



MARCH 2010  
ISSUE 2

# CAMPAIGN NEWS

...monthly update from the NLA Campaign Team...



## AT A GLANCE...

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*Welcome* back to the NLA's Campaign News update. Unbelievably, March is upon us and the first quarter of the new year is almost at an end. February was a busy month and the NLA would like to thank all of those members who took the time to get involved with our campaigns.

The call to action included in the last edition of Campaign News has resulted in more than 600 landlords writing to their Member of Parliament to express their dissatisfaction about plans to further regulate the provision of shared housing. Central Government can be in no doubt what ordinary landlords think of their latest plans, nor what the impact will be on the housing market.

Many thanks also for your continued support for the NLA Quarterly Survey. The first survey of 2010 has experienced its best response rate yet, although there is still time for you to contribute at:

[NLA Quarterly Survey](#)

The work of the NLA Campaigns team goes on at pace across a broad range of issues. Particularly as the Government seem to have waited until the very last moment to propose far reaching reforms.

Following on from its proposals to regulate buy-to-let mortgages, the Treasury has now published plans to encourage investment in residential housing from further afield. It is currently consulting on initiatives to incentivise large scale investment in the private-rented sector and the NLA is determined to ensure that smaller portfolio landlords are not swept aside by eagerness to court the big pension funds.

The Department for Work and Pensions has finally established a review group to conduct the long-awaited review of Local Housing Allowance. The NLA is a founder member of this group and will continue to push for the critical reforms necessary to re-establish housing benefit recipients as a viable market for professional landlords.

Less than two months since its launch, the NLA has learned that the much heralded 'boiler scrappage scheme' designed to replicate the successful car scrappage scheme is almost out of cash. According to the Energy Saving Trust, which administers the scheme, there are now less than 70,000 vouchers left and demand remains strong. Landlords who believe they may be eligible and are planning to replace an old boiler need to act fast in order to benefit from the scheme.

As always the NLA team are keen to hear your views on these and any other related issues. If you want to get in touch please email us at: [policy@landlords.org.uk](mailto:policy@landlords.org.uk)

Alternatively, why not follow our new blog at: [NLA Blog](#)

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*the NLA is determined to ensure that smaller portfolio landlords are not swept aside by eagerness to court the big pension funds*

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## FOCUS: *Energy Efficiency Made Cheap?*

The Government has recently announced another major strategy, this time focussing on improving the nation's domestic energy efficiency.

According to the Department of Energy and Climate Change (DECC) the new Greener Homes Strategy will see emissions from UK homes cut by 29% in the next ten years.

Announcing the proposals, Secretary of State, Ed Miliband said:

*"The Warm Homes, Greener Homes Strategy will remove the deterrent of upfront costs and reduce the hassle of the move to greener living".*

Unusually for a scheme designed to improve residential energy efficiency, these announcements have the potential to help landlords who wish to renovate their rental properties and could reduce the financial barriers to doing so in an environmentally friendly way.

Traditionally, such schemes have failed to capture landlords' imagination as the cost must be borne by the property owner, while the lion's share of the benefit is felt by the tenant. However, in this instance it appears that the Government has learned from its earlier attempts, with proposals that finance could be made available which would be repaid by the person responsible for paying the, hopefully reduced, utility bills.

### ***Sound too good to be true?***

Unsurprisingly there are a couple of drawbacks.

1. With only a month or so until the Prime Minister must call a General Election, implementation of any new policies will have to wait until the formation of a new government. *(Although the eagle-eyed amongst you may have noticed the similarity between this and recent proposals from the Conservative Party).*

Irrespective of which party wins the election there is no guarantee of what policy priorities they will focus on. Therefore it may never happen, or it may take a very long time to come about.

2. There are some 'grey areas' to the policy. The small-print accompanying the announcement talks about working with surveyors to ensure that property valuations better reflect the energy efficiency rating of the building. This is most likely to mean informal guidance for professionals valuing property, reminding them to consider its rating, but it could lead to further regulation proposals.
3. The proposals were published hand-in-hand with *yet another* consultation about the use of Energy Performance Certificates (EPC). Although the details of this have not been released at the time of writing it is likely to propose an extension of the scope of EPCs in relation to HMOs.

### ***What is the NLA doing?***

The NLA remains cautiously optimistic about the proposals - as there are still a wide range of unknown factors - but will continue to push for incentives which reduce the cost of renovation and help to improve energy efficiency where it is appropriate.

However, we will continue to oppose any policies which make mandatory unnecessarily costly measures, or those which seek to limit a landlord's ability to let property.

As always, we are working closely with the Government, opposition parties and stakeholders to ensure that landlords' views are represented.

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*remove the deterrent  
of upfront costs and  
reduce the hassle of the  
move to greener living*

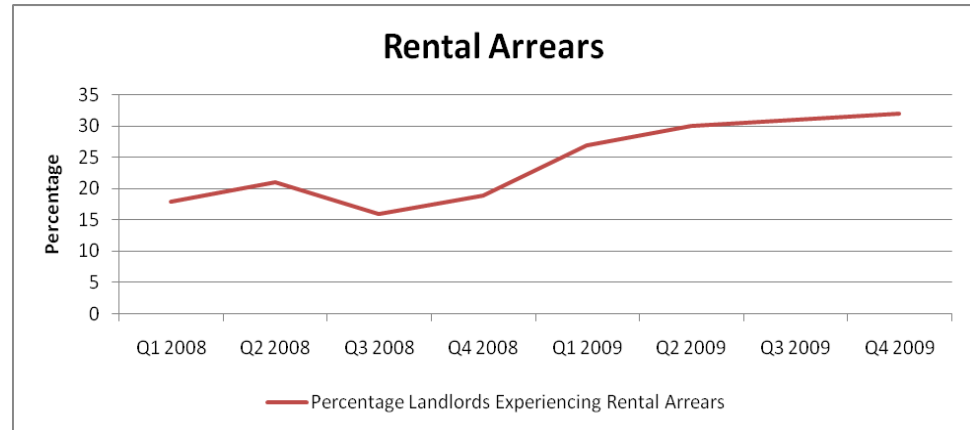
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## PRS RESEARCH: *Arrears Levelling Off?*

Since the beginning of the downturn landlords have been reporting increases in outstanding unpaid rent representing a sharp rise in rent arrears.

However, the NLA's latest research shows that arrears appear to be beginning to level off.

As the chart below illustrates over the last three quarters of 2009 there was only a 2% increase in the reported incidence of arrears compared to a corresponding rise of 11% in the preceding period.



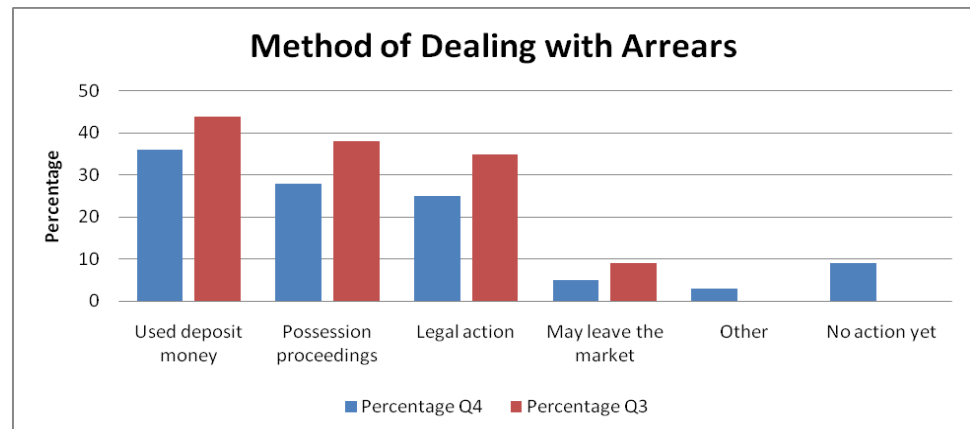
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*32% of landlords have experienced arrears in the last 12 months*

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The picture in relation to how landlords deal with arrears is perhaps unsurprising, most landlords report using deposit money to recoup losses once the tenancy comes to an end. The initiation of possession proceedings and other legal action also ranks highly.

However, confidence seems to be returning slowly and fewer landlords are now sufficiently concerned by arrears to consider leaving the market altogether.



# Media Round-UP: *Press Highlights*

The Council of Mortgage Lenders' (CML) latest buy-to-let repossession and arrears figures showed the market was more resilient than originally feared, while criminal gangs targeting the private-rented sector prompted a warning from the NLA, but the big news was Government plans for the private-rented sector, including a Trip Advisor style website.

The Financial Times and The Times both covered the story, using the NLA's criticism of the plans as 'unworkable' and 'penalising the law abiding' (see below).



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*Penalising the law abiding*

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## mortgagestratēgy

### Landlords are at the mercy of tenants playing the system

I couldn't agree more with the National Landlords Association's recent criticisms of government proposals to offer more protection for tenants.

The government is being stupid. Look at the way Housing Benefit works now - there's the Local Housing Allowance which is a good idea but payment is made to tenants rather than landlords.

If rent is not paid, what can landlords do?

The government lives in fairyland. It does not realise a lot of unemployed tenants have financial problems and many are addicted to drugs or gambling.

Some tenants claim Housing Benefit and then don't pay their rent. Isn't that fraud?

A register for landlords won't work. The best thing would be to have an ombudsman to resolve issues between tenants and landlords, scrap deposit protection schemes and stop paying Housing Benefit to tenants.

And why not create a database for non-UK citizens? This could contain European Union nationals as well as foreign nationals to ensure they don't cheat the system.

I know for a fact there is a lot of fraud in the system, primarily due to the payment of Housing Benefit direct to tenants.

Once they get a tenancy agreement some tenants stop paying their rent so their landlords evict them. They then have their mail redirected so their benefit cheques go to other addresses and they cash them.

Of course, the innocent landlords have no idea what's going on as they have already evicted them and know nothing about their claims. So why should landlords be punished?

Tenants provide no security and some simply run off with rent, furniture and valuable appliances. When tenants steal or leave

without paying their rent landlords are understandably worried about the same thing happening next time round.

So get tenants sorted out but please get the law in shape to protect landlords too.

NAME AND ADDRESS SUPPLIED

A letter to the Editor in Mortgage Strategy was also in agreement with the NLA's view.

## Industry News: *NLA ear to the ground...*

Things can only get better (*in the mortgage market that is*):

- Good news at last, as increasing numbers of lenders are relaxing their rules on buy-to-let lending. The Daily Mail reports that lending levels are beginning to return to pre-credit crunch levels.

However, it's not all good news, it's still difficult to get a new buy to let mortgage, but good news for those looking to remortgage.

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*letting agents are  
expected to comply  
with the law*

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OFT v Foxtons:

- The long drawn out case seems finally to be at an end, and although the judge ruled the charges represented a 'timebomb' for the consumer, the charges are allowed to stay. However, they must be spelled out clearly in all contracts.

This doesn't go far enough for the NLA, who have repeatedly called for these charges (which only seem to happen in London and the South East) to be scrapped.

## Meet the NLA Campaign Team

As this is the first edition of Campaign News, please meet the NLA Campaign Team:



**Simon Gordon**  
Head of  
Communications



**Steven Hilton**  
Media Relations  
Manager



**Chris Norris**  
Policy Manager



**Vincenzo Rampulla**  
Public Affairs Officer



**Ellie Irwin**  
Press Officer



**David Cox**  
Policy Officer

For further information, please go to [www.landlords.org.uk/campaigning](http://www.landlords.org.uk/campaigning) or contact the NLA Campaigns Team at [policy@landlords.org.uk](mailto:policy@landlords.org.uk)

The National Landlords Association (NLA) exists to protect and promote the interests of private residential landlords. With over 20,000 individual landlords from around the United Kingdom and over 90 local authority associates, it provides a comprehensive range of benefits and services to its members and strives to raise standards in rented accommodation. The NLA seeks to safeguard landlords' legitimate interests by making their collective voice heard by local and central government and the media. The NLA seeks a fair legislative and regulatory environment for the private-rented sector while aiming to ensure that landlords are aware of their statutory rights and responsibilities towards their tenants.