

## **MINUTES OF BROXBOURNE LANDLORDS' FORUM**

**Thursday, 12<sup>th</sup> October 2023**

### **Present:**

Richard Blanco – National Residential Landlords Association (NRLA)  
Pat O'Keeffe (Accommodation and Resources Manager – Broxbourne Council)  
Loretta Foote (Simple Lets Officer – Broxbourne Council)  
Neba Strauss (Simple Lets Officer – Broxbourne Council)  
Nadine Szawatkowski (Environmental Health Technical Officer – Broxbourne Council)  
Nick Jennings - SAFS – Shared Anti-Fraud Service

The recording of this event including all the presentations can be accessed by logging into the NRLA website and visiting the Training and Events section.

### **WELCOME**

Richard Blanco, NRLA representative, welcomed everyone.  
Pat O'Keeffe, Broxbourne Council, welcomed everyone.

### **Richard Blanco, NRLA represented:**

#### **INDUSTRY NEWS AND STAYING AFLOAT**

There was a presentation by Richard Blanco (RB) from NRLA on Staying Afloat and Hard Choices Ahead.

#### **A shrinking private rented sector (PRS)**

According to a report commissioned by NRLA, the private rented sector (PRS) has had 14 interest rate increases from December 2021 to September 2023. 0.1% to 5.25% - it is expected to peak at 3.5%.

Average five year fix mortgage rate falls below 6% for first time in months.  
Supply chain still at an all-time high due to war in Ukraine, Brexit, and Inflation in food, timber, labour storages and the growth in the UK.

Recently the Bank of England put the interest rates up and only 15% on variable rates and it maybe we have hit the peak of the rates.

Inflation is the biggest issue and may stay high till 2024. It maybe that re-mortgage or product switch is an option.

Modelling your way forward

It was advised to seek advice from a regulated mortgage broker. Re-mortgage or produce switch. Tracker or switch. 2 years or 5 years.

Example of best cases on the different types of options was provided via the slide.

## **Shifts in the leading market**

It's a tough time to buy to let lenders.

There is increases in arrangement fees, but lower product rates. Opening up to different business.

## **Housing Market**

Nationwide we are down 5.3% in the 12 months to September.

There is a lot of uncertainty and this is due to the general elections next year.

Lending is down from previous year.

It is taking 41 days to secure buyers in London. Lewisham, Sutton and Waltham Forest are taking 29 days.

## **The Supply Crisis and You**

Stats are advising that 37% of Landlords are planning to sell in the next 12 months, and only 8% are buying.

12% sold in Q2 and 5% purchased.

The demand for rented properties has risen and rising.

There is a feeling there is a perfect storm brewing for Landlords with the rental reform bill, plus licensing and Article 4. Rise in interest rates. Generation of LL's retiring from the 1990's.

## **The Letting Market**

Rents are up by 5.5% in 12 months and Zoopla have reported rents up by 10.4%. There is a dilemmas for long term tenants in having a refurb vs low rent.

Giving tenants longer notice and being Firm, Fair & realistic.

More landlord are saying good bye to agents, and hello to cheap portals.

It is suggested that the reset of market rents at the time of changing tenants.

Plan ahead with a rent strategy.

## **The Challenges of Selling**

Tax planning, using limited company to mitigate s24. Capital Gain Tax is main challenge for selling. Owning properties in a partnership.

Timing – Concerns about regulations, no longer enjoying being in the business, mortgage pressure and loss of profitability.

## **Opportunities of holding Firm**

Government must do something about the supply crisis

Being part of a PRS scheme, Tenant selection, Property Portal opportunities, and High demand with rising rents.

## **Buying into Future Uncertainty**

What is unknown – Government elections next year. Survival of rental reform, likely that S21 will be abolished.

What is known – 8% of landlords will buy next year. Supply, not building enough properties. No rent control in England. Changes to short term lets.

If you are buying – Focus on Structure.

Building in a Limited Company, 19-25% corporation tax, tax on dividend withdrawals 8.75%, 33.75%, 39.35%.

Full relief on mortgage interest, but higher product rates.

Own personally – Manage business through a limited company. Personal mortgages are cheaper, but only 20% relief on interest.

## **SIMPLE LETS SCHEME**

Next, there was a presentation by Neba Strauss & Pat O'Keeffe from Broxbourne Council with an update on the Council's Simple Lets scheme. The scheme was launched in November 2011 and to date 555 families have been housed in the private rented sector (PRS) through the scheme. The Simple Lets team currently consists of a Senior Simple Lets Officer and two Simple Lets Officers.

The main aims of the scheme are to:

- make the process of letting properties in conjunction with the Council's homelessness team more streamlined, effective and efficient
- with emphasis on service, communication, advise and support
- objective is to retain landlords and agents by forging good working relationships

There are many benefits to what's on offer such as:

- Unlimited supply of tenants ready to move into homes at short notice
- Choice of prospective tenants
- A Simple Lets Officer will work with you throughout the tenancy to ensure a successful let
- Free tenancy agreements
- Affordability assessment on all tenants
- The Simple Lets Team are available for both landlord and tenant. Contactable as a 'one stop shop' throughout the duration of the tenancy to resolve any issues that may arise
- Tenants ready to move at short notice
- No Letting Fees
- Landlord guidance, incorporating information on current legislation, H&S requirements.
- In the event of Landlords or Tenants not having access to printer we will post documents.
- Early intervention work in partnership with the Financial Inclusion Team, the Community Safety Team and Environmental Health to attempt to resolve any issues as early as possible.
- If notice is served, the council will offer to move tenants at the expiry of the notice rather than insist on a court order, – most Councils do not do this!

- Assistance with deposit disputes that may arise at the end of the tenancy
- Support worker available to tenants if required, via our Floating Support Team

The Simple lets are carrying out a survey to help to review the Simple Lets scheme:

- Satisfaction survey for landlords and agents to help Broxbourne Council improve the Simple lets scheme
- Let us know the challenges faced when letting your property
- Your views and experiences on the Simple lets scheme
- Any recommendations to help improve the scheme that will make it work well for you
- Surveys have been handed out, please complete and hand in
- The surveys are also available on the Council's website, click on Housing then Simple lets Scheme and scroll down
- The survey is likely to take 5-10 minutes to complete

The Council recognises the importance of the PRS and continues to work with private landlords and agents through its successful Simple Lets scheme to help house low income households

## **ENVIRONMENT HEALTH**

Nadine Szawatkowski from Broxbourne Council provided an update on how to deal with damp and mould.

- What are the main causes of damp and mould
- Excess moisture. Moisture in building which can be caused by excess moisture, and can be because of leaking pipes, rising damp, heating and ventilation. Lack of ventilation is the major factor.

Obtain valid certs for Gas, EPC's.

Work together – tenant and landlords to address issues.

To date Broxbourne has not taken any Landlords to court.

## **SAFs SHARED ANTI- FRAUD SERVICE**

Nick Jennings, Head of Service, from the Shared Anti-fraud service explained the following:

What is tenancy fraud:

- Non-occupation as principle home
- Right to buy fraud
- Succession fraud
- Fraudulent applications
- Key selling
- Illegal sub-letting for profit– part property
- Illegal sub-letting for profit – entire property

The Annual Fraud Indicator from 2017 put the cost of Housing Tenancy Fraud at £1.9m.

Housing Tenancy Fraud Guide

- A number of Council reported that there is a growing problem of unlawfully obtained properties being advertised for let in local newsagents, estate agents and on websites, including air B&B
- It was deemed that more information and guidance on unlawful sub-letting for letting agents could assist prevention

#### The scale of the problem

- 1 in 30 homes outside London are subject to some form of tenancy fraud
- 148,000 social homes are fraudulently occupied each year
- Average cost of tenancy fraud is £42,000 per property
- 1.2 million Families in England on housing waiting list and 95,000 homeless families in temporary accommodation

#### Prevention of Social Housing Fraud Stats

- Sub-letting is a criminal offence
- The maximum penalty for subletting is a fine of £5000
- If the If the property was sublet dishonestly, the offence is punishable by a two-year jail sentence and/or a fine of up to £50,000.
- The court will also have the power to make "unlawful profit orders" that require the tenant to pay back any profits "the court considers appropriate".

#### How can you help to prevent Tenancy Fraud

- Very property being let should be subject to a Land Registry check to confirm the owner. In addition to any other ID checks.
- The cost to check with Land Registry is only £3 per property
- If the owner is B3 or any other social Landlord (RSL)

#### How you can report Tenancy Fraud

- **Contact SAFS** [www.hertfordshire.gov.uk/services/business/consumer-advice/safs.aspx](http://www.hertfordshire.gov.uk/services/business/consumer-advice/safs.aspx)
- We can use data sharing with our other partners, POSHFA/POCA, credit reference agencies and other 3<sup>rd</sup> parties to investigate fraud.
- **Contact B3Living**

<https://www.b3living.org.uk>

- They will need to be made aware their tenant may be trying to sublet a property illegally.

Don't be afraid to question anything if you are not 100% sure.

**SAFS Hotline: 0300 123 4033**

Date of next meeting: **17<sup>th</sup> April 2024**

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