



16 December 2009

Landlord Christmas List

1. The end to none direct payments of housing benefits

The introduction of the Local Housing Allowance (LHA) and the removal of direct payments to landlords letting to tenants on benefits have caused more consternation than any other issue. The Tories have promised to reinstate it. Who ever gets into power, too many landlords are refusing to let to tenants on benefits depriving them of a real choice of accommodation and too many landlords are getting caught out by scamming irresponsible tenants not paying their rent and moving on. I want the government to reinstate direct benefit payments to landlords.

2. No more regulation

In recent years landlords have been subjected to a barrage of regulation with arguably little or no benefit for either tenants or landlords. We have had the licensing of Houses in Multiple Occupation (HMOs). The introduction of HIPs when marketing property for sale, the requirement of an EPC when marketing a property for rent, the introduction of the Tenancy Deposit Scheme (TDS).

Let's bring an end to this avalanche of legislation. I hope that governments will accept that a free, vibrant market in rental accommodation will do more to deliver quality rental accommodation to tenants than a stream of petty box ticking exercises foisted on landlords by under worked bureaucrats.

3. A recognition of what landlords do.

It was only a couple of years ago that landlords were being berated by all and sundry for being societies great pariah; crowding out first time buyers and becoming property millionaires off the back of their poor starving tenants. The reality in these austere times is that landlords provide accommodation for the great and the good from humble bed sits to luxury London penthouse apartments. The private rental sector provides accommodation for between 11-12% of households at NO EXPENSE to the public purse. It would be nice for the government and society to acknowledge this occasionally.

4. An increase in the maximum rent that can be charged using an AST

Currently the Housing Act restricts the creation of Assured Shorthold Tenancies to those paying less than £25,000 per year in rent. The logic for this was that when the legislation was bought in; it was thought that anybody paying this kind of rent must have been a multimillionaire and therefore easily able to afford to pay a

whole team of legal advisers to draw up a rental agreement. Anybody living and renting in central London today knows that renting a property for just over £2000 per month is no longer at the luxury end of the market. It's just as likely to be a modest flat in an average part of town.

Rather than lots of headline catching bits of regulation; why not just keep the proven bits of legislation up to date. I want the government to amend the Housing Act and increase the annual limit of an Assured Shorthold Tenancy (AST) to £50,000.

5. The anomaly of s.21 & s.8 Possession claims system

I've recently written about what happens when the tenant stops paying their rent?

During this process it came to light that one anomaly of the current system is that whilst landlords can make a possession claim online using the Possession Claims On Line system (PCOL). However, this route is only available for section 8 Possession claims. Why?! Why is it not possible to do the same for section 21 claims? My final request therefore is that landlords have the option to seek possession for their rental properties using the PCOL system for accelerated possession.

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This quarter's finding from Young Group's market sentiment survey indicates that despite a small increase in the volume of mortgage products on the market, increasingly, all landlords want for Christmas is a wider choice of appropriate mortgage finance.

It was the top choice of landlords, with 39% putting it top of their wish list (compared to 28% in Q4 2008). Perhaps in response to recent housing price data, which has seen stabilisation and small rises, 'house price stability' was knocked from last year's number one position by 'wider mortgage choice'.

Also more important to landlords this year was their own 'job security' indicating that there is still uncertainty over employment in the minds of residential property investors. Those choosing 'job security' as the most desirable option rose by 6% to 27% in the past 12 months, and shifted up from third to second place on the Young Index Landlords' Christmas Wish List.

It seems that the landlords questioned are yet to get behind the 1808 Coalition's push for stamp duty reform. It languishes at the bottom of the Landlords' Christmas Wish List with just 4% picking it as their first choice.

Landlords were also relatively uninterested in 'further reductions in base rate' with only 7% putting an interest rate cut at the top of their list; unsurprising with base rate remaining at an all time low of 0.5%.