

26<sup>th</sup> August 2020

Rt Hon Boris Johnson MP  
Prime Minister  
10 Downing Street  
London  
SW1A 2AA

[Sent by email]

Copy to: Rt Hon Robert Jenrick MP – Secretary of State for Housing, Communities  
and Local Government  
Rt Hon Christopher Pincher MP – Minister of State for Housing  
Jack Airey – Special Adviser to the Prime Minister  
Olivia Oates – Special Adviser, MHCLG

Dear Prime Minister,

## Extension of Stay on Possession Claims

Across the country private landlords are, rightly, angry at the extension of the stay on possession proceedings, the imposition of a six-month notice period, the chaotic, last minute nature of the announcement and the failure of the Government to provide any direct support for lost rental income month on month.

As a result of this action, repossession cases on the grounds of rent arrears will not be treated as a priority until tenants have built over a year's worth of rent debts. Taking the average weekly rent across the country of £200 this amounts to a lost income to a landlord of around £10,400<sup>1</sup>. Add to that the six months' notice period, and this will come to £15,600. This doesn't include the time taken to progress a case through the courts. Prior to the stay on courts dealing with cases, in Q1 2020 the average time from a private landlord seeking to repossess a property through the courts to it actually happening was almost half a year<sup>2</sup>. This means that it is entirely possible that landlords could be faced with no income for up to two years.

We would hope that we do not need to remind you that most landlords are not property-owning tycoons with very deep pockets. On the contrary, as the Government's most recent private landlord survey for England shows:

- The vast majority of landlords (94%) rent property as an individual with 45% renting out just one property and 38% renting out between two and five.

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<sup>1</sup> Based on figures in the English Housing Survey for 2018/19

<sup>2</sup> Ministry of Justice, *Mortgage and landlord possession statistics: January to March 2020*, May 2020, table 6a, available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/884729/Mortgage\\_and\\_Landlord\\_Possession\\_Statistics\\_Tables\\_Jan-Mar\\_20.ods](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/884729/Mortgage_and_Landlord_Possession_Statistics_Tables_Jan-Mar_20.ods).

- Up to two years' worth of no rent being paid will cause financial hardship. The average rental income over the previous 12 months was £15,000. Three in five (61%) landlords had a gross rental income of less than £20,000.
- Landlords do not have vast sums of money to fall back on where rent is not being paid. The average gross non-rental income over the previous 12 months was £25,000 per annum. About two fifths (39%) reported a gross non-rental income of less than £20,000.
- Many of these people are pensioners who rely on rental income for their livelihood or to pay care home fees for them or for loved ones.

We should be under no illusions about what up to two years without rent being paid would mean:

- It could lead many landlords to default on their mortgages as the deferral scheme ends.
- It could expose many landlords to legal action if they are unable to meet certain requirements within their property as a result of lost income.
- It could leave tenants facing serious credit rating problems if landlords feel they have no option other than to make a money claim against a tenant.
- Having to factor in the risk of rents not being paid for up to two years will inevitably make many landlords far more discerning about who they rent to. This will affect those renters financially hit by COVID the most.

There is also the impact on those who have to regain possession of a property because they need to live in it. This will affect those working away from home, such as diplomats and those in the military, who need to move back into their home which they rented out whilst away. They have been forced to pay for temporary accommodation and will continue to be denied access to their home now for at least another six months and maybe more if there is a dispute or the tenant refuses to move.

One such case, as reported in the Liverpool Echo is that of Emma Burton and her husband Russell. They are now trapped in France, living with Emma's parents, as a result of being unable to reclaim possession of their home which they rented out whilst working abroad in 2019. The tenant stopped paying the rent in December 2019. They have a four year old son who has a rare metabolic disorder and needs medication and a special diet. As non-residents they can't get this from the French health system. They are utterly powerless to regain possession of their property until at least December before the courts see it as a priority case and in reality it is likely to be several months after that.

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Landlords were asked by the Government to show compassion and support to tenants where they had rent arrears mounting as a direct result of the impact of COVID. Despite no direct financial support, landlords responded positively, overwhelmingly adopting such an approach. From rent reductions and rent breaks to providing key worker housing and care packages, landlords went the extra mile for tenants.

Landlords, including our members, will find it completely unacceptable that a Conservative government is putting them in this position. In effect, you are expecting landlords to undertake the responsibility of the State to subsidise renters who are struggling to pay their rent. You are also rewarding those tenants, at the expense of landlords, who well before the pandemic taking hold were wilfully refusing to pay their rent.

Perhaps we do not need to add our concerns about the continuing hardship to communities and families being caused by anti-social behaviour and domestic violence perpetrated by tenants who cannot be evicted due to this unnecessary and unreasonable extension.

As an Association we have worked constructively with the Government in the belief that it would be true to its word and end the ban on 23<sup>rd</sup> August. The reward for landlords who have done the right thing, including our members, has been further restrictions and what can only be described as a 'kick in the teeth', eroding confidence and trust in the Government.

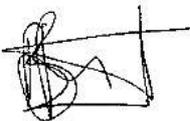
Now the only acceptable way forward is:

- No further extension of the evictions ban.
- Interest free, government guaranteed hardship loans for tenants to pay-off COVID related arrears as already introduced in Wales to sustain tenancies and remove any risk of eviction as furlough is removed. These should be paid directly to landlords and should cover all arrears accumulated since the start of the pandemic.
- Income support for landlords to cover arrears where affected tenants either refuse to apply for a loan or where loans are not best suited to them.

We are sorry to have to write to you in such terms, but landlords require urgent assurances that they will not be left to pick up the bill for the Government's failure to act fairly and use the period of the initial extension of the stay to support landlords and their tenants effectively.

We look forward to an urgent response to this letter and, given the interest, we will be making this publicly available.

Yours sincerely,



**Ben Beadle**  
Chief Executive



**Jodi Berg OBE**  
Chair