

Coronavirus - what Landlords Need to Know

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Tessa Shepperson of Landlord Law talks to John Stewart – Policy Manager for the NRLA.

If you have any questions , please put them in the Q&A box. We will answer as many as we can.

Landlord Law Virtual Conference, 12 & 13 May: <https://landlordlaw.co.uk/conference-2020-virtual/>



Coronavirus (COVID-19) What landlords need to know

John Stewart – Policy Manager, RLA



Overview



Overview

- Health
- Management
- Finance
- Possession



NRLA

NATIONAL RESIDENTIAL
LANDLORDS ASSOCIATION

Health



Follow Government & NHS Guidance

- Hygiene
 - for everyone
- Social distancing
 - for everyone
- Self-isolation
 - for symptomatic people
 - their household
 - high risk groups
- Shielding
 - for 1.5 million vulnerable people



In practical terms

- Avoid visiting your property, if possible
- Signpost tenants to government advice
- Display official advice notices in HMOs
- Consider soap/hand sanitiser in common areas of HMOs
- Additional support for vulnerable tenants



Property Management



Overview

- Keep in touch with tenants
- Avoid unnecessary visits
- Delay non-essential repairs and maintenance
- Follow social distancing advice for necessary visits
- Have a contingency plan if you need to self-isolate
- Keep in touch with agent, if property is managed
- Keep records



Keep in Touch with Tenants

- By email, telephone, video or messaging services
- Let them know you are aware that coronavirus may impact them
- Tell them you will be sympathetic
- Signpost to government advice
- Warn of delay to non-essential repairs and maintenance and cleaning
- Ask them to advise you and other tenants if they become symptomatic
- Advise them of your contingency arrangements when necessary



Repairs, Maintenance, Inspections

- Work that affects tenant safety or where the property may become uninhabitable
- Licensing, gas or electrical safety, smoke and CO detectors etc
- Need tenant permission to enter property
- Check contractors/inspectors are not symptomatic
- Contractors should follow social isolation and hygiene advice
- Advise tenants to stay out of areas where contractors will be
- Keep records



Repairs, Maintenance, Inspections

- May have difficulty securing contractors or inspectors at this time
- Consider reducing rent where repair or maintenance is delayed
- Ask tenants to undertake HMO communal cleaning for pay or rent reduction
- Clarity required on non-urgent legal obligations such as inspections
- RLA and NLA calling for deferral or non-enforcement
- Calling for a delay to all new licensing schemes



Marketing, Voids, Check-in/out

- Few people looking to move – increase in voids
- Consider video viewings – but must be fair – consumer protection
- Issues with tenanted properties, HMOs especially with self-isolating tenants
- Inventories, check-in and check-out more difficult
- Follow social distancing and hygiene rules
- May lead to increase in deposit disputes



Managed Properties

- Stay in touch with your agent/property manager. Ask:
- About their contingency plans
- To be informed of any missed inspections etc
- To be informed of arrears, voids, disputes etc
- To be informed about reduction in service eg cleaning
- About reduced fees, if service reduction
- Keep records



Finance



Overview

- Rent
- Financial support for tenants
- Mortgage holidays
- Support for landlords



Rent

- Be proactive – ask you tenants if they are worried about income loss
- Tenants are not automatically entitled to a rent ‘holiday’
- Tenants who can afford, should continue to pay rent as normal
- For others, negotiate a reduced rent or rent-free period
- Be clear tenants will have to repay arrears, unless agreed otherwise
- Carefully document all rental payments and arrears
- Consider a payment plan for arrears when tenant is back on their feet
- Guarantor or insurance



Tenancy Issues

- Tenant may want to/has ended tenancy early
 - Technically can enforce tenancy term – but difficult if, eg overseas student
 - May be unable to re-let
 - Try to work with tenant to keep in property
 - Landlord can retain deposit to cover some rent
 - Pursue guarantor, if there is one
- Tenant has agreed tenancy but now not moving in
 - Little can be done
 - May be able to retain any deposits



Support for Tenants in Employment

- May qualify for in-work benefits
- Employers can access grant for 80% of wage, up to £2500
- Only available if employer does not make employee redundant
- First payments towards end of April
- Expected to apply to zero hours contracts
- No similar support for self employed
- Statutory sick pay for ill employees, paid from day 1, reclaimable by employer



Welfare and Benefits

- Tenants who lose their job should apply for benefits
- Universal Credit and Working Tax Credits increased by £1,000 annually
- 5 week wait for UC payment – repayable advance available
- No change to direct payment of housing element to tenant
- Self-employed entitled to UC at SSP rate - £94.25 per week
- Discretionary Housing Payments (DHP) may be available from local authority
- Issue for non-UK/EU nationals not entitled to benefits



Other Help

- Utility bills
 - tenant should contact supplier
- Council Tax
 - contact local authority who may have emergency fund
- Grants and loans
 - some trades and professions have hardship funds
 - Local charities
- Alternative employment
 - supermarkets and delivery firms are hiring



Support for Landlords – Mortgage Holiday

- Need to contact lender
- Limited evidence required
- Expected to be passed on to tenant via rent reduction
- Will need to be repaid through higher future payments or extended term
- Should not affect credit rating



Other Support for Landlords

- Rent Guarantee insurance – contact insurer
- Unclear if council tax support will apply to HMO landlords
- No indication of further government support



Possession Restrictions



Emergency Legislation

- Very limited scope
- Effectively introduces a 3 month notice period for most claims
- Appears not to apply licences, company lets
- No pre action protocol requirements yet

But

- Courts already acting to limit and suspend hearings
- Bailiff availability likely to be affected by work and travel restrictions
- Ministers have wide powers to extend or vary legislation



Questions



This webinar came from:



Websites:

- Residential Landlords Association - <https://landlords.org.uk/>
- National Landlords Association - <https://landlords.org.uk/>
- Landlord Law - <https://landlordlaw.co.uk/>

