Bidding Wars

Young People Outbid on a Place to Live

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Young People. Hard Times. Bright Futures.

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Introduction

- Renting is the only option for most young people
- Shortage of rentals means fierce competition for limited places
- Landlords invite bids to rent their properties
- Young people can’t compete and struggle to find a home

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Introduction

- How has this situation come about?
- What does it mean for young people?
- How can it be addressed?

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A Shrinking Rental Market

Rental market has shrunk because:

- Recent legislation puts more onus on landlords
- Landlords selling up during Covid
- High house prices makes selling up attractive
- Rise of shorter-term lets, e.g. AirBnB

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Competing for a place to live

- Places no longer allocated on first-come-first-served
- Potential tenants asked to bid on places
- Advertised rents a starting point for bidding
- A new phenomenon of “bidding wars”

Case Study

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Young People Particularly Impacted

- Young people have less ability to pay
- Less experience with the housing market
- Subject to discrimination
- Already face barriers and disadvantaged
- Statutory support ends at 18

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Diminished Role of References

- Tenants no longer pay for referencing
- Landlords don’t want to pay to reference multiple applicants
- Offer the place then ask for references
- References no longer factor into decision-making

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Levelling the Playing Field

We wrote to Michael Grove MP,
Minister for Levelling Up

The response:

"It is for landlords and tenants to agree the amount of rent that should be charged and how much should be paid in advance, according to individual circumstances. With regards to bidding in the Private Rented Sector, we expect all letting agents and landlords to behave professionally and responsibly in advertising rents."

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Levelling the Playing Field

18+ Support at Step by Step

- Supported Lodgings places extended beyond 18
- Funded by fundraising
- More time to find move on accommodation, finish studies etc

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Levelling the Playing Field

Long term solution:

Increase availability of affordable rental housing

Shorter term solution:

A ban on rental bidding, as recently done in New Zealand

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Levelling the Playing Field

What can you do?

- Raise awareness of the issue
- Share articles and reports on social media
- Write to your MPs

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Case Study

18+ What we have achieved at Step by Step

Thank you for listening

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