

Dorchester: Trapped in a rural idyll?

Renting privately in the Dorchester area

@WestDorsetCAB

Research for this chapter was conducted in Dorchester and the surrounding rural area. Dorchester is in Dorset, a predominantly rural county, with two relatively buoyant market towns (Dorchester and Sherborne). The area has a three-tiered local government structure; a Liberal Democrat controlled Town Council, and Conservative controlled County and District Councils. Dorchester and the surrounding rural area are controlled by West Dorset District Council. The district's population is 100,030 (in 2013), with an ageing population; 28.1% of West Dorset residents are over the age of 65 (compared to 17% across England and Wales as a whole)⁷².

House prices are above average (£261,715 in 2012), particularly when compared to average salaries (£18,590 in 2012)⁷³. This amounts to house prices being on average 13 times higher than average salaries, leaving a very marked gap in affordability. This has inevitably led to high rents in the district which are on average £729 per month⁷⁴. Unaffordability has become an ever more pressing issue in the wake of reductions in Local Housing Allowance rating to the 30th percentile. Research conducted by the Dorset Citizens Advice social policy campaign group in 2012/13⁷⁵ across Dorset found that the percentage of private rental properties available within Local Housing Allowance rates was worryingly small (see figure 20). For example, in the case of four-bedroomed homes, 98% of properties surveyed were found to be above the Local Housing Allowance rate.

Discrimination towards tenants in receipt of benefits also appeared to be a significant problem in Dorset. Research in Dorset in 2013 found a worryingly high percentage of advertisements for rental properties that explicitly stated 'no DSS' (see figure 20).

⁷² Dorset for You. 2013. 'Key facts on population'. <https://www.dorsetforyou.com/344863>

⁷³ National Housing Federation. 2013. *Home Truths 2013/14: Housing in the South West*. http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Home_Truths_South_West_2013-14.pdf

⁷⁴ National Housing Federation. 2014. *Broken Market, Broken Dreams: Home Truths 2014/15*. http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Home_Truths_2014_-_Broken_Market_Broken_Dreams.pdf

⁷⁵ Dorset Citizens Advice Social Policy Campaign Group. 2013. *A place to call home? An investigation into the availability and cost of rented accommodation in Dorset*. http://www.westdorsetcab.org.uk/pdf/a_place_to_call_home.pdf

Property size	Number of homes surveyed	Rent range	Average monthly LHA	Percentage no. of homes above LHA	Percentage stating 'no DSS' in advertisements
1 bed	238	£453-706	£491	81%	47%
2 bed	655	£565-906	£620	80%	23%
3 bed	520	£682-1174	£755	87%	19%
4 bed	140	£1031-1836	£1020	100%	38%

Figure 20: Availability of privately rented homes within LHA rates

Whether in receipt of Local Housing Allowance or not, it appears that renting in the District, and the County as a whole, is becoming an increasingly insurmountable and unaffordable task. This research sought to gain an understanding of the everyday lived experiences and consequences of three key issues in Dorchester's private rented sector; unaffordable rents, tenants' sense of insecurity and the impact of tenant discrimination.

Methodology

In order to gain an in-depth understanding of the impact of hard to access private rented accommodation on the everyday lives of tenants, our research method was qualitative, consisting of in-depth semi-structured interviews. We interviewed 14 participants in total;

- 11 private tenants renting in Dorchester and the surrounding rural areas, nine Assured Shorthold tenants, one lodger, and one winter let. Only two tenants did not receive any housing benefit. Two received the maximum amount and the others received some help with the rent. Rents tend to be high and seven of our participants were living in properties whose rents exceed the Local Housing Allowance rate.
- We also interviewed three lettings agents in the area. Two dealt with lettings only, and the other a mixture of sales and lettings, with lettings accounting for around 30% of business.

Interviewing lettings agents as well as tenants gave us a deeper and more multi-faceted understanding of the problems associated with private renting in the area.

Findings

Affordability

All three agents said there was a shortage of properties to rent, with all commenting that rents are high in relation to local income because of this lack of availability.

Many of the tenants interviewed said they were struggling financially, with four stating that they often have to choose between heating their homes or eating properly when times are particularly hard. Participants mentioned several other coping strategies in the face of high rents, including careful budgeting and prioritising rent payment over all other costs in order to avoid eviction, borrowing money from both family and payday lenders, and in the case of one participant, turning to a local food bank for support.

However, the lack of affordability in the Dorchester private rented sector was a consistent concern expressed throughout our research not only in terms of the cost of rent itself, but also in terms of deposits, fees and other start-up costs demanded of tenants.

One of the lettings agents interviewed informed us that landlords are asked for a fee of between £300 – 500 to register with the agent. Particularly as most landlords in and around Dorchester are 'hobby landlords' with one or two properties and therefore do not necessarily have a substantial income, the fees charged to landlords by the lettings agents are inevitably passed on to the tenant in the form of increased rents.

All three lettings agents interviewed said that they also charge administration fees to tenants, including credit reference checks of around £180. One lettings agent charges a holding fee of one month's rent which will be used as rent in advance if the tenancy is confirmed. These fees are non-refundable. If progressing, two agents ask for six weeks' rent as a deposit and one month's rent in advance. The other asks for three months' rent in advance which includes the deposit. Some charge other fees such as an additional amount for a guarantor, preparing an inventory, a renewal fee or a termination check. One agent said most tenants would need to find at least £1,500 before securing a tenancy, and often considerably more.

When asked if they were worried about the number of people unlikely to be able to find this amount of money, two replied that was *"just the way it was"*. The third lettings agent said he was worried that the cost of fees would put people off, and that he did not put details of the fees on his website in order to encourage people to use his agency.

Managing these costs was a huge difficulty for many of the participants interviewed. All those who had moved into new private tenancies recently said that

they had had a lot of difficulty finding the money for the deposit and advance rent costs. Many had borrowed money in order to pay for this, either from family or payday lenders. One tenant, Gloria, coming to the end of a six month fixed-term tenancy and who is disabled with severe arthritis said:

“The whole experience has been a nightmare. We moved here from Essex six months ago for my husband’s work. The landlord insisted on the full six months’ rent being paid in advance and £1,200 deposit. We had to take out a bank loan of £5,000 to manage this and all of my PIP payments of £500pm goes towards the rent. We have now been told the tenancy will not be renewed because the landlord wants to use the house himself. We are desperately looking for another tenancy but are not sure how we will manage the deposit and rent in advance before the other deposit is returned. We are both very stressed”.

This lack of affordability in the private rented sector is clearly a huge issue in the Dorchester area. The unaffordability is twofold; firstly, there are not enough rental properties in the area and therefore landlords can charge higher rents. Secondly, the initial costs of moving into a private rented property, namely deposits and lettings agent fees, are unmanageable for many, with the majority of our participants having to borrow money to meet these costs.

Security

A second key theme we encountered during our research was a lack of perceived security in a privately rented home. Fear of eviction was a key area of concern, especially among those tenants who were struggling financially. One tenant Marie, a single mother who had come to this area fleeing an abusive relationship said *“I make sure the rent is the first thing I pay every month. I know [if I were evicted] I could never find another property in Dorchester which I can afford and be near my parents”.*

Due to this constant sense of insecurity in her property, Marie has not asked her landlord to fix the damp or inadequate heating in the property in case he decided she was a difficult tenant and evicted her. Indeed, not complaining about poor quality accommodation for fear of retaliatory eviction was mentioned by around half of the tenants we interviewed.

Another participant, Steve, a tenant who had rented the same house since 1994, told us that he had just been given notice of possession. His landlord had died and the property had passed to his daughter who wanted to sell it. He had asked her if she would sell it to him with a small discount on the market price in recognition of the rent he has paid over twenty years. His family would have lent him the money for this, but she refused. He found the imminent eviction extremely distressing and felt it was highly unfair that he had no control or rights in the decision to sell his home of 20 years. *“It cannot be right that I can just be evicted after 20 years having been a good tenant and always paid my rent on time”.*

Another tenant, Sally, has had to move several times. She is on a low income, and when her daughter moved out her home became unaffordable under the new Local Housing Allowance rates, meaning that she had little choice but to move into

a cheaper property. However, after six months in a new property her landlord decided to sell, forcing her to move again. She made a homeless application to the local authority, and was advised not to move out before the eviction date. She thought this was an unfair added stress in a time of high insecurity for her, commenting that, *"I think it is very unfair that we must stay until evicted before being considered homeless. This has added court fees which we cannot afford"*.

We asked the lettings agent participants if they felt that landlords would consider granting tenants longer tenancies, perhaps after an initial six months. Two felt it was unlikely – they said most landlords were using letting as an investment and wanted to be able to sell the property reasonably quickly when they needed to. The third agreed this was true in most cases but felt some, possibly farmers or those with more than one property, might be willing to consider it, as there were often financial and convenience advantages in not having frequent changes of tenants.

Discrimination

The third and final key theme that emerged from the research was around the discrimination against particular tenants that means access to the private rented sector for some groups is even more difficult.

One of these groups are tenants in receipt of benefits. Many landlords and lettings agents continue to discriminate with 'no DSS' advertisements. In 2013, Dorset Citizens Advice Social Policy Campaign Group found an average of 31.75% (around a third) out of a total 1,553 advertised properties surveyed explicitly stated 'no DSS' (see figure 20). This is very much in line with the consistent cases of discrimination against clients in receipt of benefits that we see in our gateway and advice sessions at Dorchester, Sherborne and District Citizens Advice. Below are some examples found by our research team of private rental advertisements;

An extremely spacious 2nd floor flat close to the centre of Dorchester. The accommodation is comprised of communal entrance hall and stairs to 2nd floor; front door to large entrance hall; modern fitted kitchen diner with washing machine, fridge freezer and cooker; spacious lounge diner; 2 double bedrooms; shower room with separate WC with wash hand basin. Regret no LHA, pets, smokers or children'.

[Advert in local newspaper]

'A beautifully presented and extremely spacious first floor flat with well-maintained communal gardens to the rear. The flat is located in on the border of Dorchester providing easy access to both... The flat is double glazed and has gas central heating.

Small balcony accessed from the communal landing and external storage shed. Regret no pets, smokers, children or LHA'

[Advert in local newspaper]

When we discussed this issue with our lettings agent participants, all three said that many landlords do explicitly stipulate that they do not want benefit claimants living in their properties, and that they are all likely to ask for a guarantor for people on benefits or low income. One lettings agent said he does actively try to persuade landlords to consider these tenants if they have good references. Another said that he did have some landlords who would take people claiming benefits, and often advises clients to look at the rent in advance and deposit bond available from the Council where appropriate in order to increase the likelihood of landlords accepting them as tenants.

Another less researched and discussed group that we found to be discriminated against when trying to access the private rented sector were pet owners. One participant, Elaine, told us that because they had a dog, the choice of housing that she and her family had in the area was instantly severely reduced, and meant that in the end they had no choice but to rent a house above their budget; *"We needed to find somewhere to live quickly and the only place we could find which would accept dogs was more expensive than we could really afford at £800pm"*.

Clearly, the difficulties of accessing a home in the private rented sector are all the more pronounced for particular 'hard to place' groups – such discrimination in the private rented sector must be addressed.

Conclusion

This research has confirmed that private renting in Dorchester and the surrounding rural area is problematic, with tenants facing a variety of problems in accessing and remaining in private rented properties. The chapter revealed three key areas of concern; firstly, issues around affordability both in terms of rent costs, and the cost of initial expected spending on deposits and lettings agent fees. The second key issue revealed a deep concern from tenants around the security of their tenure. Many participants felt completely insecure, and often this led to them not complaining about poor quality accommodation through a fear of retaliatory eviction. The final issue highlighted was that of an inherent discrimination



Dorchester
Citizens Advice
research
uncovered that
1 in 3 lettings
agent adverts in
Dorset explicitly
state 'no DSS'

against particular types of tenant, particularly tenants in receipt of benefits and pet owners.

These issues are clearly not easily resolved, particularly as limited stock and high property prices inevitably lead to high rents in a County where average wages are unable to keep up with housing costs. However, measures are beginning to be taken to improve the situation. On a national level, the Deregulation Act 2015 includes provisions that make retaliatory evictions illegal. We hope that this will have a marked effect on private tenant's sense of security in their homes.

On a local level, we were encouraged by some of the actions being taken by one of the lettings agents we interviewed, who said that he is taking active steps to find more properties in the area, by for example working with local farmers who may have empty cottages that could be rented out. He said that he is also encouraging landlords not to automatically exclude benefit claimants, and is making sure to make tenants and landlords alike aware of local authority bond schemes that will aid affordability and access in the sector.

Although the actions and intentions of a few landlords is a small start to improving the private rented sector in the Dorchester area, it is a start nonetheless, and we hope that similar attitudes will develop as a consequence among other lettings agents and landlords. We hope that this growing enthusiasm for improving rights for private renters will continue and will result in a marked increase in affordability and security, and a decrease in discrimination for all private renters in the Dorchester area.