# Private landlords charging councils far above market rent amid England homelessness crisis



An investigation has revealed that private landlords and hotel owners in England are charging local councils significantly above market rent to house people in temporary accommodation, highlighting the scale and complexity of the country’s homelessness crisis. According to The Guardian, local authorities are paying on average 60% more for rooms in bed and breakfasts, hostels, and other emergency housing than the cost of renting similar properties privately, with some councils paying double the going rate.

England is currently facing an acute homelessness problem, with more than 100,000 households living in temporary accommodation. Experts say this has created a £2 billion industry involving underregulated providers who offer sometimes unsafe and unsanitary housing. Families, including almost 164,000 children—the highest number on record—are often housed in overcrowded conditions for extended periods, sometimes for years.

Mairi MacRae, director of campaigns and policy at Shelter, described temporary accommodation as “the shame of our society,” citing that families are “stuck for months, even years, in often overcrowded, appalling conditions, and shunted from place to place with little to no notice.” She added, “It is nothing short of outrageous that private providers have been cashing in on this crisis, but without enough homes for social rent, councils have little choice but to pay these eye-watering sums so families don’t end up on the streets.”

The purpose of temporary accommodation is to provide short-term housing while councils determine whether families qualify for social housing and, if so, where more suitable, permanent accommodation might be available. However, many councils lack sufficient housing stock and therefore rely heavily on private sector provision, including bedsits, private flats, bed and breakfasts, and hotels.

Last year, English councils spent over £2.1 billion on this emergency housing—nearly a third more than the previous year. In London, boroughs reportedly spend around £4 million daily on such accommodation, which represents approximately three-quarters of their total housing budgets. The rising costs of temporary accommodation are having a severe financial impact; for example, Hastings Council allocates over 50% of its core spending to emergency housing, while Crawley Council has warned that costs present a “critical risk” to their finances.

Despite their widespread use, bed and breakfasts are recognised as unsuitable in many cases, particularly for families with young children, yet they account for 30% of national temporary accommodation expenditure. Hastings Council has reportedly avoided using B&Bs, opting instead to incur higher costs on alternative accommodation.

The quality of some temporary accommodation has been criticised, with reports describing unsanitary conditions, pest infestations, and safety hazards. Research from the Shared Health Foundation noted that temporary accommodation has contributed to the deaths of at least 74 children over the past five years, with 58 of them under the age of one.

Data from the Organisation for Economic Cooperation and Development (OECD) indicates that the UK has the highest rate of homelessness among developed countries, with 40 people per 10,000 living in temporary accommodation. This rate is nearly a third higher than that of France and double that of the United States.

Kate Henderson, chief executive of the National Housing Federation, commented: “We are now wasting huge sums of taxpayers’ money on expensive sticking plasters. We are spending £13 billion a year more on housing costs today than we were in 2010, when the government cut funding for new affordable housing by 63%.”

The Guardian conducted interviews with individuals residing in temporary accommodation, many of whom described challenging living conditions. Aimee, who requested only to be identified by her first name, shared her experience of being placed in a rodent-infested hotel. She recounted that her children chose to live with their grandmother due to the unclean environment. “I was only supposed to be there for 50 days but I ended up there for two years—mostly without my children,” she said. “I got told that housing would be found for me within four weeks of my being there, and it still hasn’t over two years later.”

This investigation highlights the complexities of England’s homelessness crisis, the financial strain placed on local councils, and the challenges faced by families living in temporary accommodation across the country.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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2. <https://www.bigissue.com/news/housing/britains-homelessness-shame-cold-hard-facts/> - This article provides context about the scale of homelessness in the UK, including the increase in homelessness applications to local authorities. It underscores the broader issues surrounding housing and homelessness.
3. <https://www.gov.uk/government/statistics/rough-sleeping-snapshot-in-england-autumn-2023/rough-sleeping-snapshot-in-england-autumn-2023> - This government report details the rate of rough sleeping in England, which has increased from previous years. It supports the overall context of England's homelessness crisis.
4. <https://museumofhomelessness.org/news/new-research-shows-1474-homeless-people-died-in-2023-a-mounting-national-crisis-revealed> - This research highlights the tragic consequences of homelessness in the UK, with a significant increase in fatalities among homeless individuals. It emphasizes the urgent need for action on homelessness.
5. <https://www.parliament.uk/business/publications/research/briefings/post-pn-07196.pdf> - Unfortunately, this link is not directly related to the provided text. Instead, relevant government reports or briefings can provide insights into UK housing policies and the financial impact of temporary accommodation.
6. <https://www.oecd.org/els/family/database.htm> - While this specific link does not directly address the homelessness crisis in the UK, OECD data can help contextualize the UK's homelessness rates compared to other developed countries.
7. <https://www.theguardian.com/society/2025/apr/27/homelessness-crisis-councils-england-pay-above-market-rent> - Please view link - unable to able to access data