

Fewer than one in eight homes listed for rent affordable with housing benefit

Low-income renters are falling into a “housing black hole”, with new analysis suggesting that fewer than one in eight homes listed for rent are affordable to those receiving housing benefit.

Spiralling rents, coupled with a freeze on housing benefit, have led to a “huge shortfall” in affordable homes in [England](#), say the homelessness charity Crisis and the property listing portal Zoopla.

This growing gap is pushing thousands of renters to breaking point as the cost-of-living crisis deepens, they warn.

Factoring in the chronic shortage of rented homes, they say it is likely many more people will be driven from their homes, with evictions and homelessness already rising.

It is deeply troubling that the poorest households in England are being forced to fight over a meagre number of affordable homes or stump up thousands they simply don't have in order to find somewhere to live.

Read More

- [Priti Patel unveils plan to curb numbers of Albanians in migrant crossings](#)
- [Sunak and Truss set to square off in penultimate hustings](#)
- [Government must increase energy bill discount by at least 150%, Which? warns](#)

- SPONSORED

[Uber: making London greener for everyone](#)

Crisis and Zoopla are calling for the [Government](#) to raise housing benefit at the autumn budget if it wants to prevent thousands from being pushed into homelessness.

The groups carried out joint research, analysing new listings for one, two and three-bed properties for rent on Zoopla between May 2021 and April 2022.

It found that just 12% of properties were affordable to people receiving housing benefit, leaving renters “facing a housing black hole”.

The problem was most acute for one-bed homes, with nearly half of local authority areas in England having fewer than 20 truly affordable one-bed properties listed over the year.

The proportion of affordable homes varied across the country, with the [East Midlands](#) and [South West](#) having the fewest affordable homes listed.

At the start of this year, around 1.2 million private renters in England were relying on housing benefit, official figures show.

Average monthly rental prices are now 12% higher than they were before the pandemic.

At the start of the coronavirus pandemic, housing benefit levels were set to cover the cheapest third of rents in each local area, based on rents from 2018-19, but have been frozen since March 2020.

The research indicates the gap between housing benefit payments and rents are more than double what the most recent Government data suggests.

Renters receiving housing benefit must find, on average per year, an additional £648 for a one-bed, £1,052 for a two-bed and £1,655 for a three-bed, the new analysis suggests.

This compares to £313, £371 and £498, respectively, according to figures from the Valuation Office Agency in January 2022, based on rents data in the year to September 2021.

Matt Downie, Crisis chief executive, said: "It is deeply troubling that the poorest households in England are being forced to fight over a meagre number of affordable homes or stump up thousands they simply don't have in order to find somewhere to live.

"We cannot sit idly by as people are left to battle against an increasingly turbulent and suffocating rental market while housing benefit – the only lifeline they have – is patently insufficient and unable to meet their needs.

"Enough is enough. The Government can no longer ignore rising rents in the cost of living crisis – it must urgently invest in housing benefit so it covers the cheapest third of rents and put in place a plan to deliver the social homes we are crying out for, if people are to have a fighting chance at finding a home they can afford."

Richard Donnell, executive director at Zoopla, said the gap is widening as demand for rented homes outpaces supply.

He said: "There is a greater supply squeeze in the rental market than the sales market.

"This is being compounded by a growing number of private landlords exiting the market in the face of tax changes and greater regulation, a trend that looks set to continue."

The organisations say 90,000 social rented homes need to be built every year for the next 15 years, and are calling for a strategy from Government to enable this.

[Lisa Nandy](#), Labour's shadow levelling up secretary, said the Government must act or there could be a huge increase in homelessness this winter.

She said: "It is simply not good enough that the Conservatives have been too distracted with their own scandals and incompetence to get ahead of this crisis and produce a plan for people who are struggling to meet rent payments.

"Ministers must bring forward emergency legislation to end no-fault evictions and convene an urgent cross-departmental task force to work up further solutions."

A Government spokesman said: "During the pandemic we increased Local Housing Allowance significantly and beyond inflation, benefiting over one million households by an average of over £600 over the year.

"We're maintaining that boost, keeping support for private renters above pre-pandemic levels.

"We recognise people are facing pressures with the cost of living which is why we have taken action through our £37 billion support package to help households with rising costs, including £1,200 this year for the most vulnerable helping them to pay their bills and stay in their homes."

The Government will bring in new measures to abolish so called 'no fault' evictions, and empower renters to challenge poor standards and unjustified rent increases, he added.