

Research Briefing

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Private rented housing: the rent control debate



Summary

- 1 Rent setting: an overview of current provisions
- 2 A renewed focus on rent levels
- 3 Rent control: the debate
- 4 Policy developments in the UK
- 5 Some international comparisons

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Summary

Private tenants spend more of their income on rent

The private rented sector (PRS) overtook social housing as the UK's second largest tenure in 2011-12. An estimated 4.4 million households rent privately (around 19% of all households) according to the [English Housing Survey 2020-21](#). On average, the survey found private renters spend a higher proportion of their income on rent than households in other tenures.

The white paper, [A fairer private rented sector](#) (June 2022) acknowledged cost of living pressures from rent increases:

We understand the pressures people are facing with the cost of living, and that paying rent is likely to be a tenant's biggest monthly expense.

Rent deregulation after 1989

After 1989, PRS rents in most of the UK were deregulated on newly created tenancies. To date, this has remained the case in England and Wales, but different approaches have been adopted in Scotland and Northern Ireland. More reform is on the agenda which will lead to more divergent approaches across the UK (see section 4).

Rent deregulation is attributed with contributing to the growth of the PRS after 1989. Other factors include the removal of long-term security of tenure and the availability of buy-to-let mortgages.

Despite claims that Housing Benefit would “take the strain” of increased rent levels following deregulation, in 2010 the Coalition Government identified a need to address growth in Housing Benefit (HB) expenditure. UK Governments since 2010 have sought to reduce HB spending by limiting and freezing [Local Housing Allowance \(LHA\) rates](#). In their [2018 report on 'The evolving private rented sector'](#) (PDF), Rugg and Rhodes said the LHA “constitutes an increasingly stringent mix of both first and second generation rent control.”

Affordability and limits to the rent safety net have resulted in rent control returning to the political agenda. In the main, debate has focused on rent regulation during the term of a tenancy, rather than controls to restrict rent levels at the outset of a tenancy.

More predictable rent increases in England

The UK Government does not support rent controls [but is committed to legislate to ensure more predictable rent increases](#) by:

- Only allowing rent increases once per year.
- Increasing the minimum notice landlords must give of a rent increase to two months.
- Ending the use of rent review clauses in tenancy agreements.
- Preventing First-Tier Tribunals increasing the rent beyond that asked for by the landlord.

The [Queens Speech 2022](#) confirmed a Renters Reform Bill would be introduced in the 2022-23 parliamentary session. On 17 October 2022, Simon Clarke, the then Secretary of State for Department for Levelling Up, Housing and Communities (DLUHC) said “[I can confirm that we will introduce the rental reform Bill in the course of this Parliament.](#)” This may mark a shift from introducing the Bill in the 2022-23 parliamentary session.

Opposing views on rent regulation

The housing charity, Shelter, has argued for a “[stable rental contract](#)” of five years during which annual rent increases would be index-linked, for example to the Consumer Price Index (CPI). The campaigning organisation, Generation Rent, would go further and has referred to setting a maximum rent based on Council Tax bands “[with a monthly maximum rent amounting to half of the annual council tax band for a home.](#)”

There’s substantial opposition amongst landlords, both individuals and institutional investors and their representative bodies, to interventions which would restrict rents at the start of, and during the term, of a tenancy. It’s argued market intervention would lead to landlords withdrawing investment, both in terms of new supply and the upkeep of existing stock.

Emeritus Professor Christine Whitehead and Peter Williams, in [Assessing the evidence on Rent Control from an International Perspective](#) (PDF, October 2018) concluded the impact of rent control would depend on its form and economic context and on the nature of the welfare system in place. They said:

The focus for reform should be on putting in place a system which allows indefinite tenancies, and which imposes a degree of rent stabilisation alongside a much better enforcement system which tackles both poor landlords and tenants.

International comparisons

Comparisons are frequently drawn with different rent regulation regimes operated elsewhere in Europe. When seeking to learn lessons from alternative regimes it's important to bear in mind the UK PRS is not directly comparable to that in, for example, France, Germany and Switzerland, where a much greater proportion of the population sees private renting as the 'normal' tenure choice.

The Library briefing paper: [A short history of rent control](#) contains information on the history of rent control in the UK.

1 Rent setting: an overview of current provisions

Britain put in place measures to limit the initial rent landlords could charge, as well as any subsequent increases, in response to housing shortages during and after both World Wars. The Library paper, [A short history of rent control](#), contains more detail on the history of rent control in the UK.

Housing policy is devolved and different approaches to rent regulation in the private rented sector have been adopted by some of the devolved nations.

Section 4 of this paper covers ongoing policy developments in relation to rent controls and regulation across the UK. The sections below set out the current rules.

1.1 England post-1989 deregulation of rents

Since January 1989, when Part I of the Housing Act 1988 came into force, most new private lettings have been either [assured or assured shorthold tenancies](#) on which market rents can be charged.

Prior to this, private sector tenancies were generally covered by the Rent Act 1977 and were subject to 'fair' or 'registered' rents set by independent rent officers.¹ These tenancies are 'dying on the vine' as new tenancies under the 1977 Act cannot be created.²

The Housing Act 1980 was the Conservative Government's first attempt to deregulate the private rented sector (PRS). Shorthold tenancies introduced by the Act were designed to encourage investment in the PRS by making it easier for landlords to regain possession at the end of a fixed-term of between one and five years, or after six months from the start of the tenancy.³

The measure was largely unsuccessful as shorthold tenancies failed to take-off. [The Housing Act 1988](#) replaced the 1980 Act's provisions in respect of shorthold tenancies and made more substantial changes, including the

¹ This work now sits with the Valuation Office Agency.

² For information about rent controls applying to regulated (protected) tenancies under the Rent Act 1977 see Library paper: [The Fair Rents Regime](#).

³ Initially, under a shorthold tenancy rents had to be registered as 'fair', however, this requirement ceased to apply to all shorthold tenancies by 1987. Kemp P, *Private Renting in Transition*, 2004, p52

deregulation of rents for new lettings and the introduction of assured tenancies.

Assured shorthold tenants have a limited right to challenge rent levels and increases. Section 22 of the Housing Act 1988 gives assured shorthold tenants the right to [refer the rent to the First-tier Tribunal \(Property Chamber\)](#) for an assessment as to whether it is 'excessive'. Only one application can be made. For assured shorthold tenancies (ASTs) created on or after 28 February 1997, a referral cannot be made once the tenant has been in the property for more than six months.

If a tenancy agreement does not contain a rent review clause, or if the clause no longer has effect,⁴ a landlord can use a section 13 notice to increase the rent on a periodic AST subject to certain limitations. The tenant can refer the increase to the First-tier Tribunal (Property Chamber) within the notice period. The Tribunal determines a market rent for the property, ie the rent which could reasonably be expected to be obtained in the open market for a similar property let on similar terms.

Shelter published a two-part blog in 2018 which explains tenants' rights to challenge rent increases and why they are little used.⁵ Essentially, Shelter concludes "rent regulation without greater security of tenure is very difficult to enforce."⁶

1.2

Scotland

Under the Housing (Scotland) Act 1988 most private sector tenancies were short assured tenancies. These tenancies had to have a minimum duration of six months. Market rents could be charged.

The Private Housing (Tenancies) (Scotland) Act 2016 introduced a new tenancy regime from 1 December 2017. Since this date, new tenancies created are private residential tenancies.

Private residential tenancies are open-ended. There is no 'no-fault' ground for possession equivalent to the notice which could be given under section 33 of the Housing (Scotland) Act 1988 (the equivalent of section 21 notices in England).

If the landlord of a private residential tenancy wants to increase the rent, they must give the tenant at least three months' written notice. The notice must be

⁴ This will arise where the fixed term of the tenancy has ended and the tenant remains in occupation as a periodic tenant.

⁵ Shelter Blog: [Rent control you've never heard of \(part 1\)](#), 15 February 2018; [Rent control you've never heard of \(part 2\)](#), 16 February 2018. [accessed 18 October 2022]

⁶ As above.

in the prescribed form: [landlord's rent-increase notice to tenant\(s\)](#). Landlords are limited to one rent increase in each 12 months.

The 2016 Act allows local authorities to apply to Scottish Ministers to have an area designated as a rent pressure zone (RPZ) if they can prove:

- rents in the area are rising too much;
- the rent rises are causing problems for tenants; and
- the local council is coming under pressure to provide housing or subsidise the cost of housing as a result.

Where the case is made out, Scottish Ministers can lay regulations providing for a RPZ before the Scottish Parliament. RPZs only apply rent limits to private residential tenancies - rent increases for tenants with short assured or assured tenancies are not affected. No rent pressure zones have been introduced to date - this has been attributed to a lack of data.⁷

Private residential tenants unhappy with a proposed rent increase can also refer the case to a rent officer for adjudication (provided the property is not in a rent pressure zone).

The Scottish Government has observed “very few people have requested a rent adjudication” with only 89 applications between 1 December 2017 and 30 November 2021.⁸

1.3

Wales

Currently, as in England, most private sector tenancies in Wales are assured shorthold tenancies. The Renting Homes (Wales) Act 2016, when the relevant sections are brought into force,⁹ will introduce a new legal framework for renting a home in Wales. Rent control is not part of this regime.

1.4

Northern Ireland

Until 1978 all private sector rents in Northern Ireland were controlled. Sector-wide rent control was removed in 1978 except for rents on protected and statutory tenancies which remain controlled.

In April 2007, additional rent control was introduced. For all tenancies commencing after this date and where the property was built before 1945 and does not meet the statutory fitness standard, the rent is determined by the

⁷ Scottish Government, [A New Deal for Tenants - draft strategy: consultation](#), December 2021

⁸ Scottish Government, [A New Deal for Tenants - draft strategy: consultation](#), December 2021

⁹ Currently set for 1 December 2022.

Rent Officer for Northern Ireland. The rent for these properties remains controlled until the property is made fit.¹⁰

¹⁰ See: [Rent control | nidirect](#)

2 A renewed focus on rent levels

2.1 PRS and rent trends

According to the [English Housing Survey 2020-21](#), around 4.4 million households rent privately in England. This accounts for 19% of England's households and is larger than the social rented sector at 17% but smaller than owner occupation (65%).¹¹

On average, the survey found private renters spend a higher proportion of their income on rent than households in other tenures:

- In 2020-21, on average, private renters spent 31% of their income (including housing support) on rent. This figure was higher than for mortgagors (18%) and for social renters (27%).
- This proportion was higher for private renters in receipt of housing support who, on average, spent 41% of their household income on rent. When housing support was excluded, the proportion increased to 64% of their income. This is higher than the proportion spent by social renters in receipt of housing support (30%, respectively 45% when the housing support is excluded).¹²

The [Resolution Foundation's Housing Outlook Q3 2022](#) (September 2022) "reflects on the short- and long-term challenges facing the 4.4 million private renting households in England today."¹³ The Foundation recorded PRS rents on new tenancies in England as having increased by more than 10% over the last year. Those increases are "now feeding through into broader measures of rent":

On average, across all new and existing tenancies, private rents are now rising around twice as fast as they were between 2018 and 2021. This would be easier for families to manage if private rents were low to begin, but we find this is very much not the case. The average housing cost to income ratio (HCIR) for private renters in England rose from 10 per cent in the 1960s to 33 per cent in the mid-1990s, and has remained at this elevated level ever since. The rent burden is particularly acute for low-income families, who on average spent more than half of their income on housing costs in 2020-21 (albeit before housing support from the state is taken into account).¹⁴

¹¹ DLUHC, [English Housing Survey 2020-21](#), 7 July 2022, p4

¹² As above, p5

¹³ Resolution Foundation, [Housing Outlook Q3](#), 17 September 2022

¹⁴ As above.

The Office of National Statistics (ONS) Index of Private Housing Rental Prices UK (September 2022) shows that across the UK private rents have increased sharply over the past 12 months. This compares with annual growth of around 1 and 2% since 2018:

- Private rental prices paid by tenants in the UK rose by 3.6% in the 12 months to September 2022, up from 3.4% in the 12 months to August 2022.
- Private rental prices grew by 3.6% in England, 2.7% in Wales and 3.9% in Scotland in the 12 months to September 2022.
- The East Midlands saw the highest annual growth in private rental prices (4.7%), while London saw the lowest (2.8%).¹⁵

Rent increases in the PRS are attributed to increases in demand. The ONS notes “Given the excess of demand over supply, rental prices are expected to rise further.”¹⁶ Some estate agents and property companies such as Zoopla, Rightmove and HomeLet [have reported higher annual rent price increases](#). In September 2022, Rightmove and HomeLet reported growth of 12.3% and 9.2% respectively while Zoopla reported annual growth at 12.3% in July 2022.¹⁷

2.2

Housing Benefit: de facto rent control?

When the Housing Act 1988 deregulated private sector rent levels for new tenancies created after 15 January 1989 (England and Wales), a likely outcome was identified as an increase in expenditure on Housing Benefit. Then-Minister for Housing, Sir George Young, responded to concerns about increased rent levels in all tenures with reassurances that Housing Benefit “would take the strain”:

Mr. Soley: Tenants of housing associations, councils and the private sector face a disgraceful position. Did not rents in the housing association sector go up by about 25 per cent. the other year? Is not it also true that council rents will go up dramatically in the next couple of weeks and that private sector rents are out of the reach of many people? In those three examples housing benefit does not meet the needs of many people, particularly pensioners with small occupational pensions. What will the Government do about rents that are increasingly unaffordable in a rented sector has suffered a collapse, with the loss of 1.5 million properties in the past 10 years? There must be an answer that produces affordable rents in affordable properties.

Sir George Young: I do not accept the premise on which the hon. Gentleman based his question. Housing benefit will underpin market rents- we have made that absolutely clear. If people cannot afford to pay that market rent, housing benefit will take the strain.¹⁸

¹⁵ ONS, [Index of Private Housing Rental Prices, UK](#), September 2022, released on 19 October 2022

¹⁶ As above.

¹⁷ As above.

¹⁸ [HC Deb 30 January 1991 cc939-40](#)

After coming into power in 2010, the Coalition Government announced a package of welfare reforms aimed at reducing public expenditure as part of its deficit reduction programme. Housing Benefit was targeted as a key area for reform.

In 2013, the Department for Work and Pensions (DWP) released an analysis of the impact of rent growth on Housing Benefit expenditure. On private sector rents, the analysis found:

...that the average eligible private sector rent for Housing Benefit (HB) increased by 45% in real terms between 2000/01 and 2010/11. An estimated £2.9 billion (33%) of private sector HB expenditure in 2010/11 can be attributed to real terms rent growth over the previous ten years.¹⁹

Most tenants who are reliant on benefit assistance to meet their rent payments in the deregulated private rented sector²⁰ receive the Local Housing Allowance (LHA). The LHA is a flat rate payment based on the number of bedrooms a claimant is deemed to require within a Broad Rental Market Area. The amount of LHA received depends on an individual's personal circumstances – it is a means tested benefit.²¹

The default arrangement is that LHA is paid direct to claimants rather than their landlords. After its introduction in 2008, there was evidence to suggest that direct payment to claimants resulted in increased rent arrears (and evictions) of private sector tenants.²²

In 2011, as part of the Coalition's package of welfare reform, the Government changed the basis on which LHA rates were calculated from the 50th percentile of market rents to the 30th percentile alongside the introduction of national caps. The uprating of LHA rates was restricted in 2014 and 2015.

The 2015 Conservative Government froze LHA rates with effect from April 2016 for four years.²³ Several local authorities identified the disparity between LHA rates and actual rent levels as a significant contributor to the ending of private sector tenancies and resultant homelessness. This issue was raised during evidence sessions for the [Communities and Local Government \(CLG\) Select Committee's 2016-17 inquiry into homelessness](#) (PDF):

Cambridgeshire District Council for example highlighted that "A significant barrier to accessing the private rented sector is the difference between LHA rates and typical rent levels. Typically rents are at least £250pcm more than the LHA rates across all property sizes, making the private rented sector unaffordable for those on a low income." Westminster City Council has the largest private rented sector in England with very high rents, and there is a

¹⁹ DWP, [Impact of rent growth on Housing Benefit expenditure](#), (PDF) 2013

²⁰ Refers to tenancies created after Part 1 of the Housing Act 1988 came into force on 15 January 1989.

²¹ Claimants renting in the PRS who are in receipt of Universal Credit will generally receive an element to cover all or part of their rent liability. The LHA provisions apply within Universal Credit.

²² DWP, [The Local Authority Omnibus Survey – Wave 2Q](#), August 2010

²³ There was some provision for uplift in areas with the most expensive rents (Targeted Affordability Funding).

£536.54 disparity between the average weekly rent of a three bedroom home and the capped LHA rate.²⁴

Other Housing Benefit measures which have impacted on claimants in the private rented sector include:

- An extension of the Shared Accommodation Rate (SAR). Since January 2012 most single people under the age of 35 have been restricted to the LHA rate for a room in a shared house. The SAR previously applied to those under 25 years of age.
- The household Benefit Cap was reduced from £26,000 to £23,000 in London and £20,000 elsewhere from 7 November 2016.²⁵
- Entitlement to the housing element of Universal Credit was removed for new claimants aged between 18 and 21 (with some exemptions) after 1 April 2017. Entitlement was reinstated with effect from 31 December 2018.

LHA rates were updated in April 2020 in response to the Covid-19 outbreak:

I'm announcing today nearly £1bn pounds of support for renters by increasing the generosity of housing benefit and Universal Credit, so that the local housing allowance will cover at least 30% of market rents in your area.²⁶

Even after this increase, the LHA caps still applied at a lower level than the 30th percentile for 15 of the 30 LHA rates in central and inner London. On 25 November 2020, the Government confirmed LHA rates would be maintained in cash terms in 2021/22:

I can confirm that the increase to Local Housing Allowance rates in April this year will be maintained in cash terms in 2021/22. The assumption in the forecast is that rates will remain at these levels in future years, subject to the Secretary of State reviewing annually in the usual way.²⁷

More information on these and other measures can be found in the Library paper: [The rent safety net: changes since 2010](#).

In evidence to the CLG Select Committee's inquiry into the private rented sector (2013-14), the Housing Law Practitioners' Association (HLPAs) said benefit recipients were subject to "de facto rent control" because of Housing Benefit restrictions.²⁸ The Welsh Affairs Committee's report, [The impact of changes to housing benefit in Wales](#), (PDF, 2013), concluded "direct rent controls" would be needed to bring down the Housing Benefit bill. The Report said:

²⁴ Communities and Local Government Select Committee, [Homelessness \(PDF\)](#), 18 August 2016, HC40 2016-17, para 17

²⁵ This is a cap on the overall benefit a household can receive – some benefits are exempt.

²⁶ HM Treasury Press Release, 20 March 2020

²⁷ [Written Ministerial Statement](#), 25 November 2020

²⁸ [Ev w248, para 8](#)

We acknowledge that one of the main reasons for recent increases in the housing benefit bill and projected further increases is inflation in private housing sector rents. Efforts to control housing benefit increases therefore have to include strategies to manage spiralling rents in the private rented sector, including direct rent controls.²⁹

In their 2018 report, [The Evolving Private Rented Sector – its contribution and potential](#) (PDF), Rugg and Rhodes commented on LHA changes:

Recent changes to LHA have created a system of rent controls that impose both an overall cap on rents and prevent any increase in rent charges once a tenancy has begun. These measures are substantially eroding tenants' ability to pay a bottom-end market rent. The increasing incidence of evictions as a consequence of rent arrears indicates that Welfare Reform is undermining the operation of the Housing Benefit market within the PRS.³⁰

In a 2017 blog commenting on the relative merits of rent controls and rent regulation, Shelter identified some alternative approaches, one of which was:

...end the freeze on housing benefit and re-link it back to rents. This would make an instant difference to those on lower incomes, stemming the tide of families being made homeless after falling on hard times only to find they don't get enough financial support to keep a roof over their head. The NAO recently [pointed this out](#).³¹

²⁹ Welsh Affairs Committee, The impact of changes to housing benefit in Wales, 17 October 2013, HC 159-I 2013-14, para 4. This paragraph was subject to amendment and voted on by the Committee which agreed the published wording by 7 votes to two (see the formal minutes on page 31 of the Report).

³⁰ Julia Rugg & David Rhodes, [The Evolving Private Rented Sector: Its contribution and potential](#) (PDF), 2018, Centre for Housing Policy at the University of York, para 7.3

³¹ Shelter Blog, Steve Akehurst: [Old fashioned rent control, what is it good for?](#), 27 September 2017

3 Rent control: the debate

3.1 Regulation: the rationale

The private rented sector is associated with high and increasing rents in areas of high housing demand. Low-income households can struggle to access the sector or retain a tenancy in the face of rent increases and restricted LHA rates. In [The Evolving Private Rented Sector – its contribution and potential](#) (PDF, 2018) Rugg and Rhodes referred the ‘value’ of private rented being called into question::

Notwithstanding geographic variation and variation between demographic groups, private renting tenants have housing costs that are higher, on average, than they would be if they were able to access social housing or owner occupation.

[...]

In these circumstances the ‘value’ of private renting is called into question, particularly when households are reliant on some level of Housing Benefit to meet a higher rental cost than would be paid to a social landlord, and so inflating the national welfare budget, or when it becomes evident that a renter is paying a higher rental cost for the same property than they would be if they had purchased that same property with a mortgage and limiting the capacity to save for a housing deposit.³²

These factors have prompted an increased focus on regulatory controls. There are calls for the introduction of longer, more secure tenancies and, in general, a focus on predictable rent increases, as opposed to formal systems of rent control. In [Assessing the evidence on Rent Control from an International Perspective](#) (PDF, 2018) Whitehead and Williams say:

The main rationale for regulating rents, tenure security, quality and evictions in the private rented sector has been the failure of housing supply to adjust as rapidly as demand. When for one reason or another demand increases, rents rise often well above the longer-term costs of provision. In these circumstances, landlords make excess profits and there is political pressure to even the playing field so that tenants are not being so heavily disadvantaged.³³

They refer to the impact of ‘good’ and ‘bad’ regulation:

³² Julia Rugg & David Rhodes, [The Evolving Private Rented Sector: Its contribution and potential](#) (PDF), 2018, Centre for Housing Policy at the University of York, para 7.2.2

³³ Emeritus Professor Whitehead C; Williams P: [Assessing the evidence on Rent Control from an International Perspective](#) (PDF) Residential Landlords Association, October 2018, p8

Clearly, good regulation should benefit both landlords and tenants, providing a more secure investment for landlords and investors and offering greater security and better-quality housing to tenants. This is the ideal. Bad regulation, on the other hand – even if it is imposed with good intentions and may provide short-term benefits – results in disincentives to supply rented accommodation, potential tenants being excluded from the sector, and ultimately worse conditions for everyone.³⁴

3.2 Different types of rent control

There's more than one method of controlling rents and rent increases.

The rent controls introduced early on in many countries were relatively simple maximum price ceilings, known as 'first generation rent control'. By the late 1900s, many had developed into more complex systems which regulated rents within and between tenancies. The latter are widely known as 'second generation rent control'.³⁵ Whitehead and Williams commented on the objectives of second generation rent control:

The objective of second-generation rent control is to allow some mitigation of cost increases for landlords and thus reduce the incentives for them to under-maintain their properties, while retaining some limits on the size of rent increases in order to help tenants in markets typically characterised by shortage.³⁶

In [A review of empirical evidence on the costs and benefits of rent control](#) (2003) Bengt Turner and Stephen Malpezzi set out the main types of rent control, which they argue have varying effects:

...one key feature [of rent control systems] is whether controlled rents are adjusted for changes in costs (with cost pass-through provisions or adjustments for inflation); how close the adjustment is to changes in market conditions; how it is applied to different classes of units; or whether rents are effectively frozen over time. Other key provisions which vary from place to place include breadth of coverage, how initial rent levels are set, treatment of new construction, whether rents are reset for new tenants, and tenure security provisions. Rent control's effects can vary markedly depending on these specifics, and on market conditions, as well as enforcement practices.³⁷

In 2003, the Swedish Economic Policy Review published [a study of tenancy rent control](#) – a form of rent control allowing rents to change between tenancies but which controls rent during a tenancy. The author, Richard Arnott, argued this form of rent control would result in a slightly less efficient housing market than would be the case in a completely free market, but said

³⁴ As above.

³⁵ Arnott R, [A review of empirical evidence on the costs and benefits of rent control](#), Swedish Economic Policy Review 10, 11-56, 2003, p14

³⁶ Emeritus Professor Whitehead C; Williams P: [Assessing the evidence on Rent Control from an International Perspective](#), (PDF) Residential Landlords Association, October 2018, p10

³⁷ Arnott R, [A review of empirical evidence on the costs and benefits of rent control](#), Swedish Economic Policy Review 10, 11-56, 2003, p14

the effects would be limited and would not get worse over time.³⁸ He described this form of rent control as a “safety valve”:

The big advantage of tenancy rent control is that it provides a safety valve—unrestricted rent increases between tenancies—that ensures that the performance of the housing market will not get progressively worse. Rather, tenancy rent control will lead to the establishment of a different long-run equilibrium.³⁹

The 2003 study set out in some detail the effects of different forms of tenancy rent control on landlords and tenants.⁴⁰ Whitehead and Williams refer to controlling rents within a tenancy as ‘third generation rent control’:

Under third-generation rent control, rent increases are regulated within an individual tenancy but are either unregulated between tenancies or regulated under a more generous regime. In its pure form, third-generation rent control implies setting a market rent on the creation of a new tenancy which takes account of the potential impact of in-tenancy controls but limits increases during the tenancy.

[...]

In principle this allows periodic adjustment to market returns while protecting the tenant from unexpectedly large increases and giving the landlord some security that cost increases are offset over the medium to long term. It can be seen as a way of smoothing rent changes while maintaining a long-term rate of return which is competitive with other investments.⁴¹

More recent research refers to rent stabilisation (second or third generation rent control) as an alternative to ‘hard’ rent control measures involving the rent being independently set (below market rents) and enforced.

The UK Collaborative Centre for Housing Evidence (CaCHE) published [Rent control: a review of the evidence](#) in February 2022. This work involved “a large-scale international evidence review incorporating both economics and wider social sciences literature from 2000 to 2020.” It was conducted in the context of “increasing interest in rent control within think tanks, in London, Wales, and especially in Scotland, where the government intends to introduce a national, effective model of rent control by 2025.”⁴²

³⁸ Arnott R, [Tenancy rent control](#), Swedish Economic Policy Review 10, 89-121, 2003, p102-3

³⁹ Arnott R, [Tenancy rent control](#), Swedish Economic Policy Review 10, 89-121, 2003, p102-3

⁴⁰ As above.

⁴¹ Emeritus Professor Whitehead C; Williams P: [Assessing the evidence on Rent Control from an International Perspective](#), (PDF) Residential Landlords Association, October 2018, p10

⁴² CaCHE, [Rent control: a review of the evidence](#), February 2022

3.3

Opposition to rent control

Opposition to rent control is not new. The Fraser Institute published a series of papers in 1981 under the title [Rent Control: Myths and Realities](#) (PDF), setting out arguments against rent control. The publication compared photographs of the damage to housing caused by aerial wartime bombing with damage attributed to the use of rent control. Professor of Economics in Stockholm, Assar Lindbeck, is cited as saying: “In many cases rent control appears to be the most efficient technique presently known to destroy a city – except for bombing.”⁴³

Studies on the use of rent control have listed both positive and negative effects, including:

1. Making many rents in the private sector affordable for some tenants.
2. Leading to anomalies in rent levels for similar properties, as well as for the same property under different ownership.
3. Reducing investment in new housing stock in the private rented sector and in the upkeep of existing stock.⁴⁴
4. Increasing demand for private rented sector housing that cannot be met because of landlord disinvestment.⁴⁵
5. Reduced mobility of tenants in rent-controlled accommodation.

While there is less evidence of reduced mobility for those in rent-controlled accommodation compared to some of the other impacts listed above, Richard Arnott (2003) said:

In the case of housing, because of its durability, rent control discourages mobility, which results in households being increasingly mismatched with units, and adversely impacts the allocation of workers over jobs.⁴⁶

In [The Future of Private Renting in the UK](#) (PDF, 2004), Professor Michael Ball concluded the status quo should be maintained in terms of deregulated rents:

Rent controls and permanent security of tenure have been successfully abolished in the UK. To go back to them would create severe market distortions and cost the Treasury dearly for no clear social or economic benefit. [...]

⁴³ Olsen E and Walker M, ‘[Rent Control: Myths and Realities: International Evidence of the Effects of Rent Control in Six Countries](#)’, (PDF) The Fraser Institute, 1981, p213 quoting Lindbeck A, *The political economy of the new left*, 1972

⁴⁴ Malpass P and Murie A, *Housing Policy and Practice*, Fourth Edition, 1994, p45

⁴⁵ Olsen E and Walker M, ‘[Rent Control: Myths and Realities: International Evidence of the Effects of Rent Control in Six Countries](#)’, (PDF) The Fraser Institute, 1981, p269

⁴⁶ Arnott R, [Tenancy rent control](#), *Swedish Economic Policy Review* 10, 89-121, 2003, p109

...the overall message is that the growth of the private rented sector over the past fifteen years has been a major success. That success has primarily been market-driven, yet still it is one in which policy has played an important part. Success has come about by allowing a free market to operate and the forces of competition within it to work. The UK as a whole is highly unlikely again to become a nation of private renters, but the tenure once more is playing a key and sustainable role in housing provision. The objective of policy should be to keep it that way.⁴⁷

Similarly, in [The Future of the Private Rented Sector](#) (PDF, 2008) the authors said it was the “lifting of the controls on rent and on the prohibition on short-term lettings in the Housing Act 1988 that led directly to the growth – after decades of decline – in the sector”.⁴⁸

Landlord bodies, such as the [National Residential Landlords Association](#) (NRLA)⁴⁹ oppose rent control and argue its reintroduction would result in a decline in the sector as lenders would be less willing to offer finance for buy-to-let mortgages. Also, landlords would withdraw from the market or cease to invest in new property.⁵⁰

A 2010 HM Treasury paper, [Investment in the UK private rented sector](#) (PDF), supported the view that landlords withdraw from the market in the face of regulatory controls:

The impact of pre-1988 rent controls was that little new PRS stock entered the market, with longer-run rates of return being depressed. What stock remained tended to be older than in other tenures, and of lower quality, as the use value of higher quality stock was considerably higher in the owner-occupied sector, resulting in tenure switch. Those who remained often lacked funds (or incentives) for the adequate repair and improvement of properties. Many consider rent control to have been a major contributory factor to the subsequent decay of much of the inner city housing stock.

However, since 1988 Governments have taken a less restrictive approach to PRS regulation. The removal of rent control and introduction of Assured Shorthold Tenancies halted, and began to turn around the previous decline in private rental provision.⁵¹

Opposition to rent control generally assumes it would involve the imposition of rent freezes, but Professor Michael Ball’s 2013 report for the Residential Landlords Association, *Why governments should not enforce long-term contracts in the UK’s private rented sector?*, argued against any form of compulsory rent stabilisation or control at the start of, or during tenancies. Publication of the report followed the Coalition Government’s announcement

⁴⁷ Ball M, [The Future of Private Renting in the UK](#) (PDF) The Social Market Foundation, 2004, p5 and 67

⁴⁸ The Smith Institute, [The Future of the Private Rented Sector](#), Edited by Peter Bill, Paul Hacket and Catherine Glossop, 2008, p71

⁴⁹ The Residential Landlords Association and National Landlords Association merged to form the NRLA.

⁵⁰ NRLA, [Rent Controls & the PRS](#), 2020, 28 October 2019

⁵¹ HM Treasury, [Investment in the UK private rented sector](#) (PDF) February 2010,

of an intention to introduce a model tenancy agreement and a tenants' charter:

This report argues that recent proposals to introduce fixed-term contracts and bans on real rent changes within them are poorly thought out. If such tenancy rent control schemes were enforced, they would fatally undermine the huge increase in the private rented sector of the past two decades.⁵²

Research into the impact of rent controls introduced in San Francisco (USA) in 1994 found evidence of landlords withdrawing from the market:

We exploit quasi-experimental variation in assignment of rent control to study its impacts on tenants, landlords, and the overall rental market. Leveraging new data tracking individuals' migration, we find rent control increased renters' probabilities of staying at their addresses by nearly 20%. Landlords treated by rent control reduced rental housing supply by 15%, causing a 5.1% city-wide rent increase. Using a dynamic, neighborhood choice model, we find rent control offered large benefits to covered tenants. Welfare losses from decreased housing supply could be mitigated if insurance against rent increases were provided as government social insurance, instead of a regulated landlord mandate.⁵³

A further factor which may have added to landlords' resistance to regulatory control, particularly rent control, is the introduction of restrictions in the amount of Income Tax relief they can get with effect from April 2017.⁵⁴

3.4

Support for controlling rent increases

The affordability issues outlined in section 2.1 of this paper have led to calls for measures to limit or stabilise rent increases, particularly in areas of high housing demand. There is little appetite, it appears, for the imposition of across-the-board rent ceilings.

In 2014, the campaigning body, Generation Rent, called for "...a new kind of rent control which would be implementable anywhere in the country where rents are pricing people out of housing where they live and work."⁵⁵

The Labour Party's 2019 manifesto said:

We will take urgent action to protect private renters through rent controls, open-ended tenancies, and new, binding minimum standards.

⁵² RLA, Why governments should not enforce long-term contracts in the UK's private rented sector?, 2013 (no longer accessible online)

⁵³ Professor R Diamond, R McQuade, F Qian: [The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco](#), National Bureau of Economic Research Working Paper No. 24181, January 2018

⁵⁴ [HM Revenue and Customs Press Release](#), 20 July 2016

⁵⁵ Generation Rent, [The Rent's Too High: 21st century rent control](#) (PDF) 2014

Labour will stop runaway rents by capping them with inflation, and give cities powers to cap rents further.⁵⁶

The Liberal Democrat 2019 manifesto also committed to inflation-linked rent increases:

Promote longer tenancies of three years or more with an inflation-linked annual rent increase built in, to give tenants security and limit rent hikes.⁵⁷

The Conservative Party's 2019 manifesto did not refer to limiting rent increases but did commit to improving protections for renters:

We will bring in a Better Deal for Renters, including abolishing 'no fault' evictions and only requiring one 'lifetime' deposit which moves with the tenant. This will create a fairer rental market: if you're a tenant, you will be protected from revenge evictions and rogue landlords, and if you're one of the many good landlords, we will strengthen your rights of possession.⁵⁸

3.5

Some proposed policy options

In [Housing options and solutions for young people in 2020](#) (2012), the Joseph Rowntree Foundation (JRF) considered a system of landlord incentives, together with checks and balances for achieving a stable private rented sector market.

The JRF suggested a structure in which governments "trade incentives and constraints" might increase PRS supply and improve conditions and security of tenure. For example, they noted the option to offer longer term tenancies in England is rarely used and referred to the possibility of using tax incentives to overcome this reluctance. They urged "closer working relationships between representatives of landlords and tenants" and noted the need for policy makers to consider the needs of landlords and tenants "more fully".⁵⁹

In [A better deal: towards more stable private renting](#) (2012) the housing charity Shelter set out the case for a "stable rental contract" to offer tenants predictable rent increases:

Shelter believes that a new rental offer should be developed using the current legal framework. It should be called **the Stable Rental Contract** – and it would:

- give renters five years in their home during which they could not be evicted without a good reason

⁵⁶ Labour Party, [Real-Change-Labour-Manifesto-2019](#) (PDF), p79

⁵⁷ [Liberal Democrat 2019 manifesto](#), Access to affordable housing

⁵⁸ [Conservative Party 2019 manifesto](#), p29

⁵⁹ Joseph Rowntree Foundation, [Housing options and solutions for young people in 2020](#), 2012

- **allow landlords to increase rents annually by a maximum of CPI during the five years**
- give renters the chance to decorate their home as long as they return it to neutral afterwards
- allow renters to give two months' notice to end the tenancy
- give landlords the right to end the tenancy if they sell the property.⁶⁰

In order to better understand how different rent control scenarios might impact on the private rented sector, Shelter commissioned research from the Cambridge Centre for Housing and Planning Research (CCHPR), the results of which were published in May 2015.⁶¹ This was followed by publication of a report by Shelter in July 2015, [Making Renting Fit for Families: the impact of different forms of rent regulation](#). Shelter concluded rent stabilisation, as opposed to 'hard' rent control, would be unlikely to result in negative market impacts:

The research shows that the introduction of stable tenancies and predictable rents is unlikely to result in any negative consequences. Harder forms of rent control, such as a cut to two thirds of current rents or a three year rent freeze, would pose a far greater risk.⁶²

The research identified the scenario which would have the most significant impact on the market, and lead to an absolute decline in the PRS, was one involving an indefinite cap on all private rents, set at two-thirds of current market rates and indexed to average earnings or CPI.⁶³

Although a large-scale movement by landlords out of the sector may result in more properties for sale, Shelter identified a risk for those on a low income who cannot benefit from this and, due to restricted access to the social rented sector, would be at increased risk of homelessness. Shelter said this was "not a gamble worth taking."⁶⁴ Instead, Shelter supported giving renters five-year stable tenancies:

Longer tenancies with regulated rent increases would provide renting families with the security and stability they need. They would mean that families would be put under less financial pressure from the cost of moving and that their children would have a greater chance of a stable education. Not only would this form of tenancy transform the experience of renting for many families, this new research has also comprehensively proved that it is an eminently achievable option.⁶⁵

⁶⁰ Shelter, [A better deal: towards more stable private renting, 2012](#)

⁶¹ A Clark; S Morris; M Oxley; C Udagawa; P Williams: [The effect of rent controls on supply and markets](#), (PDF) CCHPR, May 2015

⁶² Shelter, [Making Renting Fit for Families: the impact of different forms of rent regulation](#), July 2015, p7

⁶³ As above, p8

⁶⁴ Shelter Blog, Steve Akehurst: [Old fashioned rent control, what is it good for?](#) 27 September 2017

⁶⁵ Shelter, [Making Renting Fit for Families: the impact of different forms of rent regulation](#), July 2015, p12

The British Property Federation submitted evidence to the CLG Committee's 2013-14 inquiry into the private rented sector in which they rejected index-linking as a means of delivering more stable rents because "it is neither stable nor predictable."⁶⁶ Some suggested alternatives included a fixed uplift provided for in tenancy agreements, eg an annual increase of 2%, or a link to average earnings.⁶⁷ The Committee did not make a specific recommendation on the issue of securing more predictable rent increases but said a yearly uplift could be agreed, or rent could be increased in line with wages or inflation:

There is no perfect way to set rent, but, where longer tenancies are being established, linking increases to inflation or average earnings, or voluntarily agreeing a fixed uplift each year merit consideration and could provide tenants and landlords with a degree of stability, though over time mechanisms may emerge as, for example, in the commercial property sector. Tenants', landlords' and agents' groups should encourage their members to discuss these options at the outset of a tenancy. Existing arrangements for setting and increasing rent are often arbitrary and uneven, and reflect the immaturity of the market.⁶⁸

Rugg and Rhodes identified "advantages and disadvantages" to rent regulation within tenancies:

Stabilisation brings a degree of predictability for both the tenant and the landlord over the short-term but does not necessarily curtail rent increases more broadly. Tenants who experience only gradual rent increases over the course of a tenancy might be faced with a substantial rent rise on moving since landlords would still be at liberty to reset their rent levels closer to the market value between tenancies. This means that tenants might be trapped in unsatisfactory tenancies because of the inability to afford a substantial rental increase on moving. An alternative hybrid approach has been suggested: rent increases linked to CPI inflation for a three-year period within a tenancy, with landlords giving six months' notice on any increase for the following three year period. The proposed regular 'within-tenancy' reset option would allow for the rent to track the market whilst retaining predictability for the tenant.⁶⁹

The hybrid approach referred to in the extract from the Rugg and Rhodes report (above) was suggested in a 2018 Resolution Foundation report, [Home Improvements: Action to address the housing challenges faced by young people](#) (PDF).⁷⁰

Generation Rent disputed Shelter's rejection of rent control:

⁶⁶ Communities and Local Government Committee, [The private rented sector](#), (PDF) 18 July 2013, HC 50 2013-14, para 112

⁶⁷ As above.

⁶⁸ As above, para 113

⁶⁹ Julia Rugg & David Rhodes, [The Evolving Private Rented Sector: Its contribution and potential](#), (PDF) Centre for Housing Policy at the University of York, para 7.2.2

⁷⁰ L Judge; D Tomlinson: [Home Improvements: Action to address the housing challenges faced by young people](#), (PDF) Resolution Foundation, April 2018

...while rent controls on their own would not reduce the underlying shortage of homes, it will not increase it either. If we see a surge in home ownership there will be fewer rented properties, but also fewer renters.

With wealthier renters becoming home owners there will also be less spending power in the rental market, reducing effective demand and its upward pressure on prices.⁷¹

Both organisations recognise that, in the long-term, a healthy housing market will require the elimination of the housing shortage; in the meantime, Generation Rent proposed the following model while identifying a need for further work:

- Affordability - the maximum rent would be calculated along council tax bands, with a monthly maximum rent amounting to half of the annual council tax band for a home;
- Transparency - the cap would be based on understood property values and would be set by local authorities, accountable to residents who may want to argue for different limits;
- Flexibility - the calculation above would not be an absolute cap. Landlords would be free to charge rents over and above the limit set, but all rent charged above that level would be subject to a 50% surcharge;
- Fairness - all the proceeds from the surcharge would go into a ring-fenced fund for social house building, therefore ensuring the profits from private renting help alleviate the housing crisis.⁷²

The London Assembly's Housing Committee commissioned the Cambridge Centre for Housing Policy and Research (CCHPR) to consider the likely impact of a range of rent stabilisation measures on London's housing market. This work built on a previous study commissioned by Shelter which looked at the national picture.⁷³

[Research on the effect of rent stabilisation measures in London](#) (PDF, 2015) modelled the potential impact on the sector of the following scenarios:

- No rent controls.
- Rent increases restricted to CPI and five-year tenancy agreements.
- Rent increases limited to the lower of either the increase in average earnings, or CPI, whichever is the lower in any given year.
- A temporary three-year freeze on all private rents, including between tenancies, after which they return to market rents.

⁷¹ Generation Rent Blog: [How new rent controls could work](#), 29 September 2017

⁷² Generation Rent, [The Rent's Too High: 21st century rent control](#), 2014

⁷³ A Clarke; S Morris; M Oxley; C Udagawa; P Williams: [The effect of rent controls on supply and markets](#), (PDF) CCHPR, May 2015

- Rent increases limited to the lower of either the increase in average earnings, or CPI, whichever is the lower in any given year, applied to all tenancies except for new-build or stock entering the PRS for the first time which are assumed to start out at market rents, but then have their rental increase limited in the same manner as other stock.
- Rents are cut to two thirds of their current value immediately, and thereafter allowed to rise only in line with the lower of either wage inflation or CPI.
- Rents are prevented from rising to higher than market rents.

While stressing the conclusions were “tentative”, the authors found a more significant impact in London than in other regions. Under only one of the scenarios (cutting rents by two-thirds) would the size of the sector be expected to reduce:

Outside London there are some areas where rent growth is very low, or non-existent, and rent stabilisation measures would therefore have very little impact. This has not been the case in London over recent years, though past trends may not necessarily continue.

Only under scenario 5 (upper projection) did the quantitative modelling suggest that the actual *size* of the sector would decline. The analysis has suggested that scenarios 1-4 and 6 produce only small reductions in average rents, with an average fall in affected rents of between 0 and 15 percent. This leads to an aggregate loss of rental income to the sector of between 0 and 10 percent (as not all tenancies are affected at all times), though it is possible that on a localised level their impact may be more significant.⁷⁴

The authors found a good deal of resistance amongst landlords, both individuals and larger institutional investors, to interventions in the market concerning rent levels:

Overall, interviewees felt that the rent stabilisations and controls discussed risked distorting rental markets and deterring investment, particularly if rents were to become seriously decoupled from the market. There was suspicion that such measures could constitute a step towards the kind of rent controls that they perceived had undermined investment in the private rented sector in the period before 1988.⁷⁵

⁷⁴ A Clarke; C Udagawa; A Heywood; C Hamilton: [Research on the effect of rent stabilisation measures in London, 2015, CCHPR, \(PDF\)](#) p34

⁷⁵ As above, p35

4 Policy developments in the UK

4.1 England

No plans to introduce rent control

On 28 September 2022, the Government responded to a PQ asking whether rent controls would be introduced in the context of increases in the cost of living. Andrew Stephenson, Under-Secretary of State for Housing and Rough Sleeping said:

The Government does not support the introduction of rent controls in the private rented sector to set the level of rent at the outset of a tenancy. Historical evidence suggests that these would discourage investment in the sector and would lead to declining property standards as a result, which would not help landlords or tenants.⁷⁶

A move to more predictable rent increases

A model tenancy agreement

The Coalition Government announced on 16 October 2013 a [set of proposals](#) to protect tenants in the private rented sector. A voluntary [model tenancy agreement](#) "which landlords and tenants can use for longer tenancies to provide extra security and stability for families" was first published in September 2014 and has subsequently been updated. The model agreement provides for rent increases during the term of the tenancy on the following basis:

Tenancies of less than two years: If the landlord and tenant have agreed a fixed term of less than two years then it is recommended that you fix the rent for the whole of the term.

Tenancies of two or more years: If the landlord and tenant have agreed a tenancy of two or more years then you need to agree whether the rent will stay the same for the whole term or whether the landlord can choose to increase it each year.

If you agree that the rent should stay the same for the whole term then you need to use **option 1**. If you agree that the landlord should be able to increase the rent each year then you need to agree whether this should be by way of a

⁷⁶ [PQ 45680 \[Rents: Regulation\], 28 September 2022](#)

fixed percentage increase each year - **option 2** - or by the annual change in the consumer price index (“CPI”) - **option 3**.⁷⁷

Consultation on barriers to longer PRS tenancies (2018)

In 2018 the Government consulted on [Overcoming the barriers to longer tenancies in the private rented sector](#).⁷⁸ The consultation invited view on the benefits and barriers of landlords offering longer tenancies within a model designed to give tenants certainty over rents. The paper proposed rents would only increase once per year, at a rate agreed by both the tenant and landlord at the outset of the tenancy. Landlords would be clear about how rent increases would be calculated when advertising the property.

The National Landlords Association’s response recorded strong objections to the proposals, highlighting:

...the risk that break clauses and regulated annual increases in rent will lead to landlords changing behaviour to end tenancies before they enter into the longer fixed period and enforce rent increases more regularly than under the current system

the danger that, should a mandatory approach be enforced, landlords will choose to leave the market rather than take on additional risk.⁷⁹

The Residential Landlords Association’s referred to possible risks if landlords are forced to offer longer tenancies:

Any compulsion on landlords to offer longer tenancies risks refusal to offer tenancies to higher risk groups – often vulnerable tenants - and will risk higher rents being offered to higher risk tenants in order to balance the risk of them being in a longer tenancy. This is likely to drive up rents across the sector.⁸⁰

Shelter’s response welcomed the proposals but emphasised the need to legislate to make longer term tenancies the norm.⁸¹

A summary of responses and the Government response was published in April 2019.⁸² The findings on rent increases were “incomplete and cannot be considered conclusive.” Landlords were recorded as preferring annual rent increases while tenants preferred increases once every two years. Both parties indicated a preference for rent increases linked to inflation.⁸³ The

⁷⁷ DLUHC, [Model Tenancy Agreement for an Assured Shorthold Tenancy and accompanying guidance](#), 2021

⁷⁸ MHCLG, [Overcoming the barriers to longer tenancies in the private rented sector, July 2018](#)

⁷⁹ NLA Responds to overcoming barriers to longer tenancies consultation, 24 August 2018

⁸⁰ RLA Consultation response to overcoming barriers to longer tenancies in the private rented sector, August 2018

⁸¹ Shelter’s submission: [Response: Overcoming the barriers to longer tenancies in the private rented sector](#), August 2018

⁸² DCLG, [Overcoming the barriers to longer tenancies in the private rented sector](#), April 2019

⁸³ As above, p13

Government said its “proposed approach will ensure that tenants cannot be effectively evicted through unreasonable and excessive rent increases.”⁸⁴

A new deal for renting (2019) and A fairer private rented sector (2022)

In July 2019, the Government conducted a further consultation exercise, [A New Deal for Renting](#).⁸⁵ The main proposal concerned an intention to abolish ‘no fault’ section 21 evictions to deliver longer term security of tenure in the sector. Alongside this, the Government said it wanted to prevent landlords from forcing tenants out at the end of a fixed-term tenancy by using clauses to impose significant rent increases at the end of the fixed-term which would have the effect of forcing tenants out.

[The Government response](#) was published in June 2022 alongside the white paper [A fairer private rented sector](#). The white paper acknowledges cost of living pressures from rent increases:

We understand the pressures people are facing with the cost of living, and that paying rent is likely to be a tenant’s biggest monthly expense. Almost 11,000 households in the Private Rented Sector reported moving recently because their landlord put up the rent.⁸⁶

The white paper confirmed the intention to legislate to abolish section 21 evictions and to ensure rent increases are more predictable:

When a landlord needs to adjust rent, changes should be predictable and allow time for a tenant to consider their options. We will only **allow increases to rent once per year** (replicating existing mechanisms) and will increase the minimum notice landlords must provide of any change in rent to two months. **We will end the use of rent review clauses**, preventing tenants being locked into automatic rent increases that are vague or may not reflect changes in the market price. Any attempts to evict tenants through unjustifiable rent increases are unacceptable. Most landlords do not increase rents by an unreasonable amount but in cases where increases are disproportionate, we will make sure that tenants have the confidence to challenge unjustified rent increases through the First-tier Tribunal. **We will prevent the Tribunal increasing rent beyond the amount landlords initially asked for when they proposed a rent increase.**⁸⁷

The Queen’s Speech 2022 included a commitment to introduce a Renters Reform Bill in the 2022-23 parliamentary session. On 17 October 2022, Simon Clarke, then Secretary of State at DLUHC said “I can confirm that we will introduce the rental reform Bill in the course of this Parliament.”⁸⁸ This may mark a shift from introducing the Bill in the 2022-23 parliamentary session.

⁸⁴ As above, p43

⁸⁵ MHCLG, [A new deal for renting: resetting the balance of rights and responsibilities between landlords and tenants - GOV.UK](#), July 2019

⁸⁶ DLUHC, [A fairer private rented sector](#), CP 693, June 2022, section 4.1

⁸⁷ As above.

⁸⁸ [HC Deb 17 October 2022 c355](#)

Rent control in London?

Annex 2 to the Mayor's response to [Overcoming the barriers to longer tenancies in the private rented sector](#) set out the London Model for tenancy reform. It included a commitment to consider measures to limit "unacceptable" rent increases:

The Mayor is aware that although limiting rent increases or making them more predictable would give certainty, doing so would not address the problem of rents already being unaffordable to many. Addressing existing rent levels would be a truly radical approach requiring significant investment, as well as fiscal and legislative changes, to ensure that renters, landlords, and housing supply were protected from adverse effects.⁸⁹

On 23 January 2019, the Mayor confirmed an intention to "develop a new blueprint for stabilising or controlling private rents in the capital, as part of his ongoing work to help London's 2.4 million renters."⁹⁰ The blueprint report was published in July 2019 and contains the following section on to enable rents to be controlled within the capital:

The Government should enable the Mayor of London to develop and implement a system to reduce private rents in London gradually over time. This should include enabling data to be gathered that will inform the design of this system and underpin its operation. The Mayor specifically seeks the devolution of powers to:

- Establish a universal register of landlords to ensure policy-makers can access accurate information about the private rental market, private landlords, their properties, and rents for individual homes, and which would also support enforcement of standards in the private rented sector;
- Establish a London Private Rent Commission to manage the above register, and to use it and other data to design and implement an effective system of rent control, including by determining its own ongoing role in monitoring and enforcing the system;
- Reduce rents and keep them more affordable through the London Private Rent Commission setting out how rents should be reduced over time to an agreed, more affordable level, and how rents should be maintained at that more affordable level on an ongoing basis;
- Incentivise continued investment through the London Private Rent Commission implementing, or recommending the implementation of, incentives to encourage investment in new and existing rental housing supply, alongside any appropriate mitigation measures; and
- Implement interim measures to alleviate pressure on Londoners whilst the universal register and system of rent control are being established. The Mayor could implement simple rent stabilisation measures, such as caps on rent increases both between and within tenancies to mitigate the

⁸⁹ [Annex 2](#): Outline of the Mayor's London Model for tenancy reform and its key components, 2018

⁹⁰ London Assembly, [Mayor to develop 'rent control' proposals](#), 23 January 2019

impacts of high rents on Londoners while the long-term solution is being designed.⁹¹

4.2

Scotland

A national system of rent controls by the end of 2025

In December 2021, the Scottish Government published [A New Deal for Tenants - draft strategy: consultation](#).⁹² The proposals include “introducing an effective national system of rent controls, with an appropriate mechanism to allow local authorities to introduce local measures by the end of 2025.”⁹³

Chapter four of the draft strategy contains a detailed assessment of PRS rent movements in Scotland and commits to:

...include provisions in a Housing Bill to be introduced in 2023, that will mandate the need for private landlords to provide a range of rental data and other property information.

The aim is to improve the evidence base on the Scottish PRS “to support future rent control policies.”⁹⁴ The draft strategy set out some underlying principles for national rent controls:

- They will have an appropriate mechanism to allow local authorities to introduce local measures.
- They will be evidence based.
- Their design will support and encourage the private rented sector to improve the quality of rented properties.
- Policy development on rent control legislation will seek to learn from the processes already in place for social sector tenants in relation to rent levels.
- Policy will be developed taking into consideration the views of all stakeholders but with a particular focus on giving private tenants a stronger voice.⁹⁵

An analysis of responses to consultation on the draft strategy was published in August 2022.⁹⁶ The analysis records:

A shared understanding of affordability was seen as essential in identifying how rent increases and associated affordability pressures are impacting households and informing the wider policy approach to reducing poverty. It

⁹¹ GLA, [Reforming private renting: The Mayor of London's blueprint](#), July 2019

⁹² Scottish Government, [A New Deal for Tenants - draft strategy: consultation](#), December 2021

⁹³ As above, chapter 4.

⁹⁴ As above.

⁹⁵ As above.

⁹⁶ Scottish Government, [A New Deal for Tenants: consultation analysis](#), 23 August 2022

was also suggested that affordability measures can help to empower households, for example by supporting tenants to engage with their landlord regarding rent setting policies, and to enable households to assess different housing tenure options.⁹⁷

There's an intention to issue "a separate consultation with detailed rent control proposals...later in the current Parliament."⁹⁸

4.3

Wales

The Co-operation Agreement between the Welsh Government and Plaid Cymru of 2021 contains a commitment to consider rent controls:

Property and Fair Rents – Publish a White Paper to include proposals for a right to adequate housing, the role a system of fair rents (rent control) could have in making the private rental market affordable for local people on local incomes and new approaches to making homes affordable.⁹⁹

[Rent control was debated in the Senedd](#) on 9 February 2022.

4.4

Northern Ireland

In 2017, the Department for Communities in Northern Ireland (DfC) said, to address affordability issues in the sector, it would "Introduce legislation to stipulate rents can only be increased once in any 12 month period".¹⁰⁰

The Government response to the 2017 consultation was published in 2021 and confirmed the intention to take forward this proposal:

The Department will introduce legislation to restrict the number of times a landlord can increase the rent to once in any 12 month period. This will be part of a PRS Bill which the Department aims to deliver in this mandate.¹⁰¹

[The Private Tenancies Act \(Northern Ireland\) 2022](#) gained Royal Assent on 27 April 2022. Section 7 of this Act provides a power for the Department to impose a rent decrease in certain circumstances and to restrict the frequency of rent increases. The section is in force insofar as it confers a power to make regulation. The explanatory notes to the Act explain the impact of section 7 in some detail:

⁹⁷ As above, Part 2: Affordable Rents.

⁹⁸ As above.

⁹⁹ Welsh Government and Plaid Cymru, [The Co-Operation Agreement](#) (PDF), 1 December 2021, p4

¹⁰⁰ DfC, [Private Rented Sector in Northern Ireland – Proposals for Change](#), (PDF) January 2017

¹⁰¹ DfC, [Private Rented Sector in Northern Ireland - Proposals for Change – Departmental response](#), 2021, pp9-10

Rent decreases

This section inserts a new Article 5C into the 2006 Order. New Article 5C gives to the Department the power to make regulations to introduce a rent decrease of up to 10% or a rent freeze for a maximum period of 4 years. Under paragraph (6) the Department is under a duty to carry out a consultation as to whether it should exercise those powers. A report on the consultation must be prepared and laid before the Assembly within 6 months of the date this Act receives Royal Assent. If the Department does not make regulations under the Article within 12 months of laying the report, the Article (and therefore the power to make the regulations) ceases to have effect.

Restriction on frequency of rent increases

This section inserts new Articles 5D and 5E into the 2006 Order. New Article 5D applies to any private tenancy except a controlled tenancy and provides that the rent payable under a private tenancy may not be increased within the period of 12 months beginning with the date on which the tenancy is granted or within the period of 12 months beginning with the date on which the last increase began.

The Article also gives the Department the power to specify circumstances, such as where a house is renovated or extended, in which the restrictions on rent increases do not apply. The Department is also given the power to make regulations to amend the time periods during which rent increases are prohibited to periods above 12 months, up to a maximum of 2 years.

New Article 5E applies to any private tenancy except a controlled tenancy and provides that a rent increase only takes effect if a landlord gives the tenant a written notice that complies with the requirements of that Article. The notice must specify the date of the increase and the amount of rent payable after the increase; the date specified must not be less than 3 months after the date the notice is given; and the notice must also contain such other information and be in such form as may be prescribed by regulations made by the Department.

Subsection (3) of the section amends Article 72 of the 2006 Order. Article 72 contains provisions concerning the making of regulations under the Order. It is amended here to provide that regulations made under Article 5C or Article 5D are subject to the draft affirmative procedure.

It is also amended to provide that where the Department proposes to make regulations under Article 5D to change a time period during which rent may not be increased it must, before laying the draft of the regulations before the Assembly, consult representatives of landlords, representatives of tenants and such other persons as it considers appropriate.¹⁰²

¹⁰² [Private Tenancies Act \(Northern Ireland\) 2022 - Explanatory Notes to section 9 \(Rent Regulation\)](#)

5

Some international comparisons

5.1

The context of international rent controls and regulation

As noted in section 1, after 1989 private sector rents in most of the UK were deregulated on new tenancies. In much of Europe, rents are still controlled by governments in some way. There was a trend towards deregulation in the 1980s which tended to take the form of deregulating rents on new buildings rather than on new lettings. Recent years have seen some tightening of rent regimes due to the identification of rent pressure zones.¹⁰³

In a 2012 publication, Emeritus Professor of Housing Economics at the London School of Economics (LSE), Christine Whitehead, highlighted the difference between much of the rent regulation in many developed countries in 2012 and the kind of rent control introduced in Britain in 1915:

It is important to make it clear that what is commonly thought of as rent control – nominal caps on rent levels – is hardly found today. Those countries that do combine strong rent regulation with sizable private rented sectors usually have systems that permit rents to adjust to near-market levels even though they are formally 'controlled'.¹⁰⁴

In [Towards a sustainable private rented sector – learning the lessons from other countries](#) (PDF, 2011), the authors found in countries where strong rent control did not apply, the affordability of rental housing was an issue (USA, Belgium, Hong Kong, Norway, France and Australia). In contrast, in countries where rent was controlled, policy discussions had centred more on the specifics of rent regulation (Sweden, Switzerland and Denmark).

Switzerland had seen discussions about whether rent rises should reflect increases in the mortgage interest rate or the cost of living. While in Denmark, despite decontrolling rents on buildings built after 1991, there had been no surge in new supply, resulting in renewed debate about rent controls.¹⁰⁵

¹⁰³ Emeritus Professor Whitehead C; Williams P: [Assessing the evidence on Rent Control from an International Perspective](#), Residential Landlords Association, October 2018, p5

¹⁰⁴ Professor Whitehead C et al, *The Private Rented Sector in the New Century: A Comparative Approach*, September 2012, p13

¹⁰⁵ Scanlon K and Kochan B (eds), [Towards a sustainable private rented sector – learning the lessons from other countries](#), (PDF) LSE London, 2011

Although there are many similarities between housing sectors in the rest of the developed world and the UK, it's important to note that none are directly comparable. For example, a greater proportion of the populations of France, Germany and Switzerland have rented their homes than has traditionally been the case in the UK.¹⁰⁶ Rent controls should also be viewed in the context of each country's regulatory regime, including security of tenure and enforcement.

Professor Whitehead and Peter Williams, researcher and Departmental Fellow, Department of Land Economy, University of Cambridge, were commissioned by the Residential Landlords Association to carry out a review of the private rented sector in the context of the sector's growth and "increasing tensions around worsening affordability and concerns about poor quality and limited security of tenure as well as evidence of similar stresses in other countries."

The results of this review were published in October 2018: [Assessing the evidence on Rent Control from an International Perspective](#). Whitehead and Williams found regulation of the PRS to be "a live issue in many countries" due to "rapidly growing private rented sectors in pressurised housing markets."¹⁰⁷ They carried out a review of comparative literature on rent control which suggested the following:

1. across Europe the general trend over the last thirty years has been towards deregulation, particularly with respect to initial rent determination. While there are examples of control of rent increases when tenants change, in the majority of countries it is only within tenancy rent increases that are regulated;
2. rent determination is only part of any regulatory regime. In particular in countries with any type of rent control or stabilisation there are also long or indefinite leases or mandatory lease renewal, regulations to limit evictions to circumstances where the tenant has broken the agreement, and often restrictions on the ways in which landlords can dispose of their property;
3. in most countries security of tenure is indefinite;
4. countries with large private rented sectors tend to have had quite stable regulatory regimes - but they also have constraints on access to other tenures;
5. the size of the PRS is growing not just in England but in many countries notably outside Europe as entry into owner-occupation has become more problematic - e.g. the USA; Australia and New Zealand but also in Europe in Spain and Ireland;

¹⁰⁶ Scanlon K and Kochan B (eds), [Towards a sustainable private rented sector – learning the lessons from other countries](#), (PDF) LSE London, 2011

¹⁰⁷ Emeritus Professor Whitehead C; Williams P: [Assessing the evidence on Rent Control from an International Perspective](#), Residential Landlords Association, October 2018, p4

6. the vast majority of landlords in all countries are individuals rather than institutional investors who are the ones more likely to value predictable rental income streams;
7. the biggest concerns about regulation are that
 - controls over rents at the start of a lease may not allow landlords to make a business return;
 - rigid rent-adjustment systems may not accommodate unexpected changes in the value of the rental stream or in costs (e.g. because of inflation or energy efficiency requirements)
 - tenure security and enforcement procedures sometimes makes it difficult and costly for landlords to obtain vacant possession when the tenant does not keep to the contract;
 - governments themselves build in uncertainties by continuing to make changes to their regulatory regime - with implications for both risk and returns; and
 - there has been growing pressure to tighten rent controls in a number of countries/regions where there is strong housing market pressure – notably Canada, France, Germany and Ireland.¹⁰⁸

The following sections provide a brief overview of how rent control/regulation operates in a selection of countries and cities.

5.2 Approaches in other countries and cities

The Netherlands

Throughout the post-war period, the private rented sector in the Netherlands was one of the most highly regulated in Europe. Rent regulation, including a freeze on rents which started during WWII lasted until 1951, was followed by a series of differentiated increases. In 1950 a general rent increase was introduced and from 1955 rent levels were related to the difference between costs and ‘bricks and mortar’ subsidies rather than pre-war rent levels. From 1967, rents were increased annually, and decontrol began in areas with a housing surplus of 1.5% or more. From 1971 a points index for calculating maximum rent based on housing quality was introduced.

Housing in the Netherlands is dominated by housing association ownership. The private rented sector in the Netherlands declined from 17% in 1980 to 8% in 2010. In a 2012 study, Professor Whitehead linked strong regulation to decreases in private renting:

Strong regulation, particularly rent control, is often seen as one reason for the decline in private renting. But as importantly both owner occupation and the

¹⁰⁸ As above, pp19-20

social rented sector have benefited from subsidies and tax incentives while private landlords have been disadvantaged; especially from the 1980s on.

Compared with other European countries, the social rented sector has dominated the housing market throughout the post-war period. Almost a third of households rent a social dwelling. Regulation is generally perceived as beneficial, which may be why successive governments have found it difficult to introduce deregulation despite concern that regulation has contributed to the private rented sector's decline.¹⁰⁹

Tenancy agreements in the private housing sector have been liberalised. The tenant and the landlord have more freedom to agree the rent and services provided. There is no maximum rent. Only self-contained housing can be rented under such an agreement. For a period of 3 years (1 May 2021 until 1 May 2024) the annual rent increase is limited by law. The maximum rent increase is inflation + 1%. In 2022 the maximum rent increase is 3,3% (2,4% inflation + 1%).¹¹⁰

If the tenancy is not liberalised, the rent payable is subject to a ceiling. The maximum rent depends on the quality of the housing provided. There is a [rent points system](#).¹¹¹

There is a Rent Tribunal ('Huurcommissie') which can mediate and adjudicate on disputes between tenants and landlords about rent levels, maintenance and service charges.¹¹²

Finland

Finland has had a history of state control and regulation over the private rented sector, with government control extending to rent setting, increases, and security of tenure. Landlords' ability to regain control over their properties was limited; the eviction of tenants was allowed under very limited conditions. Regulations were relaxed in 1987 to enable landlords to generate a reasonable profit from their rental properties.

In 1970 the private rented sector in Finland stood at about one third of the stock. The sector fell to about 13% during the 1980s but recovered after deregulation measures in the 1990s.

The deregulation of the sector took place in two stages between 1993, when new contracts were deregulated, and 1995, when deregulation was extended to cover all private rental properties. Initial rents and rent increases are no longer regulated, except in the case of those fixed-term contracts with predetermined rents which do not include clauses allowing rent increases.

¹⁰⁹ Professor Whitehead C et al, *The Private Rented Sector in the New Century: A Comparative Approach*, September 2012, p146

¹¹⁰ [Rented housing | Housing | Government.nl](#) [accessed on 24 October 2022]

¹¹¹ As above.

¹¹² As above.

Notice periods apply to all private rented tenancies and are linked to the duration of the tenancy.

Rents in Finland rose after deregulation, especially in the Helsinki region. Also, the size of the sector increased in absolute and, to a limited degree, in relative terms. This growth is seen as related to conditions in other tenures as much as in private renting.¹¹³

Sweden

The rent at the start of a tenancy in Sweden is negotiated between the parties to the contract but certain mandatory rules can require that the rent is subject to review if rent control legislation is breached.

Today the rents in Sweden are determined through a utility value system (bruksvärdessystem), which sets the reasonable rent for an apartment. Section 55 of the Swedish Tenancy Act states that the rent cannot be considered to be reasonable if it is substantially higher than the rent for units of equivalent utility value.¹¹⁴

The utility value relates to the “qualities of the apartment.”¹¹⁵ Tenants can refer ‘excessive’ rent levels to a regional Rent Tribunal for determination if agreement cannot be reached with the landlord.

Germany

The historical level of private renting in Germany is difficult to establish due to reunification and the close relationship between social and private renting, but it is thought the sector has remained relatively stable.¹¹⁶ Peter Westerheide, in a 2011 LSE study commented:

The private rented sector in Germany has some unique characteristics compared to other countries. In particular, renting is not seen as an inferior housing option but as a fully accepted alternative to owner occupation. This is particularly the case in cities where the majority of private households live long periods of their life or even their whole lives in a rented apartment or house. German households’ propensity to rent can be partly explained by a strong regulatory framework, which gives tenants a high degree of security but also by a long tradition of renting as ‘the standard option’ amongst all groups in the population.¹¹⁷

After 1971 initial rents were not strictly regulated, although they were prevented from exceeding the rents for comparable dwellings in the same

¹¹³ Government Institute for Economic Research, Lyytikäinen T: [Rent control and tenants’ welfare: the effects of deregulating rental markets in Finland](#). (PDF) 2006

¹¹⁴ Norberg, Per; Juul-Sandberg, Jakob, [Rent control and other aspects of tenancy law in Sweden, Denmark and Finland](#), (PDF) 2016

¹¹⁵ Rent regulation is not a good option for Sweden, 27 June 2018 [accessed on 12 February 2019]

¹¹⁶ Professor Whitehead C et al, [The Private Rented Sector in the New Century: A Comparative Approach](#), September 2012, p134

¹¹⁷ Westerheide P, et al, [Towards a Sustainable Private Rented Sector: The Lessons from Other Countries](#), Scanlon K and Kochan B (eds), LSE London, 2011, p45

area by more than 20%. Rents could be increased during a tenancy - within a maximum of two years and not by more than 20% within a three-year period - if they were demonstrably below the local rent levels for comparable dwellings.¹¹⁸

In 2012 Professor Whitehead concluded:

...regulation in the [private rented sector]] is generally perceived as beneficial to tenants without being harmful to landlords. Fiscal incentives have been widely used to encourage investment in the [sector] and privately rented property is a common form of pension provision. The effects of cuts to depreciation allowances in 2006, together with more recent reorganisation of the subsidy system and pension structure, may however lead to some reduction in the private rented sector.¹¹⁹

In 2015, a new rent regime known as the [Mietpreisbremse](#) (“rental price brake”) came into effect in certain German property hotspots, referred to as “tight housing markets”, which limits rents on new lease agreements for previously let properties.

These hotspots were initially the cities of Berlin, Munich and Düsseldorf, but have been extended.¹²⁰ The German Civil Code (Section 556d f) provides that rents in tight housing markets “must not exceed the local comparative rent by more than 10 per cent at the start of the lease agreement.”¹²¹ The “brake” does not apply to newly constructed properties or those that are extensively modernised. An exemption applies if the rent has already been 10% above the local comparative rent.¹²² Also in 2015, the allowable increase for existing tenancies was reduced from 20% to 15% in the hotspot areas.¹²³

[Assessing the evidence on Rent Control from an International Perspective](#)

observed some scepticism about the effectiveness of the Civil Code:

Despite the introduction of rent control, the housing markets in major cities have not shown any noticeable signs of easing, causing many to doubt the instrument’s effectiveness. Issues relate to the definition of tight housing markets; to what is really a comparator rent; and to whether the controls are being followed and enforced. These are very similar issues to those raised in the French context.¹²⁴

¹¹⁸ Professor Whitehead C et al, [The Private Rented Sector in the New Century: A Comparative Approach](#), September 2012, p13

¹¹⁹ As above, p134

¹²⁰ Emeritus Professor Whitehead C; Williams P: [Assessing the evidence on Rent Control from an International Perspective](#), Residential Landlords Association, October 2018, p22

¹²¹ As above.

¹²² As above, p23

¹²³ As above, p22

¹²⁴ As above, p23

New York City

The New York State Homes and Community Renewal (HCR) is the state agency responsible for administering rent regulation laws in New York City (NYC).

There are two aspects to rent regulation in NYC:

- Traditional rent control which applies to a minority of tenants and
- Rent stabilisation which applies to around one million dwellings.¹²⁵

As noted earlier in this paper, rent controls usually limit the rent that can be charged to sub-market levels while rent stabilisation tends to limit the frequency and/or size of rent increases by linking them to inflation or interest rates.

The Rent Guidelines Board (RGB) determines the maximum allowable increase landlords can charge for a one or two-year lease. It also sets a maximum increase when a change in occupancy occurs. The factors the RGB must consider in determining rent increases can be found on the [RGB website](#).

To benefit from rent control in NYC the tenant must live in a building built before 1947 and occupied by the same family since 1 July 1971. Family members can pass on the tenancy, but the new tenant must have lived in the dwelling for two years before the previous tenant dies or leaves. Rent controlled apartments become rent stabilised when vacant, aside from buildings with fewer than 6 units – these are removed from the programme.

There are no set requirements for an apartment to qualify as rent stabilised, but most are in 6+ unit buildings built before 1974 and were priced below \$2,000 before 2011 or below \$2,700 in 2017. Once the rent reached a certain level or if the tenant's annual income exceeded a certain level in two consecutive years, the landlord could deregulate the apartment and bring it up to market-rates. These provisions were repealed with effect from 14 June 2019 by the Housing Stability and Tenant Protection Act (HSTPA).

The HSTPA 2019 also provided for any locality in New York State to enact rent stabilisation if “a declaration of emergency” regarding available apartments is made in the subject locality pursuant to the Emergency Tenant Protection Act (ETPA) of 1974. “A declaration of emergency” can be made if the vacancy rate for the housing accommodations or a class of housing accommodations within such municipality is less than five percent.

A full series of factsheets on rent control/stabilisation in NYC can be found on the [HCR website](#). There is a factsheet on [Rent Stabilisation and Rent Control](#) (PDF, updated September 2022).

¹²⁵ [NYC Rent Guidelines Board webpage](#) [accessed 24 October 2022]

France

The information below is taken from [Assessing the evidence on Rent Control from an International Perspective](#) (2018):

In 2014 new regulations were put in place. A Rent Observatory which provides the evidence for determining allowed rent increases. The main regulation requires that re-let rents cannot rise above the indexed rent of the previous tenant. Only first lettings are therefore market determined. In addition, in Paris and other pressured cities it was possible to limit rents on new leases to no more than 20% above the median rent for the same type of property in the same type of area. The expert view was that these two measures taken together effectively freezes rents and rents would be disconnected from rates of return. This second rule was only adopted by Paris and Lille.

In October 2017 the second of these rules was annulled from December 2017 after the courts ruled against it in both cities. The first rule is still in force and acts particularly to limit rent increases on larger units which have lower turnover rates. So far there is little evidence of impact. However, the government intends to review the position in 2018.¹²⁶

There were reports of rent increases in Paris after the ruling.¹²⁷ Faced with legal uncertainties, the ELAN Law of 23 November 2018 repealed the articles of the ALUR law relating to rent controls and provided for a similar system to operate on an experimental basis for five years in strained housing zones, based on proposals from willing municipalities:

These include competent public establishments for inter-communal cooperation (EPCIs), the City of Paris, and local and regional government agencies of Greater Paris as well as the Lyon and Aix-Marseille metropolitan zones (EPTs) on all or part of the areas in their remit. In case of non-compliance with the rent caps, the law provides for an obligation for landlords to ensure the lease complies and to reimburse any overpayments to tenants, as well as an administrative fine.

This new scheme came into force in Paris on 1 July 2019, while eight EPCIs asked the French Ministry of Housing if they could experiment with rent control, on all or part of their territory, within the timeframe set out in the ELAN law.¹²⁸

5.3 Some further reading

European examples of rent regimes

[Rent control: a review of the evidence](#), The UK Collaborative Centre for Housing Evidence (CaCHE) February 2022. This work involved “a large-scale

¹²⁶ As above, p21

¹²⁷ The Local, [Rent prices soar in Paris in six months since rent caps were scrapped](#), 19 July 2018

¹²⁸ Chapter 4 of the [Sixth overview of housing exclusion in Europe](#) (2021) FEANTSA (the European Federation of National Organisations Working with the Homeless), p128

international evidence review incorporating both economics and wider social sciences literature from 2000 to 2020.”

Chapter 4 of the [Sixth overview of housing exclusion in Europe](#) (2021) FEANTSA (the European Federation of National Organisations Working with the Homeless) considers approaches to rent regulation in the European Union.

[Mapping Out Rent Controls Across Europe](#), Jones Day, October 2020

[Assessing the evidence on Rent Control from an International Perspective](#), 2018, LSE

[Regulation of the Private Rented Sector in England using Lessons from Ireland](#), Moore, T. and Dunning, R. April 2017, York: JRF, 24

[EU critical of Govt's help-to-buy and rent cap schemes](#), RTE, 8 March 2017 (Ireland)

[Distributional price effects of rent controls in Berlin: When expectation meets reality](#), (PDF) Econstor, November 2016

[The Rent Is Now Somewhat Less High in Paris](#), Citylab, 3 August 2016

[Market break or simply fake? Empirics on the causal effects of rent controls in Germany](#), German Institute for Economic Research, 2016

[Rent control and other aspects of tenancy law in Sweden, Denmark and Finland](#), (PDF) Syddansk Universitet, 2016

[Do rent controls work?](#), Economist, 31 August 2015

[An answer to Britain's housing crisis? Berlin is first German city to introduce rent control](#), Telegraph, 2 June 2015

[The Private Rented Sector in the New Century - A Comparative Approach](#), Cambridge University, September 2012

USA: examples of rent regimes

[Rent control literature review - D.C. Policy Center](#), 2020

[Rent control increases rents](#), Adam Smith Institute, 12 January 2018 (includes reference to San Francisco)

[Why New York-style rent controls would not work in London](#), Conversation, 30 March 2016

[Housing Market Spillovers: Evidence from the End of Rent Control in Cambridge, Massachusetts](#), Journal of Political Economy, vol. 122 no. 3, 2014, pp661-717

[The Misallocation of Housing Under Rent Control](#), American Economic Review, vol. 93 No. 4, September 2003, pp1027-45

[A Critique of the Legal and Philosophical Case for Rent Control](#), Journal of Business Ethics, vol. 40, 2002, pp75–90

Other comparisons

[Renting property: How does it compare around the world?](#), The Guardian, 21 April 2018

[How Rent Controls Work In Other Countries](#), Londonist, 2 January 2014 (San Francisco, Germany & Paris)

[Housing Markets and Structural Policies in OECD Countries](#), OECD, January 2011

Economic impact of rent control/regulation

Alex Marsh, Kenneth Gibb & Adriana Mihaela Soaita (2022) [Rent regulation: unpacking the debates](#), International Journal of Housing Policy, DOI: [10.1080/19491247.2022.2089079](#)

[Rent controls are back in vogue. Can they make London affordable?](#), The Economist, 31 January 2019

[Rent control increases rents](#), Adam Smith Institute, 12 January 2018

[Why rent controls are no silver bullet to solving housing crisis for priced-out millennials](#), The Independent, 25 February 2018

[Want More Affordable Housing? Build More Housing, and Don't Impose Rent Controls](#), Foundation for Economic Education, 20 February 2018, pp8–9

[Rent control could deepen the housing crisis in UK's most expensive cities](#), Centre for Cities, 2 October 2017

[The effects of rent controls on supply and markets](#), (PDF) Cambridge Centre for Housing and Planning Research, May 2015

[The flaws in rent ceilings](#), (PDF) Institute of Economic Affairs, September 2014

[Rent Control: Do Economists Agree?](#), Econ Journal Watch, vol. 6 no. 1, January 2009, pp 73-112

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