

The Rt Hon Robert Jenrick MP
Secretary of State for Housing, Communities and Local Government
Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF

18th March 2020



Dear Secretary of State,

Covid-19 and its impact on renters

We very much welcome the Government's responses to support people and businesses over the past week. Naturally, one of the most important human needs is a secure and safe home, and as representatives of the private rented sector, including Build to Rent, we are keen to ensure the sector's customers are supported through these unprecedented times.

The Government's measures to support homeowners have been widely welcomed, but as you know, the private rented sector has grown significantly in the last 10 years to 4.5 million households. The profile of customers living in the private rented sector ranges from young professionals to key workers who are critical to the country's response to this outbreak, including health and care workers, as well as those who would be considered 'vulnerable' to coronavirus. The sector also houses people who work in the hospitality and retail sectors who are losing jobs by the day. Landlords are likely to face significant challenges in continuing to operate in the immediate future should tenants not be able to pay rent. Some landlords will be in a position to offer support, but not all, and we think some support for renters from Government is necessary.

The most important thing is keeping people safe in their homes, particularly when Government advice is to limit social contact. An extension of the housing benefit system to those who may suffer a temporary and perhaps partial loss of income and are able to access support quickly would seem the most appropriate way to offer help. This would also support landlords who are offering help, so that they do not have to absorb the whole cost, but can allow part deferral of rent on the difference between what housing benefit pays and a customer's rent. As part of acting responsibly our members would do their utmost to signpost tenants to appropriate support and assist them in making applications. We would ask for support from your Ministry to provide landlords with clear guidelines so they know where best to direct customers that are facing hardship.

For the smaller end of the sector, there may also be a need for interest rate payment deferrals on landlords' borrowings, where they have offered rent support to their tenants, so that they can ensure their own bills get paid. At the larger end of the spectrum, professional landlords with corporate

financing arrangements will need to service their debt and interest payments, and will not be able to offset this against any deferral of rent. This would, potentially make it more difficult for large landlords to support tenants in this way. Anything the government can do to bridge this gap would be welcome.

Allowing broader access to housing benefit should also ensure such renters are supported with council tax payments. Landlords delivering new homes, however, are likely to see a significant drop off in people seeking new accommodation and we would ask for some support for those seeking to deliver new homes, with council tax not being charged between practical completion and occupation.

As representatives of responsible landlords, ensuring their tenants are secure from eviction is something we think would happen naturally in most circumstances because landlords will want to take a compassionate approach, and with restricted home movement, it is better to have a loyal tenant than an empty home. We can understand the Government wanting to ensure that the approach is sector wide and we remain very willing to work with you to develop such proposals. It is important any legislation is time limited, so we can return to a more considered tenure reform when the situation is normalised. Any restriction on evictions must also go hand-in-hand with the support measures outlined so that landlords are able to continue to maintain safe and secure housing for their tenants. Two elements which require careful thought are; where there are exceptional circumstances for eviction, for example, where a tenant is engaged in severe anti-social behavior, or endangering themselves or other tenants (through non-safety compliance); and, to consider in such circumstances what the court process might be in a world where courts may struggle to support landlords in their quest to keep residents safe.

Exceptional operating measures are evolving daily in response to the unprecedented circumstances to keep people and property safe and secure. Landlords and their operators are working hard to ensure essential services can still be delivered despite this. The measures outlined above will hopefully provide both renters and landlords with the support they need during this difficult period.

We would be delighted to arrange a video-conference with our organisations and some members who are seeking to ensure they continue to act professionally and support their customers.

Kind regards.

Your sincerely, sent on behalf of the

British Property Federation

London First

UK Apartment Association

cc: Jeremy Pocklington, Naeem Ali, Guy Skelton and Mark Nicholas, all MHCLG