Where Rent Setting Went Wrong, And Why Ethical Investors Are Now Part of the Solution

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A credible, critical, and hopeful perspective from someone who has lived every stage of the UK's rent-setting journey

Why My Perspective Matters

My name is Sally Roberts, and I've spent 38 years working in revenues and benefits, housing and communities, almost all of it on the frontline, with tenants, families, communities, landlords, councils, and national policymakers. My career has taken me from neighbourhood offices to national platforms, and through every major welfare reform of the last four decades.

I've:

• Project-managed the rollout of new welfare reforms
• Worked directly with the Department for Work and Pensions (DWP)
• Helped shape national guidance
• Spoken on national platforms during the introduction of Local Housing Allowance (LHA)
• Supported communities through the good, the bad, and the frankly ridiculous
• Watched the Private Rented Sector (PRS) evolve, fracture, and professionalise
• Seen exactly where the system went wrong, and why it still matters today

This article is not academic commentary. It is lived experience, professional expertise, and a critical reflection from someone who has been inside the system, outside the system, and alongside the people most affected by it.

Before 1989: Stability, Security, and Stagnation

For decades, private renting operated under regulated rents. Rent Officers set “fair rents,” tenants had strong security, and the PRS was stable but shrinking. Investment was limited, supply was tight, and the sector was often seen as outdated.

Everything changed with the Housing Act 1988, implemented in January 1989.

15th January 1989: The Abolition of Regulated Rents

This was the moment the PRS was reborn, and destabilised.
• Regulated rents were abolished
• Assured and Assured Shorthold Tenancies (ASTs) became standard
• Market rents replaced Rent Officer-determined “fair rents”

The intention was to modernise the sector. The reality was more complicated.

1989–2008: The Missing Middle, And the Start of the Problems

This is the period almost nobody talks about, but I lived through it, worked in it, and saw its consequences firsthand. Although rents were now market-based, Housing Benefit still needed a mechanism to determine what was “reasonable.” So Rent Officers (later the Valuation Offie Agency VOA) continued to:
• Assess local market rents
• Set Local Reference Rents
• Define Broad Rental Market Areas (BRMAs)
• Determine Single Room Rent for under-25s
• Apply over- and under-occupation rules
• Influence benefit caps and affordability thresholds

These assessments directly shaped:

• What tenants could afford
• What landlords could charge
• Which properties were viable
• How communities evolved
• How the PRS professionalised (or fragmented)

Did this affect the PRS? Absolutely, and critically.

From my own experience and from policy evidence:
• Rent Officer valuations directly influenced maximum Housing Benefit payments
• Landlords adjusted rents to sit just below or just above those thresholds
• Tenants were pushed into certain property types based on benefit rules
• BRMA boundaries created winners and losers overnight
• Smaller landlords struggled; larger operators adapted
• Market evidence became the backbone of the system, but often lagged behind reality

This was the era where cracks began to show.

2008: The Introduction of Local Housing Allowance (LHA)

I was there for this. I helped shape guidance. I stood on national platforms explaining it. I saw the hope, and the flaws, from day one. LHA formalised what Rent Officers had been doing for years:
• Benefit rates set by VOA market rents
• Rates pegged to the 30th percentile
• Clear rules on household size and occupancy
• A system intended to be transparent and fair

But transparency doesn't fix affordability. And fairness doesn't fix supply.

2012–Present: Caps, Freezes, and the Slow Unravelling

This is where it truly went wrong.
• LHA freezes
• Benefit caps
• Bedroom Tax
• Rising rents outpacing benefit rates
• PRS supply shrinking
• Temporary accommodation rising
• Councils struggling
• Tenants priced out
• Landlords exiting
• Communities destabilised

The system became disconnected from the market it was supposed to reflect. And I saw it all, every reform, every unintended consequence, every community impact.

Where It Went Wrong, My Critical View

After 38 years, here is the truth:

1. The system became too slow to respond to real market conditions
VOA data lagged behind actual rents. Benefit rates fell out of sync. Tenants suffered.

2. BRMA boundaries created artificial affordability zones
Some areas became unaffordable overnight, not because rents changed, but because boundaries did.

3. Policy focused on caps instead of supply
You cannot fix affordability by restricting benefit rates while rents rise.

4. The PRS was expected to absorb social housing pressures
Without the stock, without the support, and without the incentives.

5. Welfare reform became reactive instead of strategic
Short-term fixes replaced long-term planning.

6. The human impact was underestimated
Families displaced. Communities fractured. Vulnerable tenants left behind. I saw these consequences every day, in council offices, in community centres, in emergency meetings, in DWP briefings, and in the lived experiences of people who simply needed a safe, affordable home.

And Now the Positive: Why Ethical Investors Are Part of the Solution

Here is the part that gives me hope, and the part most people overlook. The PRS is not the problem. The PRS is a major part of the solution. Not because we need to build endless new homes, but because we need to use what we already have better.

1. Bringing empty properties back into use

Thousands of homes sit empty across the UK. Ethical investors can:

- Renovate them
- Modernise them
- Make them safe
- Bring them back into the community

This is faster, cheaper, and more sustainable than new builds.

2. Commercial-to-residential conversions

Our high streets have changed. Retail has changed. Offices have changed.
But investors can:

- Convert unused commercial spaces
- Create modern, energy-efficient homes
- Revive city centres
- Reduce pressure on greenfield sites

This is regeneration in its purest form.

3. Reviving our cities and towns

Investors can:

- Transform derelict buildings
- Improve neighbourhoods
- Support local businesses
- Increase footfall
- Make areas feel safe and vibrant again

Regeneration is not just construction, it's community building

4. Strengthening local economies

Every renovation, every conversion, every revived building:

- Creates jobs
- Supports trades
- Stimulates local spending
- Attracts new residents
- Builds pride in place

This is how communities thrive.

Ethical property investment is not about profit alone. It's about purpose, regeneration, and opportunity. And after 38 years in this field, I can say confidently:

The future of housing is not just building more homes, it's transforming the homes, buildings, and spaces we already have.Investors who understand this, who care about communities, affordability, and long-term value, are not part of the problem.They are part of the solution we desperately need.

Conclusion: A System Built on Market Evidence, But Ready for Reinvention

From regulated rents to market rents, from Rent Officers to the VOA, and from Local Reference Rents to LHA, the UK's rent-setting journey has been shaped by one constant: the tension between fairness, affordability, and market dynamics.

The transitional period between 1989 and 2008 is the missing link that explains today's challenges, and today's opportunities.
After 38 years in the system, I can say with confidence:
We didn't end up here by accident. We ended up here because the system was never designed to keep pace with the world it was meant to regulate.

But I can also say this:

Ethical investors, regeneration projects, and the revitalisation of existing buildings are one of the strongest, fastest, and most community-focused solutions we have. And that is exactly why understanding this history matters, for tenants, landlords, policymakers, and for anyone committed to ethical, community-centred regeneration.

Join The Moonflower Approach to Regeneration.

If you're interested in finding out more about investing in property, whether you're building a portfolio, exploring regeneration opportunities, or simply want to discuss alternative strategies, **Moonflower Property Group** is here to help.

I bring 38 years of frontline experience, community insight, and national-level welfare expertise to every conversation. Ethical, informed, opportunity-focused investment is at the heart of what we do. You can contact me using the details below, or simply scan the QR code to connect.

Together, we can bring light, value, and opportunity to every investment , and to every community we touch.

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