

# Home Truths about the Rental Housing Sector

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You couldn't make it up!

The government's brand spanking new piece of legislation, i.e. The Renters Right's Bill, and changes to the no-fault evictions just announced, will I'm afraid, sound the death knell for private landlords who have been teetering on the edge for some time now.

Whilst I am vehemently against any form of 'legitimised Rachmanism', on the other hand, buy-to-let landlords are becoming an extinct species today, as the fiscal and regulatory noose tightens around their necks, asphyxiating any possible life left in them.

Get a grip Angela Rayner. We know you are trying to prove your worth, but you have to be aware of the consequences of your actions. You are not in a debating chamber now when you pull the levers action flows and not always to the benefit of the Nation. Amongst your many 'over entitlements' you are meant to be the Secretary of State for Housing and by echoing politically inspired soundbites, trying to protect the few abused tenants by introducing this Bill, if you are not careful, you are going to frighten away perfectly legitimate private landlords who should be seen by you as, 'a necessary evil'.

In this much underestimated sector, ordinary people (not just institutions) are desperately trying to keep a hold on buy-to-let investments and are hanging on by their fingernails as the higher cost of borrowing, increased regulation and changes to the tax treatment levied by successive governments, are squeezing out any benefit they may have had in the past, to justify their worth.

We cannot go back to the 60s/70s whereby tenants could judiciously use the new laws to not pay rent and remain in the property whilst the landlords have to service the loans and pay for the outgoings without being able to gain vacant possession. The tenants are not fools and will wait for the landlords to acquiesce and pay them a 'Kings ransom' to leave the property. This would be totally unacceptable but a very real consequence of this proposed legislation. Be careful not to throw the baby out with the bathwater!

Let's face it, governments do not as a rule build homes themselves but instead rely on local councils, housing associations and some partnerships with private developers, to do the job for them, if they have the funding, requisite planning, and the sites to develop.

Paralysis of the planning system and Nimbyism are holding up some perfectly developable schemes which has not helped the housing supply, but the inescapable truth is, that there will never be enough social housing to meet the ever-increasing demand from renters, particularly if the uncontrolled immigration issue persists as it has done in the past.

Whether the government like to admit it or not, instead of treating private landlords as pariahs they need to work with them to increase the supply, so that rental prices do not go through the roof and further disenfranchise the vulnerable.

Let's face it, wayward landlords who abuse their tenants are few and far between, since the majority are pretty decent people.

By bringing in a draconian law, yes you will chastise those few errant landlords, but in doing so, most of the others will sell their investments and get the hell out of the business. Therefore, the cure will be infinitely worse than the curse.

This is the predictable effect of the 'dead hand' of government interfering with markets and leaving them in a far worse state than before.

Although it is a laudable pursuit to try and take a sledgehammer to the byzantine planning process, which many governments have tried and failed before, even if this were possible, it still would take many years to unblock the chicane and get the bricks laid on the ground, as there is no quick fix here.

Tax relief on mortgages for private landlords should be re-introduced immediately and the work that tribunals do, to arbitrate disputes in this sector should be properly resourced. In doing so, you will dramatically increase the supply of homes to rent from the existing pool of housing stock and when the planning reforms come on stream, you will have a greater increase in supply and hopefully, allow the rent levels to become more affordable for the masses.

This common sense and enterprising suggestion will, I fear, meet head on with the ideology of the Labour government (and their pay masters), who are hell bent on throwing red meat to the left-wing zealots of their party (and friends) who are baying to grab some of the bulging wallets of the middle classes.

The government needs to listen more to the centralists like Blair and Mandelson and not to the union leaders who are fueled by politics of envy.

What we need is a proper partnership between the government and private enterprise. This can temper each other's objectives and steer the way forward so that the vulnerable can still be accommodated, whilst the sector expands and thrives, for the benefit of the many.