

Final stage impact assessment

Title: Decent Homes Standard Final Impact Assessment

Type of measure: Regulatory/ Legislative

Department or agency: Ministry for Housing, Communities and Local Government

IA number: ...

RPC reference number: ...

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Summary of proposal

Context for proposals

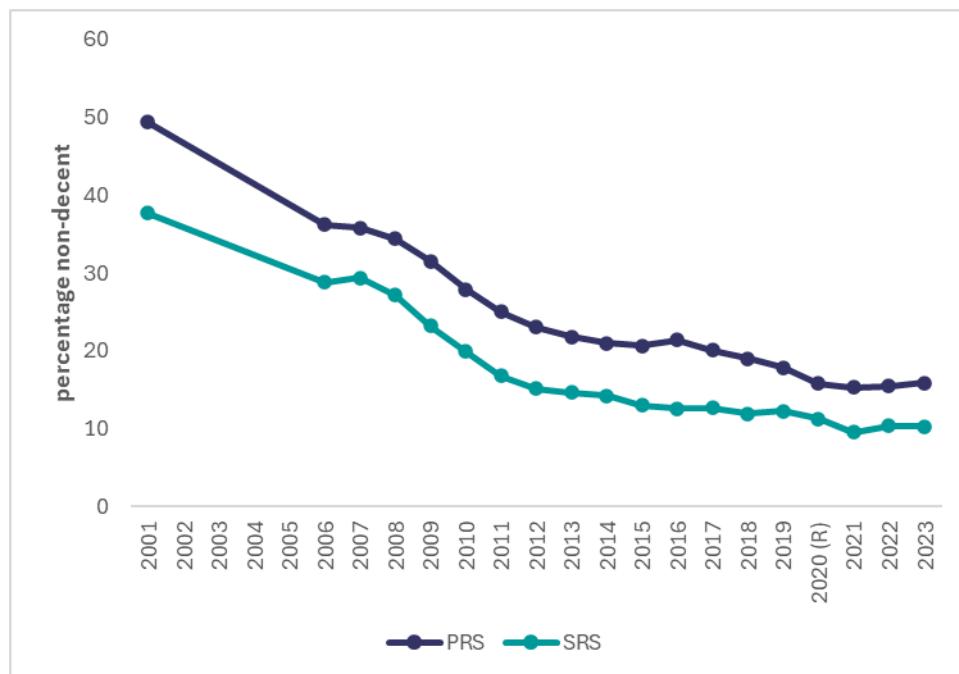
1. The Decent Homes Standard (DHS) was last updated in 2006, having been introduced in 2001, setting a minimum housing quality standard that all registered providers of social housing must meet. The standard is now out of date and in need of renewal to meet modern expectations. The current standard has four criteria, requiring that a dwelling must:
 - A) **Meet the current statutory minimum standard for housing.** Dwellings which fail to meet this criterion are those containing one or more hazards assessed as serious ('category 1') under the Housing Health & Safety Rating System (HHSRS).
 - B) **Be in a reasonable state of repair.** Dwellings which fail to meet this criterion are those where either one or more of the key building components are old and in disrepair, or two or more of the other building components are old and in disrepair.
 - C) **Have reasonably modern facilities and services.** Dwellings which fail to meet this criterion are those which lack three or more of the facilities listed in Section 5 of the government's guidance 'A Decent Home: Definition and Guidance for Implementation'.¹
 - D) **Provide a reasonable degree of thermal comfort.** This criterion requires that properties have both effective insulation and efficient heating.
2. The DHS has brought a marked improvement in the quality and safety of social rented sector (SRS) homes, where it is the regulatory standard, from 38% homes being classed as non-decent in 2001 to 10% in 2023². However, in the last few years, decency improvements in the social sector have stagnated, and there are still 431,000 non-decent social homes meaning there is still work to be done

¹ [A Decent Home: Definition and Guidance for Implementation](#)

² [English Housing Survey 2023 to 2024: headline findings on housing quality and energy efficiency - GOV.UK](#)

to further improve quality. Meanwhile, the DHS currently does not apply to the Private Rented Sector (PRS) where 1 million homes (21% of properties) would be defined as non-decent.

Figure 1 – Percentage of non-decent dwellings in the rented sectors over time



Note: The definition of non-decent was updated in 2006, so 2001 and later years are not directly comparable.³

3. The government committed to “decisively raise standards” in privately rented housing in its 2024 manifesto. On 2 July 2025, the government launched a consultation on proposals to update the DHS which currently applies to social housing only but will be extended to privately rented housing for the first time.
4. Every tenant deserves a home that is safe, warm, and decent. The new DHS will set out clearly what tenants should expect from their landlords and when it will be implemented. Over the coming years, the rented sectors will play an important role in our housing market and we want to ensure that all renters will have the opportunity to live in good quality homes.

Final Standard

5. Having considered the views of stakeholders through the consultation, the government has confirmed the new standard in its Government Response and Policy Statement. Table 1 sets out the proposed changes:

³ 2001 data from English House Condition Survey, 2001: Derived Data and 2006 onwards data from Annex tables for English Housing Survey 2023 to 2024 headline findings on housing quality and energy efficiency - GOV.UK

Table 1: The new Decent Homes Standard

Criterion A – A home must be free of the most dangerous hazards.

To meet this criterion, properties must be free of 'category 1' hazards, as assessed under the Housing Health and Safety Rating System (HHSRS)

Criterion B – A home must be in a reasonable state of repair.

Homes will fail against this criterion if:

- One or more **key building components** is not in a reasonable state of repair or;
- Two or more **other building components** are not in a reasonable state of repair.

Criterion C – A home must provide specified facilities and services.

To meet this criterion, **flats** must provide **at least 3** of the following facilities:

- A kitchen with adequate space and layout;
- An appropriately located bathroom and WC;
- Adequate external noise insulation; and
- Adequate size and layout of common entrance areas for blocks of flats.

To meet this criterion, **houses** must provide **at least 2** of the following facilities:

- A kitchen with adequate space and layout;
- An appropriately located bathroom and WC; and
- Adequate external noise insulation.

Homes must also be equipped with child-resistant window restrictors, which can be overridden by an adult, on all windows which present a fall risk for children.

Criterion D – A home must provide thermal comfort.

To meet this criterion, homes must provide a reasonable degree of thermal comfort. This includes ensuring homes meet minimum energy efficiency standards.

Criterion E – A home should be free of damp and mould.

Homes will be non-decent if a landlord has not remedied damp and mould.

6. The new DHS is one of several new measures aimed at improving the quality of rental properties. The first phase of Awaab's Law was implemented in socially rented housing in October 2025. We will also consult on extending its application to the private rented sector. In parallel, we have consulted on requiring all rented properties to meet the equivalent of EPC C by 2030, in separate consultations relating to SRS and PRS properties. Together, these reforms are expected to deliver meaningful improvements in safety and energy efficiency for tenants across both the PRS and SRS.

Strategic case for proposed regulation

Rationale for change

Current quality in the private rented sector

7. The PRS has doubled in size since 2002, now representing 19% of all households (4.7 million).⁴ The sector now accommodates a more diverse range of households, including families with children, and for many it is providing long-term rather than temporary or short-term accommodation.⁵

⁴ English Housing Survey 2024 to 2025: headline findings on demographics and household resilience

⁵ A Marsh and K Gibb, UK Collaborative Centre for Housing Evidence, The private rented sector in the UK: An overview of the policy and regulatory landscape (2019)

8. It has an important place in the housing market. For example, it is easier to move as a private renter compared to the other tenures. This means households have the flexibility to adapt their housing depending on their needs and wants at any given time. This supports a more efficient allocation of housing, labour and skills with consequent benefits for economic growth.
9. While most landlords provide a good service, the sector currently provides the poorest quality and most insecure housing of all tenures,⁶ leading to poor outcomes for tenants and costs to the state.
10. Over 1 million homes in the PRS do not meet the existing DHS (21% of privately rented homes). This compares to 431,000 in the SRS (10% of socially rented homes).⁷ PRS homes are also more likely to have at least one category 1 hazard under the Housing Health and Safety Rating System (HHSRS). 10% of all PRS dwellings have a category 1 hazard as of 2023, higher than the owner occupied (8%) and social rented (4%) sectors.⁸
11. Private rented housing quality varies across regions. London reports the lowest proportion of non-decent dwellings at 12%, followed by the East of England at 17%. In contrast, all other regions report rates ranging from 21 to 31%, with Yorkshire and the Humber recording the highest rates of non-decency.,

Current quality in the social rented sector

12. When the DHS was introduced in 2001, 38%⁹ of SRS homes were non-decent. Between 2001 and 2020, there has been a constant and gradual decline in non-decency across the SRS. By 2023, the proportion of non-decent homes in the SRS had dropped to 10%.¹⁰ However, in recent years, progress has stalled.
13. In 2023, 10% of SRS homes failed the DHS and 4% had a category 1 hazard. Decency varies by region; dwellings in the Yorkshire and the Humber (13%) were the most likely to be non-decent, while the East of England (6%) and North East (9%) were the least likely.¹¹
14. The rate of non-decency is lower in the SRS than in the PRS (or owner-occupied homes), likely driven in part by the fact that the SRS is the only tenure where homes are required to meet the DHS. Despite this, it is unacceptable that in 2023-24, 431,000 social homes were non-decent.
15. The negative effects of non-decency in the sector are compounded by the prevalence of vulnerable persons in social housing. 44% of households (93,000) with a new letting in 2023/24 included at least one person who had a physical or mental health condition or illness lasting or expected to last for 12 months or more.¹²
16. A 2022 MHCLG Residents Social Housing Quality Programme: Residents Survey Report¹³ found that a fifth (21%) of social housing residents were dissatisfied with the maintenance of their homes. The most common reasons given were:
 - a) mould, damp, and condensation (55%)
 - b) home insulation (33%)
 - c) ventilation (33%)
 - d) electrical wiring (16%)
17. 8% of residents were concerned that their home was not safe to live in (with the same four maintenance issues most commonly cited) and around three in ten (29%) were dissatisfied with recent repairs.

⁶ House of Commons Levelling Up, Housing and Communities Committee, Reforming the Private Rented Sector: Government's response to the Committee's Fifth Report of Session 2022-2023, (2023)

⁷ This would equate to approximately 2.4m individuals in the PRS and approximately 920k individuals in the SRS. - Annex tables for English Housing Survey 2023 to 2024 headline findings on housing quality and energy efficiency - GOV.UK; English Housing Survey 2023 to 2024: headline findings on demographics and household resilience. - GOV.UK

⁸ English Housing Survey 2023-24: Headline Findings on Housing Quality and Energy Efficiency, Annex Table 1.6

⁹ English House Condition Survey, 2001: Derived Data, page 3,

¹⁰ IBID

¹¹ English Housing Survey 2023 to 2024: headline findings on housing quality and energy efficiency

¹² MHCLG, Social housing lettings in England, tenants: April 2023 to March 2024

¹³ Social housing lettings in England, tenants: April 2023 to March 2024 - GOV.UK

¹³ Gov.UK, Social housing residents survey report (2022)

18. The Regulator of Social Housing's Tenant Satisfaction Measures report 2024/25¹⁴ shows there were just under 15.1m responsive repairs completed by SRS landlords with over 11m defined as non-emergency and 3.8m defined as emergency. Most tenants reported relatively high levels of satisfaction with overall repairs services (74%), maintenance (72%), and timeliness of repairs 70%. Tenant satisfaction with how complaints are handled had the lowest score across Tenant Satisfaction Measures with a score of 36%.
19. The National Tenant Survey¹⁵ shows that satisfaction with repairs and maintenance is a primary driver of overall tenant satisfaction. When looking at why tenants are dissatisfied with their landlord, repairs dominate (64%), while well-maintained properties are also a key factor. When asked what areas tenants wanted to see improvements in: repairs service (36%) and maintenance of homes (27%) topped the list. 77% of tenants are satisfied that their landlord provides a safe home. Of those tenants who were dissatisfied with the safety of their home, 13% said their reasons split into three areas: repairs, building safety and crime/anti-social behaviour (ASB) issues. When looking at the detail as to why tenants do not feel safe, damp and mould was frequently mentioned i.e. left untreated and impact that has on health and safety living in the property. In terms of home security, tenants mentioned, in particular, access points being an issue.

Why housing quality matters

20. Poor-quality housing can have a negative impact on the physical health, mental health, educational attainment, and productivity of residents. This affects the lives of tenants and has wider implications for society as a whole.

Health:

21. We have long known that poor-quality housing harms health. In 2010, the Marmot Review found housing conditions to be one of the key, and increasingly significant, drivers of health inequality.¹⁶ Houses which are damp or mouldy can leave occupiers, particularly older people and children, at a higher risk of respiratory problems and infections, allergies or asthma.¹⁷ 1.6 million children are struggling with damp, mould or excessive cold in their home and children in cold homes are twice as likely to suffer from respiratory problems such as asthma and bronchitis¹⁸.
22. We also know that the disparity in health between those in poor quality and good quality homes has widened in recent years. In 2013, the proportion of households with a member suffering a health condition was similar in damp (33%) and non-damp (32%) homes. By 2023, those in damp homes were significantly more likely to suffer from long term health conditions (47% vs 39%). Similar disparities were seen for those in cold and overcrowded homes.¹⁹
23. As noted in Table 2, below, these health impacts add up to significant costs for our public healthcare. The Building Research Establishment (BRE) estimates that just the most serious 'category 1' hazards (as defined by the Housing Health & Safety Rating System) in homes across all tenures cost the NHS £1.0 billion per year. The Homes (Fitness for Human Habitation) Act 2018 sets requirements that rented homes must be free from serious hazards or other specified defects that render them unsuitable for occupation in that condition – this impact is therefore not additional to the updated standard.
24. This analysis showed that around 619,000 (13%) private rented homes had a category 1 hazard in 2019, and estimate that in total, the risk of illness or injury posed by these hazards imposes a cost to the NHS of around £290m per year. In the social rented sector, the equivalent figures are 217,000 (5%) of homes with a category 1 hazard, in total costing the NHS £65m per year.²⁰

¹⁴ RSH, Tenant Satisfaction Measures 2024/25 Headline report

¹⁵ RSH, National Tenant Survey findings report (2024)

¹⁶ Strategic Review of Health Inequalities in England post-2010. Fair society, healthier lives: The Marmot review (2010)

¹⁷ Can damp and mould affect my health?, NHS, www.nhs.uk

¹⁸ Damp, cold and full of mould: The reality of housing in the private rented sector, Citizens Advice report, February 2023.

¹⁹ EHS Health and Housing factsheet English Housing Survey 2023 to 2024: health and housing - fact sheet - GOV.UK

²⁰ BRE, Cost of poor housing tenure analysis (2023)

25. Comparing the costs to fix these hazards to the savings, the BRE has found that remediating these hazards could see a return on investment within just seven years. Within these figures, around 50% of private rented housing category 1 hazards could be remedied for less than £1,176 per home.

Table 2 – Top five “Category One” hazards found in homes in England (2021)²¹

Category 1 hazard	Number recorded	Annual cost to NHS ²²	Total cost to mitigate hazard	Payback for NHS savings (years)	Annual savings to society if hazard mitigated ²³
Excess cold	836,000	£857 million	£6 billion	7	£15.3 billion
Falls on stairs	1,048,000	£219 million	£1.3 billion	6	£1.7 billion
Falls on the level	410,000	£104 million	£350 million	3	£258 million
Falls between stairs	181,000	£51 million	£229 million	4	£280 million
Damp and mould growth	75,000	£38 million	£269 million	7	£96 million

26. The effects of poor-quality housing on health are not experienced equally. The poorest areas with the most vulnerable populations have a higher rate of non-decent in PRS accommodation and related health impacts, which illustrates the cumulative and interdependent impact of poverty combined with poorer housing conditions.²⁴ The 2023 English Housing Survey found that private renters were the most likely to report difficulty affording their housing costs at 32%, followed by social renters at 28%, and mortgagors were the least likely to report difficulty affording their housing costs (14%).²⁵ Additionally, private rented households with a member who had a long-term illness or disability were more likely to live in a non-decent home (26%) than private rented households where no-one had a long-term illness or disability (19%). According to a 2023 Citizens Advice report²⁶, 70% of PRS tenants had experienced cold, damp or mould in a property they had rented. 1.6 million children in the PRS are struggling with damp, mould or excessive cold in their home.

²¹ BRE, [The Cost of Poor Housing in England \(2021\)](#)

²² Annual savings to the NHS have been calculated by the BRE by applying a first-year treatment cost to different health outcomes, which have been attributed to category 1 hazards. More detail can be found under Methodology and findings, point 4, of the BRE 2021 report – [BRE Report the cost of poor housing 2021.pdf](#)

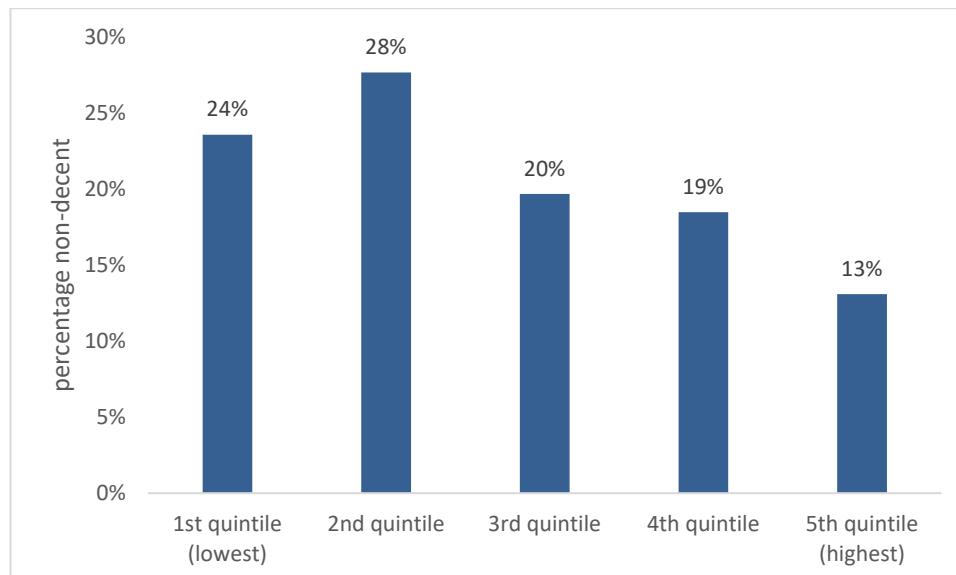
²³ The full costs to society include the NHS saving (as per footnote 22), ongoing treatment costs, including care, and other economic costs such as lesser educational achievement, loss of working days, and mental health costs relating to suffering and trauma. More detail can be found under Methodology and findings, point 6, of the BRE 2021 report – [BRE Report the cost of poor housing 2021.pdf](#)

²⁴ Several sources: [Health inequalities: Cold or damp homes](#), House of Commons Library, [www.commonslibrary.parliament.uk](#); [Vulnerability amongst Low-Income Households in the Private Rented Sector in England](#), White Rose, [www.whiterose.ac.uk](#) and [Derby Housing and Health Impact Assessment pdf](#)

²⁵ [English Housing Survey 2023 to 2024: Experiences of the 'housing crisis' - GOV.UK](#)

²⁶ [Damp, cold and full of mould](#)

Figure 2 – Percentage of dwellings non-decent in the private rented sector by income quintile, 2023-24²⁷



27. Housing problems also affect mental health. A 2017 Shelter survey²⁸ estimated that 1 in 5 respondents in England reported that a housing issue had negatively affected their mental health in the last 5 years. 38% of this group reported that the offending issue was related to the repair or condition of their property. 26% of affected adults – equal to 1 in 20 in England – reported that they had gone to their GP because of the mental strain caused by their housing problems (this may be due to aspects other than quality, such as affordability).²⁹
28. The effects of poor-quality housing have significant regional disparities. More vulnerable groups are more likely to live in a non-decent home. Nearly half of all non-decent homes in Northern England have at least one person with a long-term illness or disability, well above the whole of England average.³⁰
29. Improving the quality of housing in the PRS is expected to lead to better health outcomes. That in turn will increase labour market participation and labour quality resulting in higher labour productivity and therefore higher economic growth per capita. Better health outcomes are also expected to lead to greater educational attainment which will also increase labour productivity in the long term, as well as an opportunity for significant fiscal savings from fewer demands on the NHS.

Economy:

30. Poor-quality housing costs society and harms economic productivity if tenants are too unwell to work. 21% of private tenants reported that health impacts of their housing were negatively affecting their work.³¹ Health problems caused by poor housing conditions can increase absences and unemployment, as people are left unable to work as they recuperate from illnesses or injuries caused by accidents or hazards in their homes. For example, every category 1 hazard (which affect 496,000 PRS households and 177,000 SRS households as of 2023³²) results in an estimated cost of lost economic output of £126 per year as a result of injuries.³³
31. Hazards and general disrepair can also heap additional costs onto occupiers. Water leaks and broken boilers or heating systems can increase bills as heat and water escapes. A lack of kitchen facilities can require a household to rely on more expensive ready-made or takeaway food.

²⁷ English Housing Survey 2023 to 2024: drivers and impacts of housing quality - GOV.UK

²⁸ McPhillips, M (2017), Shelter, Research: The impact of housing problems on mental health,

²⁹ IBID

³⁰ The Northern Housing Consortium Report: The hidden costs of poor quality housing in the North (2019)

³¹ YouGov survey for Shelter, April 2021.

³² English Housing Survey 2023 to 2024: headline findings on housing quality and energy efficiency

³³ MHCLG analysis of Transport Research Laboratory 2009 Re-valuation of Home Accidents.

32. Additionally, a study by the University of Strathclyde found there is a strong direct economic benefit to home improvements and modernisation.³⁴ The study showed that in Scotland, for every £1 invested in home improvement, £2 was generated in economic benefits. Further research from the Building Research Establishment (BRE) has found that improvements to poor-quality homes across all tenures in England would bring about £135.5bn in societal benefits including NHS first year care and after care, decreasing insurance costs and increasing local economy investment over the next 30 years.³⁵ The research found that societal benefits from tackling poor-quality homes will come from reductions in NHS costs as well as reductions in aftercare; improvements in education and productivity; increased asset (home) values; and reductions in energy and carbon emissions.

Education:

33. There are strong associations between poor-quality housing and children's outcomes – impacting their mental health, emotional development, behaviour and educational attainment over their lives.³⁶

34. Studies have shown that children made sick by damp and cold conditions at home miss more days of school than their peers and it is also thought that poor-quality housing can lead to lower educational outcomes.³⁷ Research from the charity Shelter found that 88% of teachers report that they have seen poor housing or homelessness result in children not being able to keep up with the curriculum, and 80% report an impact on children's performance in assessments and exams.³⁸

35. Additionally, low quality housing can drive tenants to move more frequently to escape poor conditions. Children in insecure housing experience worse educational outcomes, reduced levels of teacher commitment, and more disrupted friendship groups than other children. This is exacerbated for children from low-income households in insecure housing.³⁹ A study by the Royal Society of Arts found that results in English and Maths for children dropped 12% following one move within the school year, 17% for two moves and 25% for three moves.⁴⁰

Crime:

36. Low quality and unsecured housing is more likely to be a target of crime, particularly of burglary or vandalism. A study in Nottingham found that improving housing to meet the existing DHS led to a reduction in crime rates.⁴¹ Office for National Statistics data suggests that, in the year ending March 2023, private tenants were victims of burglary at a higher rate than social housing tenants.⁴² A 2010 study estimated that the policing costs associated with crimes in poor-quality housing (compared to estates with similar sizes and household profiles, but better quality housing) amount to c. £200m per year across social housing, rising to £1.8 billion if including private sector stock.⁴³ Academic research has found that crime is influenced to some extent by housing in a community.

Energy Efficiency:

37. Improvements that relate to energy efficiency make it cheaper for tenants to heat their homes and reduces poor health outcomes caused by damp and mould. By increasing every home to EPC C, the aggregate bill saving for households would be £10.6 billion annually, at today's prices.⁴⁴

38. Citizens Advice reported in 2023 that 42% of PRS tenants say damp, mould and excessive cold has increased their energy bills and 31% of tenants say they were unable to heat their home to a comfortable temperature. This was even higher for disabled people, rising to 45% for those who have a disability.⁴⁵ The report estimates the average tenant is facing annual energy bills that are £350

³⁴ University of Strathclyde, The economic social and environmental benefits of stimulating repairs and improvements to the Scottish built environment to aid a green recovery from Covid 19 (2021)

³⁵ BRE, The cost of ignoring poor housing report (2023)

³⁶ Fuel Poverty, cold home and health inequalities in the UK, The Institute of Health Equality, (2023)

³⁷ IBID

³⁸ Shelter, Briefing: The impact of homelessness and bad housing on children's education (2020)

³⁹ The Children's Society, Moving, Always Moving: The normalisation of housing insecurity among children in low income households in England, (2022)

⁴⁰ Royal Society of Arts, Between the Cracks (2013)

⁴¹ Nottingham City Homes and Nottingham Trent University, Nottingham City Homes: Decent Homes Impact Study, Social Return on Investment (SROI) report (2013)

⁴² Office for National Statistics: Property crime tables

⁴³ Friedman D, Social impact of poor housing (2010)

⁴⁴ E3G, The home energy security strategy: A permanent solution for lower bills (2022)

⁴⁵ Citizens Advice, Damp, cold and full of mould: The reality of housing in the private rented sector report (2023)

more expensive due to poor insulation with people living in the least efficient homes paying an extra £950 a year.

Wellbeing:

39. Poor-quality housing has a negative effect on tenant wellbeing. Having to live in a poor-quality or unsafe home can contribute to the development (or exacerbation) of mental health conditions and an overall decrease in a tenant's sense of comfort and security.⁴⁶
40. A 2017 study by Shelter found that 20.7% of adults "indicated that they had had a housing problem or worry in the last five years, which they identified as having had a negative impact upon their mental health".⁴⁷ Contributing factors for this included security of tenure, affordability and, crucially, condition of their home.
41. Damp, cold and overcrowded homes can affect mental wellbeing throughout life.⁴⁸ Citizens Advice research⁴⁹ found:
 - 40% of PRS tenants surveyed say they have felt stressed as a result of damp, mould and excessive cold.
 - 35% said it made them feel anxious.
 - 12% said it made them spend less time at home.
 - 8% said it had made their respiratory illness worse.⁵⁰

Why is intervention necessary?

42. In 2024/25, 35% of households in England, around 8.8 million households, rented their home, either from a private landlord, a local authority or a private registered provider of social housing.⁵¹ As they do not own the property in which they live, these households have little to no direct control over the repair and maintenance of their own home, which is the responsibility of their landlord. While most landlords (both private and social) keep their homes in a good state of repair, a significant minority do not. As landlords do not inhabit the properties they are responsible for maintaining, they may have fewer incentives to resolve disrepair issues compared to owner occupiers.

Private rented sector

43. Market forces in the private rented sector have not been sufficient to ensure that everyone has access to safe and decent housing. There is clear evidence of market failures in the sector, and to address quality issues and raise standards, government intervention is needed.
44. The PRS has the lowest quality housing across all tenures, and research has highlighted the multitudes of ways poor-quality housing impacts the physical and mental health of tenants. As well as causing ill health and distress for tenants, these issues affect taxpayers and wider society in the form of higher health spending and lower productivity. Over £9bn a year in rent is paid for non-decent privately rented homes, with £1.6bn of this coming from housing benefit.⁵²
45. This results from the **market failures** associated with poor-quality housing. Whilst landlords are responsible for the quality of the property, the costs of poor quality fall on tenants and society such as ill health, lower productivity and moving house more frequently. This means there are **misaligned incentives** in the case of landlords and tenants, as well as **negative externalities** as third parties (in this case society) are also negatively impacted by the provision of poor-quality housing.

⁴⁶ Mental Health Foundation, Mental Health and Housing Policy Paper (2016)

⁴⁷ Shelter, The impact of housing problems on mental health: Findings of a research project between Shelter and ComRes (2017)

⁴⁸ Health Equity in England: The Marmot Review 10 Years On (2020)

⁴⁹ Damp, cold and full of mould

⁵⁰ Coley, Rebekah Levine, et al. "Poor quality housing is tied to children's emotional and behavioural problems." Policy Research Brief, MacArthur foundation (2013)

⁵¹ English Housing Survey 2024 to 2025: headline findings on demographics and household resilience

⁵² Mayor of London calls for national action as new analysis reveals private landlords receiving billions of pounds for sub-standard homes | London City Hall

46. In theory, poor-quality properties will be valued less by tenants which will be reflected in the rents landlords are able to charge, so landlords indirectly face the costs of providing poor-quality housing. However, there are further market failures which mean this doesn't happen in reality.
47. Firstly, there is **unequal information** between landlords, tenants and letting agents. This is because landlords typically possess more information about a property than a tenant. Tenants may not be aware of the hazards posed by a property before moving in, nor do they know in advance how landlords or agents will respond when problems arise. This means tenants are not always able to make an informed decision about whether to move into the property and the level of rent they are willing to pay.
48. This is exacerbated by the **power imbalance** between landlords and tenants. At present, many tenants are reluctant to complain about poor-quality housing for fear of eviction.⁵³ Wider reforms to the PRS, including the abolition of 'no-fault' section 21 evictions and the introduction of a new Ombudsman, will help tenants to demand action from their landlords on issues such as disrepair and damp and mould without the fear of retaliatory evictions or unfair rent increases. However, supply is still lower and demand is higher than pre pandemic⁵⁴, and there are still, on average, 11 enquiries per rental property⁵⁵. This reduced competition among landlords and increased competition between tenants has limited tenants' bargaining power and their ability to push for home improvements.
49. While the majority of landlords aim to act responsibly, market forces do not provide the right incentives to discourage landlords from providing low-quality homes. Therefore, there is a clear need for government intervention. Establishing and enforcing such an updated DHS would give tenants greater confidence that basic housing conditions will be upheld and rebalance the requirements on landlords to ensure that they take action to remedy poor housing quality. Tackling the cost of poor-quality housing to society as a whole will bring economic benefits and reduce the amount of taxpayers' money spent on non-decent housing through the benefits system.

Social rented sector

50. Government has a clear and accepted role to play in regulating the social housing sector. This is because of the substantial role public subsidy plays in affordable housing, limited tenant choice in landlord and the lack of competitive pressures to drive good, efficient service provision. There is a clear public interest in protecting tenants who are unable to benefit from a competitive market and therefore are unable to hold their landlords to account through exercising consumer choice.
51. The social rented sector suffers from similar market failures as the private rented sector. This includes **asymmetry of information** with regards to dwelling condition, and **negative externalities**. The negative effects of poor social housing are not borne by the landlord but by the tenant and ultimately society too, with non-decent homes leading to detrimental impacts on tenants' health and wellbeing, with subsequent impacts on health services and the economy.
52. Taxpayers are also effectively subsidising poor-quality social housing via benefit payments as well as ultimately bearing the costs of poor housing via increased taxation to pay for negative health outcomes. 65% of social renters received housing support to help with the payment of their rent.⁵⁶ Therefore regulation is necessary to ensure that social housing provides safe, high-quality homes for tenants, and that taxpayers are receiving value for money.

SMART objectives for intervention

53. The overarching policy objective of intervening is to improve tenant experience and to make sure that all rented homes in England are maintained at or above the new standard of decency which meets modern expectations.

⁵³ Several sources: Shelter, Private renters who complain about disrepair more than twice as likely to be slapped with an eviction notice (2023) and EHS AT 2.15 "<https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-satisfaction-and-complaints>

⁵⁴ [Rental Market Report: September 2025 - Zoopla](#)

⁵⁵ [Rightmove Rental Trends Tracker Q2 2025](#)

⁵⁶ [English Housing Survey 2024 to 2025: headline findings on demographics and household resilience - GOV.UK](#)

54. We have updated the DHS to reflect modern expectations. The new DHS will act as a common standard for both private and social rented housing as far as possible and all landlords will have a clear understanding of the standards they are expected to uphold. The DHS will be regulated and enforced to ensure accountability – in the SRS by the RSH and in the PRS by local authorities as the enforcement bodies. Introduction of statutory guidance will ensure the standard is clear and understandable for residents, landlords and enforcement bodies which will increase levels of compliance.

55. The new DHS aims to achieve the following SMART-aligned objectives by 2035: It is important to note that the evaluation criteria and metrics presented here are indicative at this stage. These objectives and metrics will be kept under review as we work with the sectors to implement the reform, and as evidence emerges on how landlords might respond and comply with the regulations.

Table 3 – SMART-aligned Objectives

1) Improve the quality of rented housing through cost effective improvements
<i>Outcome:</i> All rented homes to be compliant with the new DHS by 2035 ^{57,58}
<i>Evaluation criteria (indicative targets based on preferred option):</i>
<ul style="list-style-type: none"> • Compliance with the DHS to be measured through the English Housing Survey
2) Improve tenant satisfaction
<i>Outcome:</i> To improve tenant satisfaction in rented housing
<i>Evaluation criteria (indicative targets based on preferred option):</i>
<ul style="list-style-type: none"> • Tenant ‘satisfaction with accommodation’ to improve via the English Housing Survey and other sources of data such as the Tenant Satisfaction Measures published by the RSH
3) Improve the health and wellbeing of tenants
<i>Outcome:</i> A reduction in the negative impact of rented homes on tenants’ physical and mental health
<i>Evaluation criteria (indicative targets based on preferred option):</i>
<ul style="list-style-type: none"> ▪ A reduction in the relative cost to the NHS every year of treating patients as a result of category 1 hazards ▪ A reduction in the prevalence of damp and mould.

56. These policy objectives align with the government's broader objectives on improving the quality and experience of rented housing and achieving our health mission. By providing landlords and tenants in each sector with clarity on the long-term future of regulation we aim to deliver a decade of sustained improvements in housing quality. These reforms prioritise safety and energy efficiency, while giving landlords the certainty and time needed to plan how best to meet their new commitments. For social landlords, this includes the rapid building of new social homes in line with government objectives that have been set out separately.

57. As a result of this policy, the number of properties failing to meet the DHS will appear higher, as the updated requirements are more stringent. However, we expect the overall quality of rented homes to improve over time, with non-compliance decreasing as private and social landlords take action to meet the new standard. This aligns with prior definitions of decency – over time, the definition of what is a minimum standard rises as society progresses. As such, we would see an ‘increase’ in non-decency due to the change in legislation, until landlords adapt. This is presented in Figure 1 of EHS Briefing: Modelling a new Decent Homes Standard⁵⁹.

⁵⁷ In practice, we are very unlikely to observe a 0% non-decency rate within the English Housing Survey. This data captures a snapshot of non-decency for dwellings it observes, but not the ‘flow’ of individual homes into and out of decency, including where landlords remediate dwellings in response to the emergence of non-decency. EHS data also includes vacant dwellings which may be in the process of being remediated.

⁵⁸ Certain homes may be exempt, as set out in guidance.

⁵⁹ <https://www.gov.uk/government/publications/ehs-briefing-modelling-a-revised-decent-homes-standard-for-consultation>

Non-regulatory options considered

Private rented sector

58. Our ambition is to introduce a new standard of decency to drive up the quality of homes in the PRS. We have explored alternative non legislative options including doing nothing and supporting better enforcement of existing requirements.

Do nothing

59. Currently, the DHS does not apply to the private rented sector. Under the Housing Act 2004, private and social landlords letting out properties containing 'category 1' hazards may face enforcement action.
60. Hazards are assessed using the HHSRS. The Housing Act 2004 allows local authorities to issue statutory orders/notices such as improvement notices or prohibition orders to landlords for breaches. Failure to comply with a statutory notice could lead to a prosecution and fine in the Magistrates Court, or a Civil/Financial Penalty of up to £30,000.
61. As PRS properties are not currently required to meet the existing DHS, there are currently no specific enforcement powers for failures of the other DHS criteria. However, there is some overlap between the DHS and private landlords' existing obligations under other legislation and regulations listed below, most notably with Minimum Energy Efficiency Standards (MEES) which are being strengthened.

Current requirements for PRS properties:

62. Private landlords must comply with statutory provisions on installing smoke and carbon monoxide alarms and complying with minimum energy efficiency standard requirements in their properties. If they fail to meet these statutory requirements, local authorities can take enforcement action.
63. The Landlord and Tenant Act 1985 implies terms into private tenancy contracts requiring landlords to meet obligations on repairs and ensure their properties are fit for human habitation. If landlords fail to comply with these obligations, tenants can take them to court. Landlords are also required by law to ensure periodic checks and inspections are carried out in relation to gas safety, electrical safety, and water safety.
64. There is also mandatory Houses in Multiple Occupation (HMO) licensing; all local authorities must license HMOs where five or more people from two or more households share facilities, such as a kitchen and/or a bathroom. The licence holder must meet the following conditions: a gas safety certificate must be presented annually to the local authority if there is a gas supply; all electrical appliances and furniture supplied by the landlord must be maintained in a safe condition; every electrical installation in the house must be in proper working order and safe for continued use; smoke alarms must be installed in each storey of the property containing living accommodation and kept in working order; and, carbon monoxide alarms must be installed in any room used as living accommodation which contains a fixed combustion appliance (excluding gas cookers) and kept in working order.⁶⁰
65. The Homes (Fitness for Human Habitation) Act 2018⁶¹ sets requirements that rented homes must be 'fit for human habitation', meaning that there are no hazards or defects that render them unsuitable for occupation in that condition. The Homes (Fitness for Human Habitation) Act amended the Landlord and Tenant Act 1985 to provide additional recourse for tenants by providing the right to take landlords to court directly if the rented property is not fit for human habitation.
66. Enforcement mechanisms exist under the Housing Act 2004, which sets out a duty for local authorities to inspect for hazards where appropriate, including following a tenant complaint, and take necessary enforcement action. Local authorities can serve statutory orders and notices such as

⁶⁰ Gov.UK, Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022: guidance for landlords and tenants

⁶¹ Gov.UK, Guide for tenants: Homes (Fitness for Human Habitation) Act 2018

improvement notices or prohibition orders on landlords for breaches, and failure to comply with a statutory notice or order could lead to prosecution and a fine in the Magistrates Court, or a Civil Penalty of up to £30,000.

Reforms through the Renters' Rights Act:

67. Provisions in the Renters' Rights Act⁶² will support tenants to challenge poor standards in their homes. In particular, private renters will be more empowered to challenge poor standards following the abolition of section 21 evictions, which will remove the risk of revenge evictions for reporting poor standards; and the introduction of a new PRS Ombudsman which all PRS landlords who rent out property in England will need to sign up to, giving PRS tenants full access to redress. However, if we did not introduce the DHS into the sector, the standards that tenants can expect will still remain below modern expectations of what is acceptable.

Minimum Energy Efficiency Standards (MEES):

68. A range of existing PRS landlords must currently comply with Minimum Energy Efficiency Standards (MEES) which require an Energy Performance Certificate (EPC) rating of at least E unless a valid exemption is registered. A recent government consultation on MEES, which closed on 2 May 2025, proposed raising this requirement to EPC C or equivalent by 2030 for all tenancies (unless a valid exemption applies). The government response to the MEES consultation confirms this standard and can be found here: [Improving the energy performance of privately rented homes: 2025 update - GOV.UK](#)
69. While the current framework provides important protections, it is too limited on its own to effectively manage the problem of poor quality in the PRS. This is primarily because local authority enforcement powers are only applicable when properties contain serious hazards. Some other powers may be used – for example, Housing Act 2004 Part 1 powers may help to ensure efficient heating and the statutory nuisance regime under the Environmental Protection Act 1990 may help deal with some disrepair. However, implementation of these powers is likely to be patchy, and they provide for intervention only in a limited number of circumstances. Furthermore, as a result of the piecemeal nature of the existing legislation, it can be difficult for tenants and landlords to understand their responsibilities.
70. For these reasons, doing nothing would not address the policy objective 1 of ensuring that homes are compliant with the new DHS and objective 2 focusing on tenant satisfaction. Substantial evidence supports the fact that the existing framework has not been effective in ensuring all PRS properties are safe and decent. 21% of properties do not meet the existing DHS and 10% of properties contain a category 1 hazard.⁶³ This has a detrimental effect on tenant health, wellbeing, and productivity. Maintaining the status quo would allow this situation to persist or worsen.

Non-regulatory interventions

71. Without additional regulation, the primary intervention available would be to take action to improve local authorities' enforcement in respect of hazards in PRS properties using their existing powers under Part 1 of the Housing Act 2004. This could be achieved by producing improved guidance on enforcement, the Secretary of State issuing directions about how local authorities discharge their duty to keep housing conditions in their area under review, and/or providing additional funding for enforcement.
72. While there are merits to these options and we will consider these as part of implementation of the policy, these would only result in potential improvements to the safety of PRS properties (e.g. reducing the proportion containing category 1 hazards) rather than addressing wider decency issues. This is because – as detailed above - local authorities only have powers under the Housing Act 2004 in relation to hazards and would have no mechanism to require landlords to meet other criteria in the DHS. Issues which are currently often not adequately addressed through enforcement of the HHSRS would therefore be unlikely to be tackled through such options – for example, damp and mould, which is present in 9% of PRS homes⁶⁴. Other requirements within the DHS related to the broader decency of a home, such as requiring properties to be in a reasonable state of repair would also not cover the

⁶² Renters' Rights Act 2025

⁶³ English Housing Survey 2023-24: headline findings on housing quality and energy efficiency

⁶⁴ IBID

PRS. Therefore, we do not think this would go far enough in improving tenant satisfaction or improving the health and wellbeing of tenants.

Regulatory interventions

73. Our objective is to substantially reduce the number of homes in the PRS that are non-decent. While the proportion of non-decent homes in the PRS has fallen over time, reducing from 37% in 2010 to 21% in 2023, we are clear that we need to go further to support the substantial number of PRS tenants still living with the daily misery of non-decent housing. Furthermore, as set out in further detail below, it is widely accepted that the current DHS does not fully capture modern expectations of quality. This means that 21% is likely to be a significant underestimate of the number of tenants living in unacceptable conditions.
74. Our preferred option to address this issue is to apply a new, comprehensive standard of decency to the PRS for the first time. Provisions in the Renters' Rights Act allow regulations to be made setting out DHS requirements for private rented sector homes⁶⁵. This approach will help improve quality in the PRS both by expanding the number of properties that will fall under the scope of local authority enforcement and by establishing a clear understanding among landlords and tenants about the minimum acceptable standard of housing quality in the PRS.
75. The existing DHS covers safety, disrepair, provision of modern facilities and services, and thermal comfort. A change in the law to apply the DHS to the PRS will therefore clarify and expand the range of faults in a dwelling that can trigger local authority enforcement, thereby unlocking a wider range of benefits than could otherwise be achieved. As outlined in this Impact Assessment, we expect this to include benefits associated with greater productivity, an increase in tenant health and wellbeing, and others.
76. By expanding the scope of local authority enforcement, we are introducing a new legal duty on landlords to ensure their properties meet the DHS, with the possibility of immediate fines for the most serious failures. We expect the possibility of an immediate fine to encourage landlords to proactively maintain the condition of their properties, in contrast to the current situation where landlords are only required to make improvements after a local authority has inspected and issued an improvement notice.
77. While these measures are positive, alone they are not enough. This is because the current DHS, which applies to the social rented sector, is widely considered to be out of date. A government review was conducted in 2021, which concluded that the standard required updating to meet modern expectations of quality. We are therefore updating the standard before applying it to the PRS. This is necessary both because the DHS does not adequately cover certain issues of national concern, such as damp and mould, and because some of its existing requirements would not work well in the PRS.
78. For example, under criterion B of the current DHS, dwellings with key elements in disrepair will only fail if these elements are also old. As an illustration, a house or bungalow with broken windows would only fail the DHS on grounds of disrepair if the windows are also over 40 years old. This approach historically served the purpose of providing social housing providers with clear trigger points to carry out improvement works across their portfolio. However, this would be difficult to implement in the PRS, where properties change hands more frequently meaning landlords will be less likely to know the age profiles of individual building components, and would not serve to create a clear minimum expectation of quality for tenants and landlords. Criterion C of the existing DHS relating to modern facilities and services also relies on specific age limits.
79. The new DHS will apply to the private rented sector in the first instance, as opposed to applying the existing standard and then updating. The new DHS will simplify existing arrangements by bringing other requirements, specifically health and safety requirements and minimum energy efficiency standards together in one place. This will support landlords to understand their obligations, and tenants to challenge poor conditions.

Social Rented Sector

80. We have considered a range of options to address poor quality in the SRS, including leaving improvement to the market by doing nothing; limited amendments to the existing DHS; and our preferred option of a fuller update to the DHS.

⁶⁵ Renters' Rights Act 2025

Do nothing

81. If we maintain the current standard, as it has been over the past two decades, there would be no change in the decency requirements social landlords are required to meet.
82. 'Do nothing' would not mean that there would be no change in the way that social landlords manage the quality of their properties. As set out above, reform in the sector is already being driven forward by the Social Housing (Regulation) Act, which received royal assent in July 2023.
83. The RSH have new powers to be tough on landlords where they do not deliver the standard of accommodation required. We expect that the new, proactive approach will result in a reduction in the number of SRS properties which fail to meet the current DHS, supporting our objective of reducing the number of non-decent rented homes.
84. We consider that the basic structure of the current DHS is just as relevant as it was 20 years ago when the DHS was last updated. However, stakeholders have told us the current DHS is no longer fit for purpose. Without updating the DHS, there will be no new requirements in areas of concern such as damp and mould, and outdated requirements around thermal comfort would remain, meaning that issues are likely to persist, even if more properties are brought up to the current DHS. The minimum bar for decency that landlords are required to meet will not be raised, and our objective of setting a standard which reflects a modern understanding of decency and goes further to improve tenant health and wellbeing will not be met.

Update the DHS in full – (preferred option)

85. Our preferred option is making updates to the DHS to address the wide range of issues within the current DHS and to incorporate new requirements which reflect modern expectations of what a decent home should be. As with the 'targeted updates to the DHS' option above, if the DHS is applied to the PRS, the proposed changes to the standard would apply to PRS properties as well as SRS properties. As a result, the minimum bar for decency would be raised in both tenures, helping achieve the objectives of the policy to improve tenant health, wellbeing and satisfaction.
86. As outlined in the costs and benefits section below, we anticipate that updating the DHS will result in benefits for residents including better health and wellbeing, as well as benefits for society as a whole, including reductions in crime.
87. We recognise the costs that these proposals represent, which is why we have consulted on the approach to exemptions and timelines for implementation as well as the standard itself. An implementation date of 2035 will allow landlords to plan expenditure in a realistic way, while ensuring that there is a clear path to making homes safe, setting longer term requirements of improving the overall decency of rented homes and supporting new development.

Regulatory options considered

88. There are many possible ways to update the DHS to improve housing quality in the rented sectors. The government has assessed a range of options against the policy SMART objectives set out above in Table 3.
89. Additionally, our policy has been informed by the 2021 DHS review and public consultation that ran from 2 July to 12 September 2025 to seek views on proposals for an updated DHS which will apply to both the social and private rented sectors in England.

90. We consulted on the following proposals:

Criterion	Current DHS	Potential updates for DHS
Criterion A	A dwelling must be free of hazards at the most dangerous 'category 1' level	No changes
Criterion B	A property fails if one or more key building components are old and in disrepair; or two or more other building components are old and in disrepair	Failure is based solely on the condition of components, not their condition and their age The list of key and other building components is expanded
Criterion C	A property fails if it lacks three or more facilities, e.g. adequate kitchen which is less than 20 years old or bathroom which is less than 30 years old	Properties must provide at least three of the core facilities to be decent (see proposal 2). Bathroom and kitchen age is no longer a reason for failure Window restrictors added to list of essential facilities Potential additions: Consider if secure doors and windows be added to the list of essential facilities. Consider if floor coverings should be provided at the start of a tenancy
Criterion D	A dwelling must have both efficient heating and effective insulation	A dwelling must meet relevant Minimum Energy Efficiency Standards and have programmable heating
Criterion E (new)	No specific damp & mould requirement	Landlords should ensure their properties are free from damp and mould.

91. The consultation also called for views on:

- Application of the DHS to temporary accommodation and supported housing and implications for leasehold and commonhold tenants and landlords
- A proposal to introduce best practice guidance to sit alongside the DHS, including information for landlords on some of the ways in which they could choose to go further than the minimum standard set by the DHS
- A proposal that the updated DHS becomes an enforceable requirement in privately rented homes from 2035 or 2037, and a regulatory requirement in social housing from 2035 or 2037
- Proposals for how regulatory and enforcing bodies should deal with landlords who are unable to meet the DHS for reasons relating to the property, their tenants, or the landlords.

92. Over the consultation period we engaged with stakeholders representing tenant and landlord groups. We reconvened a panel of experts in the SRS and PRS and delivered online working groups with the National Housing Federation, Local Government Association, Chartered Institute of Housing and National Residential Landlords Association. We also collaborated with the tenant convening bodies Citizens UK and TPAS on a series of in-person roadshows in London, Liverpool, Manchester and Birmingham.
93. Alongside this Impact Assessment, we have published a policy statement and government response.
94. Following consultation, we have reviewed the evidence provided to develop a new DHS that will make sure that tenants live in a safe, decent and warm home, whilst remaining deliverable for landlords in both tenures. To form the new DHS, we have considered the core proposals as follows:

Proposal 1 – Definition of disrepair

95. Currently, the DHS requires that a building component be both old and because of its condition in need of repair or replacement. The consultation proposed removing the age requirement from the definition of disrepair, so that building components do not have to be old and broken to be in disrepair, only broken. There was support for this proposal from all respondents. 80% of SRS tenants and 77% of PRS tenants responded 'yes' to this question, as did 86% of PRS landlords, 80% of LA landlords and 74% of PRPs.
96. In line with our objectives, an update to this section of the DHS represents an important change to ensure that building components (e.g. roofs and windows) are maintained more regularly. This should improve tenant satisfaction and their health and wellbeing by ensuring landlords are providing repair and maintenance of key aspects within a home before they develop into much more serious hazards that could result in an occupier requiring medical attention.
97. We have, however, maintained a proportionate approach to costs and burdens and excluded additional proposed requirements covering outdoor spaces in the social rented sector in order to meet our objective that improvements remain cost effective.

Proposal 2 – Facilities and Services

98. The current DHS sets out the modern facilities and services that landlords must provide to meet the DHS. The consultation proposed removing the maximum age requirement for kitchens and bathrooms to align with the proposal for criterion B and revising the approach to the list of modern facilities that need to be provided before it fails to meet criterion C. The consultation set out a lead proposal to ensure that landlords provide 'at least three' of four core facilities⁶⁶ within the revised DHS. This approach aimed to provide tenants with core facilities whilst retaining flexibility for landlords to help manage costs. The selection of facilities aims to ensure tenants have good health and wellbeing, e.g., a well-proportioned kitchen can result in improved diets.
99. Most respondents supported this proposal. In line with the responses to the consultation, we will be requiring landlords to provide at least 3 of the listed essential facilities for flats to be considered decent. As adequate size and layout of common entrance areas for blocks of flats do not apply to houses, landlords will be required to provide at least 2 of the remaining 3 listed essential facilities for houses to be considered decent. The flexibility of multiple choice allows landlords to make the changes most appropriate to homes. This approach is designed to provide tenants with core facilities whilst retaining flexibility to tailor the approach to individual homes, recognising there are practical considerations and variation needed according to building type.

Proposal 3 – Window Restrictors

⁶⁶ A kitchen with adequate space and layout; An appropriately located bathroom and WC; Adequate external noise insulation; And an adequate size and layout of common entrance areas for blocks of flats.

100. We consulted on a new requirement for window restrictors to be installed to improve safety and reduce the risk of falls from windows by children. In line with the views of the majority of consultation respondents, we will require all rented properties to provide child-resistant window restrictors that can be overridden by an adult on all windows which present a fall risk for children.
101. In the IA, we demonstrate that this requirement will have a benefit to the NHS of reducing the likelihood of serious falls from children and other vulnerable people. The cost of this requirement is relatively low, therefore meeting the objective of improving the quality of housing through cost effective improvements, whilst also reducing the negative impact of rented homes on tenants' physical and mental health.

Proposal 4 – Home Security

102. We consulted on a new requirement that new door sets and windows must meet security standards at the point of replacement. **Based on consultation responses and the additional protections on home security we have included across other parts of the DHS we will not be introducing further requirements in this area.**
103. A majority of respondents to the consultation felt that home security on external doors and windows was sufficiently covered in the DHS. There was limited consensus on what type of additional requirements should be made to improve home security.
104. We also consider that the DHS will continue to prioritise home security whilst managing costs in the following ways:
 - The statutory part of the DHS, Criterion A states a dwelling will fail the DHS if there is a 'category 1' hazard present, as assessed under the HHSRS. If, for example, an external door cannot be properly secured or if an external window can be opened from the outside to allow intruders to enter the property more easily, there may be an 'entry by intruders' hazard at the category 1 level. When assessing a potential hazard, the HHSRS assessment considers factors including the physical and psychological harms to the occupant and whether the dwelling is in a high crime area which would increase the likelihood of a break-in.
 - External doors and windows are listed as 'key' components in the new DHS under Criterion B. The new DHS will strengthen this criterion by removing 'age' thresholds, so components are assessed solely on condition. This will mean that broken doors and windows should be replaced or repaired when no longer fit for purpose.

Proposal 5 – Floor Coverings

105. We consulted on whether to include a new requirement on floor coverings to be provided at the start of a tenancy. We have closely considered feedback from the consultation, and we have decided that floor coverings should not be included as part of the updated standard.
106. We acknowledge there is strong support from tenants for the requirement to be introduced. It could lead to a saving for low-income tenants who may otherwise be unable to install floor coverings without taking on unaffordable debt or sacrificing other important expenses. In addition, there is good evidence to suggest that a floor coverings requirement would improve the warmth of a home⁶⁷, and support better health outcomes. All of which would support the objective of improving tenant welfare.
107. However, on balance, we feel that the high costs to the social rented sector are significant. Unlike other parts of the standard, which face a lower long-run cost to be maintained following

⁶⁷ [Final-Report-Longleigh-Flooring-v2.pdf](#)

implementation (not costed in this Impact Assessment), floor coverings being replaced at new let would incur a significant annual cost indefinitely. Several social housing providers and representative groups estimated an average cost of £2,000 per dwelling – equating to significant annual costs to provide for each let (for those not already doing so). This would be likely to impact other government objectives, such as housing supply.

Proposal 6 – Thermal Comfort Requirements

108. The current DHS requires ‘a reasonable degree of thermal comfort’ including a distribution system sufficient to provide heat to two or more rooms of the home. The consultation proposed that the primary heating system must have a distribution system sufficient to provide heat to the whole home.
109. Alongside the consultation on the DHS, a consultation was also launched in parallel on Minimum Energy Efficiency Standards (MEES) in the social rented sector, proposing the introduction of MEES in the sector for the first time. The standard will require meeting one of the post reform EPC metrics at EPC C or above by 2030, and to meet a second by 2039. This differs from the approach adopted in the PRS which requires landlords to meet two of the post reform metrics by 2030. Due to the complexity of the costs and impacts, while MEES in the SRS will be implemented through the Decent Homes Standard, this will be subject of a separate government response and impact assessment, which will be published shortly.

Proposal 7 – Damp and Mould

110. The consultation proposed establishing a new Criterion E requiring properties to be free from damp and mould (supported by the HHSRS to measure compliance and enforcement).
111. The responses to this consultation show overall support, from all groups, for a new criterion, focused on eliminating damp and mould. **We will therefore introduce a new Criterion E to the DHS, requiring landlords to ensure their properties are free from damp and mould.**
112. We are clear that damp and mould in rented homes must be addressed. The respiratory effects of damp and mould can cause serious illness and, in the most severe cases, death, but the presence of damp and mould can also impact mental health and quality of life. Everyone is vulnerable to the health impacts of damp and mould, but people with certain health conditions, children and older adults are at greater risk of more severe health impacts. It is right that damp and mould is resolved routinely rather than being addressed when the issue becomes serious or presents significant risks to health. This option achieves the objective of reducing the negative impact of rental homes on tenants’ physical and mental health and is also expected to improve tenant satisfaction.

Implementation

113. Our approach to doing this is to aim to drive long-term and sustainable improvement in housing quality, while delivering improvements on safety and energy efficiency over a shorter timeline. The DHS is one of a number of new and updated measures due to come into force in the coming years that will help deliver this aim, including Awaab’s Law, new Minimum Energy Efficiency Standards, and other measures in the Renters’ Rights Act.
114. We therefore consulted on whether an updated DHS becomes an enforceable requirement in privately rented homes from 2035 or 2037, and a regulatory requirement in social housing from 2035 or 2037. Consultation responses were split, with landlords favouring a longer implementation timeframe and tenants supporting a much faster introduction.
115. While we expect landlords in each tenure to begin taking action now to ensure their properties meet the DHS and other new requirements, we recognise that it will take time to plan and deliver works sustainably. Social landlords must also balance the cost and speed of quality improvements with their role in tackling our housing crises by delivering a new generation of homes.

116. While there is a case for moving faster than our lead consultation options, our view is that Awaab's Law and updated Minimum Energy Efficiency Standards will drive improvements in safety and energy efficiency over the coming years and so the best way of delivering on our objective of improving the quality of rented housing through cost effective improvements is to allow a comparable implementation period as when the DHS was first introduced for social housing in the early 2000s (9 years). We want good quality work to be carried out that will have long lasting effect.

117. **We will therefore apply the new DHS to all rented properties from 2035.**

118. **The consultation also called for views on:**

- Application of the DHS to temporary accommodation and supported housing and implications for leasehold and commonhold tenants and landlords.
- A proposal to introduce best practice guidance to sit alongside the DHS, including information for landlords on some of the ways in which they could choose to go further than the minimum standard set by the DHS.
- Proposals for how regulatory and enforcing bodies should deal with landlords who are unable to meet the DHS for reasons relating to the property, their tenants, or the landlords. This will reflect differences in the way the standard will be implemented in the two rented tenures, setting out clear reasons why a landlord may not be able to meet the standard and how such properties will be regulated.

119. The updated DHS will drive a long-term improvement in housing quality. In trying to balance the policy SMART objectives and taking on board feedback from the consultation, the revised DHS will be formulated as set out in Table 1.

Regulatory scorecard for preferred option

Part A: Overall and stakeholder impacts over 15-year appraisal period

(1) Overall impacts on total welfare		Directional rating <i>Note: Below are examples only</i>
Description of overall expected impact	Impact description	Directional rating <i>Note: Below are examples only</i>
	<p>The updated standard is expected to bring substantial benefits to tenants through improved living conditions; landlords through lower void periods and capitalisation of improvements in asset prices; and society through positive impacts on tenants' improved health outcomes and productivity. However, given that many of the benefits have not been possible to accurately quantify and monetise, it is uncertain whether these non-monetised benefits will outweigh the costs to landlords.</p> <p>That said, switching analysis demonstrates that the updated standard need only generate a small non-monetised benefit per household to deliver a positive net present social value. Over the 15-year appraisal period, it would take additional benefits of only £10,475 per dwelling improved across the SRS and PRS for the reforms to be a net benefit to society. This would equate to £698 on a yearly basis. This could come, for example, from not losing 6 days' work due to illness. In 2025, the median hourly pay for full-time employees was £19.85⁶⁸ - the loss of 6 days' pay (net of</p>	Uncertain Based on all impacts (incl. non-monetised)

⁶⁸ Analysis of ASHE (Annual Survey of Hours and Earnings) data, available via Nomis – <https://www.nomisweb.co.uk/sources/ashe>

	Statutory Sick Pay) ⁶⁹ each year would therefore recoup such costs from a societal perspective.	
Monetised impacts	Total NPSV: -£6,746.5m over the 15-year appraisal period (2025 prices, 2026 present value)	Negative Based on likely £NPSV
Non-monetised impacts	<p>While we have monetised some of the main effects of the reform, there are other, significant benefits to society where we have not been able to do so given available data and research. These include improved educational gains, reduced energy usage, carbon savings, and improved community cohesion.</p> <p>Additionally, we expect the standard will increase compliance with existing regulation with corresponding costs and benefits (set out in section 'Wider impacts of the updated standard'). For example, we would expect there to be fiscal savings to the NHS due to less hazardous conditions, of around £290 million a year in the PRS and £65m in the SRS⁷⁰. Productivity benefits could occur if category 1 hazards are fixed as they cause injuries resulting in lost economic output of £126 per hazard, per year⁷¹. However, these benefits relate to meeting existing standards so are not included in the headline figures in this IA.</p>	Positive
Any significant or adverse distributional impacts?	The costs of the reform fall primarily on landlords, whereas the benefits are expected to accrue primarily to tenants who generally have lower levels of income than landlords. While not all non-monetised benefits would result in monetary transfers between groups (and therefore distributional impacts), some remediation activity that comes at a cost to landlords is expected to result in greater energy efficiency and therefore bill savings for tenants.	Positive

(2) Expected impacts on businesses

Description of overall business impact	<p>The main costs will fall on private landlords and private registered providers of social housing (as Local Authorities are not defined as businesses). The biggest driver of this is landlords fixing properties, so they are compliant with the new standard. Benefits to PRS landlords include fewer void periods thanks to tenants moving less frequently to avoid poor-quality properties, and increased asset values as improvements are capitalised into prices.</p> <p>More generally, given the impact of improved housing on tenant health and wellbeing, businesses may benefit from greater productivity and fewer sick days. Switching analysis on page 51 estimates that the NPSV would be positive, should tenants avoid 6 sick days per annum as a result of the updated standard. While that benefit occurs to tenants (employees), it would also improve productivity, with second-order impacts for local economies.</p>	Negative
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⁶⁹ We assume one day of Statutory Sick Pay to be worth £23.75 (£118.75 divided by 5) - <https://www.gov.uk/statutory-sick-pay>

⁷⁰ BRE, Cost of poor housing tenure analysis (2023)

⁷¹ MHCLG analysis of Transport Research Laboratory 2009 Re-valuation of Home Accidents

Monetised impacts	<p>Business NPV: -£5,907.2 million (over 15-year appraisal period) Approx net financial cost to business EANDCB: £497.7 million (per year)</p> <p>This does not account for any pass through of landlord costs to tenants. Landlords may, in some instances, attempt to pass through some of the costs of the regulation to tenants. However, in the private rented sector the extent to which this occurs is dependent on market conditions and housing affordability. Rent pass through is unlikely in the social rented sector, where the government sets rent policy (the maximum annual increase a landlord can implement).</p>	Negative
Non-monetised impacts	<p>As a result of increased costs, landlords may decide to leave the sector. However, we think the landlords most affected by the new requirements are those offering the poorest-quality accommodation. Their potential exit from the market could create opportunities for more professional landlords to enter or expand, thereby improving overall standards in the sector.</p> <p>Landlords in the private rented sector are also expected to benefit from higher asset values from improved standards in their dwellings.</p>	Positive
Any significant or adverse distributional impacts?	<p><u>Small, micro and medium businesses</u> In the SRS, 3% of all stock is held by SMBs. In the private sector, we think the majority of costs will fall on SMBs as 83% of private landlords own less than 5 properties⁷² Further breakdown can be found on pages 63-64.</p> <p>However, since the costs to a landlord of complying with the regulations will scale proportionality to the number of sub-standard properties they own, there should not be a disproportionately larger burden on smaller landlords compared to larger landlords.</p> <p><u>Geographical distribution of impacts</u> Decency varies by region so landlords in some areas are likely to be more impacted by the updated standard than those in other areas. In the SRS, the East Midlands and the West Midlands have the highest rate of non-decency under the new standard (54% and 50% respectively compared to a national average of 45%). Similarly, in the PRS, the East Midlands has the highest rate of non-decency under the new standard (61% compared to a national average of 48%).</p>	Neutral

(3) Expected impacts on households		
Description of overall household impact	The impact of the reforms is expected to be net beneficial to tenants. Window restrictors are expected to reduce child fatalities caused by falls from windows and private tenants are expected to move less frequently due to poor-quality accommodation, saving on moving costs. There are also expected to be significant non-monetised benefits, as set out below.	Positive
Monetised impacts	Household NPV: £120 million Approx net financial cost to household EANDCH: -£1.7 million	Positive

⁷² [2024 English Private Landlord Survey](#)

	<p>This does not account for any pass through of landlord costs to tenants in the form of higher rents. The extent to which this will occur in the private rented sector is dependent on market conditions and housing affordability. Rent pass through is unlikely in the social rented sector, where the government sets rent policy (the maximum annual increase a landlord can implement).</p>	
Non-monetised impacts	<p>There are expected to be significant non-monetised benefits to tenants from improved health and wellbeing, as well as a reduction in energy usage from better maintained homes. Families are expected to experience improved health and education outcomes due to less illness resulting from poor-quality housing. In addition, tenants will benefit from reduced noise pollution as a result of repaired windows, walls and doors.</p> <p>There are also expected to be further benefits to tenants arising from increased compliance with existing regulation such as reduced damage from fires and fewer serious injuries from category 1 hazards.</p> <p>However, the opportunity cost of additional SRS supply foregone due to the cost of reforms will likely have a negative impact on prospective tenants. This includes those who would have moved out of Temporary Accommodation, or who are currently in the PRS, which is typically more expensive and of lower decency.</p>	Positive
Any significant or adverse distributional impacts?	<p>Social rented households with different characteristics are generally as likely as each other to live in properties that fail the new Decent Homes Standard. One exception is disability or long-term illness, with households containing someone with a disability or long-term illness (46%) more likely to live in a dwelling that failed the new standard than households without (41%).</p> <p>In the private rented sector, dwellings that fail the standard are more likely to be the homes of those in certain groups:</p> <ul style="list-style-type: none"> • Homes with an ethnic minority Household Reference Person (HRP) (55%) are more likely to fail the updated standard than those with a white HRP (46%). • Those with someone in the household with a disability or long term illness (57%) are more likely to fail than those in a household without (44%) • Those with a HRP who was economically inactive (53%) are more likely to fail than those in work (46%) • Those with someone receiving housing support (57%) are more likely to fail than those who didn't (45%) • Those who lived in a rural setting (58%) are more likely to fail than those in an urban setting (47%) <p>More detail can be found in <u>EHS Briefing: Modelling a New Decent Homes Standard</u>.</p> <p>Therefore, the remediation of non-decent properties is likely to disproportionately benefit these groups.</p>	Positive

Part B: Impacts on wider government priorities

Category	Description of impact	Directional rating
Business environment: Does the measure impact on the ease of doing business in the UK?	<p>As noted above, given the impact of improved housing on tenant health and wellbeing, businesses may benefit from greater productivity and fewer sick days. Switching analysis on page 51 estimates that the NPSV would be positive should tenants avoid 6 sick days per annum. While that benefit occurs to tenants (employees), it would also improve productivity with second-order impacts for local economies.</p> <p>We do not expect the measure to significantly impact on ease of doing business in the UK. It may result in a slight increase in market concentration but there are currently 2.3 million private landlords and 1,580 registered providers, so we would expect the impact to be small.</p>	Neutral
International Considerations: Does the measure support international trade and investment?	<p>The new standard is not expected to directly impact trade. However, there may be an increase in demand for imported building materials needed to remediate properties.</p>	Neutral
Natural capital and Decarbonisation: Does the measure support commitments to improve the environment and decarbonise?	<p>The updated standard is expected to result in reduced energy usage, and as a result, reduced carbon emissions.</p> <p>While there is likely some crossover, this benefit is primarily accounted for within the assessment of the impact of updated Minimum Energy Efficiency Standards (MEES). MEES is one of the criteria of the updated DHS.</p>	Supports

Costs and benefits

Analytical approach

120. This section of the Impact Assessment (IA) sets out the costs and benefits of introducing the new Decent Homes Standard to the PRS, and updates to the standard that would apply to both the SRS and the PRS.
121. We have used a range of evidence to monetise the impact of the policy. This includes data from:
 - **The English Housing Survey**, which is a continuous survey conducted by the Ministry for Housing, Communities and Local Government. It collects information about people's housing circumstances and conditions.
 - **The English Private Landlord Survey**, which again is commissioned by the department. It surveys private landlords and letting agents in England, collecting information about their circumstances, their properties, their tenants, and the possible impact of legislative and policy changes in the sector.
 - **Statistical Data Returns (SDRs)**, data collected annually by the RSH on the stock of registered providers of social housing.
 - **Reports and studies conducted by non-government organisations**, such as stakeholder groups including the National Residential Landlords Association (NRLA), Shelter, and Citizens Advice; and academic studies on subjects such as burglaries. Much of the analysis within this Impact Assessment is based on modelling conducted externally by the Building Research

Establishment (BRE), who were commissioned by MHCLG. More information on this can be found in EHS Briefing: Modelling a New Decent Homes Standard.⁷³

- **Extensive stakeholder engagement** with landlord, tenant, letting agent and developer groups, including Minister-led round tables. This has informed policy thinking.

122. We have included references to all sources of evidence within the individual impact sections below.

123. Headline figures within the Impact Assessment show the additional impact of meeting the new standard in line with the Better Regulation Framework. However, we also expect the regulation to result in increased compliance with existing standards so we have also presented the total costs and benefits of meeting the new standard throughout.

Definitions

Total cost: The full cost of remediating dwellings up to the new standard, including existing obligations such as those under the current DHS in the SRS or under the Landlord and Tenant Act in the PRS.

Additional cost: The cost of remediating dwellings up to the new standard above and beyond existing obligations.

Existing cost: The cost of remediating dwellings only considered to be part of existing obligations.

$$\text{Total cost} = \text{Additional cost} + \text{Existing cost}$$

124. **The analysis is based on an appraisal period of 15 years starting from 2026.** This is the earliest point from which we think reforms would impact the two sectors. The standard is expected to come into force in year 10 of the appraisal period. However, some costs and benefits are expected to occur before that point, as landlords make improvements to their properties proactively.

125. In the SRS, we expect costs to be spread evenly year-to-year as social landlords gradually make improvements to their stock working towards the implementation deadline. Many social landlords are large organisations which forecast repairs and maintenance expenditure several years into the future. According to the RSH, PRPs anticipate spending an average of £10bn per year on repairs and maintenance over the next five years⁷⁴.

126. PRS landlords are expected to wait to make improvements to properties until closer to the deadline. The private rented sector is known to be dominated by landlords with only a small number of properties, with around 45% of landlords in the EPLS sample owning only one property and only 17% owning five or more properties⁷⁵, so are less likely to systematically forecast business expenditure and to start remediating properties well in advance of the new standard being implemented.

127. **The policy is assessed against a ‘Do Nothing’ approach – the counterfactual.** In this scenario, the government does not intervene through additional legislative or non-legislative measures to address problems relating to quality in the PRS or SRS. The counterfactual is used as the baseline for the cost-benefit analysis. This assumes that the DHS is not introduced to the PRS nor amended in the SRS.

128. Whilst there has been an observed improvement in housing quality measured against the existing DHS between 2019 and 2023⁷⁶, the latest analysis from BRE indicates that the overall condition of rented dwellings deteriorated during that period.⁷⁷ This is not necessarily observed in the long-run trend in decency, which is a binary variable (dwellings are classed decent or not) and a different scope. In reality, there is a broad distribution of non-decent in that a non-decent dwelling may have

⁷³ <https://www.gov.uk/government/publications/ehs-briefing-modelling-a-new-decent-homes-standard>

⁷⁴ <https://www.gov.uk/government/publications/2024-global-accounts-of-private-registered-providers/2024-global-accounts-of-private-registered-providers>

⁷⁵ [English Private Landlord Survey: Segmenting the business models of private landlords](https://www.gov.uk/government/publications/english-private-landlord-survey-2023/segmenting-the-business-models-of-private-landlords)

⁷⁶ [English Housing Survey 2023 to 2024: headline findings on housing quality and energy efficiency - GOV.UK](https://www.gov.uk/government/publications/english-housing-survey-2023-to-2024/line-findings-on-housing-quality-and-energy-efficiency)

⁷⁷ <https://www.gov.uk/government/publications/ehs-briefing-modelling-a-new-decent-homes-standard>

only one minor, or several major faults. For further detail, see the associated English Housing Survey Report.⁷⁸ Given this, we assume in the absence of intervention there would be no further progress in improving quality across the sectors and levels of non-decency would remain constant at current levels for the duration of the appraisal period.

129. **The text below highlights where assumptions have been made and central, low and high scenarios have been presented where there is a degree of uncertainty underpinning estimates.** The cost-benefit analysis is presented in 2025 prices and discounted from the first year of the appraisal 15-year period, in line with the Green Book.⁷⁹

Summary of impacts – PRS and SRS:

130. The vast majority of the costs come from the capital costs of meeting new decency measures. The cost of remediation required to achieve the updated standard is estimated to be £4,293m in the PRS and £1,785m in the SRS over 15 years (2025 price base, 2026 present value).

131. Further costs include the time needed for landlords to familiarise themselves with the regulations (£104m across both sectors), and the cost of surveying dwellings to assess whether properties meet the updated standard (£324m across both sectors). The overall cost including these elements and repairs across both sectors is estimated to be £6,507m.

132. Some PRS landlords could choose to pass some of the costs of meeting the DHS onto tenants by increasing rents. This is discussed in more detail in the section “Wider impacts of the updated standard”. This is not expected to happen in the SRS where rents are regulated. However, SRS landlords may choose to cut back on planned new development to fund DHS costs. The scale and impacts of this are discussed in the SRS impacts section (paragraphs 279-281).

133. Given limited quantitative evidence, we have only been able to monetise what we anticipate to be a small proportion of the benefits. The benefits of the updated standard that we have been able to monetise total £506.6m across the PRS and SRS. The main monetised benefits across both sectors come from lower economic and social costs of crime arising from increased home security, and fewer child fatalities due to falls from windows. Monetised benefits in the PRS are based on fewer moves caused by poor housing quality, as discussed in the ‘Reduced tenant moves section’.

134. We have also monetised the opportunity cost of less social housing supply as a result of the costs of the reforms. As this represents a forgone economic benefit to society, we count it as a disbenefit of the policy, rather than as a cost. We estimate that the cost to PRPs will result in reduced supply of 8,000-16,000 dwellings over the appraisal period. Using Land Value Uplift (LVU), as per the MHCLG Appraisal Guide,⁸⁰ this disbenefit is valued at £747m (2025 prices, 2026 present value).

135. **The net present social value (NPSV) of introducing the updated standard in the PRS and SRS is estimated to be -£6,746.5m.** Whilst the monetised costs outweigh the monetised benefits, there are further significant non monetised benefits which should also be considered when assessing the net impact of the reforms. These include improved wellbeing, educational gains, fewer serious childhood falls from windows, reduced noise pollution in homes, reduced energy usage, carbon savings and improved community cohesion. Details of individual non-monetised benefits are set out below along with available evidence to support our view that they are relevant and material.

136. **The introduction of the updated DHS, alongside changes to the enforcement regime, will also likely increase compliance with the existing regulations, resulting in further costs and benefits in addition to those presented above.** This is expected to result in further costs to landlords alongside a range of benefits to tenants and society, including savings to the NHS, improved productivity, and a reduction in fire hazards. Impacts arising from increased compliance with existing regulation have not been included in the headline NPSV and monetised impact on business, in line with the Better Regulation Framework, but should be taken into account when considering the overall

⁷⁸ <https://www.gov.uk/government/publications/ehs-briefing-modelling-a-new-decent-homes-standard>

⁷⁹ Gov.UK, The green book appraisal and evaluation in central government (2020)

⁸⁰ Gov.UK, The MHCLG Appraisal Guide

impact of the policy. More details can be found in the section ‘Wider impacts of the updated standard’ on pages 55-57.

137. Switching analysis suggests that, over the 15-year appraisal period, it would take additional benefits of £10,475 per dwelling improved across the SRS and PRS for the reforms to be a net benefit to society. This would equate to £698 on a yearly basis. This could come, for example, from tenants not losing 6 days’ work due to illness. In 2025, the median hourly pay for full-time employees was £19.85⁸¹ - the loss of 6 days’ pay (net of Statutory Sick Pay)⁸² each year would therefore recoup such costs from a societal perspective.
138. There is broad distribution of costs per household, whereby some landlords would face very small costs and others much higher costs. This would correlate with the condition of their stock. This means the level of benefits required to offset the costs will vary at an individual dwelling level.
139. The headline figures in Table 4 provide a summary of the cost-benefit analysis in the central scenario by tenure. This shows additional costs and benefits as set out above.

Table 4 – summary monetised impacts of complying with new legislation by tenure over 15-year appraisal period (2025 prices, 2026 present value)

	PRS	SRS	Total
No. of affected dwellings	376,332	267,743	644,075
Total monetised costs	£4,505.4m	£2,001.0m	£6,506.5m
Total monetised benefits	£300.5m	-£540.5m	-£240.1m
Net Present Value	-£4,205.0m	-£2,541.6m	-£6,746.5m

Overlap with other reforms

140. The government has confirmed their intention to raise the Minimum Energy Efficiency Standards (MEES) required of privately rented and social rented homes in England and Wales to the equivalent of Energy Performance Certificate (EPC) C. This aims to deliver energy bill and carbon emission savings. The impact of updating MEES has been considered separately within the relevant MEES final Impact Assessments, so failure rates and costs presented here do not include updated requirements for MEES. Criterion D (thermal comfort) is modelled here as a requirement to have efficient programmable heating in both rented tenures, and meeting EPC E in the private rented sector. However,
141. We expect that some of the actions undertaken by landlords to meet MEES could go some way to making those properties compliant with the updated standard, if they are not already compliant. For example, 10% of PRS and 8% of SRS dwellings fail the updated standard on window disrepair, and remediation here may also support meeting the updated MEES, whilst also improving the energy efficiency of homes delivering wider benefits for tenants and contributing to environmental goals. Whilst we believe most of the overlap between the standards intersects with existing regulation and therefore is not in scope for inclusion within the headline figures of this Impact Assessment, there are expected to be efficiencies in terms of combining work to meet both standards, reducing overheads and streamlining planning. This may mean there is some overlap with the familiarisation and surveying costs of the two reforms.

The private rented sector: summary of major impacts

142. Table 5 sets out the summary of the major impacts of introducing the updated DHS in the private rented sector (PRS). **The net present social value is estimated to be -£4,205.0m.** Unless stated

⁸¹ Analysis of ASHE (Annual Survey of Hours and Earnings) data, available via Nomis – <https://www.nomisweb.co.uk/sources/ashe>

⁸² We assume one day of Statutory Sick Pay to be worth £23.75 (£118.75 divided by 5) - <https://www.gov.uk/statutory-sick-pay>

otherwise, all figures in this section have been monetised in **2025 prices** with a **present value year of 2026** over a 15-year appraisal period.

143. The total estimated direct cost to business is £4,505.4m, with the largest impact on business coming from the additional one-off repair cost of bringing properties up to the required standard. This has been monetised at £4,293.4m. Other smaller impacts on business include savings to landlords where fewer tenants moves due to quality issues means fewer gaps between tenancies where landlords do not receive rent. This is estimated to be £25.6m. Landlords are also expected to benefit from higher asset values from improved standards in their dwellings as well as potentially higher rents.

144. In terms of monetised benefits for other groups, tenants are expected to see lower costs due to fewer moves in the sector (£100.2m) as well as fewer child fatalities due to falls from windows (£3.2m). Society is expected to see benefits from reduced crime arising from improved home security (£171.4m).

145. Additionally, we expect that the policy reforms will bring substantial additional benefits to tenants and society that we have not been able to monetise. These include increased wellbeing, educational gains, and health benefits, due to higher quality accommodation, fewer serious but non-fatal child falls, and energy bill savings.

146. **We expect the updated DHS will also support compliance with existing regulations, resulting in further costs and benefits in addition to those presented above.** For example, if 50% of category 1 hazards were rectified by landlords, the NHS would see a fiscal saving of £715.5m over the appraisal period. This benefit (alongside others and the corresponding cost) is included in italics in the table below.

147. We have used switching values analysis to demonstrate that the policy need only generate a relatively small non-monetised benefit per household to deliver a positive net present social value. For example, **the negative net present social value (NPSV) over the 15-year appraisal period would be offset by £11,174 of non-monetised benefits per affected household in the PRS.** Given differences in quality, the level of benefits required to offset the costs will vary at an individual dwelling level.

Table 5: Costs and benefits of applying the updated DHS in the PRS, over the 15-year appraisal period

Impact	Value	DHS Component	Group impacted	Direct/Indirect
Costs				
Familiarisation cost	£101.3m	Whole standard	Landlords	Direct
Surveyor cost	£110.8m	Whole standard	Landlords	Direct
Core cost to make decent	£4,231.2m	Whole standard	Landlords	Direct
Damp-proof coursing	£43.5m	Criterion B	Landlords	Direct
Child-resistant windows	£18.6m	Criterion C	Landlords	Direct
Carbon cost	Non-monetised	Whole standard	Society	Direct
Rent passthrough	Non-monetised	Whole standard	Tenants/ Landlords	Indirect
<i>Cost of meeting existing DHS</i>	<i>£19,337.4m*</i>	<i>Existing standards</i>	<i>Landlords</i>	<i>N/A</i>
Total costs	£4,505.4m	Whole standard		
Benefits				
Reduction in household moving costs	£100.2m	Whole standard	Tenants	Indirect
Reduction in void periods	£25.6m	Whole standard	Landlords	Indirect
Reduction in crime	£171.4m	Criterion B	Society	Indirect
Fewer fatal falls of children from windows	£3.2m	Criterion B	Tenants	Direct
Carbon savings	Non-monetised	Criterion D	Society	Direct
Lower energy usage	Non-monetised	Criterion D	Tenants	Direct
Wellbeing	Non-monetised	Criterion B	Tenants	Indirect

Educational attainment	Non-monetised	Whole standard	Society	Indirect
Community cohesion	Non-monetised	Whole standard	Society	Indirect
Rent pass through	Non-monetised	Whole standard	Landlords	Indirect
Increased property values	Non-monetised	Whole standard	Landlords	Indirect
Reduced noise pollution	Non-monetised	Criterion B	Tenants/ Society	Indirect
<i>NHS cost saving due to increased compliance with existing regulation</i>	<i>£715.5m*†</i>	<i>Existing standards</i>	<i>Tenants/Society</i>	<i>N/A</i>
<i>Improved productivity due to increased compliance with existing regulations</i>	<i>£650.3m*†</i>	<i>Existing standards</i>	<i>Tenants/Society</i>	<i>N/A</i>
<i>Reduced fire costs due to increased compliance with existing regulations</i>	<i>£60.3m*†</i>	<i>Existing standards</i>	<i>Tenants/Society</i>	<i>N/A</i>
Total benefits	£300.5m			
Net Present Social Value	-£4,205.0m			

*not included in headlines figures or totals as it represents an existing cost/benefit, rather than additional impact of the regulation. More details can be found in section 'Wider impacts of the updated standard'

†assumes a 50% decrease in category 1 hazards

148. The year-by-year cost and benefit profile is set out in the section 'Analysis profile' on pages 67-68.

Analytical assumptions

149. To estimate the impact of the new DHS, we have made assumptions about landlord behaviour and how this will impact the PRS – including the size of the sector, future levels of decency and the expected level of compliance with the legislation.

Size of the private rented sector

150. The analysis is underpinned by our estimate of the size of the private rented sector over the 15-year appraisal period. The methodology used to arrive at this estimate is consistent with the Renters Rights Bill Impact Assessment⁸³, incorporating both historical trends in tenure and household projections.

151. We have used data from the Office for National Statistics (ONS) and the English Housing Survey (EHS) to estimate the size of the private rented sector over the appraisal period. We have combined data on the average historic annual growth of the PRS from the EHS with projections of household growth over the appraisal period from ONS. This has given us an assumed long-term annual growth rate of 1% in the number of PRS households.

152. Projections on the future size of housing tenures and associated number of dwellings are uncertain and subject to large confidence intervals. The figures presented in this document are one possible scenario based on the available data – multiple factors influence the growth rate of the sector so, in practice, growth may be faster or slower than set out.

153. In the baseline scenario, we assume that the proportion of non-decent dwellings in the PRS remains constant. Whilst some landlords may improve the quality of their property in the absence of intervention, other dwellings will likely age and fall into non-decency. Additionally, properties entering and exiting the PRS will likely offset each other in terms of their impact on the proportion of non-decent dwellings. Assuming a constant proportion of non-decent dwellings means the absolute number of non-decent dwellings will increase, as we assume the overall size of the PRS continues to grow between 2026 and 2040.

⁸³ [Renters' Rights Bill Impact Assessment](#)

Table 6: PRS household and non-decent dwellings: historic and projected

Year	PRS households ⁸⁴	PRS households growth rate	Number of non-decent homes under the updated standard in the absence of intervention ⁸⁵
2019-20	4,438,000	-2.50%	
2020-21	4,434,000	-0.10%	
2021-22	4,611,000	4.00%	
2022-23	4,595,000	-0.36%	
2023-24	4,657,000	1.35%	
2024	4,716,000	1.28%	
2025	4,767,000	1.06%	
2026	4,815,000	1.01%	2,329,000
2027	4,864,000	1.03%	2,353,000
2028	4,915,000	1.04%	2,377,000
2029	4,967,000	1.06%	2,402,000
2030	5,019,000	1.05%	2,428,000
2031	5,071,000	1.04%	2,453,000
2032	5,124,000	1.04%	2,478,000
2033	5,177,000	1.04%	2,504,000
2034	5,230,000	1.03%	2,530,000
2035	5,284,000	1.02%	2,556,000
2036	5,337,000	1.01%	2,581,000
2037	5,391,000	1.01%	2,607,000
2038	5,444,000	1.00%	2,633,000
2039	5,498,000	0.98%	2,659,000
2040	5,551,000	0.97%	2,685,000

154. Data from HMRC indicates that there were approximately 2.3 million landlords in England in 2019-20.⁸⁶ This data is a snapshot in time, and it is not possible to estimate trends in landlord numbers using this dataset. We assume the number of landlords remains constant over the appraisal period, however there is significant uncertainty underpinning this assumption due to lack of data. For example, we may see consolidation within the sector in order to benefit from economies of scale when undertaking remediation work.

Landlord Compliance

155. The impact of these reforms depends on the degree of compliance by landlords with the legislation. Lower levels of compliance than those assumed in the analysis would reduce the costs of the reforms to business but would also reduce the benefits to tenants and society. PRS landlords who fail to comply will be liable for enforcement action by the local council, courts, and tribunals. Non-compliance with legal obligations may also be taken into account by an Ombudsman when determining redress. Section 'Detail of public sector impacts' sets out more detail on enforcement plans for the new system.

156. We expect that most landlords will seek to comply with the legislation. It is also possible that behavioural changes will start taking place before the reforms are implemented. Analysis by the Ministry of Housing, Communities and Local Government indicates that most landlords are demonstrating good practice with at least 54% of landlords meeting most, if not all, legal

⁸⁴ Rounded to the nearest thousand.

⁸⁵ This includes all non-decent dwellings under both new and existing standards. 7% of PRS properties would be counted as non-decent under the additional components of the new standard alone. Figures are rounded to the nearest thousand.

⁸⁶ HMRC data released in response to a Parliamentary Question

requirements. A further 35% of landlords show a mixed level of compliance.⁸⁷ However, a small minority of landlords may wilfully disregard the legislation, leading to additional enforcement actions against this group.

157. We expect measures within the Renters' Rights Act to improve landlords' awareness of existing and new requirements, improving compliance and strengthening councils' ability to target enforcement action at the small minority of rogue landlords.
158. The costs and benefits of the Impact Assessment, discussed in the following section, have been prepared assuming full compliance by landlords and other actors affected by the new reforms, as is required by the Better Regulation framework. **Where compliance means fulfilling existing standards, costs and benefits have not been included in the NPSV calculations because these requirements will have been accounted for in assessments of previous regulations.** However, we do expect the updated standard to result in increased compliance with existing standards, resulting in further costs and benefits above those included in the main analysis – this is discussed in the section 'Wider impacts of the updated standard'.

Detail of business impacts associated with implementing the updated DHS in the PRS

Familiarisation costs

159. Landlords will need to familiarise themselves with reforms to the new DHS. This is a one-off cost.
160. HMRC data indicates there are 2.3m private landlords in England and we assume all landlords will choose to familiarise themselves with the updated standard.⁸⁸ The time needed by private landlords to understand their obligations is estimated at approximately 2 hours per landlord. This estimate is based on existing products on the market that help landlords to understand their obligations; for example, National Residential Landlords Association's (NRLA) 'Property Standards' course.⁸⁹ The course costs between £45 and £55 depending on NRLA membership at the time of undertaking the analysis (in 2025 terms). We have taken the midpoint (£50) as our central cost estimate.
161. It is assumed that landlords will familiarise themselves with the reforms in 2030. Whilst landlords will likely want to understand the standard sooner rather than later, we believe they will wait to fully familiarise themselves with the requirements until closer to the point at which work needs to be carried out.
162. We estimate **the cost for all landlords to familiarise themselves with DHS to be £101.3m** over the appraisal period (ranging from £91.2m to £111.5). This is considered a direct cost of the reforms, as landlords will be required to understand the legislation and the implications for their business models.
163. For new entrants into the sector, we expect it will take the same time to familiarise themselves with the new standard as it would with existing property standards. For example, if they were to take a Property Standards course, it would likely cover similar content to current courses such as category 1 hazards, heating, damp and window and door security. We therefore expect the familiarisation cost for new landlords to be minimal.

Repair costs of meeting the updated DHS (modelled by BRE)

164. Landlords will be required to fund the property repairs needed to satisfy the new DHS. This will incur an additional direct cost to business. However, some of these will not be entirely new costs for landlords. Under the current law, landlords should take appropriate steps to address hazards in their rented properties, or they may be subject to enforcement action. The terms implied by the Landlord and Tenant Act 1985, together with other requirements imposed on landlords by legislation that apply to rented properties, means that landlords should already be meeting the costs associated with ensuring that their properties are fit for human habitation, in a sufficient state of repair and compliant with relevant housing regulation. This covers a wide range of issues relating to property standards,

⁸⁷ MHCLG Segmenting private landlord compliance (2022)

⁸⁸ MHCLG analysis of HMRC data released by a Parliamentary Question

⁸⁹ NRLA, Property Standards course

such as repair, stability, internal arrangement, freedom from damp, natural lighting, ventilation, water supply, drainage and sanitary conveniences, and facilities for preparation and cooking of food and for the disposal of wastewater. This overlaps with all criteria in the DHS, although the approach to enforcement is different.

165. Analysis from the Building Research Establishment (BRE) has been used to estimate the average cost to make non decent properties decent, adjusting for the pre-existing requirements on the sector, alongside updating the estimated costs to the new standard. This cost will fall on private landlords – who are responsible for paying for the repairs work. Costs relating to window restrictors and damp proof courses could not be assessed through EHS data, though are explored within the Impact Assessment through internal MHCLG analysis. For more details on the research conducted by BRE, please see EHS Briefing: Modelling a New Decent Homes Standard.⁹⁰

166. To note, there are differences between the additional costs in the Impact Assessment and the “Cost to make decent” within EHS Briefing: Modelling a New Decent Homes Standard. EHS methodology on cost to make decent was established with the original DHS in 2001. It assumes an approach where if a dwelling fails the standard, landlords will undertake all remediation work in one go, even if some of that remediation work is not strictly required to pass the standard at that point. The Impact Assessment methodology, in line with the Better Regulation Framework, assesses the minimum cost obligations that the new and existing standards imply. It therefore removes costs that landlords may choose to incur but are not strictly obligated to at that moment. The actual behaviour of landlords in response to the new standard is unclear.

167. According to EHS data, 48% of the PRS is expected to fail the updated standard (2.5m dwellings across the appraisal period, equating to approximately 5.8m individuals⁹¹). This ranges from 39% in London to 61% in Yorkshire and the Humber. Most non-decent dwellings would fail the updated standard due to the presence of disrepair under the new definition (36% of all private rented dwellings), specifically roof features needing repair (19%), internal doors disrepair (11%), and window disrepair (10%). 7% of PRS properties (376k dwellings across the appraisal period or 866k individuals) are compliant with existing regulation but would be classed as non-decent based solely on the new standard.

168. We assume the cost of the repair work occurs once in the appraisal period, although landlords will incur additional costs in the long term to maintain properties at the higher property standard.

169. We assume that some landlords will make the necessary improvements required to meet the standards in between tenancies ahead of the new requirements coming into force. Assuming 20% of tenants in the PRS move each year in the appraisal period, based on data from the English Housing Survey,⁹² we estimate 20% of non-decent dwellings will be remediated in the gap between tenancies in each of the two years ahead of the new requirements coming into force as landlords take advantage of void periods. The remaining 60% will be made decent during the year in which the policy is formally implemented.

Table 7: PRS improvement profile

	% of non-decent PRS dwellings remediated	No. of PRS dwellings remediated ⁹³
2026	0%	0
2027	0%	0
2028	0%	0
2029	0%	0
2030	0%	0
2031	0%	0
2032	0%	0

⁹⁰ <https://www.gov.uk/government/publications/ehs-briefing-modelling-a-new-decent-homes-standard>

⁹¹ English Housing Survey 2023 to 2024: headline findings on demographics and household resilience. - GOV.UK

⁹² MHCLG analysis of English Housing Survey 2023-24 data

⁹³ Rounded to the nearest thousand.

2033	20%	73,000
2034	20%	74,000
2035	61%	229,000
2036	0%	0
2037	0%	0
2038	0%	0
2039	0%	0
2040	0%	0
Total	100%⁹⁴	376,000

170. Some landlords may choose to make improvements to their properties at the same time as work needed to meet proposed new Minimum Energy Efficiency Standards (MEES).⁹⁵ New MEES standards will apply to all tenancies from October 2030.

171. Internal analysis of BRE's modelling indicates that the average cost to reach the new DHS is £9,277 per non-decent PRS dwelling (2025 prices). This equates to total costs of £23.6bn for landlords.

172. **This is the cost of meeting existing obligations as well as the new standard i.e. the total cost of the regulation.** Private landlords are already bound by existing legislation on housing quality including the Landlord and Tenant Act 1985 (as amended by the Homes (Fitness for Habitation) Act 2018) which implies terms into tenancies regarding the condition of rental properties. These terms require landlords to keep their properties safe, healthy, and certain features in repair.

173. It is important not to count the costs to landlords of meeting existing obligations within our headline figures, in line with the Better Regulation Framework. Criterion A (free of category 1 hazards) is already a requirement under the Housing Health and Safety Rating System (HHSRS) from the Housing Act 2004, therefore, complying with this criterion is not monetised as an additional cost. Some other costs, such as disrepair under Criterion B, may also already be a requirement in the case that the repairs are classed as 'urgent' disrepair, which we have modelled as being equivalent to repairs needed to comply with the requirements imposed by the Homes (Fitness for Human Habitation) Act 2018.

174. **When the costs of complying with existing regulations are removed, the average additional cost to reach the new decent homes standard is £11,243 per dwelling requiring additional remedial work (2025 prices).** The average additional cost per dwelling is higher than the average total cost per dwelling because the total costs are more skewed towards the lower end of the cost distribution with more dwellings facing a low cost to bring properties up to the required standard. More detail on cost distribution can be found in EHS Briefing: Modelling a New Decent Homes Standard.⁹⁶

175. Approximately 82% of the sector wide cost to make decent falls under pre-existing legislation with only 18% of the sector wide costs considered additional, or new, to private landlords. The percentage of sector wide costs considered additional will be an overestimate due to the exclusion of some disrepair elements from the cost model which would be expected to fall under pre-existing legislation. We have sought to keep the burdens on landlords proportionate whilst ensuring tenants have a decent property to live in.

176. The additional cost to landlords from the introduction of updated standard is primarily due to bringing forward 'non-urgent' replacements to external elements which are approaching the end of their

⁹⁴ Percentages sum to >100% due to rounding.

⁹⁵ Department for Energy Security and Net Zero, Improving the energy performance of privately rented homes: 2025 update.

⁹⁶ <https://www.gov.uk/government/publications/ehs-briefing-modelling-a-new-decent-homes-standard>

lifespan (such as windows and roof coverings), as well as additional requirements regarding modernisation of the home (including double glazing and kitchens).

177. **The additional repair cost of meeting the updated DHS is expected to be £4,231.2m (2025 prices, 2026 PV).** This is treated as a direct business cost of the policy.

Repair costs of meeting the updated DHS (other)

178. In addition to the costs calculated by the BRE, there are other components of the updated standard which represent a cost to landlords if their properties are not compliant:

- Damp-proof courses
- Child-resistant window restrictors

179. These components were not modelled by BRE as they cannot be measured using existing data within the EHS. We have therefore estimated the impact of these components separately below.

180. The standard will include **damp-proof courses** as part of the disrepair component list. Therefore, all properties with a damp-proof course will be required to keep it in a reasonable state of repair in order to be considered decent. From 1875, the inclusion of a damp-proof course became compulsory. The English Housing Survey collects data on the construction year of a dwelling, with options including pre-1850, 1850-1899, 1900-1918 etc. Of English dwellings built after 1899, 61,320 PRS dwellings had some form of rising damp according to the 2018-19 English Housing Survey (1.3% of PRS properties). Therefore, we assume this is the number of homes that have a damp-proof course that requires repairing. The cost of damp proof courses varies from a few hundred to thousands of pounds, depending on multiple factors such as the type of damp and size of the impacted area. For the purpose of this analysis, we have assumed an average cost of £840 from desk based research – this is towards the lower of end of the range, which reflects the additonality of such a repair versus the need to already fix damp and mould (as well as, for example, excess cold) at a category 1 level. Therefore, **we estimate the cost to private landlords to repair damp-proof courses will be £43.5m.**

181. The standard will also require the installation of **child-resistant window restrictors** that are overridable by an adult on all windows on a floor above ground level which pose a fall risk to children. Using English Housing Survey data, it is possible to estimate the number of windows above ground floor that are classed as a 'means of escape' in the case of fire, and we assume this represents the number of windows above ground floor that a child could pass through.⁹⁷ This is a simplification made for the purpose of analysis, as it does not include windows on the ground floor which are above ground level – we therefore slightly underestimate related costs. The windows are recorded in the kitchen, bathroom, bedroom, living room, and circulation of the dwelling. All rooms except circulation have information on their level (from basement upwards). It has been assumed that if a 'means of escape' window is observed in the circulation, it is observed on the highest floor within that dwelling. Assuming one window per room would result in 6.8 million windows that need a restrictor in the private rented sector.

182. The EHS does not collect data on the proportion of these windows that are already installed with a window restrictor. However, 22% of PRS landlords who responded to the consultation said they currently provide child-resistant window restrictors in all dwellings and a further 30% said they do in some dwellings.. In the absence of further data, we think it is reasonable to assume 35% of applicable windows in the PRS already have a window restrictor. This would mean an additional 4.4 million windows require installation of restrictors. A survey of products available online suggests prices range from a few pounds to in excess of £20. We have assumed that landlords will opt for the most cost efficient measures, with larger landlords also benefitting from economies of scale. We have therefore used a value of £5 for each window restrictor. We also assume that works are carried out in parallel with other repairs and therefore do not require a separate call-out charge. **The total cost of installing window restrictors to the PRS would be £18.6m** However, this estimate comes with a high degree of uncertainty due to the data limitations set out above.

⁹⁷ The methodology limits the number of 'means of escape' windows to 5 per dwelling.

Total repair costs of reaching the DHS

183. The 15-year present value cost of all additional repairs to landlords is estimated to be £4,293.4 million. **This represents an average discounted repair cost to landlords of £11,408 per non-decent property** and is a direct cost.

Surveyor costs

184. Landlords will be required to check their properties against the new DHS to assess whether their properties meet the requirements. This will incur either a time cost to landlords, who undertake the survey work themselves, or the cost of getting someone else to survey the property. This is assumed to take place in the same year as the repair works following the improvement profile in Table 7.

185. We have used 2025 average estate agent wages⁹⁸ as a proxy for the time cost of private landlords and made an adjustment of 1.3 for non-wage costs. In the central case we have assumed it takes surveyors 1.5 hours (ranging from 1 hour to 2 hours) to survey the property for additional faults, resulting in a central cost per dwelling of £28.16 (2025 prices). We would expect all landlords in the sector to undertake a survey of their stock to identify non-decent dwellings. Therefore, this cost applies to all dwellings in the PRS. As such, **the cost to the sector of checking properties is estimated to be £110.8m** (ranging from £73.8m to £147.7m). This is considered to be a direct cost of the regulation.

186. However, the cost of surveying work is uncertain. In some instances, landlords may already be aware of the decency of their stock based on dwelling age or whether the property has been recently repaired and will not require any additional costs. In other instances, although it is not necessarily required, a landlord may request a full survey, which, based on the cost of an in-depth HHSRS can cost between £203 to £302 per dwelling.⁹⁹

Reduced tenant moves

187. **We expect there to be fewer voluntary household moves, as a result of the higher property standards in the PRS.** Tenants will be less likely to move as a result of poor-quality rented housing which will result in fewer void periods for landlords, i.e., less time when the property is empty between the end of a tenancy and the start of a new one where the landlord receives no rental income. This results in a financial gain to landlords from no longer having vacant properties which do not generate rental income and a more efficient use of the existing housing stock which benefits society.

188. In some instances, the time taken to make repairs to meet the new DHS may create void periods. We do not have data to estimate this; however, landlords have an incentive to minimise void periods so will likely ensure work is completed with the shortest possible additional downtime for the property.

189. The benefits of reduced tenant moves for landlords are estimated assuming an average void period between tenancies of 16 days.¹⁰⁰ Whilst the average void period in the 12 months to November 2025 was 20 days, the lowest average monthly void period over the past year was 12 days. We have taken the midpoint between these two figures as our central estimate due to uncertainty of future market conditions.

190. Applying median rent data, (£210 per week in 2025 prices¹⁰¹), we estimate landlords will see, on average, £475 of additional income per avoided void period (ranging from £324 to £649).

191. Figures from the English Housing Survey show that in the three years to 2019,¹⁰² approximately 1.3% of tenants who moved in the previous 12 months listed housing quality as the sole reason for moving, while 3.9% of tenant moves were due to housing quality alone or for housing quality and up to two other reasons. The analysis cautiously assumes that, in the central scenario, 1.3% of tenants moves will be prevented by the introduction of the updated standard (0% in the lower scenario and 3.9% in

⁹⁸ Office for National Statistics, Annual Survey of Hours and Earnings. Gross hourly pay for all employee jobs, United Kingdom, 2024.

⁹⁹ This is based on MHCLG desk research of various HHSRS surveyor costs.

¹⁰⁰ Goodlord, Goodlord Rental Index Average Rents Per Month Across England

¹⁰¹ English Housing Survey 2023-24 Headline Report

¹⁰² 3 years' worth of data has been used to achieve a reasonable sample size, however if this were applied to the latest data, it would be skewed by the impact of Covid-19 restrictions on moving house. Therefore, the decision has been made to use pre-Covid data.

the upper scenario) each year. We assume that moves will not be avoided until a year after the home has been improved. We anticipate on average 13,700 tenant moves and therefore the equivalent number of void periods will be avoided each year over the appraisal period.

192. It should be noted that actual behavioural responses may vary, and quality concerns may go beyond what is addressed in the DHS. Therefore, there is some uncertainty associated with this figure.
193. Under our central scenario, **the estimated benefit for landlords over the 15-year appraisal period from a reduction in void periods is £25.6m** (ranging from £0m to £102.7m). Given the number of actions required before this benefit is realised, we consider this to be an indirect benefit of the regulation.
194. Reduced tenant moves will also save landlords expenses associated with the start and end of a tenancy; for example, avoiding the costs associated with cleaning a property for new tenants, checking references of new tenants and creating inventories for the property.

Higher property values

195. We also expect to see an increase in the value of properties which see an improvement in housing quality due to the new standard. Removing hazards, fixing faults, modernising features and improving thermal performance should all positively impact the price of the dwelling. This will be translated into additional house price gains for landlords if and when they choose to sell the dwelling. There is evidence of this occurring under similar reforms. For example, Hill et al. (2023) found that about 84% of the costs of EPC-recommended energy efficiency improvements are capitalised in property prices for flats, with 59% of costs capitalised in semi-detached/terrace and detached properties.¹⁰³
196. Higher property values, alongside costs to landlords from meeting the DHS, may be passed on to tenants, resulting in higher rental income for landlords. However, we do not have sufficient data to accurately model how landlords will respond and the degree to which improvements in quality will be capitalised in house prices. More details on this can be found in section 'Wider impacts of the updated standard'. This is considered an indirect benefit to landlords of the regulation.

Rental pass through

197. Landlords may attempt to recoup some of the costs of the proposed legislation by increasing rents. The extent to which they are able to do this will be constrained by market factors and tenant affordability. Additionally, many of these costs are expected to be tax deductible. This is considered an indirect impact of the new standard. A detailed description of rental pass-through scenarios is shown in section 'Wider impacts of the updated standard'.

Detail of tenant impacts associated with implementing the updated Decent Homes Standard in the PRS

Fewer tenant moves

198. **Tenants will be less likely to need to move if the quality of their non-decent property improves.** The reduction in tenant moves will lead to cost savings to tenants. Research from Shelter indicates the average moving cost to tenants is £1,859 per move (2025 prices).¹⁰⁴ Therefore, each avoided undesired or unnecessary move results in significant cost savings to tenants.
199. Figures from the EHS show that, in the three years to 2019, 1.3% of tenant moves each year were due to housing quality issues only; which we use again as our central estimate of the proportion of moves that no longer occur due to the new standard. We assume that moves will not be avoided until a year after the home has been improved. As before, actual behavioural responses may vary so this is uncertain.
200. **Tenants are expected to save £100.2m over the appraisal period from fewer involuntary moves** (ranging from £0m to £294.3m). The reduction in tenant moves is considered to be an indirect impact dependent on tenant behavioural changes and their response to the legislation.

¹⁰³ Hill et al, Energy efficiency improvements and property values: a hedonic analysis of market incentives in England and Wales (2023)

¹⁰⁴ Shelter, Press release: Over a quarter of a million families forced into debt from moving home so often (2017)

201. Rents for new lets are, on average, higher than existing lets, as landlords are less likely to raise rents for sitting tenants. The 2024 English Private Landlord Survey found that 58% of landlords increased rent for new tenancies compared to 52% for renewals/extensions of existing tenancies. As a result, we would also expect avoided moves to result in lower rent for tenants though we are unable to monetise this due to data limitations.
202. There is also research exploring the relationship between children who move home often and educational attainment. Some studies suggest that increased home movement by tenants, particularly in the PRS, has a detrimental effect on children in education, as it often requires a change in schools. A survey conducted in Norway found that children with more residential moves are more likely to drop out of secondary school, to have a lower adult income, and to experience early parenthood.¹⁰⁵ Similarly, one study of UK children found that only 78% of children with at least two residential moves between the ages of 4 and 6 achieved key stage one compared to 87% in those who did not move at that age.¹⁰⁶ Therefore moving less frequently is likely to have a positive impact on educational attainment.
203. There are also expected to be additional benefits to adults. The Centre for Social Justice found “*facing the possibility of needing to relocate regularly is likely to act as a barrier to putting down roots in the community over a longer period of time*” – undermining neighbourhood safety, wellbeing, and productivity. A 2016 study in the United States also found the likelihood of losing a job is between 11 and 12 percentage points higher for low income renting workers who experienced a preceding forced move, compared to workers who did not.¹⁰⁷ This shows reduced moves will likely have a positive impact on productivity as well as wellbeing and community cohesion. These impacts have not been monetised due to data limitations.

Reduced number of serious childhood falls

204. The new DHS proposes to mandate all windows above ground level which pose a fall risk to children must provide child-resistant window restrictors which can be overridden by an adult. This will reduce the number of falls of children out of windows.
205. According to the National Child Mortality Database, 8 children under 11 years old died between 2019 and 2025 as a result of a fall from a window where there was no window restrictor present or the window restrictor was broken¹⁰⁸. Using data on the number of window or balcony fatalities by tenure, we estimate that one death every four years could be avoided in the PRS if window restrictors were fitted and kept in reasonable repair.
206. Department for Transport estimate preventing one fatality results in a benefit of £2.6m in 2023 prices or £2.8m in 2025 prices¹⁰⁹. This consists of medical and ambulance saving, avoiding a loss in net output, and an individual’s willingness to pay. Multiplying by the estimated number of fatalities, **we estimate the benefit of mandating window restrictors on child fatalities to be £3.2m over the appraisal period** (ranging from £0 to £6.4m). It is considered a direct benefit of the reforms.
207. There is significant uncertainty underpinning this estimate. Given the small number of fatalities each year, the analysis is very sensitive to a small change in either the baseline number of fatalities or the number prevented due to window restrictors. The identification of deaths is also dependent on key words being recorded in case information, so our estimates may be an underestimate. Also, the estimate of the value of preventing a fatality is based on the average adult, rather than children. We as society may value the life of a child more than an adult, therefore the value of preventing a child fatality may have greater than estimated.

¹⁰⁵ [Tønnesen M et al., Childhood residential mobility and long-term outcomes \(2016\)](#)

¹⁰⁶ [Hayley A. Hutchings et al., Do Children Who Move Home and School Frequently Have Poorer Educational Outcomes in Their Early Years at School? An Anonymised Cohort Study \(2013\)](#)

¹⁰⁷ [Housing and Employment Insecurity among the Working Poor, Matthew Desmond and Carl Gershenson, Harvard University, January 2016. Study is US derived so there are some things that are likely to be particular to the US](#)

¹⁰⁸ [NCMD-falls-from-windows-and-balconies-briefing.pdf](#)

¹⁰⁹ <https://www.gov.uk/government/publications/tag-data-book>

208. Window restrictors will also likely prevent the number of non-fatal falls from windows. Analysis highlights that between 1990 and 2017 falls are one of the most common causes of accidental injuries to children.¹¹⁰ Over the same time period, approximately 4,000 children in the UK, who are under fifteen, fell from windows. EHS figures suggest that of children with access to windows above the ground floor, approximately 22% live in the private rented sector.¹¹¹

209. Assuming 22% of falls from windows are in the PRS (based on the proportion of children who have access to windows that live in the PRS), the introduction of window restrictors could reduce the number of childhood falls in the private rented sector by up to 880 per annum. These falls can result in serious injuries resulting in head trauma and multiple traumas. Reducing the number of childhood falls from windows will lead to significant cost savings to the NHS alongside improved wellbeing, productivity, and educational gains. However, data is limited on how many falls would result in serious but non-fatal injuries. It is also unclear how many of these injuries could be prevented specifically by window restrictors. Therefore, this benefit is non-monetised.

Reduction in energy usage

210. In fulfilling Criterion D (reasonable degree of thermal comfort), landlords may need to improve insulation or eliminate draughts. This should reduce the amount of energy needed to heat the property, saving money on energy bills and benefitting tenants whose bills are not included in their rent. For example, tenants would see an average energy cost saving of £292 per year if their PRS property was improved to an EER band C.¹¹²

211. However, there is uncertainty around how much energy usage reduction can be attributed specifically to improvements in DHS, particularly given the overlap with other regulatory reforms such as updating the Minimum Energy Efficiency Standard in the PRS. Therefore, we have not monetised the energy bill saving. This would be a direct benefit of the regulation for tenants (and an indirect cost to energy providers).

Wellbeing gains

212. **We expect significant wellbeing gains from improving the quality of housing.** The Marmot review (2010) found housing to be a “social determinant of health”, both physical and mental,¹¹³ directly impacting both the wellbeing and the expected number of Quality-Adjusted Life Years (QALYs) of tenants. Physical health effects from poor-quality housing include respiratory conditions, cardiovascular disease, and communicable disease transmission. Mental health impacts from poor-quality housing include increased stress, depression and anxiety. Evidence from a survey by Shelter on UK adults found that housing issues had a negative impact on 1 in 5 respondents’ mental health and 38% of these concerns were in relation to the condition of the property.¹¹⁴

213. Simetrica-Jacobs’ research in 2022 monetised the direct impacts of housing quality on wellbeing based upon English Housing Survey data.¹¹⁵ The direct welfare impacts are estimated by running regressions to identify the impact on life satisfaction and converting these impacts into Wellbeing-Adjusted Life Years (WELLBYs) using the HMT Wellbeing Appraisal Guidance, in which each WELLBY is valued at £13,000 (£10,000 to £16,000).¹¹⁶

214. The Simetrica-Jacobs analysis found that satisfaction with how landlords maintain and repair dwellings is associated with a 0.433 increase in life satisfaction on the 11-point life satisfaction scale. This can be converted directly to WELLBYs using the HMT values and inflated to 2025 values using a GDP deflator. This results in an average wellbeing benefit of £6,778 per year (ranging between £5,214 and £8,342) per individual. Given that there are on average 1.9 persons over the age of sixteen who live in each non-decent privately rented home, these figures are adjusted to account for the occupancy. The wellbeing benefit to households is valued at £12,773 per year in the central scenario (ranging from £9,825 to £15,720 per household).

215. However, some of the wellbeing benefit resulting from improved satisfaction with landlord maintenance will be a result of compliance with existing regulations i.e. may come from the fixing of

¹¹⁰ A Lawford, F Finlay, Through the window – a literature review of falls (2018)

¹¹¹ MHCLG analysis of English Housing Survey 2018-19 data

¹¹² English Housing Survey 2022 to 2023: energy report

¹¹³ House of Commons Library, The role of homes and buildings in levelling up health and wellbeing (2022)

¹¹⁴ The impact of housing problems on mental health by Shelter, 2017.

¹¹⁵ Simetrica Jacobs, The Cost of Poor Housing – Valuing the Impact of Housing Conditions on Subjective Wellbeing (2022)

¹¹⁶ HM Treasury, Wellbeing Guidance for Appraisal: Supplementary Green Book Guidance (2021).

serious category 1 hazard and there is insufficient data to estimate the specific proportion of benefits linked to complying with existing regulations. It is therefore not possible to accurately apportion wellbeing gains specifically to the new DHS, so wellbeing benefits are non-monetised in this IA. More on the benefits of increasing compliance with existing regulation can be found in section ‘Wider impacts of the updated standard’. This represents an indirect benefit of the reforms.

Reduction in indoor noise pollution

216. The updated standard will introduce a requirement that **privately rented properties have adequate external noise insulation** and the repair or replacing of windows will lead to a reduction in indoor noise pollution. New windows compliant with defined security standards in Building Regulations are likely to be double glazed – leading to an up to 35 decibel reduction in external noise.¹¹⁷ Noise can have an impact on occupants’ health, wellbeing, and productivity so any reduction in noise pollution will result in a range of benefits for tenants and society.

217. However, due to data limitations, we are unable to estimate current noise insulation in the sector and therefore how much compliance with the updated standard will specifically reduce noise. This would be a direct benefit of the reform.

Rents

218. As noted above, **landlords may attempt to recoup some of these additional costs of meeting the new standards by increasing rents**. The extent to which this could occur is determined by the scale of the costs to landlords and tenant affordability. We have sought to keep the burdens on landlords proportionate and provide realistic timeframes for implementation and enforcement and the Renters’ Rights Act will enable tenants to challenge above market rent increases in the First-tier Tribunal. More detail can be found in the ‘Wider impacts of the updated standard’ section below. This represents a potential indirect impact of the reform.

Detail of public sector impacts

219. The following section details costs to councils, courts and tribunals. Impacts on local authorities which are social landlords are covered on page 65. We are undertaking a robust New Burdens Assessment and Justice Impact Test to calculate the net costs of new regulation.

Familiarisation time

220. **Local councils, courts and tribunals will need to familiarise themselves with the proposed regulations so they can enforce the new system**. This will particularly impact councils’ housing enforcement teams. Councils, courts and tribunals will also need to update relevant guidance – though we will also be providing comprehensive national guidance to support this. **This national guidance will cover the DHS and incur public sector costs.**

Enforcement

221. **As above, local councils, courts and tribunals will play a role in the enforcement of the new standard and taking appropriate actions when landlords have not complied with the new DHS**. Local housing authorities will have a duty to keep housing conditions in their area under review and, if they consider it appropriate, to inspect properties to assess whether they meet DHS requirements. If a local housing authority identified a failure to meet a DHS requirement, they will be able to take enforcement action against the landlord.

222. In addition, for the most serious issues, the local housing authority will be able to issue an immediate financial penalty of up to £5,000 if the landlord has failed to take reasonably practicable steps to address the issue. If landlords fail to comply with improvement notices or prohibition orders, this will be a criminal offence and the landlord can be prosecuted in the Magistrates’ courts or, in the case of non-compliance with an improvement notice, issued a financial penalty as an alternative to prosecution. If a landlord has committed such an offence, the tenant and/or local housing authority can apply to the First-tier Tribunal for a Rent Repayment Order. Landlords will also be able to appeal

¹¹⁷ Estimating the sound insulation of double facades with openings for natural ventilation. Bajraktari et al. (2015)

to the First-tier Tribunal in relation to service of an improvement notice or prohibition order, and in relation to the imposition of a financial penalty. For the worst offenders who have repeatedly or seriously breached the regulations and committed criminal offences under the legislation, the intention is that local housing authorities can seek a Banning Order from the First-tier Tribunal.

223. The Renters' Rights Act will extend existing local authority investigatory powers for hazards to allow these to be used in respect of the DHS. This will include: power of entry for local authorities to investigate possible DHS failures; the ability to seek a warrant to authorise entry where landlords have refused inspection requests; a power to require landlords to provide documents they possess in relation to DHS breaches; and a power to use housing benefit and council tax data in connection with its enforcement functions under the Housing Act 2004.
224. Measures in the Renters' Rights Act will also introduce powers that, in addition to existing enforcement powers for local authorities for hazards (DHS criterion A), will make sure that local authorities have enforcement powers in respect of failures to meet requirements in respect of DHS criteria B, C, D and E. There are currently no specific enforcement powers for failures of these parts of the DHS criteria B, C, D and E.
225. The measures in the Act will integrate DHS enforcement into the existing hazard enforcement system under the Housing Act 2004. This aims to reduce complexity for local authorities by allowing them to use some of the same enforcement tools for the DHS as for hazards.

Detail of impacts on society

Reduction in crime

226. The introduction of new standards to remove the age criteria and rely solely on the condition for external doors and windows will **improve the security of dwellings and reduce domestic burglaries** as landlords will be required to make sure that windows and doors are kept in a reasonable repair no matter what the age.
227. Secured by Design (SBD) was introduced in 1990, and we assume homes compliant with this standard could be classed as secure. Between 2013 and 2017, 44% of new builds were built to SBD standards.¹¹⁸ Therefore, if we assume no dwellings were SBD compliant pre 1990 and that the rate of new builds built to SBD has remained constant, we estimate as of 2024/25 approximately 2.8m dwellings in England are SBD compliant and therefore secure.¹¹⁹
228. Based on the estimated number of window repairs that occur due to the new standard, we assume an additional c.546,000 homes will have windows in disrepair fixed or replaced and therefore will become secure. A meta-analysis of UK literature indicates that the SBD security standard reduces domestic burglaries by 53% (ranging from 5% to 77%). We assume this to be equivalent to fixing/repairing windows in terms of crime reduction. There were estimated to be 15.2 domestic burglaries per 1,000 dwellings in June 2025.¹²⁰ Using this information and the information in the paragraph above, we estimate the likelihood of a domestic burglary to be 7.6 burglaries per 1,000 dwellings in the central case for properties that are secure and 16.2 for those that aren't. It is assumed these incidences will remain constant over the appraisal period meaning we estimate window repair or replacement will lead to c.30,900 fewer burglaries over the appraisal period (with a range of 2,800 to 46,200).
229. The average cost of a domestic burglary to society is £8,136 (in 2025 values).¹²¹ This figure is made up of the costs incurred in anticipation of crime, as a consequence of crime and in response to crime. Multiplying the average cost of a domestic burglary by the expected reduction in burglaries results in a **societal saving of £171.4m** (ranging from £15.3m to £256.6m). This is an indirect benefit of the reforms.

¹¹⁸ Armitage and Monchuk, *Designing out Crime: Improving police and planning policy and practice to reduce crime and create safer communities* (2021)

¹¹⁹ Calculated by taking 44% of historic net additions. We believe this is likely an underestimate. Whilst the rate of new builds built to SBD standards is likely lower in previous years, we have not included the number of property renovations which will likely result in a property becoming SBD compliant.

¹²⁰ Office for National Statistics, *Crime in England and Wales: year ending June 2025*

¹²¹ Home Office, *The economic and social costs of crime second edition* (2018)

230. This assumes that there is no displacement of crime from secure to insecure properties. Whilst evidence suggests there is typically limited displacement of burglary in the case of improvements to residential security,¹²² if displacement does occur, the societal saving may be lower.

Community cohesion

231. **We expect to see stronger communities and reduced geographic disparity** as a result of improvements to housing quality. Many deprived areas in the UK are marked by poor-quality housing – 31% of PRS properties in Yorkshire and the Humber are defined as non-decent against the current standard compared to 12% in London.¹²³ Improving the quality of homes will encourage pride in place, creating prosperous communities and making areas more desirable places to live and work.¹²⁴

232. Good-quality, stable housing, coupled with good high streets, and leisure and cultural activities serve as a magnet for skilled people, meaning those places continue to develop and prosper.¹²⁵ As the Industrial Strategy Council noted, policies aimed at reducing housing-market pressures and improving social cohesion are also likely to improve the wellbeing of local residents.¹²⁶

233. Additionally, Onward's report on the "*The state of our Social Fabric*" suggests, that 'physical infrastructure is considered a valuable aspect of social fabric'.¹²⁷ We found that people repeatedly associate community and belonging with the physical environment in which they live and the assets that the environment affords them' and includes 'neighbourliness, civic mindedness and social support within a tightly drawn community of people'.¹²⁸ We do not have sufficient data to monetise these benefits in relation to the updated DHS. It is considered an indirect benefit of the reforms.

Impact on carbon savings

234. Repairs to, or replacement of, a dwellings' roofs, windows and other essential fabrics will likely lead to a reduction in energy use by tenants. Well maintained properties will also be less likely to have significant draughts that allows internal heat to leak out of the dwelling. Therefore, the new standard is likely to cause a reduction in energy usage (even accounting for comfort taking measures) and a subsequent decline in domestic carbon emissions.

235. Due to data limitations, we are unable to estimate the degree to which the introduction of the standard reduces the level of energy usage across the private rented non-decent stock. Therefore, we have not monetised the carbon saving arising from the updated standard. This would be a direct benefit of the reforms.

236. On the other hand, the materials used in the repair of properties will incur an additional embodied carbon cost to society. This will represent an additional cost to society as a result of the legislation. However, due to data limitations, we are not able to estimate this. It is considered to be a direct cost of the reforms

Educational gains

237. Poor-quality housing impacts the **educational attainment of children** who occupy these dwellings. School-Home Support states that the proportion of children citing housing concerns as an obstacle to attending school rose by 73% between the 2021/22 and 2022/23 academic years.¹²⁹ Further research from 2018 found that children living in poorer quality housing was associated with lower average reading and maths skills among adolescents.¹³⁰ Children living in these dwellings may be more likely to miss school days due to poor health or struggle to complete homework in a home setting. This has implications for their educational attainment and their future prospects. Research from the Department for Education finds a one-grade improvement in overall GCSE attainment is associated with an average increase in the present value of lifetime earnings of £8,500.¹³¹

¹²² Residential Security – Containment and Displacement of Burglary. Allatt (1984); Burglary Reduction and the Myth of Displacement. Ratcliffe (2002) ; Centre for Research and Evidence on Security Threats - The Unintended Consequences of Crime Prevention Measures (2024)

¹²³ 2023-24 English Housing Survey Headline Report: Housing Quality and Energy Efficiency

¹²⁴ Create Streets Foundation, No Place Left Behind: The Commission into Prosperity and Community Placemaking (2021)

¹²⁵ MHCLG, Levelling Up the United Kingdom White Paper (2022)

¹²⁶ Industrial Strategy Council, UK Regional Productivity Differences (2021)

¹²⁷ Onward, The state of our Social Fabric Report (2021)

¹²⁸ IBID

¹²⁹ School Home Support, SHS and Housing (2023) <https://www.schoolhomesupport.org.uk/news/whats-shss-experience-of-housing-issues/>

¹³⁰ The impact of homelessness and bad housing on children's education', Shelter 2018

https://assets.ctfassets.net/6sxvmdnnpn0s/AZvOBS2tanDweEV0cKiiP/71a9a9d622c24680c358fb49b7c7094c/Teachers_Research_Report.pdf

¹³¹ GCSE attainment and lifetime earnings.

238. This represents a significant lifetime benefit from reducing the number of non-decent, and unsafe, homes. However due to data limitations and establishing the direct link between unsafe housing and education attainment, it is not possible to include these as monetised benefits in the net present social value. This would be an indirect benefit of the reforms.

Local employment and supply chains

239. For both the SRS and PRS, significant spend in the remediation sector may result in multiplier effects for local economies. The certainty provided by new legislation may allow businesses to expand, offering employment benefits to individuals who may have otherwise not had such opportunities. Further spend on materials may increase spend in local economies. However, it should be noted that in aggregate, such benefits are often displaced.

Social Rented Sector: Summary of major impacts

240. **Table 8 sets out the summary of the major impacts of implementing the updated DHS in the SRS, with a net present social value of -£2,541.6m for the sector overall** (-£2,041.2m for private registered provider (PRPs) owned housing and -£500.4m for local authority (LA) owned housing). In line with the PRS calculations, these impacts have been monetised in **2025 prices** and **present value year of 2026** over a 15-year appraisal period.

241. The net cost to businesses in the SRS is estimated at £1,427.4m, with all of these costs falling to PRPs (local authorities are not classed as businesses). The largest single cost is the one-off repair work required to meet the updated standard, estimated at £1,290.2m. Other business impacts include survey costs and familiarisation costs. LA landlords, are expected to incur £494.6m additional repair costs, plus survey and familiarisation costs.

242. We have monetised £206.1m in positive benefits: £132.8m for tenants of PRP landlords and £73.3m for tenants of LA landlords. In addition to this, we have estimated the opportunity cost of landlords not spending on supply as a disbenefit to society. This is valued using land value uplifts at £746.7m. The total benefit to the SRS is therefore negative, estimated as -£540.5m.

243. The positive monetised benefits will impact society through reduced crime due to safer and more secure homes as well as tenants due to fewer fatal falls of children from windows. There will be further significant non-monetised benefits from improved health and wellbeing, reduced noise pollution and better educational attainment which we have not been able to monetise due to data limitations.

244. We also expect the updated standard to result in greater compliance with existing regulations. This will result in further costs and benefits on top of the headline NPSV (as in the PRS section, these costs and benefits have been included in italics in the below table). More details can also be found in section 'Wider impacts of the updated standard'.

Table 8: Summary of impacts social rented sector, over the 15-year appraisal period

Impact	2035 implementation date	DHS Component	Group impacted	Direct/Indirect
Costs				
Familiarisation cost	£2.7m	Whole standard	Landlords	Direct
Surveyor cost	£213.6m	Whole standard	Landlords	Direct
Core cost to make decent	£1,754.9m	Whole standard	Landlords	Direct
Damp-proof coursing	£19.9m	Criterion B	Landlords	Direct
Child-resistant windows	£10.0m	Criterion C	Landlords	Direct
Carbon cost	Non-monetised	Whole standard	Society	Indirect

Rent passthrough	Non-monetised	Whole standard	Tenants/ Landlords	Indirect
<i>Cost of meeting existing DHS</i>	£8,893.4m*	<i>Existing standards</i>	<i>Landlords</i>	N/A
Total costs	£2,001.1m	Whole standard		
Benefits				
Household moving costs	Non-monetised	Whole standard	Tenants	Indirect
Reduction in void periods	Non-monetised	Whole standard	Landlords	Indirect
Reduction in crime	£189.6m	Criterion B	Society	Indirect
Fewer fatal falls of children from windows	£16.6m	Criterion B	Tenants	Direct
Carbon savings	Non-monetised	Criterion D	Society	Direct
Lower energy usage	Non-monetised	Criterion D	Tenants	Direct
Wellbeing	Non-monetised	Criterion B	Tenants	Indirect
Educational attainment	Non-monetised	Whole standard	Society	Indirect
Community cohesion	Non-monetised	Whole standard	Society	Indirect
Rent passthrough	N/A	Whole standard	Landlords	Indirect
Increase property values	N/A	Whole standard	Landlords	Indirect
Reduced noise pollution	Non-monetised	Criterion B	Tenants/ Society	Indirect
Supply impacts	-£746.7m	Whole standard	Tenants	Indirect
<i>NHS cost saving due to reduction in Cat. 1 Hazards</i>	£267.0m*†	<i>Existing Standards</i>	<i>Tenants/Society</i>	N/A
<i>Improved productivity due to increased compliance with existing regulations</i>	£481.2m*†	<i>Existing Standards</i>	<i>Tenants/Society</i>	N/A
<i>Reduced fire costs due to increased compliance with existing regulations</i>	£11.6m*†	<i>Existing Standards</i>	<i>Tenants/Society</i>	N/A
Total benefits	-£540.5m			
Net Present Social Value	-£2,541.6m			

*not included in headlines figures and totals as it represents an existing cost/benefit, rather than additional impact of the regulation. More details can be found in section 'Wider impacts of the updated standard'

†assumes a 50% decrease in category 1 hazards

Assumptions on landlord behaviour:

Size of the Social Rented Sector:

245. The SRS has not been modelled in the same way as the PRS - SRS stock has been held constant for the purpose of our analysis. New additions to the sector will typically be either newbuilds or acquisitions – given the latter are often purchased 'off-plan' (i.e., also newbuilds), these dwellings are

expected to meet the new standard. For older acquisitions or conversions, the reduction in price will be reflective of the difference in standard, equalising the cost occurring to PRPs.

246. According to 2024-25 Regulator of Social Housing (RSH) data, more than half of the social housing stock in England is provided by PRPs. Table 9 below provides the breakdown of social housing stock by local authorities and private registered providers (PRPs).

Table 9: proportion of social housing stock owned by local authorities and PRPs^{132,133}

	Local Authorities	PRPs
Number of social housing stock owned (thousands)	1,560,413	2,702,789
Portion of social housing stock owned (%)	37%	63%

Landlord Compliance

247. As in the private rented sector, the costs and benefits of reforms are reliant on compliance by landlords. The RSH regulates the DHS through its Safety and Quality Standard. This requires registered providers of social housing (both local authorities and PRPs) to meet the standard set out in section five of the government's guidance on DHS. Since 1 April 2024, the RSH proactively seeks evidence and assurance that social housing providers are delivering the outcomes set out in its consumer standards, including meeting the Safety and Quality Standard. Providers are expected to understand the condition of their stock and are subject to programmed inspections. The government will issue a direction to the RSH to set a new standard requiring social housing providers to meet the new DHS.

248. As noted above, dwellings in the SRS are typically of greater decency than those in the PRS. The majority of landlords comply with regulation, and the majority of tenants are satisfied with the service they receive.

249. While there is a possibility that some landlords will not comply with regulation, this Impact Assessment assumes full compliance (and costs associated) as per guidance within the Better Regulation Framework.

Detail of Private Registered Provider (business) and Local Authority impacts

Familiarisation costs

250. Social landlords will need to familiarise themselves with the reforms to the DHS. Like the equivalent PRS cost, this cost is transitional and applies in Year 1 only. Familiarisation costs in the SRS include both the DHS and Minimum Energy Efficiency Standards (MEES). These policies will be introduced as part of the same standard and landlords will likely undertake familiarisation of both in tandem. Unlike PRS landlords, social housing providers are large organisations with multiple employees. Familiarisation activities will therefore be required of many people per organisation and fall into two broad categories: reading and familiarisation with the new measures and updating company processes to comply with the regulation.

251. In terms of reading and familiarisation, although the exact DHS guidance has not yet been finalised, it is anticipated that it will be considerably shorter than existing DHS guidance at around 20 pages. We anticipate this will take the same amount of time per person in the SRS as in the PRS at around 2 hours per person to read and understand. However, unlike in the PRS with many individual landlords, in the SRS the number of people per RP required to read the guidance will vary greatly based on the size of the organisation. For this analysis, we expect on average 10 people at a small PRP will be required to read the guidance in full and around 100 people at a large PRP or local authority.

252. The cost of familiarisation time is estimated based on the hourly salaries of employees taken from the Annual Survey of Hours and Earnings (ASHE) 2025. Salaries of staff at different grades were

¹³² Registered provider social housing stock and rents in England 2024 to 2025 - GOV.UK

¹³³ Rented stock only, excluding LCHO dwellings.

estimated and a weighted average was created based on the estimated time required at each level of the organisation, based on previously used estimates from the Social Housing (Regulation) Act 2023 IA and Awaab's Law IA. As is standard practice in social housing IAs, we have uplifted the salaries by 20.2% for non-wage costs. The average hourly salary including non-wage costs was estimated to be £26.40 in 2025 prices.

253. According to the RSH, there are currently 227 large PRP landlords, 1,125 small PRP landlords and 228 Local Authority landlords. Based on this and the estimated cost per provider above, **we estimate total familiarisation costs to be £1.8m for PRPs and £0.9m for LA landlords.**

Repair costs for social landlords (BRE)

254. As in the PRS, SRS landlords are required to fund property repairs to reach the updated standard, which they will incur as a direct cost. For PRPs, this will be a direct cost to business, though this will not for LA landlords as they are not classified as business under the Better Regulation Framework. As set out below, the majority of expected repair costs have been estimated by the BRE, but some elements have been estimated by the department itself. For more details on the research conducted by BRE, see the equivalent section in the PRS section, above, and the related EHS publication.¹³⁴

255. According to the EHS, 45% of the social rented sector are expected to fail the updated standard (1.9m dwellings across the appraisal period equating to approximately 4.0m individuals^{135,136}). This ranges from 34% in the North East to 54% in the East Midlands. Most non-decent dwellings would fail the updated standard due to the presence of disrepair under the new definition (36% of all social rented dwellings), specifically internal doors disrepair (14%), roof features needing repair (13%) and window disrepair (8%). 6% of SRS properties (270k dwellings over the appraisal period or 570k individuals) are compliant with existing regulation but would be classed as non-decent based solely on the new standard.

256. Internal MHCLG analysis of BRE data suggests total costs of £6,246.8m for PRPs and £4,401.5m for local authorities.

257. However, **these cost estimates include some repairs the landlords are already legally obliged to do under either retained aspects of the current DHS or their existing repair obligations.** Stripping out these costs, BRE estimate the additional costs to the sector to be £1,273.1m for PRPs and £481.8m for LAs. The average cost per dwelling requiring additional remedial work is estimated as £7,500 for PRPs and £4,917 for LARPs. Further detail on the underlying BRE methodology can be found in the PRS section and in EHS Briefing: Modelling a New Decent Homes Standard.¹³⁷

258. We have assumed the following improvement profile. Dwellings are included in the improvement profile where they face additional costs, i.e. not all non-decent dwellings are included. We assume that costs will be spread in a more linear fashion than in the PRS, given the nature of firms within the SRS. Many social landlords are large organisations which will plan and conduct works across quality reforms over their forecast periods.

Table 10: SRS improvement profile

	% of non-decent SRS dwellings remediated	No. of SRS dwellings remediated ¹³⁸
2026	10%	27,000
2027	10%	27,000
2028	10%	27,000
2029	10%	27,000
2030	10%	27,000

¹³⁴ <https://www.gov.uk/government/publications/ehs-briefing-modelling-a-new-decent-homes-standard>

¹³⁵ [English Housing Survey 2023 to 2024: headline findings on demographics and household resilience. - GOV.UK](https://www.gov.uk/government/statistics/english-housing-survey-2023-to-2024-headline-findings-on-demographics-and-household-resilience)

¹³⁶ Of these, 6% would fail due to revisions in legislation.

¹³⁷ <https://www.gov.uk/government/publications/ehs-briefing-modelling-a-new-decent-homes-standard>

¹³⁸ Rounded to the nearest thousand.

2031	10%	27,000
2032	10%	27,000
2033	10%	27,000
2034	10%	27,000
2035	10%	27,000
2036	0%	0
2037	0%	0
2038	0%	0
2039	0%	0
2040	0%	0
Total	100%	268,000

Repair costs for social landlords (other)

259. There are also elements of the updated DHS that were not modelled by BRE. These are:

- Child-resistant window restrictors;
- Damp proof courses.

260. Note that these also apply to the PRS and were discussed in detail in paragraphs 178-182 of this document.

261. The updated standard includes **damp-proof courses** as part of the disrepair component list. Therefore, all properties with a damp-proof course will be required to keep it in a reasonable state of repair in order to be considered decent. From 1875, the inclusion of a damp-proof course became compulsory. The English Housing Survey collects data on the construction year of a dwelling, with options including pre-1850, 1850-1899, 1900-1918 and so on. Of English dwellings built after 1899, 27,490 SRS dwellings had some form of rising damp according to the 2018-19 English Housing Survey. Therefore, we assume this is the number of properties that have a damp-proof course that requires repairing. For the purpose of this analysis, we have assumed an average cost of £840 based on desk based research. This is towards the lower of end of the range of costs seen online which reflects the additionality of such a repair versus the need to already fix damp and mould (as well as, for example, excess cold) at a category 1 level. Therefore, **we estimate that the total cost to repair damp proof courses will be £19.9m** (£10.6m for PRP landlords and £9.2m LA landlords).

262. The updated standard will also require the installation of **child-resistant window restrictors which are overridable by an adult** on all windows on a floor above ground level which poses a fall risk to children. Using English Housing Survey data, it is possible to estimate the number of windows above ground floor that are classed as a 'means of escape' in the case of fire and assume that these represent the number of windows above ground floor that a child could pass through.¹³⁹ This is a simplification made for the purpose of analysis, as it does not include windows on the ground floor which are above ground level, we therefore slightly underestimate related costs. These windows are recorded in the kitchen, bathroom, bedroom, living room and circulation of the dwelling. All of these rooms except circulation have information on their level (from basement upwards). It has been assumed that if a 'means of escape' window is observed in the circulation, it is observed on the highest floor within that dwelling. Assuming one window per room, would result in 6.1 million windows that need a restrictor in the social rented sector.

263. The English Housing Survey does not collect data on the proportion of these windows that are already installed with a window restrictor. However, 26% of PRPs and 34% of LARPs landlords who responded to the consultation said they currently provide child-resistant window restrictors in all dwellings and a further 67% of PRPs and 63% of LARPs said they do in some dwellings. In the absence of further data, we assume that 60% of PRP windows and 65% of LARPs already have restrictors installed. This means an additional 2.3 million windows would require installation of

¹³⁹ The methodology limits the number of 'means of escape' windows to 5 per dwelling.

restrictors. A survey of products available online suggests prices range from a few pounds to in excess of £20. We have assumed that landlords will opt for the most cost efficient measures, with larger landlords also benefitting from economies of scale. We have therefore used a value of £5 for each window restrictor. This also assumes that works are carried out in parallel with other repairs, and therefore does not require a separate call-out charge. **The total cost of installing window restrictors to the social rented sector would be £10.0m** (£6.4m for PRP landlords and £3.6m for LA landlords).

Total repair costs for social landlords

264. **The 15-year present value cost of all additional repairs to landlords is estimated to be £1,784.8m.**

Surveyor costs

265. It is unlikely that landlords will have sufficient information on the existing state of their stock to ensure they are meeting their obligations under the updated standard. As such, it may be necessary to carry out building surveys of their dwellings in order to ascertain overall levels of compliance with the standard and identify properties that require remedial action. As MEES regulations will also require similar surveys to identify which dwellings require remedial action, we anticipate most landlords will choose to conduct just one wave of surveys to cover both. It is therefore possible that such estimates overestimate total costs across quality reforms.

266. Where they are large organisations, most registered providers have permanent maintenance staff either directly employed or contracted to the organisation who would be capable of carrying out building surveys to some extent. However, given the scale of work required and the breadth of knowledge required to carry out a building survey for both DHS and MEES, we anticipate most registered providers will choose to sub-contract the survey work, though this will likely be to large chartered surveying organisations rather than individual inspectors (as we assume private landlords will do). This is reflective of how most registered providers undertook recent damp and mould surveys after being instructed to do so by government in November 2022.

267. As we expect registered providers to survey their stock using large organisations, we have quantified the impact of doing so based on the expected time this will take, and the hourly wage of a chartered surveyor reported in the Annual Survey of Hours and Earnings (ASHE), uplifted for non-wage costs. We expect a building survey to take on average two hours. This is based on how long it takes properties to be surveyed for the physical inspection components of the English Housing Survey (EHS) which includes both HHSRS inspections and energy performance inspections, though the exact time will vary depending on factors such as the size of the dwelling. Based on the 2025 ASHE, the median hourly wage for a chartered surveyor is £24.21. Accounting for a 20.2% non-wage uplift in costs, we expect the cost per survey in the SRS to be between £46 and £70 per dwelling, with a best estimate of £58. **The total present value cost to survey all SRS stock is estimated to be £135.4m for PRPs (ranging from £106.9m to £163.9m) and £78.2m for LAs (ranging from £61.7m to £94.6m).**

268. It is likely that these costs will be an overestimate of the survey costs of MEES and DHS, as some registered providers will likely conduct the surveys in house at a lower cost. Additionally, some landlords may not have to conduct any surveys at all if they have recently conducted dwelling level inspections of their stock for other reasons. However, as information on this is limited, we have taken the conservative approach to assume every SRS dwelling will need to be surveyed as part of MEES and DHS.

Rental pass through

269. As rents in the SRS are regulated and set by government policy instead of by the market, registered providers are not able to pass on the costs of meeting the updated standard to tenants through higher rents. Instead of higher rents, we expect social landlords to offset the costs by scaling back on other activities (see supply impact sections, paragraphs 279-281).

Detail of tenant impacts associated with the updated DHS in the SRS

Reduced serious childhood falls

270. As discussed in the equivalent PRS section, the updated Decent Homes Standard will mandate all windows on a floor above ground level must provide child-resistant window restrictors that can be overridden by an adult on all windows that present a fall risk to children. This will reduce the number of falls of children out of windows.

271. According to the National Child Mortality Database, 8 children under 11 years old died between 2019 and 2025 as a result of a fall from a window where there was no window restrictor present or the window restrictor was broken¹⁴⁰. Using data on the number of general window or balcony fatalities by tenure, we estimate three deaths every four years in social rented accommodation could be avoided if window restrictors were fitted and kept in reasonable repair.

272. Department for Transport estimate preventing a fatality will result in a benefit of £2.6m in 2023 prices or £2.8m in 2025 prices.¹⁴¹ This consists of medical and ambulance saving, avoiding a loss in net output, and an individual's willingness to pay. Multiplying by the estimated number of fatalities, **we estimate the benefit of mandating window restrictors is estimated to be £10.2m for PRPs and £6.3m for LARPs over the appraisal period** (ranging from £0 to £20.5m and £0 to £12.7m respectively). It is considered a direct benefit of the reforms. There is significant uncertainty underpinning this estimate as set out in the equivalent PRS section.

273. Window restrictors will also likely prevent the number of serious but non-fatal falls from windows. It has not been possible to monetise this benefit, but analysis from the EHS shows that over 2 million children live in SRS homes with window access above the ground floor.

Reduction in energy use

274. In fulfilling Criterion D (reasonable degree of thermal comfort), landlords may need to improve insulation or eliminate drafts. This should reduce the amount of energy needed to heat a property, saving money on energy bills. However, there is uncertainty around how much energy usage reduction can be attributed specifically to improvements in DHS. Therefore, we have not monetised the energy bill saving. This would be a direct benefit to tenants of the regulation (and an indirect cost to energy providers).

Wellbeing gains

275. As outlined in the equivalent PRS section, research from Simetrica-Jacobs has found satisfaction with repair and maintenance in a rented dwelling is associated with a 0.433 increase in life satisfaction on an 11-point (0 to 10) scale. Valued under the Wellbeing Adjusted Life Year (WELLBY) framework, this is equivalent to between £5,214 and £8,342 in 2025 prices, with a central estimate of £6,778. Multiplying by the number of people in an SRS household over the age of 16, 1.8 according to the EHS, this results in a household level benefit of £11,963 on average (ranging from £9,203 to £14,724).

276. However, some of the wellbeing benefit resulting from improved satisfaction with landlord maintenance will be a result of compliance with existing regulations, therefore we could be overestimating the benefits given our baseline compliance assumptions. For some tenants, this satisfaction may result from the removal of a serious category 1 hazard whereas for others it will be result of the requirements introduced by the new standard. Due to data limitations, it is not possible to accurately apportion wellbeing gains to the respective legislation and therefore is non-monetised in this IA. More on the benefits of increasing compliance with existing regulation can be found in pages 55-57.

Reduction in indoor noise pollution

277. As outlined in the PRS section, the new DHS will require properties to have adequate noise insulation. Noise pollution has a highly detrimental effect on tenant's wellbeing: DEFRA estimated in 2014 that

¹⁴⁰ [NCMD-falls-from-windows-and-balconies-briefing.pdf](https://www.gov.uk/government/publications/ncmd-falls-from-windows-and-balconies-briefing.pdf)

¹⁴¹ <https://www.gov.uk/government/publications/tag-data-book>

noise pollution from roads has a social cost of £7 billion to £10 billion per year, similar in magnitude to the social cost of road traffic accidents. This is derived from the impacts noise has on physical health, sleep disturbance and general annoyance. There are further non-monetised social costs to noise including reductions in productivity from sleep disturbance/fatigue, interrupted communications, and environmental impacts.

278. The repair or replacing of windows will lead to a reduction in indoor noise pollution. New windows are likely to be double glazed – leading to an up to 35 decibel reduction in external noise ⁴³. Single glazing older windows are an inefficient solution to noise and will have little reduction in external noise impacting residents ⁴⁴. However, as it is not known by exactly how much on average DHS remediations will lower noise pollution, it has not been possible to monetise this benefit (though it could be significant in magnitude).

Detail of societal impacts associated with the new DHS in the SRS

Supply Impacts

279. As described above, there is uncertainty in our estimates of SRS supply. Several assumptions are required, given uncertainty regarding landlord behaviour, additionality of repairs and maintenance activity versus business plans, availability of grant, and the cost of borrowing, among other factors. Here we present scenarios where 50%-100% of the capital expenditure would have been invested in new supply. These parameters represent our lower and upper bounds, with 75% being the midpoint.

280. This approach is likely to underestimate the impact on supply for two reasons: 1) it only estimates the impact on PRP supply, and 2) the approach captures the impact of spending on DHS versus supply but doesn't take into account the reduction in financial capacity as a result of the reduction in income due to the lower supply.

281. The vast majority of new social supply is delivered by PRPs rather than local authorities, with PRPs responsible for 77% of new affordable housing delivery in 2024-25 compared to 16% by LARPs (3% unknown)¹⁴². As such, only the DHS costs to PRPs have been used to calculate the value of the potential reduction in supply as a result of DHS. Based on total PRP capital costs for DHS of £1,657.9m (2025 prices, undiscounted), we estimate — using our central assumptions — that DHS spending will result in between 8,000 and 16,000 fewer homes being delivered over the appraisal period. Using land value uplift (LVU) estimates, these reductions in housing supply are valued at £746.7m. This assumes a regional distribution of delivery equivalent to the regional distribution of PRPs' additional spending – see paragraphs 300-302 for further information.

Reductions in crime

282. Like private renters, social renters are at risk of crimes such as domestic burglaries. Data from the ONS shows that in the year ending March 2023, social renters were the most likely tenure to be the victims of domestic burglaries, being twice as likely to be burgled as owner occupiers.¹⁴³ We expect the rate of burglaries of social rented home to be reduced due to the introduction of the updated standard as windows in disrepair are repaired or replaced, making those dwellings more secure.

283. Using the framework set out in the PRS section and applying to the SRS, we estimate that there may be between 172 and 2,890 fewer burglaries per year in PRP dwellings after all window disrepair is fixed, and between 94 to 1,579 fewer in LA owned dwellings, with central estimates of 1,931 and 1,055 fewer burglaries respectively per year. We would therefore expect an annual benefit of around £8.2m from reduced PRP dwelling burglaries and £4.5m for LAs, in present value terms. We expect a total benefit across the appraisal period from reduced burglaries of £122.6m for PRPs (ranging from £10.9m to £183.5m) and £67.0m for local authorities (ranging from £6.0m to £100.2m).

¹⁴² There is no provider information on the remaining 4% of units - <https://www.gov.uk/government/statistics/affordable-housing-supply-in-england-2023-to-2024/affordable-housing-supply-in-england-2023-to-2024#:~:text=3.,National%20trends%20in%20affordable%20housing%20supply,2011%2D15%20Affordable%20Homes%20Programme.>

¹⁴³ Office for National Statistics, Property Crime Tables (2023)

284. This assumes that there is no displacement of crime from secure to insecure properties. Whilst evidence suggests there is typically limited displacement of burglary in the case of improvements to residential security,¹⁴⁴ if displacement does occur, the societal saving may be lower.

285. As well as reduced burglaries, more well-kept and higher-quality social housing and communal areas could reduce anti-social behaviour and related vandalism and crime. Onward's Social Fabric Index indicates a relationship between overall quality of place, social trust and cohesion and public order offences, crime and other indicators.¹⁴⁵ This in turn will lead to better outcomes for tenants.

Impact on carbon savings

286. Repairs to, or replacement of, a dwellings' roof, windows, and other essential fabrics will likely lead to a reduction in energy use by occupants. Well maintained properties will be less likely to have significant drafts that allows internal heat to leak out of the dwelling. Therefore, the regulations are likely to cause a reduction in energy usage (even accounting for comfort taking measures) and a subsequent decline in domestic carbon emissions.

287. Due to data limitations, we are unable to estimate the degree to which the introduction of the standard reduces the level of energy usage across the private rented non-decent stock. Therefore, we have not monetised the carbon saving of meeting the updated standard. This would be an indirect benefit of the reforms.

288. On the other hand, the materials used in the repair of properties will incur an additional embodied carbon cost to society. This will represent an additional cost to society as a result of the legislation. However, due to data limitations, we are not able to estimate this. It is considered to be an indirect cost of the reforms.

Educational attainment

289. As outlined in the PRS chapter, poor-quality housing will impact the educational attainment of children who occupy these dwellings. Children living in these dwellings may be more likely to miss school days due to poor health or struggle to complete homework in a home setting, resulting in worse educational outcomes. However, due to data limitations it is not possible to monetise this benefit.

Community cohesion

290. A further non-monetised benefit is stronger communities and reduced geographic disparity. Deprived areas in the UK often have poor-quality housing, and improving the quality of these homes will encourage pride of place and make areas more desirable to live in. This benefit will be especially large in the SRS, where tenants live in a set home for longer periods of time than in the PRS – on average current social renters have lived at their address for 12.2 years as opposed to 4.7 years in the PRS¹⁴⁶. The difficulties social renters face with regards to moving home also strengthens the value of any pride in place benefits derived from the DHS.

Reduced tenant moves

291. There may be fewer household moves as a result of higher property standards. This is likely to be less significant in the SRS than the PRS given the average length of tenure is already much greater than in the PRS.

292. Reduced moves would provide benefits to landlords who may otherwise lose rental income during void periods. Landlords would also be able to avoid administration costs relating to re-letting of properties. These mechanisms are described in greater detail in the PRS section "Reduced tenant moves".

293. This would benefit current SRS tenants given lesser disruption as a result of moving. It would also benefit prospective SRS tenants, given reduced demand and therefore waiting lists for new

¹⁴⁴ Residential Security – Containment and Displacement of Burglary. Allatt (1984).

Burglary Reduction and the Myth of Displacement. Ratcliffe (2002).

Centre for Research and Evidence on Security Threats - The Unintended Consequences of Crime Prevention Measures (2024)

¹⁴⁵ Onward, The state of our social fabric report (2021)

¹⁴⁶ English Housing Survey 2024 to 2025: headline findings on demographics and household resilience

properties. As of March 2025, there were 1.34 million households on local authority housing registers – the highest number since 2014.¹⁴⁷

Sensitivity and switching analysis

294. The headline monetised net present social value is estimated to be **-£6,746.5m**. However, there are additional benefits the analysis has not been able to monetise. This includes factors such as increased wellbeing, energy bill savings, lower carbon emissions, and reduced noise pollution. These would be likely to provide significant monetised benefit, increasing the net present social value of the legislation if we were able to monetise.

295. A moderate additional benefit per household living in non-decent housing would be sufficient to push the NPSV into positive territory. Table 11, below, summarises the NPSV breakeven point by housing tenure. This summarises the additional benefit needed annually for each household living in a non-decent home.

Table 11 – Switching analysis by housing tenure

Tenures	NPSV over 15-year appraisal period	Number of households in non-decent homes	NPSV breakeven point per non-decent household
Private rented sector	-£4,205.0m	376,332	£11,174
Social rented sector	-£2,541.6m	267,743	£9,493
All rented housing	-£6,746.5m	644,075	£10,475

296. For the reform to have a net positive impact on society, households in the private rented sector living in non-decent homes would need to see non-monetised additional benefits of £11,174 over the 15-year appraisal period (equating to £745 per annum). For households living in the SRS, the additional benefit would need to be £9,493 per household living in non-decent homes (equating to £633 per annum). Across both tenures, each household living in a non-decent home would need an additional benefit of £10,475 for the NPSV to reach zero (equating to £698 per annum).

297. For context, such impacts may accrue due to, for example, not losing 6 days' at work due to illness. In 2025, the median hourly pay for full-time employees was £19.85¹⁴⁸ - the loss of a 6 days' pay (net of Statutory Sick Pay) each year would therefore recoup such costs from a societal perspective.¹⁴⁹

298. It is worth noting that there is broad distribution of per household costs, whereby some landlords would face very small costs and others much higher costs. This will correlate with the condition of their stock. This means that the level of benefits required to offset the costs will vary at an individual dwelling level.

299. The additional benefit to households would also need to consider the potential of private landlords to pass through some of the repair costs to tenants in the PRS. More details on rent pass through can be found in the section 'Wider impacts of the updated standard'.

Risks and assumptions

The tables below summarise the main risks identified that would impact the appraisal contained in this Impact Assessment across the rented sectors and tenure specific impacts. The main assumptions of the analysis include:

- The size of the PRS:** Using historical trends to estimate the future size of the PRS has an inherently high degree of uncertainty. The projected number of households as well as landlords are shown in the PRS section. A significant expansion of the PRS would result in changes to total and additional costs across the sector. However, this would also be

¹⁴⁷ MHCLG, Social housing lettings in England, tenants: April 2024 to March 2025

¹⁴⁸ Analysis of ASHE (Annual Survey of Hours and Earnings) data, available via Nomis – <https://www.nomisweb.co.uk/sources/ashe>

¹⁴⁹ We assume one day of Statutory Sick Pay to be worth £23.75 (£118.75 divided by 5) - <https://www.gov.uk/statutory-sick-pay>

dependent on the condition of properties entering the PRS. An expansion in the size of the PRS from new-build Build to Rent sector would be unlikely to significantly increase costs due to low levels of non-decency in new build properties. Whereas an expansion driven by older owner-occupied stock entering the PRS may lead to more non-decent homes and a larger cost increase. However, the per dwelling cost is unlikely to change significantly.

- b. **The non-decency rate has remained constant in the SRS:** Analysis on non-decency rates conducted by the BRE used data from 2023 (the most recent robust data available at the time). However, we have updated our estimates to align with stock data from the RSH, and assumed that the non-decency rate has remained constant. An increase in non-decency would increase costs to the sector. We have not assumed an ongoing increase in the size of the SRS stock given the nature of new additions (post- the publication of the revised standard). This is covered in paragraphs 245-246.
- c. **Cost pass-through:** As set out in the wider market impacts section, PRS landlords may attempt to recoup some of the costs of the proposed legislation by increasing rents, though we have not been able to provide a robust estimate of whether this will happen and if so, the level of pass through. We have sought to keep the burdens on landlords proportionate, and provide realistic timeframes for implementation and enforcement and the Renters' Rights Act will enable tenants to challenge above market rent increases in the First-tier Tribunal.
- d. **Landlord compliance:** In both sectors we assume 100% compliance with the updated standard. The Renters' Rights Act will introduce additional sanctions for PRS landlords who fail to comply with the legislation, including failures to meet the DHS. For first offences, this is expected to result in a civil sanction of up to £7,000 where a category 1 hazard is found, and we will introduce further penalties once the rest of the DHS is put in place. The First-tier Tribunal system will play a role in the enforcement mechanism. These costs of compliance with the existing standard have not been monetised due to the assumption of full compliance from all landlords operating in the sector. This is in line with the Better Regulation Framework. Lower compliance would result in lower costs but also lower levels of benefits.

Table 12: Risks that would impact the appraisal across the rented sectors.

Risk description	Impact	Mitigations
Landlord compliance with the updated DHS is lower than expected	This would result in slower progress towards the policies' objectives with tenants incurring the bulk of the cost of non-compliance. There may be increased costs to council enforcement teams and the RSH as a result of the non-compliance.	Clear communications and guidance to landlords on the new standard. Ensuring timelines for implementation are as realistic as possible, to set landlords up for successful compliance with the new standards. Sufficient funding for enforcement teams.
Inflation is higher than expected	This would increase the costs of the reforms to landlords and could potentially lead to higher pass-through to tenants.	Providing longer lead-in times to help landlords spread costs more effectively.
Shortage in materials or labour	This would impede improvements to the dwelling stock – increasing costs to landlords and reducing the benefits of the legislation.	Longer lead-in times to spread out the pressure on labour and resource.
Lower repairs due to lack of information about condition of current stock	Lower than expected compliance with new standards and increased risk to	Supporting sector initiatives to improve knowledge and understanding of stock in the

	tenants from living in poorly maintained homes.	SRS. Under the Regulator of Social Housing's Safety and Quality Standard, registered providers must have an accurate record at an individual property level of the condition of their homes, based on a physical assessment of all homes and keep this up to date. In the PRS we also expect an improved understanding of stock condition through enhanced data reporting on the part of local authorities.
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Table 13: Risks that would impact the appraisal – PRS only

Risk description	Impact	Mitigations
Lack of enforcement	A lack of enforcement of the regulations may lead to an increase in non-compliance and hamper the objectives of the policy.	In line with the new burdens doctrine, we will assess how much additional support local authorities will need to enforce these new requirements adequately in the PRS. Wider measures in the Renters' Rights Act to strengthen enforcement powers and introduce the PRS database will also help local authorities target enforcement action more effectively.
Landlords, and properties, leave the PRS	This could result in localised shortages of properties available to private tenants. This may lead to a further increase in rent – though may have benefits if rogue landlords leave the sector. Additionally, if dwellings sold become the property of new owner-occupiers, there may be a reduction in PRS demand which may offset lower supply to some degree. It should be noted the Impact Assessment has assumed a slow and slight increase in private rented properties given recent trends and ONS household projections.	We have sought to keep the burdens on landlords proportionate, and provide realistic timeframes for implementation and enforcement.
Rental pass through is higher than anticipated	Costs to tenants increase as landlords pass through more of the cost of the reforms to tenants. The net cost to landlords falls.	The Renters' Rights Act will enable tenants to challenge above market rent increases in the First-tier Tribunal. We have sought to keep the burdens on landlords proportionate, and provide realistic timeframes for implementation and enforcement.

Table 14: Risks that would impact the appraisal – SRS only

Risk description	Impact	Mitigations
Landlords dispose of, rather than remediating, non-decent homes	This would reduce overall social housing stock and potentially increase pressures on homelessness services. If ex-SRS stock becomes owner occupied, it will fall beyond the scope of DHS and benefits will not materialise. There would be a negative welfare spending impact associated with increased homelessness.	We will set out in guidance circumstances where social landlords can't or shouldn't meet some aspects of the updated DHS and what should happen in these cases. As is the case with the current DHS, landlords will report to the Regulator of Social Housing where they determine an exemption to the DHS. The RSH will follow up with the providers whose reported exemptions are outliers and review overall performance against the DHS in their inspections.
Landlords scale back on other commitments (MEES, new supply etc) to meet decency obligations	As above, a reduction in new supply will increase pressure on allocations for social housing and would increase pressure on homelessness services. Reduced spend on discretionary quality activity may worsen outcomes for tenants.	We have sought views on the impacts of these proposals on other commitments in the consultation and have considered pressures in the round when finalising the updated standard. Separate briefing has been provided in relation to financial settlements for the sector.

Supply impacts:

300. The supply losses from DHS will depend on the regional spread of costs of meeting DHS, as the costs of developing new social housing varies considerably depending on locality. We have used the underlying BRE modelling to estimate where supply would have otherwise occurred, based on the proportion of the additional cost occurring within each region.

301. The regional split of costs faced by PRPs of complying with the updated standard is shown in Table 15 below:

Table 15: regional split of costs by PRPs

Government Office Region	% of PRP stock
North East	6.3%
North West	11.2%
Yorkshire and the Humber	4.0%
East Midlands	5.7%
West Midlands	19.6%
East	3.5%
London	8.2%
South East	36.9%
South West	4.7%

302. It has been assumed that expenditure on decency would have otherwise been spent on supply in the same region. This does not account for any ‘smoothing’ from PRPs who own dwellings in more than one region.

Wider impacts of the updated standard

303. The following section outlines the potential impacts of introducing the updated DHS on compliance with existing regulation as well as the supply and rental levels of private rented dwellings.

Compliance with existing regulation

304. **Landlords are already required to maintain a certain standard of property condition.** This includes ensuring the home is free from serious category 1 hazards as well as being in a reasonable state of repair. However, figures from the latest English Housing Survey show that 10% of dwellings in the PRS and 4% of dwellings in the SRS have at least one category 1 hazard.¹⁵⁰

305. **The introduction of the updated DHS, alongside changes to the enforcement regime, are likely to drive up compliance with the existing legislation, resulting in further costs and benefits on top of those presented in the main analysis.** It is difficult to accurately model the likely increase in compliance with existing regulations as it is dependent on landlord business practices and awareness of hazards in the dwelling. Impacts of increased compliance with existing legislation are set out below. However, any monetised impacts have not been included in the headline figures as Impact Assessment guidance requires analysis to assume 100% compliance with the additional component only (covered in the analytical assumptions section).

Cost of remediation (increased compliance with existing standards)

306. 82% of the total cost required to meet the updated standard in the PRS and 84% in the SRS comes from complying with pre-existing legislation¹⁵¹. These costs are excluded from our headline figures as they relate to obligations landlords should already be meeting, and are therefore not additional regulatory costs. If we do see an increase in compliance with existing regulations due to introducing an updated DHS, and if this compliance were 100% (in reality it is likely some level of non-compliance would persist at any given time, so these figures represent upper limits), we would expect total costs of up to £23,569m in the PRS and £10,648m in the SRS (excluding costs of damp coverings and window restrictors). This would represent an average cost per non-decent dwelling of £9,277 in the PRS and £5,608 in the SRS.

307. However, the degree to which compliance will increase is dependent on the effectiveness of activity to support compliance, enforcement action and landlord behaviour. Therefore, in reality, we would expect these costs to be lower. Owing to this uncertainty, we are unable to monetise the costs (and benefits) of the impact of increased compliance.

NHS fiscal savings (increased compliance with existing standards)

308. Non-decent dwellings pose “a serious threat to the health and safety of renters”.¹⁵² Therefore, by reducing patients requiring treatment, tackling non-decency presents a **substantial opportunity for NHS savings**. However, many of these dwellings fail to meet existing standards. Therefore, we have not monetised the cost saving because we do not know the impact of the enforcement regime and other measures in the Renters’ Rights Act on landlord compliance with existing requirements and how raising the standard will further contribute to these savings.

309. Greater compliance with existing regulations is associated with significant public sector cost savings from reducing the number of category 1 hazards. A significant benefit from rectifying hazardous

¹⁵⁰ English Housing Survey 2023 to 2024: headline findings on housing quality and energy efficiency

¹⁵¹ Although as noted, total costs may underestimate given complexity in the modelling with assuming which remediation costs are additional to legislation.

¹⁵² Public Accounts Committee, Regulation of Private Renting report (2022)

dwellings would be fewer accidents and deaths caused by dangerous housing. In terms of monetised benefits, this leads to savings to the NHS from fewer patients requiring medical treatment.

310. This benefit can be monetised by multiplying the cost of treating an injury from a particular category 1 hazard by the probability of such an injury occurring. The average annual healthcare saving per hazard rectified in the PRS is £596 and £383 in the SRS in 2025 prices.¹⁵³ However, this varies across households depending on the nature of the hazard.
311. According to the 2023-24 EHS, there are an estimated 496,000 unsafe homes with category 1 hazards in the PRS, and a further 177,000 in the SRS. We do not know the degree to which the introduction of the updated standard will result in all category 1 hazards being fixed. This is dependent on compliance with the standard, under a scenario of 100% compliance, we would expect to see all category 1 hazards remediated.
312. In a scenario in which 50% of category 1 hazards are rectified by landlords due to the introduction of the updated DHS, we would see a present value fiscal saving of £715.5m in the PRS (ranging from £357.8m to £1,073.3m), and £267.0m in the SRS (ranging from £133.5m to £400.6m). This would represent an indirect benefit to society arising from a reduction in NHS costs.

Improved productivity (associated with increased compliance with existing standards)

313. If somebody has a serious injury in the home, they are often unable to work while recuperating, therefore reducing national productivity. Therefore, by reducing the number of injuries that occur, society can benefit from to **improved labour productivity**.
314. The productivity loss of an injury can be valued in several ways; one of which is by multiplying the time needed to recover by the wage of the injured person. This is the best monetisation of their productivity as it is a revealed cost of the price they are willing to accept for their labour time, as well as being the price society is willing to pay them for it. However, this requires very granular data on the wages of the people living in hazardous homes. In some cases, such as local council level interventions, this may be possible. However, for nationwide schemes a different approach is needed. An alternative way of valuing an individual's productivity is gross value added (GVA) per capita.
315. The recovery time of an injury varies greatly by the type of the injury. The analysis rests upon average injury costs, which will hide significant variation – some injuries may be life-changing whereas other may be more temporary. The Transport Research Laboratory estimated that the average home injury results in a lost output of £6,046 (adjusted to 2025 prices).¹⁵⁴ Given that not every hazard will result in an injury to the occupant each year, the costs are scaled by the probability of harm occurring each year – approximately 9% of harms in the PRS and 11% of harms in the SRS will result in injury each year.¹⁵⁵ This results in a lost output cost of £542 per hazard per year in the PRS (ranging from £433 to £907 based on the severity of injury) and £690 per hazard per year in the SRS (ranging from £552 to £1,155).
316. If 50% of category 1 hazards in the PRS are fixed due to the introduction of the updated DHS, this would result in total annual benefit of £650.3m (ranging from £260.1m to £1,634.0m). In the SRS, this would result in total annual benefit of £481.2m (ranging from £192.5m to £1,208.9m). This would be an indirect benefit to society.

Reduced fire costs

317. The updated standard is expected to result in **fewer fire hazards**. Building Research Establishment (BRE) estimates that approximately 7.2% of category 1 hazards in the private rented sector are fire hazards.¹⁵⁶ This equates to approximately 36,000 fire hazards in privately rented homes in England in 2023. Approximately 1.8% of these hazards will result in serious hazard in a given year – an estimated 600 incidents per annum.
318. In the SRS, approximately 2.4% of category 1 hazards are fire hazards, equating to approximately 4,200 fire hazards. 1.8% of these hazards would result in an estimated 73 incidents per annum.

¹⁵³ MHCLG analysis of BRE 2023 The cost of poor housing in England by tenure.

¹⁵⁴ MHCLG analysis of Transport Research Laboratory 2009 Re-valuation of Home Accidents

¹⁵⁵ MHCLG analysis of BRE 2016 The full cost of poor housing

¹⁵⁶ BRE, The cost of poor housing in England by tenure (2023)

319. In 2020, the average marginal cost of primary fires in dwellings was estimated to be £32,400.¹⁵⁷ This is £39,206 in 2025 values. This comprises of both the costs as a consequence of fire and the response costs. This does not include fire anticipation costs (such as fire protection installations in buildings). As a result, the headline figure will include economic, fiscal and social costs.

320. If 50% of fire hazards in the PRS are fixed due to the introduction of the updated DHS, the reduction in fires is expected to result in £60.3m real discounted saving (ranging from £30.1m to £90.4m). In the SRS, such a reduction would be estimated to result in £11.6m real discounted saving (ranging from £5.8m to £17.4m). This would be an indirect benefit to society.

Wider market impacts in the PRS

Impacts on the rents and supply of PRS homes

321. Introducing a decency standard in the PRS will represent a potential increase in cost for landlords who own or want to purchase properties which do not meet the standard. With all else being equal, these additional costs could reduce the incentives to purchase and let out existing properties which are below the updated standard. Supply of higher-quality PRS housing is not expected to be affected nor is the supply of new-build rental properties as existing regulation for new build properties sets a higher standard than the updated DHS.

322. However, it is challenging to isolate and therefore to quantify the extent to which these reforms will affect, if at all, the supply of dwellings in the PRS. This is because supply is determined by a wide range of factors including rent levels, house prices, taxation policy, interest rates, returns on other investment options, wider reforms in the sector, and the movements of tenants into homeownership and social rented housing.

323. The MHCLG commissioned UK Collaborative Centre for Housing Evidence to conduct a systematic review of the evidence on the link between non-price regulation and housing supply. They were unable to identify any robust evidence that non-price regulatory reforms causes disinvestment in the PRS sector.¹⁵⁸ They did, however, find a range of evidence that shows non-price regulatory reforms are not associated with disinvestment in the PRS or other negative market outcomes. The report highlights that the growth of the PRS over the past two decades has continued despite the introduction of a range of additional regulatory requirements on the sector.

324. This can be applied, cautiously, to the updated standard. However, the DHS represents a significantly higher upfront cost to business compared to other non-price reforms. At the same time, various other changes are happening in the sector such as the increase in the rates of property income tax and updated Minimum Energy Efficiency Standards. These changes will also increase costs for landlords. Therefore, landlords may respond differently to how they have in the past.

325. Additionally, landlords are not one homogenous group – business models vary and so do landlords' individual investment preferences and risk appetites. The level of costs they face will also differ depending on the characteristics and location of each property. This means individual landlords will likely respond differently to the introduction of the updated standard.

326. Therefore, we're not able to robustly quantify how landlords will respond to the changes. However, our qualitative assessment is that we think landlords may choose to do one or more of the following:

Absorb the costs:

327. Landlords may be willing to absorb the costs of improving property standards if they know the costs could be offset by an increase in asset value. They may not see the benefit of a higher asset price until they sell their property but, depending on their business models, some may decide to borrow against the increased value of the property hence realise the benefits of higher asset prices sooner.

¹⁵⁷ [Economic and social cost of fire - GOV.UK](#)

¹⁵⁸ [Harrington, N et al., The Impact of Regulatory Reform on the Private Rented Sector \(2023\)](#)

328. This is dependent on what landlords care about most when it comes to their assets. For example, more landlords view their role 'as an investment for rental income' (48%) than for capital growth (27%).¹⁵⁹

329. On the other hand, the two most prevalent reasons given for why landlords originally entered the sector were as a pension contribution (42%) and a preference for investing in property rather than other investments (42%). 13% wanted to build equity for their children. Furthermore, 58% have been landlords for 11 years or more and this has increased gradually since 2018¹⁶⁰. Given a large proportion of landlords having invested in property as long-term investment, they may also view the cost of improving properties as a long-term investment which can increase the value of their asset.

Increase rents:

330. Alternatively, landlords may choose to pass some/all of the costs through to tenants in the form of higher rents. This will offset costs to their business and maintain a certain level of profit. However, it is difficult to assess the degree to which this will occur. The likelihood of this happening depends on landlords' rent setting behaviour which in turn is dependent on a number of market factors, the scale of the costs for each landlord, and housing affordability. For example, moderate-scale businesses and investor landlords are more likely to consider cost recovery when it comes to setting rents, whereas smaller landlords are less likely¹⁶¹.

331. Whilst a tenant may still prefer one dwelling over another, they can move elsewhere so different PRS properties are substitutes for each other. This means PRS landlords are engaging in monopolistic competition with each other and landlords cannot unilaterally set the rent of their property at whatever level they wish. The extent to which they can pass through the increased costs depends on the proportion of landlords facing additional costs. This is likely to be more the case in future as tenants will have improved ability to move between properties (enforcing increased competition) through the introduction of periodic tenancies in the Renters' Rights Act, allowing them to move with two months' notice.

332. 48% of PRS properties (2.5m over the appraisal period)¹⁶² are expected to fail the updated DHS. 7% would fail as a result of additional obligations brought about by the legislation (with the remaining 41% not adhering to existing obligations). Holding all else equal, we expect affected landlords to make up a sizeable enough proportion of the sector to be able to pass some form of increased costs through into rents, although this may vary by local housing market conditions and the scale of the rent rise.

333. Landlords whose properties are not directly affected by these reforms may also decide to increase rents if market rents rise. In the latest English Private Landlord Survey, the most common reason given by landlords who increased rent for their most recent letting was they set rent in line with the market rate in their area (79%).¹⁶³ Corporate landlords (82%) and moderate-scale business and investor landlords (81%) were most likely to set rent in line with market rates, whereas small scale retired landlords (67%) and small-scale investor for retirement landlords (69%) were least likely.¹⁶⁴

334. On the other hand, landlords will be constrained by whether tenants are able and willing to pay higher rents. In 2024-25, just under a third of private renters (32%) reported finding it either fairly or very difficult to afford their rent.¹⁶⁵ This, coupled with an expected slowdown in real wage growth¹⁶⁶ and significant rises in rents in recent years,¹⁶⁷ means there may be limited scope for tenants to pay higher rent levels.

335. This is likely to be most true for areas with the lowest levels of demand and for tenants with lower incomes. In 2023-24, just under three-quarters (71%) of private renters in the lowest two income

¹⁵⁹ MHCLG, English Private Landlord Survey 2024 – Annex table 1.15. Figures may not sum to 100% as respondents could select more than one answer.

¹⁶⁰ MHCLG, English Private Landlord Survey 2024 – Annex table 1.10

¹⁶¹ English Private Landlord Survey: Segmenting the business models of private landlords - GOV.UK

¹⁶² Of these, 7% would fail due to revisions in legislation.

¹⁶³ MHCLG, English Private Landlord Survey (2024)

¹⁶⁴ English Private Landlord Survey: Segmenting the business models of private landlords - GOV.UK

¹⁶⁵ English Housing Survey 2024 to 2025: headline findings on demographics and household resilience - GOV.UK

¹⁶⁶ Office for Budgetary Responsibility, Economic and Fiscal Outlook (2025)

¹⁶⁷ Office for National Statistics, Private rent and house prices April 2025

quintiles spent more than 30% of their income on rent. This represents approximately 1.4 million private renting households across England with low incomes and high housing costs. Nearly all private renters living in London who were in the lowest two income quintiles (96%) spent more than 30% of their income on rent.¹⁶⁸

336. Tenants in affected dwellings may see some saving in their energy bills due to improved thermal comfort so they may be more willing to accept an increase in rents in exchange for lower energy bills. However, we expect the saving to be small relative to the cost of making the dwelling decent that could be passed through to tenants.

337. Additionally, under the Renters' Rights Act there will be new regulations governing rent rises. Landlords will in future only be able to increase rents once a year via the section 13 process and tenants who receive a rent increase that they feel is not representative of the market value will be able to challenge the increase at the First-tier Tribunal. This will improve price signalling and ensure proposed rent increases better reflect the prevailing market rate, preventing gouging under the guise of covering DHS costs.

338. Given the number of uncertainties listed above, we are unable to give a definitive view on how much rent will be passed onto tenants, if any. Instead, we have set out a number of possible rent pass through scenarios to provide an illustration of possible impacts. The scenarios assume costs are passed through to rents over a 5-year period and a median weekly rent of £196 (2025 prices).¹⁶⁹

- Scenario 1:** Landlords of affected properties pass through all costs of complying with DHS to tenants. This would result in landlords facing no net increase in costs, while the 376k tenants living in affected properties would face an average rent increase of £11,449 per household (2025 prices, 2026 present value) – this is the equivalent to a £44.03 rent increase per week per affected household. This is approximately a 21.0% annual increase in average rents. We think that, for a number of reasons including tenant affordability constraints, **this scenario is not likely for most tenants.**
- Scenario 2:** Landlords of affected properties pass through one-third of the total costs to tenants. This would result in landlords facing an average increase in costs of £7,633 per affected dwelling. Tenants in affected properties would see rent increases amounting on average to £3,816 over a period of 5 years – this is the equivalent to a £14.68 rent increase per week per household (approximately 7.0% annual increase in average rents).
- Scenario 3:** Landlords are constrained in the degree of pass through by the proportion of the market incurring the cost. In the case of familiarisation and survey costs, this is 100% of the costs as all of the sector will likely incur these costs (approximately £78 per dwelling, undiscounted). For upgrade costs, landlords may be able to pass costs through relative to the proportion of affected dwellings in the sector (7%). This would result in landlords of affected properties facing an average increase in costs of £10,591 per affected dwelling. Tenants in affected properties would incur rent increases amounting to £858 on average per household – this is the equivalent to a £3.30 rent increase per week (1.6% annual increase in average rents).
- Scenario 4:** Landlords are unable or unwilling to pass through the costs to tenants. Landlords would therefore adjust their profit expectations accordingly. Landlords would face an average net increase in direct costs, as a result of the legislation, of £11,449 per affected dwelling, while tenants would face no increase in private rents.

339. Under any rent pass through scenario, the NPSV would not change. This is because rent pass through would represent a transfer from landlords to tenants, rather than a net change to the overall costs and benefits of the policy. Whilst higher rent pass through would result in a lower cost to business and a higher cost to households, the EANDCB and EANDCH would be unchanged as rent pass though would be classed as an indirect impact so would not be included in these metrics.

¹⁶⁸ English Housing Survey 2023-24 Experiences of the 'Housing Crisis' (2024)

¹⁶⁹ English Housing Survey 2023-2024: headline findings on demographics and household resilience (2024)

340. All figures above are based on averages. In reality, costs, and therefore rent rises, will vary by property. The majority of PRS dwellings are expected to be remediated for less than the average cost, therefore most rent rises, should they occur, will be lower than set out above. The subset of landlords with the highest improvement costs could be constrained in how much of the costs they can pass due to monopolistic competition with the majority of landlords with lower costs. They may instead decide to leave the sector (set out in more detail below). Landlords with the lowest improvement costs could potentially have more scope to pass a higher proportion of their (relatively smaller) costs on.

Sell their properties:

341. Lastly, landlords may decide it is not profitable enough to remain a landlord and decide to exit the market. The likelihood of this is dependent on the price landlords would receive from the sale of their property, any fees/taxes from selling, their profitability following the introduction of the DHS, and their wider financial circumstances. The same would apply to landlords who are deciding whether to enter the market.

342. For example, we might expect to see more landlords leaving or deciding not to enter the sector where rental income is relatively low compared to the cost of meeting the new standards. For example, the North East and East Midlands have some of the highest median costs in England of improving PRS properties to the current decent homes standard¹⁷⁰ but are also some of the regions with the lowest average rents.¹⁷¹ On the other end of the scale, the South East has the second highest average rents in England and the lowest median cost of improving dwellings to the current standard.

343. The decision on whether to invest in, or remain in, the PRS is also dependent on the relative attractiveness (financial returns) of residential letting compared to other investment opportunities such as government bonds, bank deposits and pension annuities. Holding all else equal, additional costs in the PRS would dampen the relative attractiveness compared to other investment opportunities. However, it is unclear whether that will be enough for landlords to decide to sell, particularly given recent volatility of wider macroeconomic conditions. In addition to the financial returns, these investment decisions also depend on investors' risk appetites.

344. If some landlords do decide to sell and those properties are sold to other landlords, supply in the PRS would remain unchanged. This transfer might even be associated with increased efficiency or professionalisation of the sector, particularly if the reforms encourage rogue landlords to leave the sector and then be replaced with responsible landlords.

345. If a proportion of these properties are sold to homeowners, the number of properties in PRS supply would fall. However, each additional home entering owner occupation means an additional first-time buyer taking it up (if not directly, then indirectly at the bottom of a chain). As the majority of first time buyers come out of the PRS¹⁷², the majority of any decrease in supply is offset by a decrease in demand in the PRS.¹⁷³ Yet, the DHS does not apply to properties in the owner-occupied sector so there is less of a guarantee that the policy will meet its objectives (14% of owner-occupied dwellings would be classed as non-decent under the current standard).¹⁷⁴

346. A reduction in PRS supply could enable existing landlords to put up their rent levels. On the other hand, an increase in rents may incentivise more landlords to enter the market which could go some way to offset the initial decrease in supply and could moderate rent growth. As with rent pass through, this is dependent on how tenants respond to increases in rents. Previous reductions in PRS growth have not been found to increase rents.¹⁷⁵

¹⁷⁰ English Housing Survey 2023 to 2024: drivers and impacts of housing quality

¹⁷¹ Private rent and house prices, UK - Office for National Statistics, November 2025

¹⁷² English Housing Survey – household moves by tenure (2017-22)

¹⁷³ Resolution Foundation (2024) "Through the Roof – recent trends in rental price growth" finds that a 1% decrease in PRS supply, once the decrease in demand is accounted for, equates to only a 0.15% decrease relative to demand (with that residual due to owners tending to occupy floorspace less densely than renters).

¹⁷⁴ English Housing Survey 2023-2024: headline findings on housing quality and energy efficiency

¹⁷⁵ Joseph Rowntree Foundation (2025) "Rebalancing the housing market through tax reform"

347. A sizable proportion of landlords have stated that they intend to sell some/all of their properties in a range of surveys such as the English Private Landlord Survey¹⁷⁶ and the TDS Voice of the Landlord Survey.¹⁷⁷ Among landlords in the English Private Landlord Survey who said they planned to decrease their portfolio, 44% said it was due to forthcoming legislative changes. To note we don't know to what degree this is due to introduction of the DHS.

348. So far, there have been no signs of landlords leaving the sector. The number of properties and households in the sector has remained stable over the past few years¹⁷⁸, and the number of properties available to rent on property portals is increasing year on year.¹⁷⁹ UK Finance report strong growth in buy-to-let mortgage activity¹⁸⁰ and landlord yields continue to increase amid recent record rent prices.¹⁸¹

Impacts on PRS new build supply

349. The supply of new build specifically for the PRS comes from the Build-to-Rent (BtR) sector comprised of a small number of large-scale landlords. This differs from the traditional PRS where landlords are likely to have a small number of properties. The majority of BtR developments were built after 2010 – as of Q3 2025, 139,000 BtR properties were built in the UK and there are 159,000 more currently under construction or in planning.¹⁸² Non-decency is highly correlated with older properties so it's likely very few of these new build properties will be considered non-decent.

350. If any of them would be non-decent, the possibilities of acquiring the finances to fund these costs would be much greater given they are large corporations and not individual landlords. It is therefore likely that introducing the updated standard will have little impact on this section of new PRS supply.

Wider Impacts on Leasehold and Temporary Accommodation

Leasehold

351. If applied in full, the updated standard may create indirect costs for some owner-occupier leaseholders who live in buildings where some of the other properties are rented. There may also be implications for leaseholders who have collectively-enfranchised their building but cannot pass on costs of improving their building. We will work with the sector to understand how the DHS will apply to leasehold homes in a manner which is proportionate, effective, and fair for owner-occupiers and landlord leaseholders, and we will provide further details in due course.

352. As it stands currently, if work on the structure and exterior of the building or common areas (rather than just to the individual rented properties) is needed to ensure the rented properties comply with the updated DHS, then the freeholder could be responsible for the work, which in turn might lead to higher costs for them and increased charges for leaseholders, including those who do not rent out their homes.

353. The extent to which additional costs may be passed to leaseholders via service charges will depend on individual lease requirements, particularly whether the lease allows improvements (i.e. upgrading or enhancing the building beyond original condition) to be charged to leaseholders. While most leases require contributions to costs of maintaining and repairing both structure/exterior and common parts, recovery of costs for improvements (as opposed to repairs) depends on individual lease terms. Where leases do not permit charging for improvements, freeholders may bear these costs.

354. Due to data limitations, we are unable to estimate the proportion of owner-occupier leaseholders who currently live in properties where works to the exterior or common parts would be required or will do at the point at which the new standard is implemented. Therefore, we have not included costs to

¹⁷⁶ [English Private Landlord Survey 2024: main report - GOV.UK](#)

¹⁷⁷ [The Voice Of The Landlord Survey | TDS Charitable Foundation](#)

¹⁷⁸ [English Housing Survey 2024 to 2025: headline findings on demographics and household resilience - GOV.UK](#)

¹⁷⁹ [Rightmove Q3 2025 Rental Trends Tracker and Zoopla UK Rental Market Report: September 2025](#)

¹⁸⁰ [Rightmove Q2 2025 Rental Trends Tracker](#)

¹⁸¹ See footnote 177

¹⁸² [British Property Federation, Release: Build to Rent Q3 2025](#)

leaseholders within our NPSV calculations. In lieu of this, we have provided indicative/sensitivity analysis, based on several assumptions, as set out below.

355. To calculate our estimates, we have assumed that the costs of works to the structure or exterior of the building necessary to comply with the new DHS are likely to fall within the maintenance and repair obligations under the lease. Below, we have only included costs relating to communal areas on the assumption that the costs of works to such areas that are necessary to comply with the new DHS are likely to constitute improvements. This may underestimate where costs relating to the structure/exterior are improvements, and overestimate where costs relating to communal areas are form part of normal maintenance and repair obligations. We will continue to undertake work to better understand the impacts of implementing the DHS on leaseholders.
356. In the **SRS**, we estimate that 0.9% of SRS flats (~17,000) face such costs, at a total of around £47m. We estimate there are 554,000 owner-occupied flats whose freeholder is a social housing provider. Assuming communal costs are distributed evenly amongst the SRS stock, this would equate to a cost to around 5,000 owner-occupied flats in SRS blocks, totalling £14m (an average of ~£2,700 per flat, though this is likely to vary).
357. In the **PRS**, we estimate that ~50,000 flats face costs to communal areas, at a total of £146m (around £2,900 per flat). We are not able to estimate how many of these flats are in blocks where owner occupier leaseholders are also present. Without evidence, we cannot comment on the total costs for leaseholders, but should, for example, 10% of such flats co-exist with one leasehold dwelling, then the total cost to leaseholders would be ~£14.6m.

Temporary Accommodation

358. The updated standard will also apply to properties used for Temporary Accommodation (TA). This will increase costs for local authorities directly if they need to remediate TA properties they own. It may increase costs to TA providers whose accommodation doesn't meet the updated standard and they may pass onto local authorities, particularly if local authorities are paying less for that TA than they would otherwise pay for accommodation that meets the updated standard.
359. However, we do not have data on the number of TA properties that would fail the new standard nor the cost to bring TA properties up to the required standard as we have limited consistent, comprehensive data on the quality of TA across different tenures.

Supported Housing

360. The updated standard will be applied to all supported housing. As with TA, this will increase costs for local authorities directly if they need to remediate supported housing they own. It may indirectly increase costs if local authorities currently procure supported housing from other sources that does not meet the updated standard and if they pay less for that supported housing than they would otherwise pay for decent accommodation. Data on the number of supported accommodation dwellings that would fail the new standard and the cost to remediate them is not collected.

Wider Impacts on Construction Labour Market

361. Improving housing standards will likely require additional skilled workers such as window fitters, plumbers and plasterers to make the required changes to a property.
362. The work required to increase standards may overlap with the work needed to meet Minimum Energy Efficiency Standards so, depending on implementation timings, landlords may decide to undertake remediation for both standards at the same time, reducing the additional demand for construction workers. However, we still expect there to be additional demand for the construction workforce which could push up wages and increase the cost of meeting the new standard for landlords.
363. Higher wages in the construction sector will incentivise more people to train in these professions, increasing the size of the workforce in the long term. However, there may be short term cost implications, particularly given the number of properties affected by the reform and possible similar timing of other policies that require the construction workforce. The impact will also likely vary by region, depending on current decency of properties and the local workforce.

Minimising administrative and compliance costs for preferred option on small and micro businesses

Social Rented Sector (SRS)

364. **Some registered providers (RPs) of social housing are small and micro businesses.** For the purposes of this small and micro business assessment (SaMBA), we have used the number of homes owned by a PRP to determine whether it is a small business. Measuring the size of businesses in the sector by number of employees is not the most appropriate way to understand the social housing sector, where PRPs are typified by their size (small or large) depending on the number of homes they own, rather than number of employees. The RSH align their reporting on the sector with this metric, and this approach is also consistent with previous Impact Assessments undertaken in relation to the social housing sector. As such, references to small and micro businesses in this SaMBA will refer to those landlords that own less than 1,000 units of social housing. As per previous Impact Assessments, we assess that small landlords collectively own around 5% of PRP stock and 3% of all SRS stock. At the time of writing, 1,125 PRPs meet our definition of being a small or micro business.

365. **The majority of social housing stock, around 97.1%,¹⁸³ is held by large registered providers (PRPs and LAs)** who will have sufficient size and expertise across their organisation to deliver the objectives of the reforms to the DHS that we are proposing. However, though small landlords own a relatively small number of homes, they make up the majority of registered providers.

366. **All registered providers (RPs) of social housing are required to meet the DHS, including social landlords that would be classed as small and micro businesses.** Where the DHS is a minimum quality standard that all rented homes will be expected to meet, exempting small and micro businesses would undermine the policy objective of these changes. In practical terms, this would leave tenants of small landlords in a position where their homes are subject to a lesser standard than they are under current regulations and introduce disparity between the standards that tenants can expect – dependent on the number of social housing units owned by their landlord. Not only would this fail to deliver on the policy objective, an exemption would be a step backwards for the social rented sector.

367. **Information on the decency and stock age of PRPs by size is limited,** but small PRPs are not currently exempt from existing DHS requirements and there is no evidence they are less able to comply with regulations than large RPs. We are therefore proposing that no change of approach should be made with the application of the updated DHS.

368. **Exempting small- and micro-businesses would exacerbate the risk of tenants living in sub-standard and unsafe accommodation.** We have assessed that to provide any universal exemption to small and micro-businesses would involve an unacceptable compromise, leaving tenants of smaller landlords at a higher risk of being provided a poor service without potential recourse. It would not be acceptable to reduce the expectations or standards for the services landlords provide, based on their size. Additionally, any exemption could create loopholes for less scrupulous landlords to evade their responsibilities and requirements. However, the RSH may look to ensure requirements for small and micro businesses are proportionate and seek to avoid unintended impacts that outweigh the potential positive gains.

Private Rented Sector

369. **Most landlords in the PRS would be classified as small and micro businesses (SMBs) as the vast majority of landlords have fewer than 50 employees and a turnover of less than €10m.¹⁸⁴** 96% of landlords have a total rental income of less than £150,000 per annum and over half (51%) of landlords have a gross rental income of less than £20,000. Only the largest institutional investors are

¹⁸³ Note that this included Low Cost Home Ownership units in addition to rented stock. See Additional tables; Table 1.19; <https://www.gov.uk/government/statistics/registered-provider-social-housing-stock-and-rents-in-england-2023-to-2024>

¹⁸⁴ The definition of SMBs is available [here](#) in the BEIS Small and Medium Enterprises (SMEs) Action Plan: 2022-2025

likely to exceed the turnover or number of employees to not be classified as an SMB. Only 4% originally became a landlord in order to let property as a full-time business.¹⁸⁵

370. Because such a high proportion of PRS landlords would be classified as small and micro businesses, an exemption would have a disproportionate effect on tenants in the sector and negatively impact the changes that we are seeking to deliver.

Cross-tenure

371. **Exempting SMBs would undermine the policy objective to deliver more secure and high-quality rented homes, as very few landlords, particularly in the PRS, would be in scope of the reforms.** Therefore, any exemption to SMBs in the policy would fail in the policy objectives to improve the quality of privately rented housing for tenants as very few landlords in the PRS would be in scope of the policy. This would perpetuate the market failures identified in the rationale for intervention which have to lead to negative externalities for tenants and uneven competition for private landlords. Given the vast majority of the private rented sector (PRS) is operated by small and micro businesses – and it is the smaller landlords who are less likely to be compliant with current legislation – the estimated benefits of the reforms would not therefore be realised.

372. In the SRS, 3% of all stock is held by SMBs¹⁸⁶. An exemption would disproportionately affect tenants who live in homes that are already subject to the requirements of the existing DHS. An exemption, therefore, would result in a lower standard than already exists in these circumstances.

373. **Instead of exempting SMBs, we will instead focus on ways to support them with meeting new regulations.** These measures will support all landlords, but we would expect them to have a disproportionately large impact on SMBs. This includes:

- A transition period before enforcement against the updated standard begins. We want to see improvements for tenants as soon as possible, however, we also recognise that both landlords and tenants have faced financial pressures in recent years, from rising interest rates and mortgage costs, as well as inflation. It is therefore important that we set a realistic implementation period for landlords to be able to deliver works to meet the new DHS.
- We expect RSH in their capacity as regulatory oversight of the SRS and Local Authorities ('LAs') in their capacity as the local enforcement body of PRS standards to take a proportionate approach to enforcement. Regulators must take into account the Regulator's Code which sets out how regulators should engage with those who they regulate. LAs will have discretion to enforce proportionately, so that where a landlord is unable to meet the standard for a reason beyond their control, for example failure to access a property, they will not be penalised.
- We will, however, not allow landlords to use the proportional approach to enforcement to avoid having to meet the standard. We expect that LAs will enforce the policy robustly, and we will prepare best practice guidance to assist them in doing this.
- We will provide robust guidance to accompany the updated standard for landlords in both the private and social rented sectors. This will support SMBs where staffing capacity limits the time, skillset or resource for reading comprehensively and understanding the standard.

Equalities Impact

Rural Impact

374. The vast majority of costs in both the PRS and SRS will affect urban areas where there are more dwellings in total. However, higher rates of non-decency in the private rented sector, but not the social rented sector, are seen in rural areas. More information is set out in EHS Briefing: Modelling a New Decent Homes Standard.¹⁸⁷

¹⁸⁵ MHCLG, English Private Landlord Survey (2024)

¹⁸⁶ Based on internal calculations of RSH Statistical Data Returns – <https://www.gov.uk/government/organisations/regulator-of-social-housing/about/statistics#registered-provider-social-housing-stock-and-rents-in-england>

¹⁸⁷ <https://www.gov.uk/government/publications/ehs-briefing-modelling-a-new-decent-homes-standard>

Public Sector Impact

375. We are undertaking a new burdens assessment as part of the passage of the Renters' Rights Act to determine how much additional support Local Authorities will need to enforce reforms, including the introduction of the updated DHS, adequately in the PRS.
376. Our proposals are not considered to be a new burden for the majority of local authority social housing, as social housing revenue and spending is ring fenced in the Housing Revenue Account (HRA). To determine the potential burden on stock held outside the HRA, we will prepare a separate New Burdens Assessment before the implementation of measures that directly impact local authorities without a HRA.

Justice Impact

377. We will be integrating DHS enforcement into the existing enforcement frameworks for hazards under Part 1 of the Housing Act 2004. Introducing the new requirement of the DHS will bring a greater number of PRS properties in scope of these enforcement powers and is therefore likely to result in an increase in enforcement action taken by local housing authorities. We anticipate that this will result in a relatively small increase in cases in the First-tier Tribunal (Property Chamber) – for example, appeals against enforcement notices or financial penalties issued to landlords. While the introduction of the DHS may result in some criminal prosecutions against landlords who fail to comply with improvement notices or prohibition orders issued for DHS failures, we do not anticipate that there will be a significant increase in prosecutions in the Magistrates' Courts as local housing authorities are likely to issue civil penalties as an alternative to prosecution in most cases.

Environmental Impact

378. The revised DHS has been designed with environmental protections in mind and should have a positive impact on the environment.
379. To pass the DHS, properties in the SRS will need to meet Minimum Energy Efficiency Standards (MEES) set out in the Standard, and PRS properties will need to meet existing MEES requirements. MEES will increase the energy efficiency of properties, having a positive environmental effect by reducing carbon emissions.
380. The DHS will also improve the indoor air quality of properties by requiring that they are free of damp and mould. This requirement will also further improve their energy efficiency and reduce the need for major refurbishment works by tackling problems with the fabric of buildings at a preventative stage.
381. Further, we have removed age as a means of assessing kitchens and bathrooms as part of the revised DHS. This means kitchens and bathrooms will no longer be replaced simply because they are old, further reducing the need for unnecessary major building works and replacement. This change also presents positive secondary effects as it should include a reduction in environmental waste.
382. Primary impacts should be on Energy Performance Certificate ratings, the improvement of indoor air quality and reduction in energy consumption. These improvements will be achieved through the new damp and mould standard (indoor air quality) and improved Minimum Energy Efficiency Standards which will cross refer to the existing PRS provisions and come into effect for the first time in the SRS.
383. The effects of the revised DHS will lead to a sustained and permanent environmental change that will take place cumulatively over time, with many of the benefits being in the future, as the new standards take effect.

Monitoring and Evaluation of Preferred Option

384. MHCLG commits to robustly monitoring and evaluating the DHS, with methods, timeline and reporting reflecting the implementation of the standard. As such, a detailed evaluation plan will be developed at a later stage.

385. Initial monitoring and evaluation activity will likely be separated according to tenure in the first instance, reflecting the differences in current housing stock, landlord characteristics and enforcement mechanisms in the PRS and SRS.

386. Monitoring and evaluation of the Renters' Rights Act and associated PRS reforms currently in progress will account for the DHS in the PRS and will include measurement of stock decency and local authority enforcement actions. A separate evaluation will take place for the SRS.

387. These evaluations will include an assessment of the process, impact and value for money of the changes to regulations around housing decency in the PRS and SRS, to capture early changes as the changes to the DHS are implemented and will provide baseline findings of housing decency before changes are implemented.

388. Depending on implementation timelines, we anticipate a further evaluation project may be required to measure the impacts of the changes to the DHS, and to bring together findings across the rented sector tenures, running past the implementation of the DHS, to measure longer-term impacts.

389. Ongoing monitoring will take place alongside these evaluation projects.

390. We anticipate using several different data sources to support our monitoring and evaluation work of the changes to the DHS, including:

- Established MHCLG datasets, including the English Housing Survey, the English Private Landlord Survey and Local Authority Housing Statistics
- Data collected to evaluate the Renters' Rights Bill, collected via surveys and interviews
- Qualitative and quantitative data from trusted stakeholders.

Analysis profile

Table 16: undiscounted cost and benefit profile of impacts in the private rented sector

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Total
Costs																
Familiarisation cost	£0.0m	£0.0m	£0.0m	£0.0m	£116.3m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£116.3m
Surveyor cost	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£28.7m	£29.0m	£90.1m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£147.9m
Additional cost to make decent	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£1,097.8m	£1,109.1m	£3,442.7m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£5,649.7m
Child-resistant windows	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£4.8m	£4.9m	£15.2m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£24.9m
Damp proof courses	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£11.3m	£11.4m	£35.4m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£58.1m
Total	£0.0m	£0.0m	£0.0m	£0.0m	£116.3m	£0.0m	£0.0m	£1,142.7m	£1,154.5m	£3,583.4m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£5,996.8m
Benefits																
Reduction in burglaries	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£7.4m	£14.9m	£38.1m	£38.1m	£38.1m	£38.1m	£38.1m	£38.1m	£251.1m
Reduction in household moves	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£5.1m	£10.3m	£26.3m	£26.6m	£26.8m	£27.1m	£27.4m	£149.5m
Reduction in void periods	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£1.3m	£2.6m	£6.7m	£6.8m	£6.9m	£6.9m	£7.0m	£38.2m
Fewer fatal child falls from windows	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.1m	£0.3m	£0.7m	£0.7m	£0.7m	£0.7m	£0.7m	£0.7m	£4.7m
Total	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£7.5m	£21.6m	£51.7m	£71.9m	£72.2m	£72.5m	£72.9m	£73.2m	£443.5m

Table 17: undiscounted cost and benefit profile of impacts in the social rented sector

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Total
Costs																
Familiarisation cost	£2.7m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£2.7m									
Surveyor cost	£24.8m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£248.1m									
Additional cost to make decent	£203.9m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£2,038.8m									
Child-resistant windows	£1.2m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£11.6m									
Damp proof courses	£2.3m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£23.1m									
Total	£234.8m	£232.2m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m	£2,324.3m								
Benefits																
Reduction in burglaries	£2.4m	£4.9m	£7.3m	£9.7m	£12.1m	£14.6m	£17.0m	£19.4m	£21.9m	£24.3m	£24.3m	£24.3m	£24.3m	£24.3m	£255.1m	
Fewer fatal child falls from windows	£0.2m	£0.4m	£0.6m	£0.8m	£1.1m	£1.3m	£1.5m	£1.7m	£1.9m	£2.1m	£2.1m	£2.1m	£2.1m	£2.1m	£22.3m	
Supply impacts	£0.0m	-£82.7m	-£84.2m	-£85.7m	-£87.4m	-£89.1m	-£90.9m	-£92.8m	-£94.7m	-£96.7m	-£98.7m	£0.0m	£0.0m	£0.0m	-£902.9m	
Total	£2.6m	-£77.4m	-£76.2m	-£75.1m	-£74.2m	-£73.3m	-£72.4m	-£71.7m	-£70.9m	-£70.3m	-£72.3m	£26.4m	£26.4m	£26.4m	-£625.5m	