

David Cox, National Landlords Association

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Speech Against Additional Licensing and Article 4 Directions in Bath

The National Landlords Association doesn't believe that either additional licensing or Article 4 Directions will improve the private rented sector in Bath. Indeed, these proposals are likely to make the situation worse.

Additional Licensing

Additional Licensing will not work and has not worked anywhere it has been enacted. The Licensing Briefing that has been prepared by your officers for this meeting (Appendix D) states that Additional licensing will "Produce a level playing field by tackling less scrupulous landlords". The good landlords will get licenses; the bad ones will continue operating under the radar. Why waste the time and money licensing good landlords when your officers will still need to go out, find and prosecute the bad ones?

We also need to think about the argument that licensing will reduce anti-social behaviour. But how is licensing the landlord going to improve the behaviour of the tenant? The only powers landlords have are to warn the tenant about their behaviour and then bring possession proceedings if the behaviour does not improve – and even then you are not guaranteed to get an eviction order. Let me say, trying to prove anti-social behaviour is almost impossible. Local authorities and the Police have much greater powers to deal with anti-social behaviour. Further we believe that the main areas in Bath where anti-social behaviour is prevalent are not the typical student areas.

Article 4 Directions

Now looking at the Article 4 Directions. By removing Permitted Development Rights, you will be restricting the legitimate use of property. An Article 4 direction will cost the Council money (your report estimates potentially over £100,000 a year); increase competition among tenants and reduce house prices.

Shared housing is in more demand now than ever before. Research from the National Housing Federation suggests a graduate leaving university last year will not be able to afford to buy their own home until they are 43. So they stay in shared housing. Changes to the Local Housing Allowance (LHA) which came into force in January this year means that Housing benefit tenants under the age of 35 are only eligible for the shared house LHA rate. We question the accuracy of the figure of 70 people in Bath being affected by this change when the comparable figure for Bristol is 900.

When demand increases, overheads increase and supply stagnates, Rents rise! This will push LHA tenants to the outskirts of the city as landlords will always take market rent paying tenants (such as student and graduates) first.

It will also affect owner-occupiers. If landlords are worried they may not get planning permission, they will invest somewhere else. This reduces house prices. In Newcastle, owner-occupiers have seen around £50,000 drop off the price of their properties because of the Article 4 Direction.

It also won't encourage landlords to let to families. Using Newcastle as an example again, on Monday, the local MP stood up in Parliament asked the Secretary of State to do something about the fact that landlords were leaving properties empty rather than letting them to families in the Article 4 area. This is because landlords do not want to lose their HMO status and would rather have the property stand empty than let it to a family.

And, as the Article 4 Direction will only affect new HMOs, it will have no impact of problems that are already present.

Look at how these directions are working in other parts of the country. They are failing landlords, tenants and local authorities. We implore you not to make the same mistake.

Enforcement

Instead, you should prosecute the rogue landlords. You know who they are and where they are operating – they are the ones residents complain about at your advice surgeries. Intelligence led enforcement keeps resources in front-line services and enforcement rather than back office form-filling.

Accreditation

We believe the key to improving property and managing standards in the private rented sector is landlord accreditation. Accreditation plays a vital role in educating and improving the professionalism of the private rented sector. Accreditation educates landlords on their obligations and responsibilities towards their tenants, the community and the local authority.

A prescriptive list of requirements, such as those that form the basis of any additional licensing scheme, will not improve standards. Education through accreditation changes the behaviour and attitude of landlords in a way that licensing does not.

The report prepared by your officers for this meeting states “the costs are not part of Housing Services financial plans and would need to be met through a re-prioritisation of existing work streams, such as the suspension of the existing voluntary accreditation scheme” (page 26 of the report).

We firmly believe that if you agree these proposals, the private rented sector in Bath will be moving backwards, not forwards.

Thank you.