



# RESIDENTIAL LANDLORDS ASSOCIATION

## Annual Report 2016

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## Chairman's Letter

Another resounding year for your association. Growth beating targets and members' satisfaction with our services at an all-time high.

No time to be smug then - as I am reminded that our task is to ensure government knows that private landlords are not only vital to UK housing, but we are entitled to a fair return from our businesses and investment.

With RICS predicting 1.8 million new rental homes will be needed by 2025 you would expect the government to be bending over backwards to support PRS landlords.

However, nothing could be further from the truth.

Despite relentless campaigning the government refused to change its position on mortgage interest relief – and we spent 2016 battling plans for increased regulatory burden of local licensing schemes in 132 councils.

The highly controversial Rent Smart Wales deadline came – and passed – in November, with many landlords left high and dry after being caught up in the huge backlog of applications.

Some see Wales as a test-bed for England. And with new energy efficiency rules looming on the horizon, and the worst impact of MIR changes yet to be felt, no-one could blame landlords for feeling somewhat downhearted.

However, it is not all doom and gloom. More and more landlords, struggling to get to grips with the ever-rising tide of tax, legislation and welfare changes are coming to the RLA and finding the help and support they need – as well as a voice to fight on their behalf.

Membership is growing. Over the last four years we have seen an increase of 68%, with 17% annual growth. And these members are staying with us.

TrustPilot reviews describe first class service praise the professionalism, knowledge and personability of the RLA team.

Indeed, one five-star reviewer described the association as an

**'excellent organisation, shining much needed light into otherwise dark areas of regulations and legalities'.**

High praise indeed!

2016 was the strongest year yet for the RLA finances, with the association's total income increasing by 16% to £2.65m.

As membership grows, so do the calls on our services. 2016 was a record year for your advice team, which took a massive 46,800 calls and added web-chat as a new service this year.

It was also a record year for training, with more than 4,000 members signing up for courses, a figure boosted by our status as an accredited Rent Smart Wales training provider. Members also benefit from increased services such as tax protection and trade discounts - they are all on the RLA services page

Our profile in the media has also increased exponentially, with the RLA referenced in the press some 1,500 times in 2016 – almost double the previous year's figure.

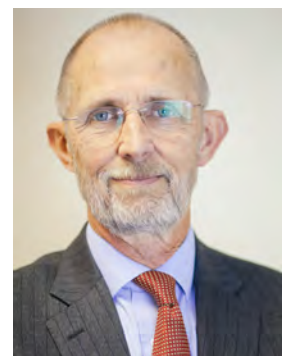
And our hard work is gaining even more recognition, with RLA Wales scooping top industry award and the RLA training team nominated for an Association Excellence Award.

There is no doubt these are tough times. But the PRS is vital to housing in this country and we will continue to lobby government to hammer this message home.

Your RLA will continue to grow and fight for you and bring you more membership benefits.

As always, I take this opportunity to thank all colleagues in the RLA who ensure your association is the best in Britain. My email address is below and I appreciate the comments and information you send me.

Alan Ward  
Chairman  
Residential Landlords  
Association  
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## Membership and Retention

Over the past four years membership has grown by 68%. In 2016, we recorded 17% annual growth, as well as high levels of retention. We now have more than 30,000 members, who, along with guest members have a property portfolio of more than 340,000 homes.



**30,000+**  
RLA Members

The introduction of Rent Smart Wales had a major impact on numbers, with membership 'bundles' available for those undertaking training, seeing significant spikes in recruitment.

We have an average four-star review with TrustPilot, which measures satisfaction ratings, with scores of five star ratings praising the expert advice and professionalism of the Landlord Advice Team – which many say is worth the annual fee alone.

## Training

Training has celebrated a record year in terms of revenue and bookings, with more than 4,000 landlords attending classroom or online courses.

This year has been very much about the development of the online offering, including the technology behind it. Indeed, to date the online courses have proved extremely popular with Welsh landlords undergoing compulsory training as part of the Rent Smart Wales registration and licensing scheme.

The association has invested in a new bookings process, making it easier for members to book courses on-line and recruited an in-house trainer in Kitty Speakman, who now writes and delivers courses.

The increasing positive feedback since these changes in July have been very encouraging with average satisfaction ratings of over 95% in some cases.

Over and above our core courses like Principles

of Lettings, the Gaining Possessions course also proved very successful, driven in part by the changes in legislation during the year.

Always exploring new ideas, the association launched several new courses in 2016, including a 'no frills' version of the Principles of Lettings course, we have added new locations to our offer, an online version of our Immigration course and a Deposits and Inventories online course.

We continued our support for the TDS charitable foundation providing training services for landlords and tenants involved with charitable organisations.

## Finances

2016 has been the strongest year yet for RLA finances. Total income rose to £2.65 million, an annual increase of 16%.

The association has continued to invest in its services and support for members.

Investment in 2016 included:

- new look responsive website
- new on-line bookings process for training
- new members of staff for advice team to cope with increased demand

All the costs incurred were part of our budgets. Monthly management accounts were produced and performance regularly monitored. All of our creditors were paid in accordance within their terms and conditions and there were no bad debts.

The books and records are kept up to date throughout the year and all bank and control accounts are reconciled at the end of each month

## Landlord Advice Team

In 2016, the team dealt with a record 46,800 telephone calls and online enquiries.



**46,800**  
Advice team calls

All of this was achieved with less than a 5% abandonment rate – which, in real terms, means

that 95 out of every 100 callers talked to an adviser when they called, rather than being asked to leave a message.

The demand has seen the team grow from three people just four years ago to 10 today, with three new members of staff joining us this year. Online enquires were bought in-house in July and the feedback from members has been positive with the number of enquires received increasing by 40%.

As always, there has been a strong focus on providing training to the team to keep staff abreast of all regulatory changes affecting the PRS, whilst maintaining the support of experienced solicitors for the more complex areas.

## Wales

RLA Wales had a busy year, with the Welsh Assembly elections, the introduction of the Rent Smart Wales registration and licensing scheme and the Renting Homes Act.

Membership in Wales has gone up by 50% in 2016, partly due to the introduction of the controversial RSW scheme, which has put huge amounts of pressure on RLA, as landlords struggled to get to grips with the new rule and meet the November deadline.

We successfully re-negotiated the fees associated with RSW and exposed a significant data breach and the backlog of applications that had built up, as well as working with RSW to streamline processes.

The Wales team were celebrating at the end of the year, after scooping gold in the Chartered Institute of Public Relations (CIPR) awards for the best public affairs campaign for its campaigning work as part of the Homes for Wales coalition.

The RLA was instrumental in setting up the coalition, made up of representatives from across the housing sector coming together to push the housing issue up the political agenda in a bid to end the country's housing crisis.

From the Homes for Wales Rally to hustings across Wales, including a key event in Cardiff with the then Housing Minister Lesley Griffiths, the high-profile campaigning work saw the coalition nominated for five awards at three different ceremonies, including:

\* Best Not-For-Profit campaign – CIPR Wales

\* Best collaborative campaign – Chartered Institute of Housing Awards

\* Best Campaign in Wales – UK Public Affairs Awards

\* Best Local Government Campaign – UK Public Affairs Awards

The team also represented landlords at all the major party conferences in Wales.

## Accreditation

2016 saw lots of activity surrounding accreditation, including the launch of the Liverpool co-regulation scheme, the first of its kind, which offers our members a discount on licence fees.

The deal will save city landlords who are members of the RLA up to £200 a property. At present, we are the only landlord association helping landlords reduce their licence fees in this way and, at the time of going to press, more than 400 have already benefited

We also worked closely with Peterborough Council in 2016 to encourage landlords to become accredited to receive significant discounts on licences.

The Peterborough scheme saw landlords who join the RLA accreditation scheme charged £50 for a licence per dwelling – set against a £600 charge per property for those operating outside it.

Even with membership and training costs the saving is still significant – and can run into thousands for those with multiple properties.

## Policy

The escalating housing crisis was one of the defining issues of 2016 – with the consensus being that supply was the main issue compounding the situation.

Government policy seemed to be doing nothing but constrain the PRS via tax changes, despite the increasing demand for rental homes.

Government figures showed that the changes to Stamp Duty Land Tax brought in much more revenue than originally anticipated, with the Office for Budget Responsibility predicting that in its first four years the extra levy would bring in £3.1 billion more than forecast.

On this basis, we campaigned for the government to use the extra revenue from the stamp duty changes to scrap planned reforms to mortgage interest relief, which will, in turn, prevent landlords selling up or having to increase rents.

We also asked the government to consider mitigating measures, for example waiving the additional SDLT when a rental property is added to the overall housing supply and applying the lower 20% rate of Capital Gains Tax in situations where a landlord is prepared to sell a property to a sitting tenant or a first-time buyer.

The most extensive campaign of 2016 was, of course the fight against restrictions to mortgage interest relief, which we believe will have a devastating impact on landlords' businesses and force many out of the market altogether.

We contacted members on a one-to-one basis asking them to write to or meet with their MPs to tackle this unfair tax, with more than 600 writing and over 100 requesting meetings. We also supported the Axe the Tenant Tax coalition in its bid to challenge the changes through a judicial review.

The growth in short term lets and holiday lettings site such as Airbnb was another area of concern.

Government tax changes have encouraged this kind of let, but one of its unintended consequences has been to restrict housing supply for general rental.

The RLA's research has been quoted extensively in Parliament and by London Mayor Sadiq Khan and this relentless campaigning has encouraged Airbnb to publicly agree to better police the 90-day limit in place in London.

It has been a busy year in local government and we continue to respond to every licensing consultation we are aware of, and challenge unfair and unlawful fees and conditions. Indeed, we have successfully challenged several councils, including Liverpool and Croydon.

The association also supported landlord Stephen Broadley in the Appeal Court in his battle against Leeds City Council over council tax liability, a case that will have far-reaching consequences for landlords and local authorities alike.

The latest Immigration Act sought to impose

tougher penalties on landlords through right to rent legislation and would have meant landlords were criminalised as soon as they became aware a tenant had no right to rent.

The RLA was successful in having an amendment passed in Parliament that means landlords now have a defence if they are taking steps to evict tenants.

We supported the Homelessness Reduction Bill, meaning councils must provide support to those threatened with homelessness much more quickly, rather than merely encouraging tenants to wait until the bailiffs arrive – as had been happening.

In 2016, we attended more than 100 parliamentary meetings and, moving forward, we are continuing to press government on a timescale for new energy efficiency standards and about a replacement for Green Deal funding to help landlords meet them.



Following pressure from the RLA, the government has assured us the mechanism used to calculate energy efficiency levels will be revised, potentially leading to the reclassification of up to 100,000 homes currently rated F and G.

The Housing and Planning Act will introduce major new powers for councils, including civil penalties, as an alternative to prosecution and banning orders. We welcome measures that will help drive out the criminals in our sector, but will closely monitor the way councils implement this legislation.

We are continuing to promote the need for effective enforcement, instead of more regulation when it comes to policing the private rented sector and, in addition to employing our own dedicated research officer, Tom Simcock, are partnering with key academics and institutes to provide the evidence to back up our arguments.

## Communications and Marketing

Throughout 2016 the RLA's campaigning and research work secured coverage in key broadcast media including BBC News, BBC Fivelive, BBC Radio 4, Sky News and LBC Radio as well as national

newspapers including the Telegraph, the Times, the Guardian, the Independent, the Mirror and the Daily Mail.

We also provided first person opinion pieces for media including Conservative Home, 24 Housing, Inside Housing, The Telegraph, the Times, the Daily Mail and City AM.

Indeed, the number of times the RLA been mentioned in the press, be that national, regional or trade, has almost doubled in 2016 when compared with the 2015 figure, from 764 in 2015 to 1,487 – an increase of 95%.



**1,487**  
Press mentions

Our social media following is also increasing. At the end of 2016 we had almost 20,000 followers on Twitter, up by 19% on 2015, with more than 4,000 Facebook followers, up 14% from 3,500 the previous year.

RPI also has a new editor in communications manager Sally Walmsley.

In 2016, our marketing and web teams embarked on two major web projects, both designed to further improve customer experience and internet security.

In recognition of a 40% increase in mobile traffic compared to 2015, we launched our new look responsive website in July 2016. The result is a website that works and displays well on desktop computers, mobile phones, tablets and Smart TVs.

Online security and privacy has always been important to us, which is why in December 2016 we moved our website over to 100% secure browsing (HTTPS).

What this means, is no matter what web page users are on, they can be safe in the knowledge that information provided is private.

At the same time, we have managed to increase the performance of our website. Pages are now delivered and displayed on devices 62% faster, with the RLA delivering more than 4,000,000 page views to visitors in 2016.



**4,000,000**  
rila.org.uk page views

We launched ground-breaking property inventory solution Inventory+ in April 2016. The reporting software creates detailed inventory and 'right to rent' reports with step-by-step guidance from desktop and app.

In 2016, we also negotiated a right to rent insurance cover deal with insurance provider Rentguard. At no extra cost, any member who purchases buildings insurance from the RLA receives complimentary right to rent insurance protection for that property.

We launched our partnership with Utilitease, a service that can help keep tenants on the best energy tariffs available and moves landlords onto a tariff that has a zero service charge during void periods.

We have also partnered with TradePoint, offering member discounts and charity Gone for Good, encouraging landlords to donate unwanted furniture and other good to local charities.

Conclusion

There is no denying that it has been a challenging year for landlords and as mortgage interest relief changes bite, it could get more difficult for some. However, another record-breaking year during such taxing times proves that what we as an association are offering is what landlords are looking for.

While we cannot promise to force the government to u-turn on MIR, we can reiterate our pledge to do everything in our power to support, inform, educate, protect and represent our members to make renting better for all.

