other	2
Prefer not to answer	5

(Base: all respondents. Respondents were able to select more than one option.)

11.3 Negative equity

Section 2 of this report provided a brief overview of developments in Northern Ireland's wider housing market over the last two decades or so. This period included the realignment of house prices in the region to more 'normal' levels (relative to earnings and the structure of the local economy) from 2007/08 onwards, following a time of unprecedented house price inflation that was ended by the Global Financial Crisis. The drop in house prices left a lasting legacy of negative equity, which was still evident a decade later. A briefing by published by UK Finance in May 2019 indicated that around six per cent of residential mortgages in Northern Ireland at that time had negative or less than five per cent equity, and this was around 10 times the proportion for the UK overall.⁵⁸

It is notable, therefore, that 15% of all respondents who took part in the survey said they had a property (or properties) in negative equity. Perhaps not surprisingly, respondents who had been a landlord for five years or more were more likely to have a rental property (or properties) that were currently in negative equity compared to those who had been a landlord for less than five years (19% compared with 5% respectively).

15% of respondents
said one (or more) of
their rental properties
was in **negative equity**

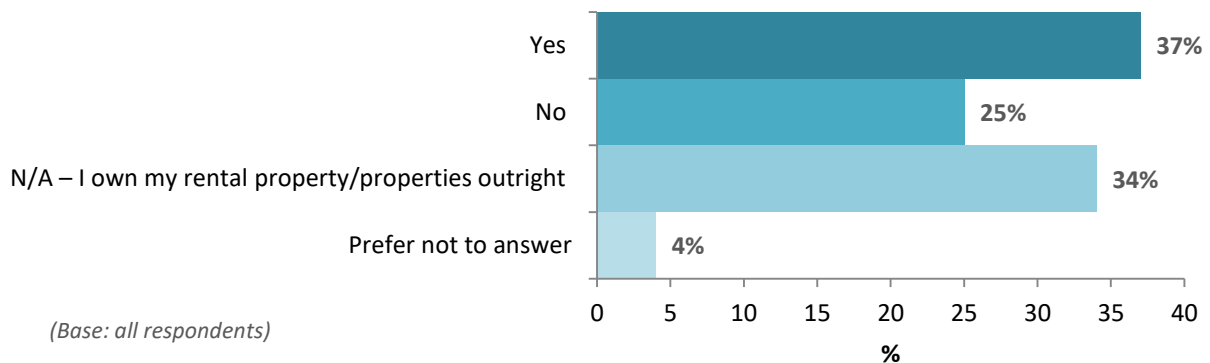
There was some variation by the number of rental properties a respondent owned, ranging from 13% of respondents who owned one rental property stating it was currently in negative equity to 20% of those who owned three or more rental properties stating one (or more) of these were currently in negative equity. However, there was little variation between intentional and accidental landlords.

⁵⁸ Tatch, J. (17 May 2019) 'Northern Ireland's comeback: wonder horse or dead cat? UK Finance: available at: www.ukfinance.org.uk/news-and-insight/blogs/northern-irelands-comeback-wonder-horse-or-dead-cat

11.4 Rental income and mortgage payments

We asked landlords if they depended on rental income to cover the mortgage payments for any of their rental properties. While almost two fifths (37%) indicated that they did, around one third said they owned their property/properties outright, and a further quarter stated that they were not reliant on rental income to meet mortgage payments (Figure 18).

Figure 18: Do you depend on rental income to cover your mortgage repayments on any of your rental properties?



Respondents with three or more rental properties were most likely to depend on rental income to cover the mortgage repayments on one (or more) of their rental properties (46%), followed by those with two rental properties (40%) and lastly those with one rental property (33%).

Respondents who had been a landlord for five years or more were most likely to depend on rental income to cover mortgage repayments on one (or more) of their rental properties (41% compared to 28% of those who had been a landlord for less than five years).

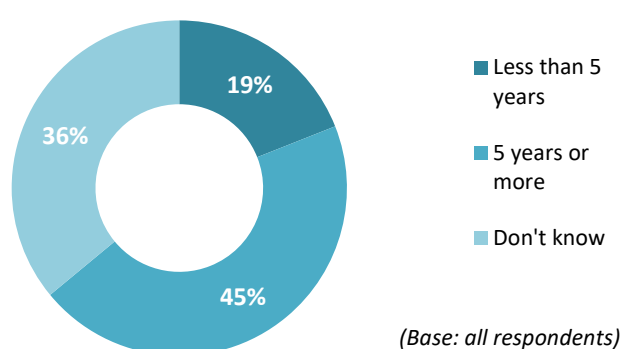
There was little, or no, variation between those who managed their rental property/properties themselves and those who used a letting agent, and between intentional and accidental landlords.

SECTION 12: Future Intentions

(Appendix tables 12.1 – 12.12)

We asked respondents about their reason(s) for continuing as landlords, regardless of the reason they had become a landlord in the first place, and about how long they intended to continue renting private properties. While around one third (36%) were unsure about how long they intended to remain as private landlords and one fifth (19%) planned to stop letting properties within five years, almost half intended to continue as private landlords for five years or more (Figure 19).

Figure 19: How long do you plan to continue renting private properties?



The most common reason for continuing to let private rented properties, cited by (48%) of respondents, was as a long term investment to contribute to their pension, and one third (34%) referred to the fact that it provided a regular income. Perhaps associated with the levels of negative equity discussed in the previous section, almost one fifth (18%) said they did not want to sell due to the price they would get for the property in the prevailing market at the time of the survey (Table 19).

Table 19: Irrespective of why you originally became a landlord, what is/are your reason(s) for being a landlord now?

	% of respondents
It's a long term investment to contribute to my pension	48
To provide a regular income	34
Want to keep investments in the rental market for capital return	22
I have a long term tenant	21
Do not want to sell my property/properties due to the amount I would get for them if selling today	18

(Base: all respondents. Respondents could give more than one reason)

Finally, when asked about factors that might prompt them to *leave* the market in the future, the most common response indicated that landlords would be influenced primarily by their own personal circumstances. Table 20 shows that the other reasons most commonly selected by the landlords who took part in the survey were mainly to do with either:

- *financial issues* (poor return from rent; tax changes; mortgage interest rates rising);
- *changes in the wider housing market* (in particular, house prices rising – presumably a particular consideration for those in negative equity); and/or
- *tenant and tenancy-related matters* (anti-social behaviour, increased regulation and rent arrears)

Table 20: What, if anything, would make you want to leave the rental market as a landlord in the future?

	% of respondents
Personal reasons, e.g. approaching retirement age, other commitments etc.	46
Poor return from rent (taking into account outgoings on properties)	44
Anti-social behaviour (including disturbances and damage to property/furnishings) by tenants	44
Increased regulation for landlords	37
Rent arrears	31
Recent tax changes	19
House prices rising	19
Mortgage interest rates rising	14

(Base: all respondents. Respondents could give more than one answer)

SECTION 13: Further Comments

Some further comments made by respondents about being a private landlord:

"There is not sufficient protection for landlords."

"Over-regulation of landlords and increasing the tax burden on landlords will increase rents for tenants and push landlords to sell when there is already a shortage of private lets."

"I have been very fortunate and my tenants are excellent."

"Too much effort for very little income. It is hard to get good tenants."

"Biggest problem is raising funds for major repairs with negative equity plus the onerous tax changes."

"Welfare changes appear to be accompanied by a lot more bureaucracy than Housing Benefit. A lot more seems to fall to landlords."

"I want to provide decent reasonably priced accommodation for people. I enjoy that."

"Increased direct communication on benefits and welfare system used by tenants - more case studies showing example of what each family type 'receives'."

"Being a landlord can be rewarding, knowing you provide a good safe home for others. As an investment I feel the government would like to stop small private landlords through taxes, therefore making other investments more attractive."

SECTION 14: Impact of BREXIT

Finally, we asked respondents what impact, if any, they thought the UK leaving the European Union would have on the demand for private rented accommodation from Non UK/Irish passport holders.

Almost half (49%) said they didn't know. The next two most common responses were that it would have *no impact* (these respondents did not comment further) and that it would result in *reduced demand*. Comments made by respondents included:

"I would assume that if freedom of movement in the EU is stopped then there will be less people from EU countries entitled to come to Northern Ireland. This will mean that there will be less Non UK/Irish Passport holders seeking accommodation."

"Possibility of reducing demand as these tenants move elsewhere."

"It may lessen demand as I think people may not find NI an attractive place to come to live or work if outside the EU."

"Negative. I am worried, as less EU nationals working in the UK and Northern Ireland will be bad for rentals. I think leaving will depress the economy overall and that means less people will rent - more adult children will stay at home with parents for example."

"Possibly a reduction in the short term, but I do not believe there will be a long term effect."

"I think there may be greater demand for rental property as I expect Brexit to have a very negative impact on the NI economy and therefore impact on peoples' ability to enter the property market."

"Do not feel that leaving the EU will affect the rental market to any great degree, perhaps slightly if Europeans working in NI decide to leave."

"There's already high demand for PRS accommodation from migrants. May go down after Brexit due to immigration rules changing, making it more difficult to live and work in the UK"

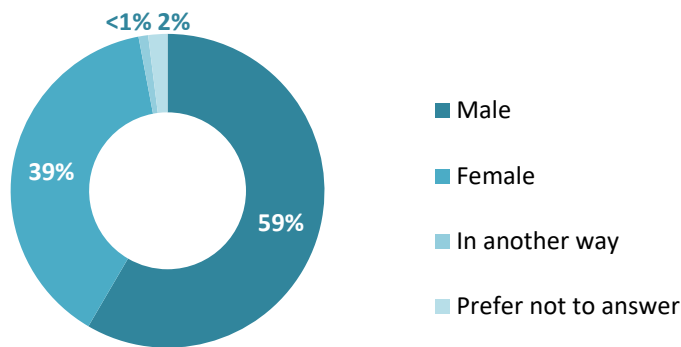
SECTION 15: Who are the Private Landlords?

(Appendix tables 15.1 – 15.20)

As part of the survey, we also collected some information to build a profile of private landlords.

15.1 Gender

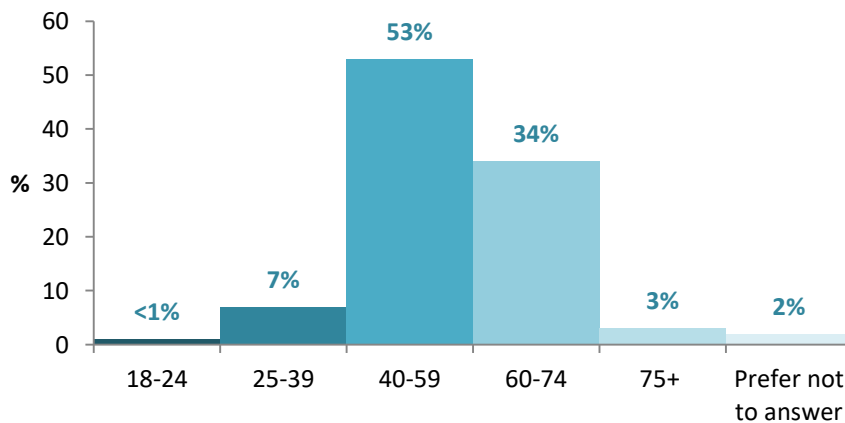
Figure 20: Landlord profile – which of the following describes how you think of yourself?



(Base: all respondents)

15.2 Age

Figure 21: Landlord profile - age band of respondents

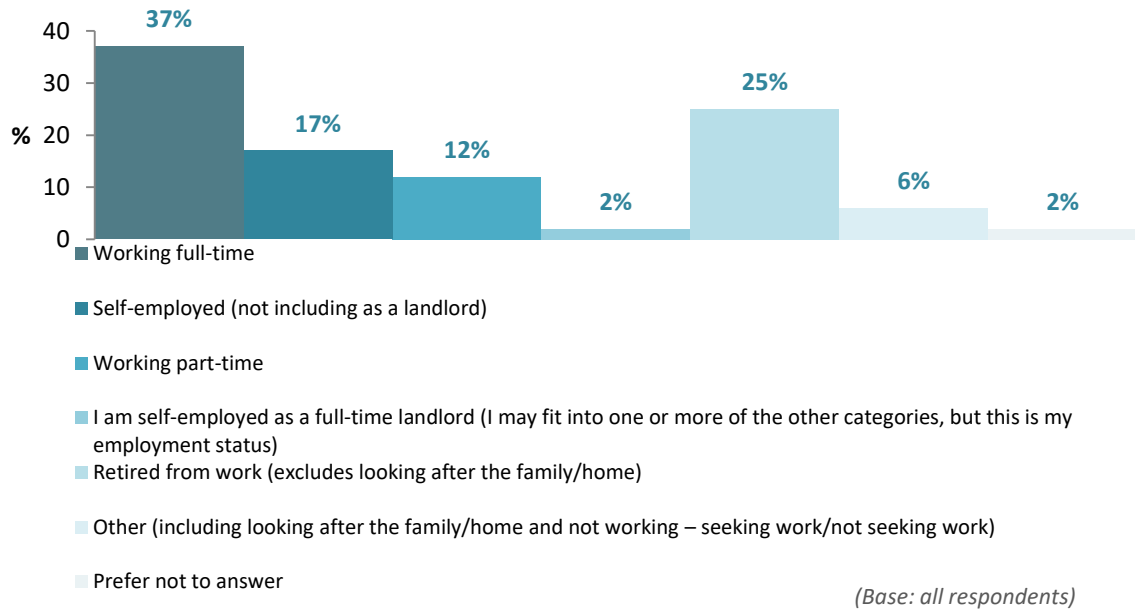


(Base: all respondents)

15.3 Employment status (aside from being a landlord)

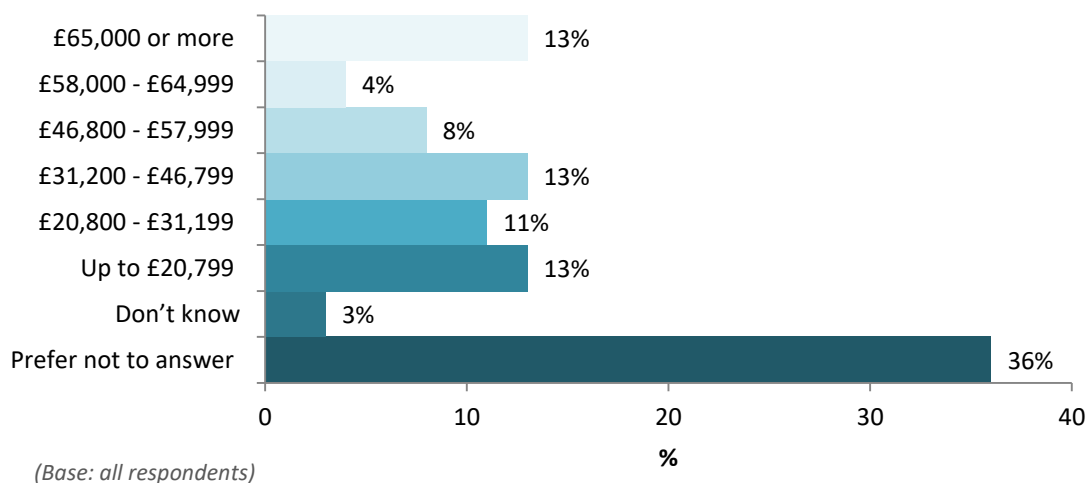
In total, 68% of landlords were employed⁵⁹ and one quarter (25%) were retired.

Figure 22: Landlord profile - employment status of respondents



15.4 Annual gross household income

Figure 23: Landlord profile - annual gross household income⁶⁰



⁵⁹ Due to rounding, the overall proportion of respondents classified as *employed* does not equal the sum of the relevant component categories.

⁶⁰ Respondents were asked: 'What is the total income before tax and other deductions of yourself and your partner (if applicable)? Please include all income from employment, benefits or other sources. Please exclude income from rental properties.'

Conclusion

The findings from this survey provide a valuable insight into the views and experiences of private landlords in Northern Ireland and are very timely, as the last survey of private landlords commissioned by the Housing Executive was carried out in 2009. The need for this research was highlighted by key stakeholders amidst a time of extensive changes to welfare provision in the UK.

An over-arching aim of this survey was to produce robust research findings that could be used by a wide range of stakeholders. Measures taken to fulfil this aim included obtaining the email addresses of private landlords from a variety of sources, and from some of the largest, and most reliable, databases available, employing the use of an online survey methodology so as to reach as many private landlords as possible and covering a wide range of topics within the survey to increase the usefulness of findings.

Findings from this survey re-emphasised the varying nature and experiences of private landlords. The findings support the widely held view that the Northern Ireland rental market is characterised by smaller landlords (76% of survey respondents owned one or two rental properties). Respondents were asked their main reason for becoming a landlord and were subsequently grouped into *Intentional* landlords, *Accidental* landlords and *Other*. Two-thirds were classified as *Intentional* landlords, with investment for pension and rental and capital return cited most often as the reasons for becoming a landlord. The findings show signs of a mature rental market, with almost three out of four respondents having been a landlord for 5 years or more and only 3% having become a landlord within the last year. The disparate nature, and possible experiences, of landlords was again emphasised when looking at how they managed their rental properties; three out of five managed these themselves, while 35% used a letting agent.

Security of tenure is often highlighted as a concern for private sector tenants. Encouragingly, two-thirds of respondents said they would be willing to offer tenancies, or continue to offer tenancies, of more than 12 months in the future, while 15% were not sure.

Affordability is important for both landlords and tenants. The findings from this survey revealed that while one-third of respondents owned their rental property/properties outright, a similar proportion said they do depend on rental income to cover their mortgage repayments on some or all of their properties, suggesting that financial imperatives are an important consideration for many private sector landlords.

Housing Benefit and the housing cost element of Universal Credit (UC) are also important components of affordability within the private rented sector. Two-fifths (40%) of respondents were currently letting to tenants in receipt of Housing Benefit, while around one sixth were letting to UC tenants. This reaffirms the critical role benefits play in sustaining the private rented sector and highlights the importance, for stakeholders and researchers, of monitoring the ongoing changes to the welfare system.

Around half of respondents were willing to let, or continue letting, to Housing Benefit (56%) and UC (48%) claimants during the next five years. A sizeable proportion, however, were either not sure or said they were not willing, with the most common reason given for this being a worry that the benefit would not cover the full rental charge or there would be greater risk of delayed or unpaid rent by tenants.

The programme of Welfare Reform is still ongoing and the numbers of people managed under UC regulations, as opposed to Housing Benefit, will continue to rise. While approximately half of respondents were willing to let to UC claimants during the next five years, the figure is lower in comparison to Housing Benefit. A cause for some concern was the fact that, while a relatively low proportion of respondents were letting to tenants in receipt of UC at the time of the survey, the proportion who said one (or more) of their tenants were currently in arrears was highest amongst the UC group (28% said one or more of their UC tenants were currently in arrears). In addition, findings from the survey revealed the level of awareness of welfare changes and the various aspects of UC were often quite low. This re-emphasises the importance of continuing to make information and advice about welfare reform available to landlords, to inform their decision-making about letting to and supporting these claimants.

The private rented sector is heavily impacted by developments in other sectors of the housing market and by the wider social, economic, financial and political environment. In a context of greater uncertainty than at any time in recent memory, and given the key role the sector plays as an alternative to social housing, it is crucial that private renting remains sustainable for both landlords and tenants. We hope these research findings will provide useful evidence to inform discussions and policy development.

User guide

Survey objectives

The objectives of the Survey were to explore the views and experiences of Northern Ireland private landlords in the following areas:⁶¹

1. Landlords' entry into the sector and their role as a landlord
2. Landlords' awareness of, and attitudes to, welfare changes
3. Where landlords seek advice/support
4. Looking to the future through examining topics including:
 - landlords attitudes to and experiences of letting to tenants in receipt of Housing Benefit and the housing cost element of Universal Credit
 - landlords most recent property letting to consider upfront charges for tenants and the return of deposits
 - future rental practices; including rent levels
 - landlord's personal financial circumstances and
 - changes to landlords portfolios and future intentions

Online methodology

An over-arching aim of the survey was to produce robust research findings that could be used by a wide range of stakeholders. The Housing Executive's Research Unit (Research Unit) wanted to capture the views and experiences of as many private landlords as possible by obtaining landlords' email addresses from a variety of sources to maximise the breadth and representativeness of landlords invited to take part in the research. More information on the groups of landlords contacted to take part in the research is provided in the '*Which landlords were contacted?*' section of this user guide. An online methodology was adopted as this was the most economical and efficient means by which to access a large number of respondents.

The Housing Executive appointed a contractor, Cognisense, to carry out the survey fieldwork as the Research Unit did not have the appropriate software at the time of the survey. The contractor also added independence to the research.

The questionnaire

The questionnaire was designed by the Research Unit in consultation with the Department for Communities (DfC) and the Housing Executive's Welfare Reform Project Team. Housing Rights NI provided invaluable guidance at the early stages of the questionnaire design. The Project Advisory Group, which included but was not limited to the bodies already mentioned, also provided feedback on the questionnaire. Cognisense reviewed the questionnaire to assess its suitability for an online survey and provided feedback to the Research Unit. This included a recommendation to randomise response options within questions, where possible, for individual respondents so as to avoid the possibility of the same responses being selected due to their position in the question. The

⁶¹ This list includes most, but not all, of the topics included in the survey questionnaire

questionnaire was scripted on the Computer Aided Personal Interviewing (CAPI) software package, Niposoft, which is fully compatible with SPSS V22.

Which landlords were contacted?

Crucial to the success of the research was obtaining the email addresses of Northern Ireland private landlords from a variety of sources and from the largest, and most reliable, databases available. As the strategic housing authority for Northern Ireland, the Housing Executive has a statutory responsibility to regularly examine housing conditions and need, and may also conduct or promote research into any matter relating to any of its functions. The Research Unit were therefore able to obtain the email addresses (where available) of:

- all private landlords registered with the Northern Ireland Landlord Registration Scheme
- those protecting tenants' deposits with TDS Northern Ireland and
- all private landlords on the Housing Executive's Housing Benefit system

The Research Unit drew on three different sources to ensure that the list of email addresses to which a survey invitation was sent was as large, robust and representative as possible. It should be noted that TDS Northern Ireland was approached as they are the largest of the three tenancy deposit scheme administrators in Northern Ireland.

The Research Unit received a data file from each of the three sources mentioned above. Each of the files was cleaned before the three files were merged to create a master data file, from which duplicate email addresses removed. (It was possible for an email address to be included in more than one of the original data files.)

The cleaning process for each individual data file included:

- Identifying and removing duplicate email addresses and
- Identifying and removing letting agents (if included in the file).

A set of rules were used to identify letting agents to ensure a consistent approach was adopted throughout.

Letting agents were removed, as far as possible, as the research aimed to gather the views and experiences of landlords themselves. The survey invitation which was sent to landlords from Cognisense, indicated that if they were a letting agent and would like to take part in research by the Housing Executive involving letting agents they should contact the Research Unit.

After merging the three data files and removing duplicates, the Research Unit provided Cognisense with 53,708 email addresses to allow them to carry out additional quality assurance. Cognisense identified a further 530 duplicates; therefore the final data file included 53,178 email addresses.

No further sampling method was employed for this survey. An initial target response rate of 10% was set.

Pilot Survey

Prior to finalising the questionnaire and scripted survey, a pilot survey was carried out with nine private landlords (the survey invitation was sent to two hundred landlords selected at random from the final list of email addresses being used in the research). Respondents were also given the opportunity to provide feedback on the survey. Following completion of the pilot survey, the Research Unit looked at, for example, where respondents may have dropped out of the survey, as

well as the data file produced, to identify any issues. Following the pilot, a few minor amendments were agreed before the main survey fieldwork began.

Fieldwork/Data collection

Prior to Cognisense sending out survey invitations, the Research Unit emailed all private landlords included in the final list of email addresses to inform them that they would soon receive an email from Cognisense inviting them to take part in the online survey. The aim was to validate the research and avoid landlords thinking the email was spam. The short email highlighted, for example, the prize draw (discussed later in this section), who Cognisense were, which landlords were being contacted, why the Housing Executive was conducting the research and that the Housing Executive wanted to hear from all types of landlords. It also asked landlords to check both their inbox and junk mail for their invitation.

The Research Unit provided Cognisense with an invitation to send out to private landlords. The invitation included, for example, the details mentioned above. Cognisense carried out a spam test on the invitation and it received a high score, indicating it would be likely to reach intended participants.

Cognisense issued the survey invitations in batches. Surveys were completed online by respondents. Three reminders were sent during the duration of the fieldwork to those who had not completed the survey. The overall survey fieldwork took place between 27 September 2019 and 14 December 2019. When fieldwork was complete, Cognisense confirmed it took on average 29 minutes for respondents to complete the survey.

Along with the assistance of the Project Advisory Group, the Survey was promoted on social media, through various newsletters and on organisational webpages. Promotional activity highlighted that if a private landlord had not received a survey invitation, but would like to take part in the research, they could contact the Housing Executive or Cognisense. The uptake for this was minimal.

An incentivised approach was used to enhance the survey response rate. Respondents were provided with the opportunity to enter into a Prize Draw to win one of fifty £50 Marks and Spencer vouchers.

Response rate

A response rate of three per cent was achieved for this survey. Table 21 provides an overview of the survey outcomes, commencing with the total number of contact email addresses in the final merged data file.

Table 21: Overview of survey outcomes

	Number	%
Number of email addresses in final data file	53,178	
Bounce backs received by Research Unit following pre-survey email	1,486	
Refusals received by Research Unit	42	
Number of email addresses to which survey was issued	51,650	
Further bounce backs received	213	
Landlord had only HMO properties (routed out of the survey)	85	
	51,352	100
Total number of refusals (<i>breakdown of refusals included below</i>)	2,789	5
Refusals received by Research Unit	12	
'I do not consent' selected at the start of the survey	114	
Unsubscribed	780	
Clicked on survey but left	1,340	
Partially completed survey	543	
Survey not opened	46,844	91
Successfully completed surveys	1,719	3

Percentages do not add to 100 due to rounding

Quality information

Survey Objectives and Questionnaire

The Research Unit worked closely with the client to agree the survey objectives and ensure the questionnaire met their needs.

Project Advisory Group

A Project Advisory Group was set up and representatives from the following organisations agreed to join staff from the Housing Executive's Research Unit, Welfare Reform Project Team and central Housing Benefit Unit:

- TDS Northern Ireland
- Department for Communities
- Housing Rights, Northern Ireland
- Chartered Institute of Housing, Northern Ireland
- Landlords Association for Northern Ireland

Email Addresses

Email addresses of private landlords with properties in Northern Ireland were obtained from the largest and most reliable databases available. The Research Unit drew on three different sources to ensure the list of email addresses to which a survey invitation was sent was as large, robust and representative as possible. While the Research Unit quality assured the list of email addresses, a final check was also carried out by Cognisense.

Software

The questionnaire was scripted on the Computer Aided Personal Interviewing (CAPI) software package, Niposoft. The software had a wealth of features to ensure data quality, including:

- The ability to create unique survey links; avoiding duplicate surveys being completed
- The ability to randomise response options to avoid repeat responses
- Built in logic checks to eliminate the potential of missing data
- The ability to identify surveys completed in an unusually short amount of time

Pilot

Prior to finalising the questionnaire and scripted survey, a pilot survey was carried out with nine private landlords. Following completion of the pilot survey, the Research Unit looked at, for example, where respondents may have dropped out of the survey and the data file produced, to identify any issues. A few minor amendments were agreed before the main survey fieldwork began.

Email from the Research Unit

Before fieldwork began, the Research Unit emailed all private landlords to inform them that they would soon receive an email from Cognisense inviting them to take part in the online survey. The aim was to validate the research and avoid landlords believing the email was spam. Cognisense also carried a spam test on the invite and it received a high score, indicating it would likely reach the intended participants.

Data

Although the use of CAPI minimised the risk of error, the Research Unit completed a series of quality assurance checks on the data. This included checks for missing data, inconsistencies and routing errors.

Report

The Research Unit completed quality assurance of the report and appendix tables. This included ensuring numbers were robust enough to report and suppressing small numbers.

Strengths and weaknesses

Strengths

- The Survey of Private Landlords provides data at Northern Ireland level, as well as by:
 - letting circumstances - how respondents managed their rental property/properties (i.e. if they managed them themselves or used a letting agent to manage them)
 - number of rental properties owned
 - reason for becoming a landlord
 - time as a landlord
- Extensive measures were taken to ensure the list of landlords invited to take part in the research was as robust and representative as possible.
- The quality checks built into CAPI reduced the risk of errors in the data
- Thorough quality assurance processes were in place at all stages of the Survey of Private Landlords to ensure that high quality data were produced.
- The survey findings fill an evidence gap identified by key stakeholders and the Survey provided private landlords with an opportunity to share their views and experiences.
- While the overall response rate is low, as is expected with online surveys, the number of completed surveys ensures findings are robust.

Weaknesses

- The Research Unit had not commissioned a survey of private landlords since 2009. Due to this time lapse and the topics required in the questionnaire to meet the survey objectives, the questionnaire was relatively long. While steps were taken to ensure only essential topics were included and the online software included necessary routing which would have reduced the time to complete the survey, it is possible that the length of the survey affected the response rate.
- The sources from which email addresses were obtained may have resulted in more *professional* landlords being included in the survey. This may have impacted the research findings.
- As was expected, the Research Unit received a considerable number of 'bounce backs' following the initial email sent to private landlords to let them know they would soon receive a survey invitation from Cognisense. These bounce backs indicated that delivery of the email sent by the Research Unit had not been possible. The relevant email addresses were removed from the overall data file and this, in turn, impacted on the number of invitations issued by Cognisense. It was also likely that the survey invitation, and email from the Research Unit, went into some landlords' junk mail, making it less likely to have been seen. Aware of this issue, the email from the Research Unit, and promotional activity, asked landlords to check both their inbox and junk mail for their survey invitation.
- The completed number of surveys was not large enough to provide robust data at Northern Ireland level or by subgroup on some of the issues that the survey sought to explore. In cases where numbers were too small to be robust, these have been suppressed in the appendix tables and guidance given to use caution when reporting proportions.

ABOUT THE HOUSING EXECUTIVE'S RESEARCH UNIT

As the strategic housing authority for Northern Ireland, the Housing Executive has a statutory responsibility to regularly examine housing conditions and need, and may also conduct or promote research into any matter relating to any of its functions.


The Housing Executive's research programme is drawn up in consultation with key internal and external clients and stakeholders. In keeping with the strategic and enabling role performed by the Housing Executive, the research programme looks at a range of issues including and beyond those relating to its landlord function, and seeks to inform data and evidence needs across all tenures. As such, the research programme comprises both surveys and analysis carried out in-house and commissioned work undertaken by independent experts and social/market research companies, where a larger fieldwork resource is required.

Research undertaken by, and for, the Housing Executive informs the organisation's corporate and business plans, provides an evidence base for decision making, assists in the evaluation and impact assessment of policies and strategies and feeds into broader collaboration with other research and housing organisations across the UK.

For more information on the Research Unit please visit:
<https://www.nihe.gov.uk/Working-With-Us/Research>

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