

# The financial impact of pet ownership in rental properties

Summary briefing

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## About the authors

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## Background

In the UK, the Private Rented Sector (PRS) has nearly doubled in size over the last twenty years, with 4.6 million households – approximately one in five households – now renting from a private landlord<sup>1</sup>. Renters are staying longer in the PRS due to difficulties in accessing other tenures<sup>2</sup>. Previous research underscores the challenges renters experience, including financial pressures, insecurity and precarity, and disrepair<sup>3</sup>. Due to limited housing options and insecurity, renters face barriers to making their property a ‘home’. One core aspect of being able to make a rented property a ‘home’, is for the renters to have the freedom and ability to have a pet<sup>4</sup>. Unfortunately, renters face barriers in realising the benefits of having a pet, with Zoopla<sup>5</sup> reporting that only 7% of rental properties were advertised as being ‘pet-friendly’. Battersea Dogs & Cats Home reports that around three in four renters are affected by landlord pet policies<sup>6</sup>.

The issue of pet-friendly renting has become increasingly significant in both academic and policy debates. This is due to the increasing recognition of the importance of pets for individual health and well-being<sup>7</sup>, their role in creating a sense of home and fostering community engagement<sup>8</sup>, and their status as

valued family members. Across the UK, there is increasing demand for policy change. There have been developments, including the changes to the voluntary Model Tenancy Agreement in England and the new Renters Reform Bill – which proposes that landlords will be unable to refuse pets unreasonably and can require pet damage insurance to be taken out. In Scotland, there is a proposal to give tenants the right to have a pet as part of the New Deal for Tenants and draft Rented Sector Strategy consultation.

However, concerns have been raised that approaches could have unintended consequences for private landlords. To support the policy process, test underlying suppositions about the cost of renting to pet owners and advance our knowledge of the issues, Battersea Dogs & Cats Home commissioned us to undertake this vital study to develop a better understanding of the experiences of pet-friendly rentals and to undertake an innovative cost-benefit analysis of landlords renting to pet owners.

1 DLUHC (2023). *English Housing Survey 2022-23: Headline Report*. Department for Levelling Up, Housing and Communities.

2 Marsh, A. & Gibb, K. (2019). *The Private Rented Sector in the UK: An Overview of the Policy and Regulatory Landscape*. CaCHE (UK Collaborative Centre for Housing Evidence)

3 McKee, K., Soaita, A.M., & Hoolachan, J., (2020) ‘Generation rent’ and the emotions of private renting: self-worth, status and insecurity amongst low-income renters, *Housing Studies*, 35:8, 1468-1487, DOI: 10.1080/02673037.2019.1676400

4 Soaita, A.M., (2022) Everyday activism: Private tenants demand right to home, *Housing Studies*, DOI: 10.1080/02673037.2022.2036329.

5 Zoopla (2023). *Renting with pets: 5 top tips for finding the perfect pet-friendly home*. Accessed from: <https://www.zoopla.co.uk/discover/renting/renting-with-pets/>

6 Battersea (2022). *Pet Friendly Properties: The Private Rented Sector* (London: Battersea).

7 Atherton, G., Edisbury, E. Piovesan, A. & Cross, L. (2022) ‘They ask no questions and pass no criticism’: A mixed-methods study exploring pet ownership in autism, *Journal of Autism and Developmental Disorders*, <https://doi.org/10.1007/s10803-022-05622-y>

8 Rolfe, S., McKee, K., Feather, J., Simcock, T. & Hoolachan, J. (2022) The role of private landlords in making a rented house a home, *International Journal of Housing Policy*, 23(1), pp. 113-137.



## Overview of the research

We have undertaken an in-depth study involving a Rapid Evidence Assessment (REA) of 51 international sources published after 2000<sup>9</sup>. We then undertook two surveys<sup>10</sup> to collect primary data from 2,115 private landlords<sup>11</sup> and 1,016 private renters, across a broad range of issues from relationships between landlord and renters to an in-depth exploration of damage in the private rented sector (PRS). Finally, we undertook a cost-benefit analysis<sup>12</sup> of landlords renting to pet owners, based on the evidence review and primary data collection, identifying the monetary benefits and costs for renting to pet owners, making it the most comprehensive research study on the subject to date<sup>13</sup>.

**Renters face barriers in realising the benefits of having a pet, with Zoopla reporting that only 7% of rental properties were advertised as being 'pet-friendly'**

9 McCarthy, L., & Simcock, T. (2024). Pets and private renting: A rapid evidence review of the barriers, benefits, and challenges. *International Journal of Housing Policy*. <https://doi.org/10.1080/19491247.2024.2308711>

10 To access a large sample of renters and landlords in a short space of time, Survation undertook the fieldwork for the survey, online, between 18th September to 2nd October 2023.

11 We asked private landlords how many rental properties they currently own in England. Most landlords (82%) owned between one and four properties, with 43% of respondents owning 2 to 4 properties. It is important to note that this is similar to the proportions reported in the DLUHC (2021) Private Landlord Survey, where 85% of landlords owned between one and four properties.

12 The cost-benefit analysis of this study draws upon the methodology by Boardman et al. (2018) to provide data-driven evidence on the financial costs and benefits of renting to a pet owner.

13 Full details of the methodology of this study are available in the full research report.

## Key research findings

From our in-depth exploration of pet ownership within the private rental sector, our research findings challenge prevailing stereotypes and offer nuanced perspectives on the dynamics of pet-friendly renting. The key findings of our study included:

### Is renting to pet owners costly for landlords?

- For this study, we undertook an innovative cost-benefit analysis following the established methodology by Boardman et al. (2018) to provide data-driven evidence on the financial costs and benefits to landlords of renting to pet owners.
- First, based on the international evidence, we developed a typology of the costs and benefits of landlords renting to pet owners. This includes:
  - Benefits: Longer tenancies, lower vacancy rates, lower marketing costs, higher rental income, stronger community ties, improved well-being, and improved landlord/tenant interactions
  - Costs: Pet-related damage, complaints and noise, additional management time, and higher insurance premiums
- We then used our survey findings and other evidence to assign monetary values to these costs and benefits. There were some, such as stronger community ties, where direct monetary value to the landlord could not be quantified at this stage.
- Finally, we conducted a cost-benefit analysis to calculate the Net Present Value (NPV) of landlords renting to a pet owner. Our analysis was based on several assumptions:
  - firstly, based on the English Housing Survey average length of tenure, we establish a rental period of 4 years;
  - secondly, we conduct the analysis of a time period of 12 years as property investment is usually a medium-to-long term activity and allows for three cycles of rental periods;
  - finally, our risk-free rate and inflation rate were both set to 3%.
- Net Present Value (NPV) in Cost Benefit Analysis is a financial concept used to evaluate the profitability of an investment or project over time. It measures the difference between the present value of cash inflows (such as revenue or savings) and the present value of cash outflows (such as costs or expenses) associated with the investment.
- In simpler terms, NPV tells us whether the benefits of an investment outweigh its costs, by considering the value of money over time. A positive NPV indicates that the benefits exceed the costs, suggesting the investment is profitable. On the other hand, a negative NPV suggests that the costs outweigh the benefits, signalling that the investment may not be financially worthwhile.
- We find that the Net Present Value of landlords renting to pet owners is **£3,800**. This finding indicates that over the course of 12 years, the total monetary benefits to landlords of letting to tenants with pets exceed the costs.
- A sensitivity analysis was run, and it was found that there was a benefit for landlords to rent to pet owners across a variety of different options and scenarios tested. This included property size (small vs large), location (London vs elsewhere), renter type (families vs other) and pet type (dog vs cat).



- **On average, landlords can expect to gain more financially from renting to tenants with pets than they spend on associated expenses. Therefore, renting to pet owners can be financially viable and beneficial for landlords.**

## Do pets really cause issues?

- Our review of the existing evidence found that pet damage was more of a perceived concern amongst landlords than first-hand accounts<sup>14</sup>. Our research shows that while there is some evidence of pet damage, pets do not in fact cause significant costs to landlords. The findings from our study further demonstrate the lack of issues for landlords in offering pet-friendly tenancies. Our study found:
  - **Three out of four landlords (76%) reported that they did not encounter any damage caused by pets in their rental properties.**
  - **Moreover, 73% of landlords indicated that they did not observe any discernible increase in wear and tear due to pets.**
  - **84% of landlords did not have to deal with noise or other complaints from neighbours regarding the pets in their properties.**
- A minority of pet-owning renters reported issues related to their pets causing damage (5%), increased wear and tear (11%) or complaints from neighbours (5%) in their rented properties. While these figures are notable, the majority did not experience these problems.
- When landlords were asked to rate the severity of pet damage on a scale of Minor, Moderate or Major, it consistently fell within the minor or moderate severity categories.

- **On average, the total reported cost by landlords of pet-related damage was £300 per tenancy. In contrast, landlords who didn't rent to pet owners reported an average cost of £775 for non-pet-related damages.** This suggests that while there is some damage from pets, this is less financially burdensome for landlords than damages that are not pet-related.
- **On average, the total reported cost by renters of pet damage was £200. This contrasts with renters without pets, who reported an average cost of £215 for non-pet-related damage.**
- Just under a quarter of landlords (24%) reported some form of loss from pet damage, and only a minority of these landlords (14%) paid the full cost of the damage with most being able to recoup all or part of the loss from the security deposit or it was paid directly by the tenant.
- **Overall, these findings demonstrate, that pet damage is infrequent, more likely to be minor damage, and in the majority of cases, there is no loss to the landlord compared to renting to non-pet owners.**

## Do pet-owners stay for longer?

- Our evidence review identified that pet owners typically stayed longer in their rental homes than other types of renters. This was identified as being a core benefit in reducing turnover, void periods, and associated costs for landlords.
- **Our survey findings show a consistent pattern. 50% of pet-owning renters had stayed in their previous accommodation for more than three years, compared with only 31% of non-pet-owning renters.**

14 Carlisle-Frank, P., Frank, J.M. & Nielsen, L. (2005) Companion animal renters and pet-friendly housing in the US, *Anthrozoös*, 18(1), pp. 59-77; Battersea (2022) Pet Friendly Properties: The Private Rented Sector (London: Battersea).

- **On average, renters with pets reported a longer tenure (approximately 5 months longer) than renters without pets (63 months vs 58 months).** Renters with openly allowed pets stayed longer on average (63 months) compared to those with secret pets (55 months).
- **These findings suggest a consistent trend: renters with pets tend to stay longer in their properties than their counterparts without pets, indicating potential advantages for landlords in fostering longer and more stable tenancies.**

## Are pet-friendly properties more expensive?

- The existing research evidence is that the shortage of pet-friendly properties means that pet-friendly housing can be more expensive, either through higher deposits or higher rents.
- While security deposits are capped in England, our survey findings show that some landlords charge higher rents for tenants with pets.
- **Nearly half of private landlords (49%) reported charging a pet rent surcharge to pet owners. On average, landlords charged an additional £29.10 per month.**
- While most renters and landlords reported no pet rental surcharge, our findings and the existing evidence demonstrate that this practice is established and can be a barrier to finding a property to rent.

## Can pet ownership foster a good relationship between renters and landlords?

- The existing evidence identifies that pets can foster a good relationship between

renters and landlords.

- Our survey findings show similar findings, with a larger proportion of landlords who rent to pet owners reporting a positive relationship with their tenants compared to landlords who do not rent to pet owners (74% vs 70%, respectively).
- Three in four pet-owning renters (75%) also indicated a positive relationship with their landlords, similar to renters without pets (71%). A higher proportion of positive relationships were reported when the pet was allowed (76%) compared to cases where it was not allowed or kept a secret (68%).





## Do pet owners feel at home in their rented property?

- Our international evidence review identified that being able to have a pet can help the renter feel at home in the property. Our survey findings provide complementary evidence for this argument.
- **Most pet-owning renters (82%) reported feeling at home in their rented property.** A slightly larger proportion of renters felt at home when the pet was allowed (83%) compared to when it was kept secret (77%).
- Additionally, a greater proportion of renters with pets reported feeling part of their local community (56% vs. 47%).
- Most pet-owning renters (80%) expressed satisfaction in renting, slightly higher than non-pet owners (74%).
- **Concerns about raising repair issues were more pronounced among renters with pets, with 48% expressing anxiety compared to 38% of renters without pets.** Anxiety levels were higher among pet owners where the pet was kept a secret (64%) compared to when it was allowed (47%). The difference between renters with pets and renters without pets might stem from worries about potential pet-related damages and uncertainty about how landlords might respond to repair requests.
- Ensuring renters can feel at home and confident to raise repair issues is beneficial to the landlord in the longer term. The renter not raising a repair issue could pose a potential risk of gradual deterioration of the quality of the property over time, causing further costs in the future.

## Do pet owners face challenges in finding a property?

- Pet owners face difficulties and obstacles when trying to find suitable, pet-friendly accommodation in the private renter sector.
- **Nearly two-thirds of pet owners (65%) reported difficulty in finding a rental property, a higher proportion than renters without pets (58%).** Within this group, those where the pet was allowed reported slightly more difficulty (65%) compared to cases where the pet was kept a secret (60%).





- The international evidence shows that certain groups are more susceptible to the barriers in finding suitable pet-friendly accommodation in the private rental sector. These include lower-income groups<sup>15</sup>, African-American pet owners<sup>16</sup>, and individuals trying to escape domestic violence and homelessness<sup>17</sup>.
- **The reviewed research indicates several outcomes of these difficulties in finding pet-friendly rentals. Pet owners may be forced to accept substandard accommodation<sup>18</sup>, keep their pets a secret from their landlord<sup>19</sup>, or in some cases, relinquish their pets<sup>20</sup>. These experiences were found to be accompanied by increased rental insecurity and emotional distress<sup>21</sup>.**
- **Nearly one-third of renters without pets (29%) said that if the legislation were passed, they would be more inclined to consider having a pet.** Conversely, 9% indicated that despite the proposed legislation, they still believed their landlords would not allow pets and so they would not consider getting one.
- We asked landlords what policies or incentives would make them more likely to consider offering pet-friendly properties. Out of all the different policies and incentives, **the two most popular were, firstly, requiring tenants to hold insurance to cover any damage (53%), which the Renters Reform Bill includes, and secondly, changing the Tenant Fees Act to allow the landlord to charge for a deep clean and fumigation at the end of the tenancy (51%), which is not currently being considered by the Government.**

## How can we encourage pet-friendly renting?

- The Renters Reform Bill currently going through the UK Parliament represents a potential major transformation in how the private rented sector operates. In particular, it gives renters more power in asking for a pet. Landlords will not be able to unreasonably refuse a request to keep a pet and will be able to require that pet damage insurance is in place.
- **The findings demonstrate that the Renters Reform Bill and measures, such as allowing for pet damage insurance, are critical to improving the situation for pet owners across the rental sector.**

15 Toohey, A.M. & Krahn, T.M. (2017) 'Simply to be let in': Opening the doors to lower-income older adults and their companion animals, *Journal of Public Health*, 40(3), pp. 661-665.

16 Rose, D., McMillan, C. & Carter, O. (2020) Pet-Friendly Rental Housing: Racial and Spatial Inequalities, *Space and Culture*, 26(1), pp. 116-129.

17 Giesbrecht, C.J. (2022) Intimate Partner Violence, Animal Maltreatment, and Concern for Animal Safekeeping: A Survey of Survivors Who Owned Pets and Livestock, *Violence Against Women*, 28(1), pp. 2334-2358; Slatter, J., Lloyd, C. & King, R. (2012) Homelessness and companion animals: more than just a pet? *British Journal of Occupational Therapy*, 75(8), pp. 377-383.

18 Power, E. (2017) Renting with pets: a pathway to housing insecurity? *Housing Studies*, 32(3), pp. 336-360.

19 Soaita, A.M., & McKee, K. (2019) Assembling a 'kind of' home in the UK private renting sector, *Geoforum*, 103, pp. 148-157.

20 Shore, E., Peterson, C. & Douglas, D. (2003) Moving as a Reason for Pet Relinquishment: A Closer Look, *Journal of Applied Animal Welfare Science*, 6(1), pp. 39-52.

21 Toohey, A.M., Hewson, J., Adams, C. & Rock, M. (2017) When 'Places' Include Pets: Broadening the Scope of Relational Approaches to Promoting Aging-in-Place, *The Journal of Sociology & Social Welfare*, 44(3), pp. 119-145.

## Conclusions and recommendations

Overall, our research findings debunk common myths and challenge stereotypes of renting to pet owners. Crucially, we find that there are benefits to renting to pet owners, including longer tenancies and positive relationships between landlords and renters. Most pet-owning renters manage their pets without causing disruptions or damages in their rented homes. Pet damage is infrequent, not severe, and in most cases, there is no financial loss to the landlord. Overall, our cost-benefit analysis found a positive Net Present Value and that renting to pet owners can be both financially viable and beneficial for landlords.

Based on this research, we have the following recommendations:

### 1. Implementation of the Renters Reform Bill

The reforms contained in this Bill are vital to supporting pet owners in the private rented sector. The measures will provide greater assurance to renters and provide enhanced security – in the form of damage insurance – to landlords. Efforts are needed to ensure that the insurance market is developed, and affordable products are available. Otherwise, those most affected by the barriers to pet-friendly properties – low-income households and those escaping domestic abuse – will continue to face barriers to having a pet. The broader reforms in the bill are crucial to improving the private rented sector in England, giving renters greater security – such as removing section 21 evictions and enhanced redress – that could empower renters to challenge poor practice and reduce anxiety about raising concerns about repairs.

### 2. Devolved Governments should consider new laws to support pet-friendly properties

The Scottish Government examined proposals for tenants to have the right to a pet as part of the New Deal for Tenants and the draft Rented Sector Strategy consultation. All devolved governments should consider what policies can be introduced to remove barriers for pet owners while ensuring landlords have the necessary security.

### 3. Ensure there are routes for dispute resolution and redress

Governments should make efforts to ensure there are routes for effective dispute resolution between landlords and renters where an issue does arise. This will help to ensure that issues, whether on the renter's or landlord's side, can be addressed before culminating in a breakdown of the relationship. Furthermore, if the Renters Reform Bill and similar measures are introduced, there will need to be effective redress available to renters to ensure they can enforce their right to have a pet.

### 4. Break down barriers to affordable and fair pet-friendly rentals

Our findings illustrate that the barriers to pet-friendly rentals can affect particular groups more acutely, including lower-income households and individuals trying to escape domestic violence and homelessness. The proposed rights in the Renters Reform Bill are necessary, and providing the option for pet damage insurance will be essential. However, there needs to be considerations regarding the affordability and fairness of the costs associated with pet-friendly rentals. Additional pet surcharges on top of insurance could be an unfair barrier. Our



findings identified that nearly half of landlords were charging a pet rental surcharge. However, 76% of landlords reported no additional damage costs associated with pets and of the minority that did, most were able to recoup some if not all of the cost through the standard security deposit. More academic research on breaking down barriers to support pet-friendly rentals, such as the affordability and fairness of insurance and pet surcharges, alongside the need for and opportunity of other measures, is needed to guide the discussions and considerations on making the sector open to all.

## 5. Cultural change is necessary

The measures included in the Renters Reform Bill will provide the legal foundations. However, the culture needs to change and support private landlords to encourage pet-friendly rentals. Effective and consistent communication from stakeholders across the sector is needed to highlight the benefits of renting to pet owners and raise awareness of routes for redress, insurance, and dispute resolution.



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