Dear Dale,

Oral Question – 24 November 2014: Universal Credit and Housing Costs

In the Lords on Monday you asked me whether I believed that housing rents in the United Kingdom are too high.

Further to my response at the time I promised that I would write to you and provide additional information.

Since April 2011, we have undertaken a number of reforms to the Local Housing Allowance (LHA). These reforms are intended to exert a downward pressure on rents in the private rented sector. They also ensure that benefit claimants are faced with the same decisions about their housing as people in work not claiming benefits have to make.

In respect to rent levels, latest figures from LSL Property Services, who publish monthly data regarding rents private sector in England and Wales, show that annual rent rises were 1.5% in the twelve months to October 2014, down from 1.9% in the twelve months ending October 2013. This is down from as much as 4.4% in April 2011, when reforms were introduced. Since April 2011, the annual increase in rents has been below the rate of CPI inflation for the majority of months.

I am copying this letter to all peers who spoke following Lord McKenzie’s oral question and I will place a copy in the House library.

Yours sincerely,

Lord Freud
Minister for Welfare Reform