

Key findings from the LIWH Primary research

Rents:

- Our survey found that most LIWH pay a rent which is slightly less than the LHA rate set for the property they occupy; the amount paid is usually 90% or more of the LHA rate, except for large properties where it is lower. The table below compares the rents tenants in receipt of HB/LHA pay compared to those that the survey suggests a similar LIWH would pay in the areas in which we carried out the survey.
- The average rent paid by LIWH was £158 rising to £217 in London. Rents in London vary a lot, containing both the highest and some of the lowest rents in the survey. The table below shows hypothetical comparison for the survey areas.
- Rents are around 35% of LIWH incomes, but higher (39%) in London and the South East. LIWH pay a higher proportion of their income in rent than those in the PRS as a whole who only pay 22% but less than those on full HB who pay 42%.
- Extended families and lone parents have the highest rent to income ratios, spending on average 50% and 48% of their incomes on rent respectively.

Accommodation:

- The majority of LIWH live in the 'right' size accommodation as defined by the HB size criteria, but a significant minority choose to live in larger properties than they 'need'.
- Some, typically those with children aged under 16 years, occupy smaller properties than they 'need'. These households pay on average a rent around £75 to £90 per week less than the LHA rate they qualify for.
- LIWH tend to live in newer properties, located in better areas, and to move home more frequently than those on HB. They make the most of their status of being the preferred choice of landlords, searching for and/or negotiating a better deal than equivalent households on HB can.

Tenure choice:

- Only a few, mostly families, had any experience of claiming HB, but previous bad experiences with the system may be deterring them from claiming.
- Among families who were aware of HB, most recognised that they would probably get inferior accommodation, and were not keen to claim.
- Only a very few (4%) wanted to move into a social tenancy, considering the private rented sector their best option because they felt that they earned too much, or were otherwise ineligible or too low a priority for social housing, and did not earn enough for home ownership.

Characteristics:

- LIWH in the private rented sector are a very diverse group in terms of the type of household and ethnicity. They are best considered as a range, from those who are very similar to households on HB, in low paid work and little prospect of leaving rented housing, to those who are passing through at a particular stage of their lives/housing history.

Hypothetical comparison: Rents as a percentage of the October 2010 LHA Rates in a BRMA for the property, by bedsize and area

	<i>HB tenant</i>	<i>LIW tenant</i>		<i>HB tenant</i>	<i>LIW tenant</i>
London/B&H			Elsewhere		
One bedroom	100%	93%	One bedroom	100%	90%
Two bedrooms	100%	94%	Two bedrooms	100%	93%
Three bedrooms	100%	92%	Three bedrooms	100%	97%
Four bedrooms	100%	79%	Four bedrooms	100%	65%

Worked examples by survey fieldwork area

LB Lewisham (Inner SE London BRMA)

<i>LHA Rate</i>	<i>HB tenant</i>	<i>LIW tenant</i>
One bedroom property	£185	£172
Two bedroom property	£242	£227
Three bedroom property	£299	£275
Four bedroom property	£403	£318

City of Coventry (Coventry BRMA)

<i>LHA Rate</i>	<i>HB tenant</i>	<i>LIW tenant</i>
One bedroom property	£104	£93
Two bedroom property	£113	£105
Three bedroom property	£127	£123
Four bedroom property	£173	£112

LB Islington (Inner London North BRMA)

<i>LHA Rate</i>	<i>HB tenant</i>	<i>LIW tenant</i>
One bedroom property	£250	£233
Two bedroom property	£330	£310
Three bedroom property	£435	£400
Four bedroom property	£580	£458

Leeds (Leeds BRMA)

<i>LHA Rate</i>	<i>HB tenant</i>	<i>LIW tenant</i>
One bedroom property	£109	£98
Two bedroom property	£127	£118
Three bedroom property	£150	£145
Four bedroom property	£207	£134

LB Hounslow (Outer South West London BRMA)

<i>LHA Rate</i>	<i>HB tenant</i>	<i>LIW tenant</i>
One bedroom property	£196	£182
Two bedroom property	£253	£238
Three bedroom property	£306	£281
Four bedroom property	£414	£327

North East Lincolnshire (Grimsby BRMA)

<i>LHA Rate</i>	<i>HB tenant</i>	<i>LIW tenant</i>
One bedroom property	£75	£68
Two bedroom property	£92	£86
Three bedroom property	£98	£95
Four bedroom property	£140	£91

LB Waltham Forest (Outer North East London BRMA)

<i>LHA Rate</i>	<i>HB tenant</i>	<i>LIW tenant</i>
One bedroom property	£150	£139
Two bedroom property	£190	£178
Three bedroom property	£230	£212
Four bedroom property	£311	£245

Teignbridge (South Devon BRMA)

<i>LHA Rate</i>	<i>HB tenant</i>	<i>LIW tenant</i>
One bedroom property	£100	£90
Two bedroom property	£130	£121
Three bedroom property	£155	£151
Four bedroom property	£199	£130

Brighton and Hove (Brighton and Hove BRMA)

<i>LHA Rate</i>	<i>HB tenant</i>	<i>LIW tenant</i>
One bedroom property	£150	£139
Two bedroom property	£190	£178
Three bedroom property	£253	£232
Four bedroom property	£322	£255

Source: DWP Report 698, Table 4.9, p56 & LHA-Direct.voa.gov.uk.