Housing Hand expects little help for middle-aged renters from new Housing Minister

28th February 2020

- Middle-aged people are 3x more likely to rent than 20 years ago
- 19 Housing Ministers in 21 years provides little impetus for real change
- Older renters and 2 million freelancers both increasingly need for rent guarantor services

The Office for National Statistics (ONS) reports that people in their mid-30s to mid-40s are three times more likely to be renting than those in the same age group were 20 years ago. Of these middle-aged renters, a third were renting privately in 2017, up from just one in ten in 1997.

UK rent guarantor service Housing Hand has flagged this up as a concern, both in respect of those trapped in the rental sector at present and in relation to their outlook as they age.

"We're seeing the age of the average renter change as it becomes harder to get onto the housing ladder. There's been a marked change in the number of those renting later into life over the past two decades. What does this mean for those renters as they get older? At the same time, the number of young people who own their own home is dropping, so the number of older renters will continue to swell."

Jeremy Robinson, Group Managing Director, Housing Hand

The ONS figures show that half of people in their mid-30s to mid-40s had a mortgage in 2017, down from two thirds back in 1997. Combine this with the rise of freelancing in the UK (the country is now home to two million freelancers) and it's easy to see why there's a growing demand for rent guarantor services.

Housing Hand has been providing rent guarantor services for working professionals for seven years. The company steps in to provide an affordable solution where the renter would otherwise need to pay rent upfront to secure the property.

"For many working professionals, the nature of their work has shifted from fulltime employment to freelancing. Private landlords may shy away from freelancers due to the potential instability of their income or else ask them to pay several months' worth of rent upfront. Rent guarantor services exist to help the tenant avoid such an onerous condition while also providing the landlord with the assurance they are seeking in terms of the rent being paid on time."

Jeremy Robinson, Group Managing Director, Housing Hand
In theory, the new Housing Minister, Christopher Pincher, who replaced Esther McVey during the February 2020 Cabinet reshuffle, has it in his purview to tackle the difficulties faced by middle-aged and older renters. However, not everyone has faith that this will be a priority.

The fact that there have been 19 Housing Ministers in the last 21 years means that none of those appointed have had the time to fully understand, consult, implement changes and then monitor their effects fully. It means that Pincher, whose tenure will no doubt be as short-lived as those of his 18 predecessors, will have little chance to improve the current situation.

“The housing market is incredibly complex. Without sufficient time to analyse and understand its complexities, Housing Ministers are forced to make knee-jerk, headline-hitting decisions, which they then don’t take ownership of because they’re usually replaced by the time their ideas have been fully implemented. It’s unlikely that a long-term solution to the increase in the number of middle-aged and older renters will be found under such conditions.”

Jeremy Robinson, Group Managing Director, Housing Hand

Nor is it necessarily in the government's interest to move people out of the private rented sector. Some of the tenants that Housing Hand has worked with are paying as much as 70% of their income on rent. Consider that in some circumstances over 40% of that rent goes to the government as tax, the combined tax income is astonishing.

The company gives an example of a tenant earning £2,000 per month and paying a monthly rent of £800. The combined landlord and tenant tax income comes to £1,253 per month. How much enthusiasm exists to mend the broken housing market in such circumstances is certainly open to speculation. As such, it falls to companies like Housing Hand to plug the gaps and support those looking to rent later into life.

For more information, please contact Housing Hand today on +44 (0) 207 205 2625 or visit https://www.housinghand.co.uk/

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