



# Statistical Digest

2016 – 2017



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# Executive Summary



## Growth of the PRS

- The private rented sector is now larger than the social rented sector.
- The number of private rented homes has risen in England from 2.13 million in 2001 to 4.75 million in 2015 and in Wales from 90,000 to 208,000.
- There has been an increase in protected tenancy deposits with 924,181 protected in March 2008 to 3,691,242 protected in March 2017.
- The value of tenancy deposits has increased year on year from £885,098,501 in March 2008 to a total of £4,017,045,899 in March 2017.
- The value of the average deposit has increased from £880 in March 2010 to £1,088 in March 2017.



## Dispute numbers

- Adjudications completed by all tenancy deposit schemes has risen continually from 458 in 2008, to 8,098 in 2009, and now 30,742 in 2017.
- The percentage of total deposits protected resulting in a dispute has remained low ranging between 0.05% and 1.08%. Currently the rate sits at 0.83%; a seventh consecutive year that the rate remains below 1%.



## Reasons for disputes in England and Wales

- Of the cases submitted to TDS insured in 2016-17, cleaning appeared as a reason in 56% of cases with damage arising in 51%.
- 59.79% of disputes raised with TDS were raised by tenants in 2016-17, with 29.24% raised by the agent and 10.97% raised by the landlord.

# 1

# Deposits and Disputes in England and Wales

The tenancy deposit protection legislation was introduced in April 2007 in England and Wales as a result of the 2004 Housing Act. Similar provisions came into force in Scotland in July 2012 and in Northern Ireland in April 2013.

This digest contains key statistics on tenure, deposit protection and disputes in England and Wales to the 31 March 2017. It has been written for customers of TDS Insured, TDS Custodial and other stakeholders interested in how the tenancy deposit protection legislation has operated since its introduction in April 2007.

Some of the data included is Government data released under the Freedom of Information Act. Other data is the Tenancy Deposit Scheme's own internal performance reporting.





# Tenure in England and Wales

## England

The last few years have seen a steady increase in the size of the private rented sector in England as shown in Table 1 below and it is now larger than the social rented sector. Since 2001 the private rented stock in England has risen from 2.13 million homes to an estimated 4.75 million in 2015.

In the same period the number of owner occupied homes in England has shown a small decrease from 14.735 million homes in 2001 to 14.710 million in 2015.

There has also been a decrease in social housing from 4.339 million homes in 2001 to 4.085 million homes in 2015.

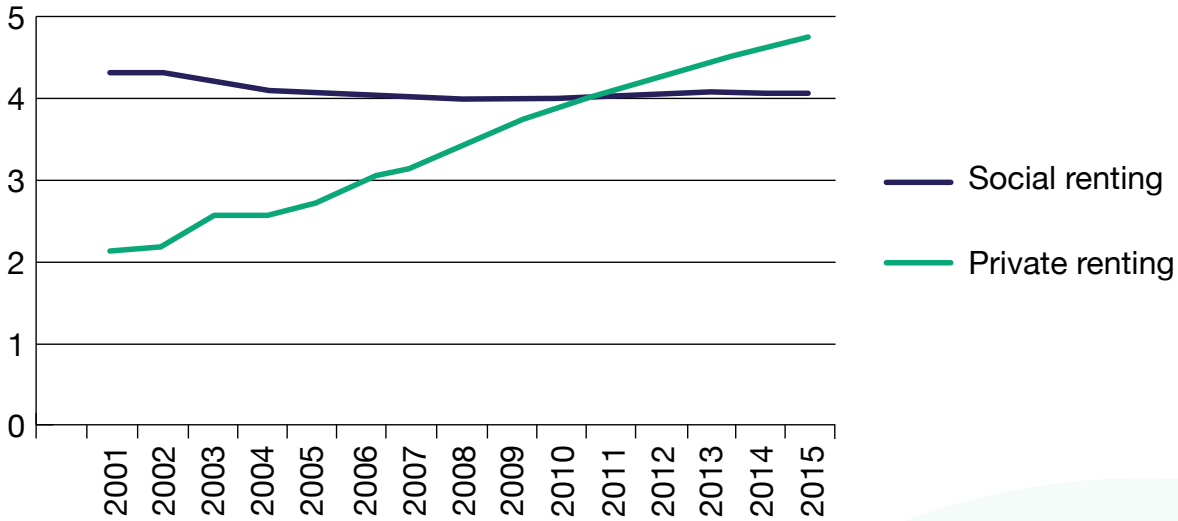
**Table 1: Tenure in England since 2001 (millions of homes)**

Year	Owner occupation	Social renting	Private renting
2001	14.735	4.339	2.133
2002	14.846	4.310	2.197
2003	14.752	4.212	2.549
2004	14.986	4.120	2.578
2005	15.100	4.050	2.720
2006	15.052	4.034	2.987
2007	15.093	4.013	3.182
2008	15.067	4.000	3.443
2009	14.968	4.022	3.705
2010	14.895	4.032	3.912
2011	14.827	4.044	4.105
2012	14.757	4.068	4.286
2013	14.800	4.100	4.465
2014	14.674	4.067	4.623
2015	14.710	4.085	4.747

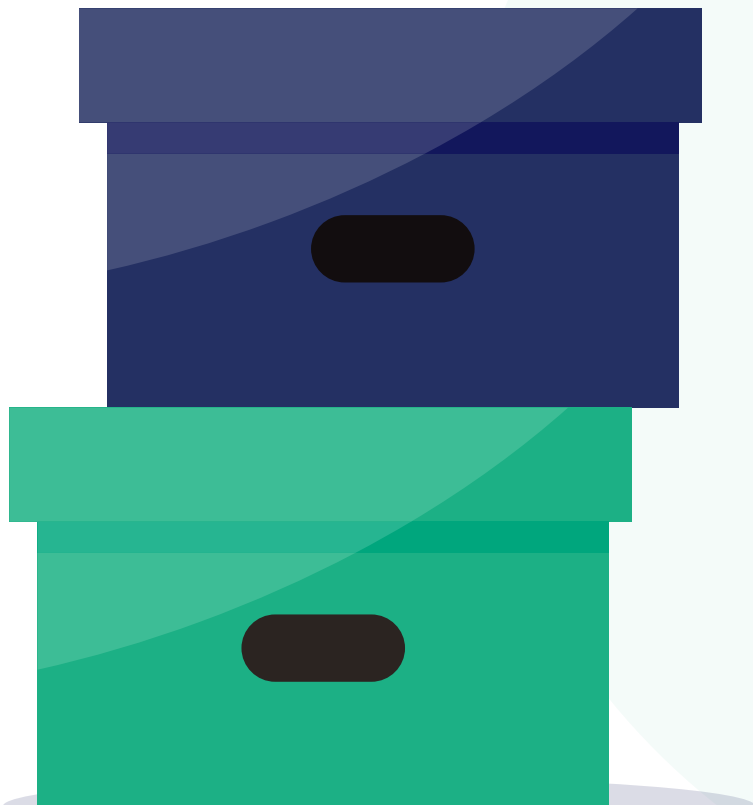
The chart below shows how the size of the private rented sector has grown rapidly and has now overtaken the social housing sector across England.

**Figure 1: Private renting and social renting in England 2001-2015**

**Renting in England 2001-2015 (homes in millions)**



Source: Housing Review 2017 (York/JRT)



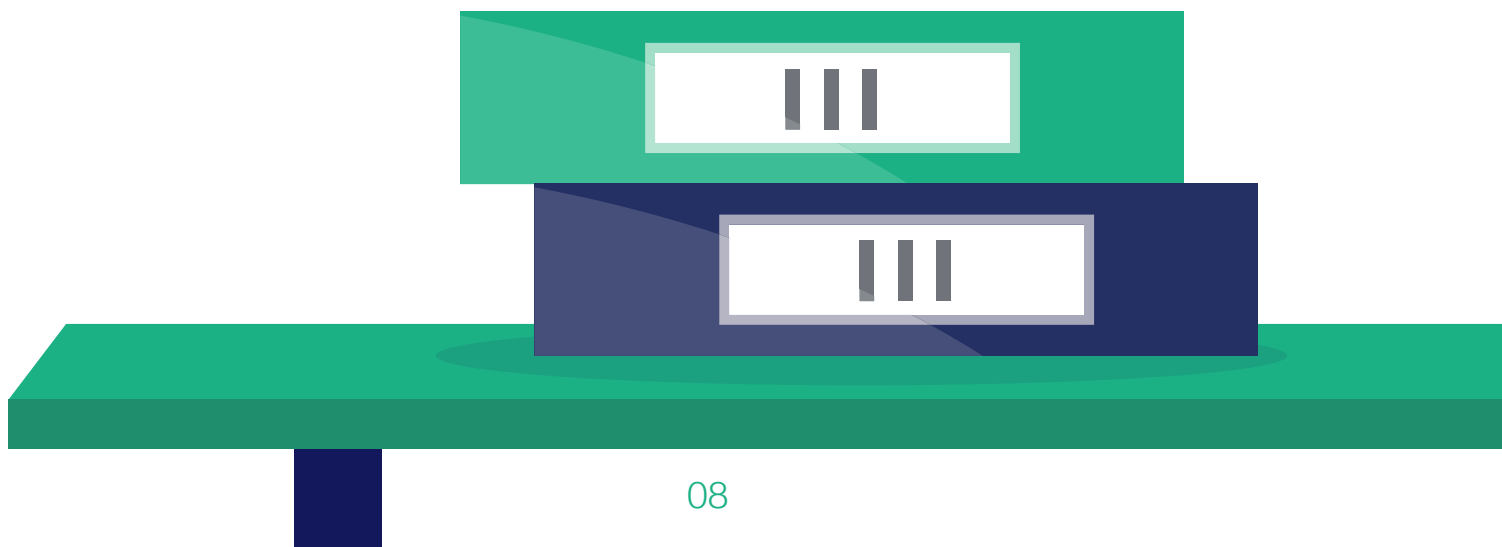
## Wales

A similar picture emerges in Wales with a rapid growth in recent years in the size of the private rented sector to 208,000 private rented homes.

**Table 2: Tenure in Wales since 2001 (homes in millions)**

Year	Owner occupation	Social renting	Private renting
2001	0.941	0.243	0.090
2002	0.957	0.240	0.089
2003	0.966	0.233	0.097
2004	0.980	0.226	0.103
2005	0.990	0.223	0.108
2006	0.998	0.222	0.113
2007	1.002	0.221	0.122
2008	1.001	0.221	0.135
2009	0.989	0.220	0.157
2010	0.983	0.221	0.171
2011	0.980	0.230	0.181
2012	0.976	0.223	0.191
2013	0.983	0.233	0.190
2014	0.981	0.223	0.196
2015	0.974	0.224	0.208

Source: Housing Review 2017 (York/JRT)

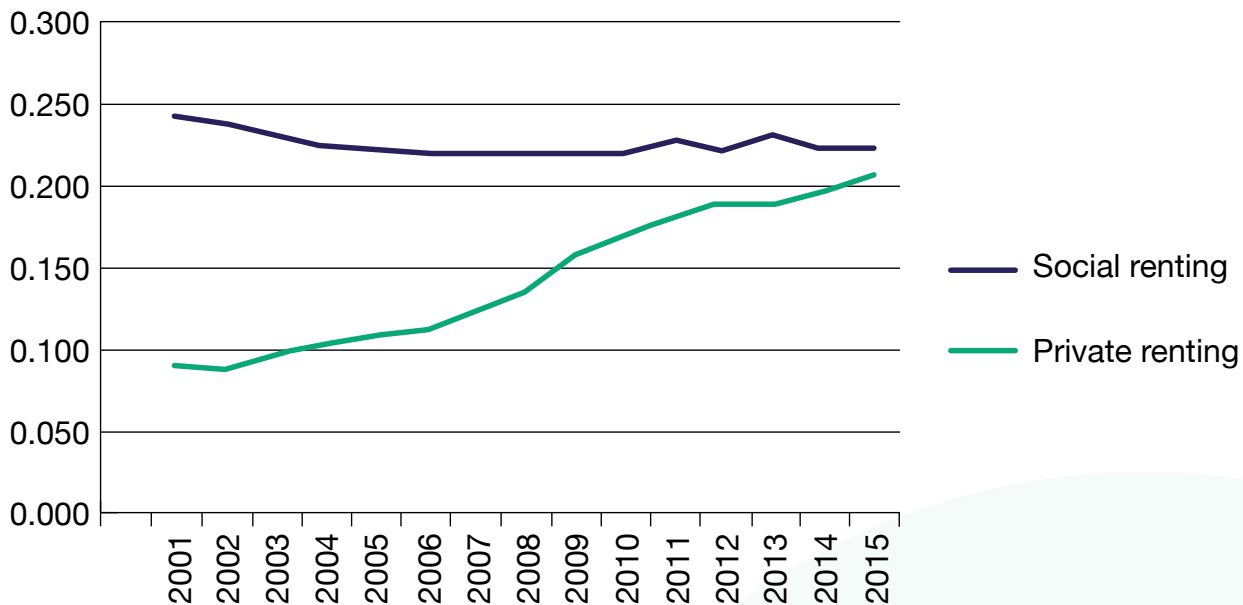




The chart below shows that the private rented sector is on target, in Wales, to overtake the social housing sector in the next few years.

**Figure 2: Private renting and social renting in Wales 2001-2015**

**Renting in Wales 2001-2015 (homes in millions)**



Source: Housing Review 2017 (York/JRT)



# 3

## Tenancy Deposits

In England and Wales, deposits taken on assured shorthold tenancies with an annual rent of up to £100,000 must be protected in a government authorised tenancy deposit scheme. The legislation came into force in April 2007 and over the years there has been a steady increase in the number of deposits protected, reflecting the increase in the size of the private rented sector.

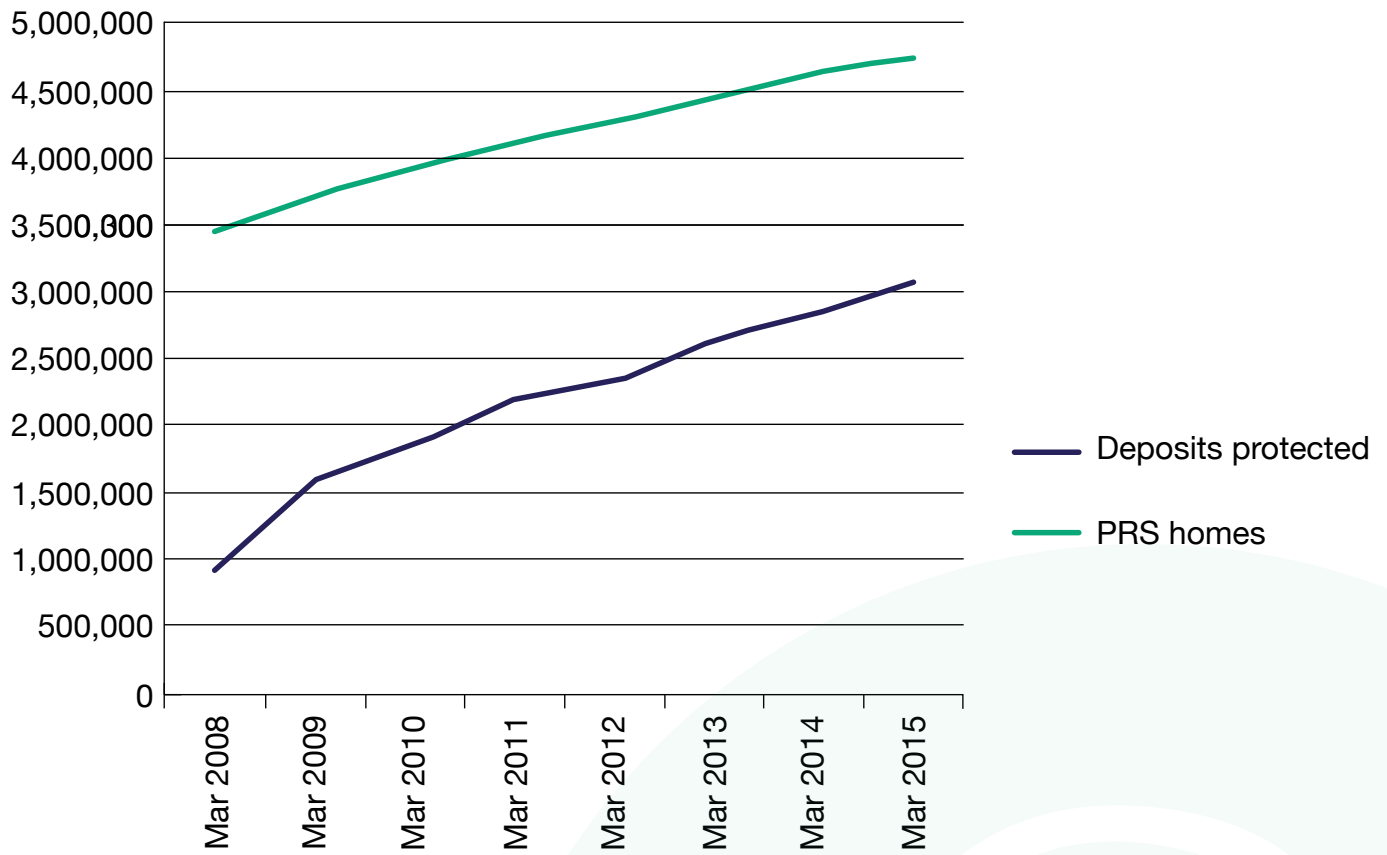
**Table 3: Tenancy deposits protected in England and Wales since March 2008**

Year	Total deposits protected
March 2008	924,181
March 2009	1,553,130
March 2010	1,888,532
March 2011	2,220,543
March 2012	2,374,385
March 2013	2,659,301
March 2014	2,848,110
March 2015	3,066,130
March 2016	3,425,718
March 2017	3,691,242

Source: DCLG FoI statistics

The chart below shows how the numbers of deposits protected has been tracking the growth of the private rented sector in England and Wales.

**Figure 3: Tenancy deposits protected compared to the number of private rented sector homes in England and Wales since March 2008**



Source: DCLG Housing Review 2017



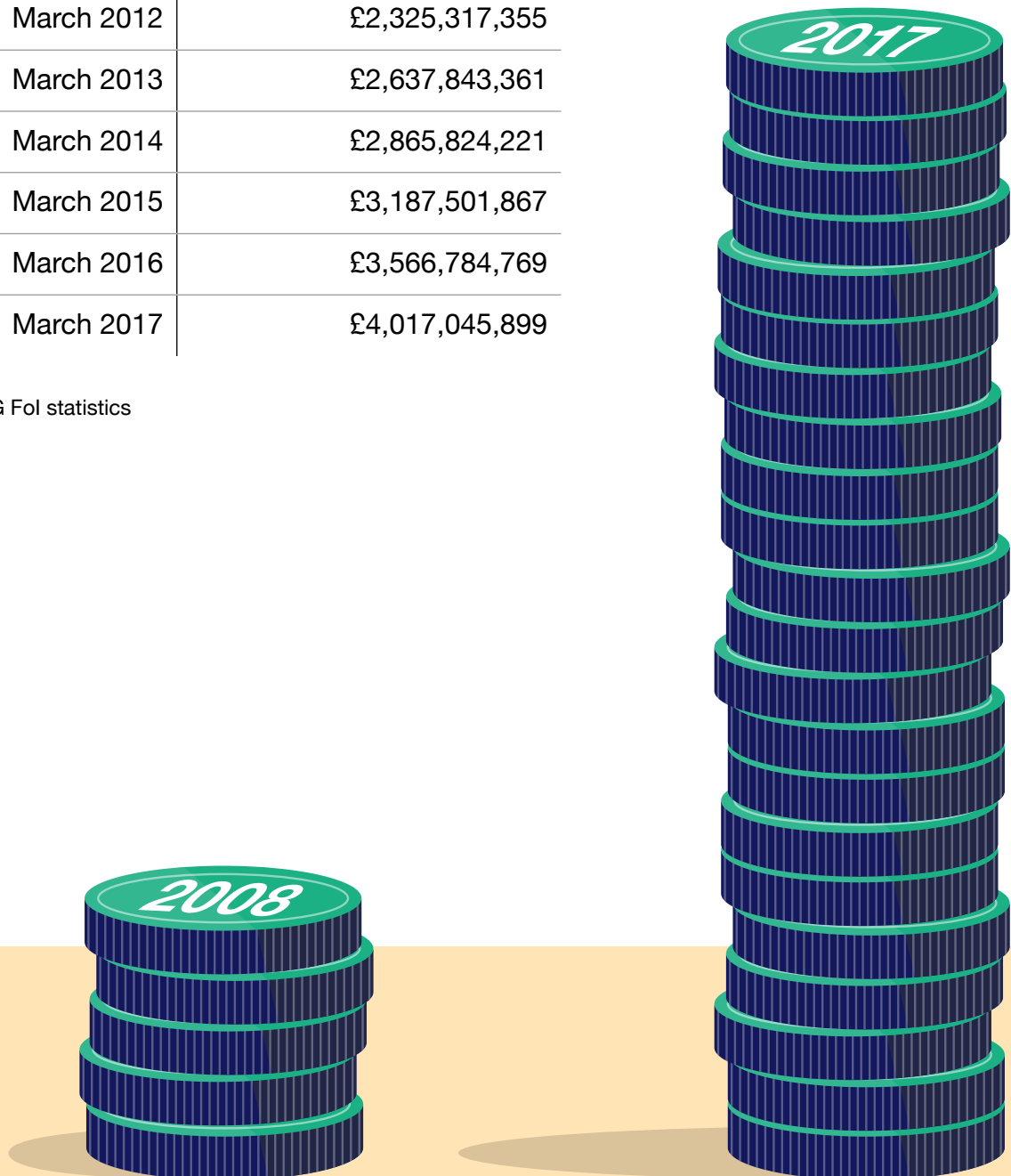
## Tenancy deposits by value

The value of deposits protected has also increased over the years and now stands at just over £4billion at 31 March 2017 (Table 4).

**Table 4: Total value of tenancy deposits protected to March 2017 in England and Wales**

Year	Value of tenancy deposits
March 2008	£885,098,501
March 2009	£1,406,482,263
March 2010	£1,661,896,693
March 2011	£2,104,219,832
March 2012	£2,325,317,355
March 2013	£2,637,843,361
March 2014	£2,865,824,221
March 2015	£3,187,501,867
March 2016	£3,566,784,769
March 2017	£4,017,045,899

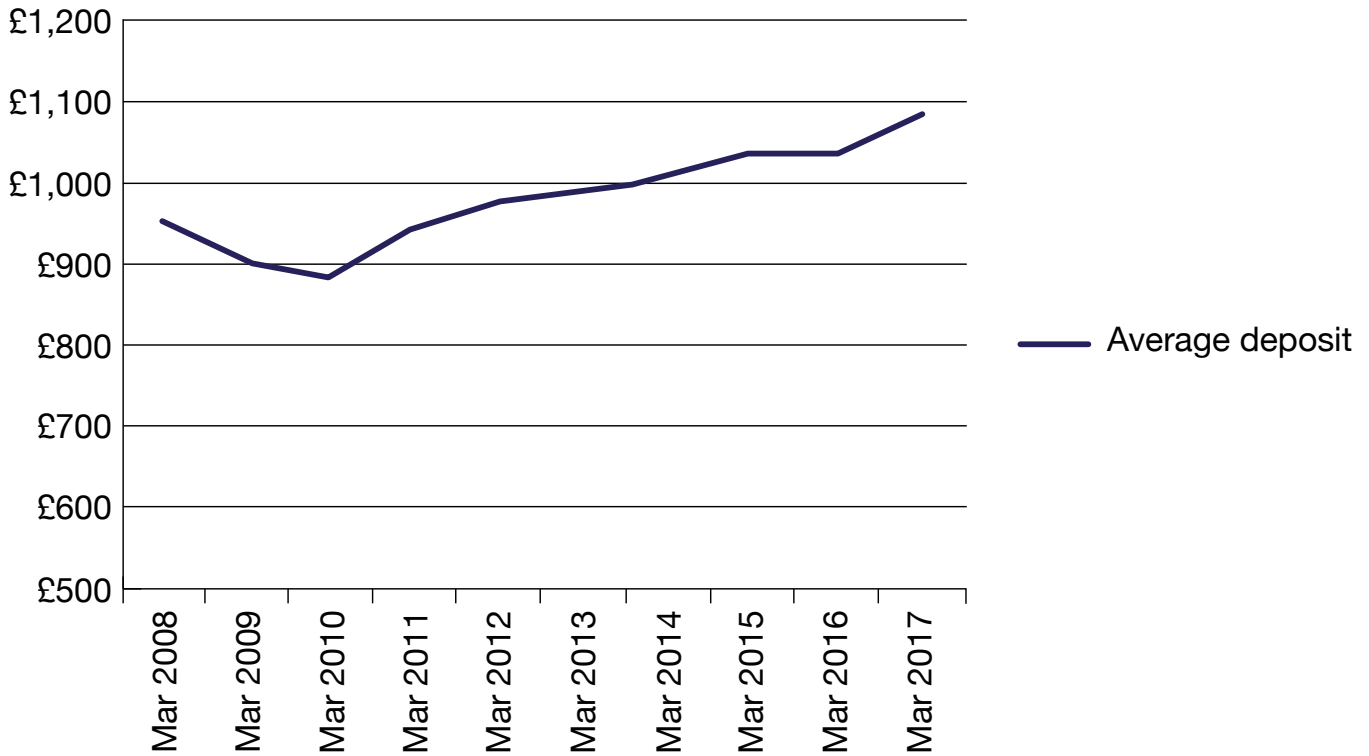
Source: DCLG Fol statistics



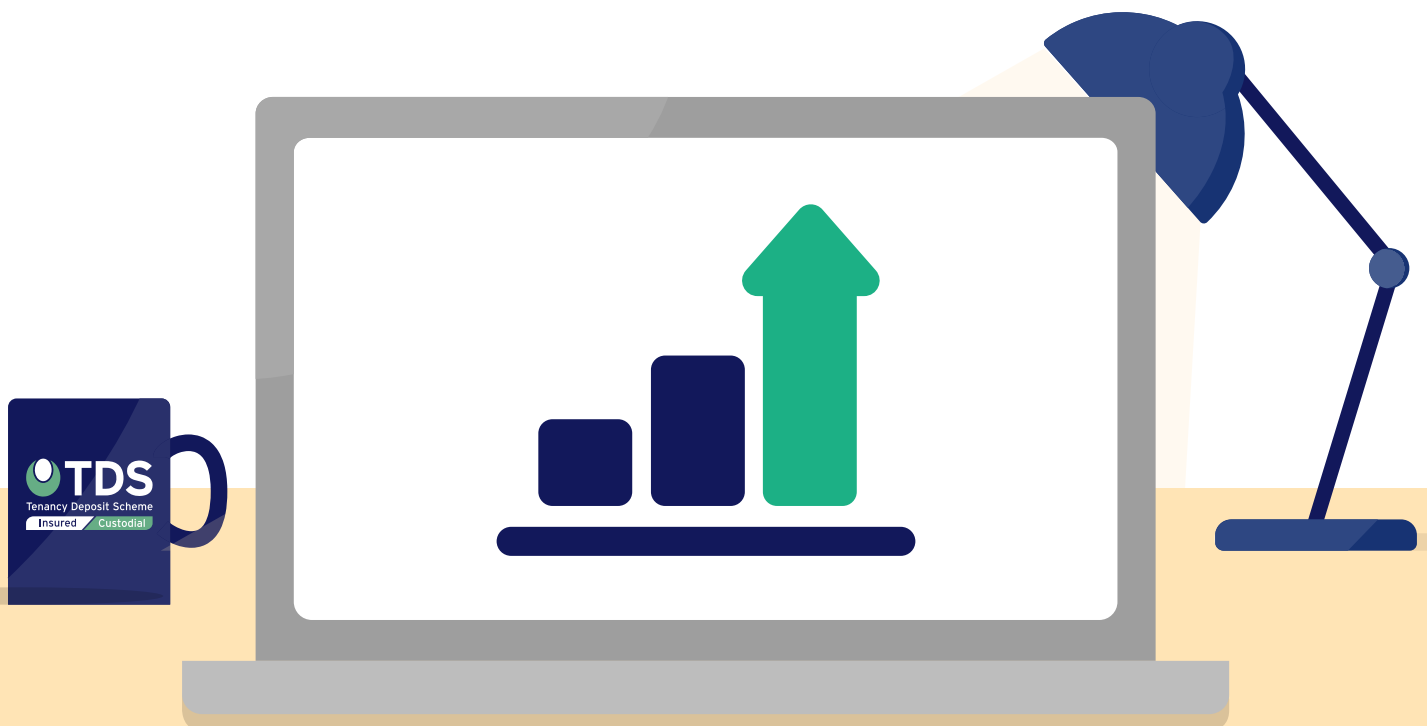
## Average value of deposits protected

Figure 4 shows the average value of deposits protected over time. This has fluctuated from a low of £880 in March 2010 to £1,088 in March 2017. It should be noted that these figures hide large variations between regions in England and Wales.

Figure 4: Average value of deposits protected April 2007 to March 2017 in England & Wales



Source: DCLG Fol statistics



# 4

## Disputes

The tenancy deposit protection legislation was introduced in April 2007 in England and Wales as a result of the 2004 Housing Act. Similar provisions came into force in Scotland in July 2012 and in Northern Ireland in April 2013.

At the end of a tenancy, the legislation allows tenants to raise a dispute with a tenancy deposit scheme if the deposit, less any agreed deductions, has not been returned to them.

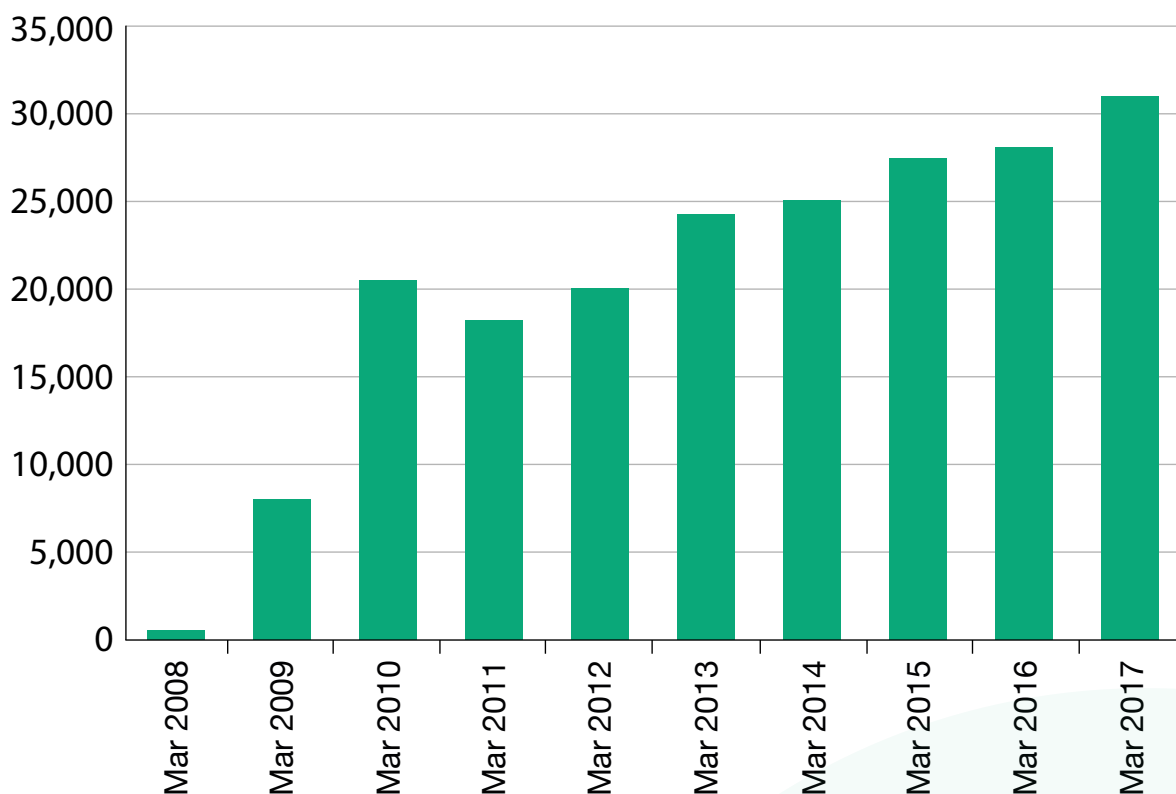


### Numbers of disputes

If a landlord and tenant cannot reach agreement on the allocation of a deposit at the end of the tenancy they can ask their tenancy deposit scheme to carry out a free adjudication to decide who should get what from the deposit.

In the first years of the tenancy deposit protection regime there were relatively few disputes as tenancies had not ended. Over time the number of disputes has increased as tenancies end and landlords and tenants cannot reach agreement on the allocation of the deposit. The chart shows that the number of disputes which went through the adjudication process reduced in 2010-11 but increased again in the years since.

**Figure 5: Adjudications completed by year for all tenancy deposit schemes in England and Wales**



Source: DCLG 2017

**Table 5: Adjudications completed by year for all tenancy deposit schemes in England and Wales**

Year	Total disputes
March 2008	458
March 2009	8,098
March 2010	20,363
March 2011	18,156
March 2012	20,279
March 2013	24,448
March 2014	25,029
March 2015	27,816
March 2016	28,100
March 2017	30,742

Source: DCLG 2017

## Disputes as a percentage of deposits protected

Before the tenancy deposit protection legislation was introduced, the National Association of Citizens Advice Bureaux said in their 1998 report, *Unsafe Deposit*, that 48% of tenants in their survey had reported having had a deposit unreasonably withheld and only one in 6 of these had been successful in getting their money back.

An analysis of the number of adjudications each year, compared to the number of deposits protected shows a surprisingly low percentage of disputes as a proportion of the deposits protected.

**Table 6: Disputes as a percentage of the total number of deposits protected**

Year	Dispute percentage
March 2008	0.05%
March 2009	0.52%
March 2010	1.08%
March 2011	0.82%
March 2012	0.85%
March 2013	0.92%
March 2014	0.88%
March 2015	0.89%
March 2016	0.82%
March 2017	0.83%

This table indicates that in the last seven years the disputes percentage rate has been below 1% of tenancies protected.

Looking at this a different way, if on average the tenancies are lasting 30 months, the number of disputes expressed as a percentage of the tenancies ending in one year is 2.05%. This is significantly below the figures implied by the *Unsafe Deposit* report in 1998.

Source: DCLG 2017



## Dispute rates per scheme

Following publication of data obtained from the DCLG under the Freedom of Information Act, it is now possible to identify the dispute rate per scheme. This shows that the average dispute rate is at 0.83% of all deposits protected at March 2017.

The dispute rate in 2016-17 varies across all schemes with the TDS Custodial rate at only 0.1% (this scheme is only one year old) compared with the 1.11% rate in TDS Insured (which allows landlords and agents to submit disputes in addition to tenants).

**Table 7: Dispute rates 2013-17**

Year	TDS Insured	TDS Custodial	All schemes average
31st Mar 2013	1.31%	n/a	0.92%
31st Mar 2014	0.87%	n/a	0.88%
31st Mar 2015	1.05%	n/a	0.89%
31st Mar 2016	0.99%	n/a	0.82%
31st Mar 2017	1.11%	0.10%	0.83%

Source: DCLG 2017



## Reasons for disputes

TDS has been collecting data on the reasons for disputes since 2007. This shows that damage, cleaning, redecoration are the most common reasons given for a tenancy deposit dispute. In the cases submitted to TDS Insured in 2016-17, cleaning appeared as a reason in 56% of cases and damage in 51%.

**Table 8: Reasons for disputes in TDS**

Dispute	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Cleaning	56%	53%	58%	57%	56%
Damage	43%	46%	51%	51%	51%
Decoration	30%	29%	31%	32%	28%
Gardening	13%	14%	17%	16%	16%
Rent arrears	17%	16%	19%	19%	20%

Source: TDS disputes data 2012-17

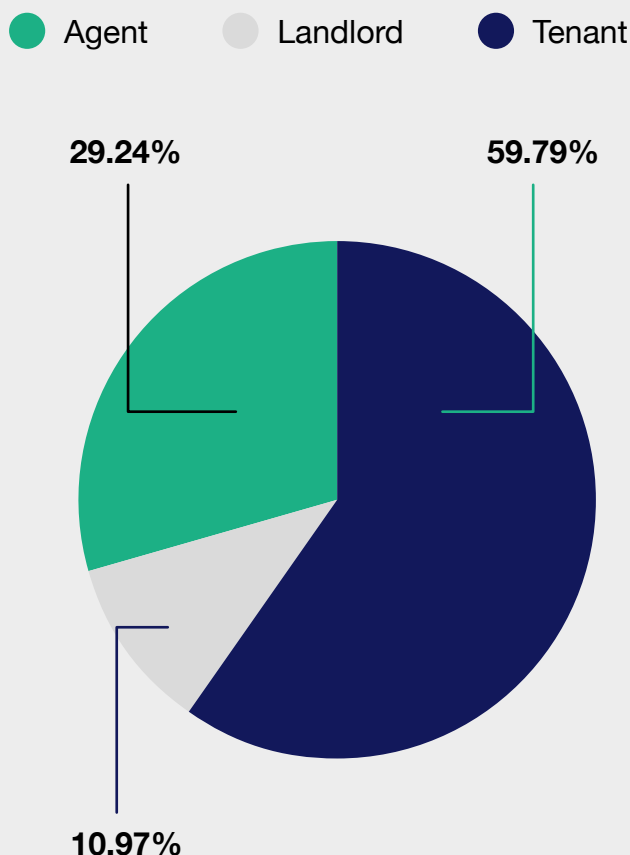
## Who raises disputes with TDS?

TDS is the only insurance based scheme which allows any party (letting agents, landlords or tenants) to raise disputes.

In 2016-17 almost 60% of disputes were raised by tenants with 40% being raised by agents/landlords. This reflects a change in TDS policy to restrict the ability of non-member landlords to raise disputes with TDS.

In the previous year (2015-16) over 53% of TDS disputes were submitted by landlords/agents compared to almost 47% being raised by tenants.

**Figure 6: Who raises disputes with TDS?**



Source: TDS

## Who gets what?

A common question asked of the deposit protection schemes is who gets what in disputes. This data below covers TDS schemes for the period from April 2016 – September 2016 and October 2016 – March 2017 and shows some significant differences between the two schemes.

**Table 9: Allocation of disputed deposits in TDS by scheme 2016-17**

Allocation of disputed deposit	TDS Custodial		TDS Insured	
	Six month period ending:		Six month period ending:	
	Sept 2016	Mar 2017	Sept 2016	Mar 2017
100% to tenant	0	35.29%	10.88%	12.74%
100% to landlord/agent	0	17.65%	26.56%	26.8%
Award split between landlord/agent and tenant	0	61.11%	62.56%	47.06%

Source: TDS disputes data 2012-17

The majority of TDS Insured members are professional lettings agents and over the years they have recognised that they need to undertake inventories and check out reports if they are to successfully demonstrate a claim for damage, redecoration, gardens or cleaning. In our experience landlords are often less aware of the importance of this and as such are more likely to not succeed in making a claim for a deposit deduction.

In the last 6 months of 2016-17, TDS's average dispute was in the sum of £1,019.45 in TDS Insured of which £497.19 (49%) was paid to landlords/agents and £522.26 (51%) was paid to tenants.

In 2015-16 the same analysis showed that of all of the disputed deposits a total of 45.45% was paid to tenants and the balance (54.55%) is paid to landlords.



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