

Richard Blanco:

Hello, and welcome to Listen Up Landlords with Ben Beadle and me, Richard Blanco. Because of a baby boom in the UK in the first decade of this century, we could be looking at a 15% bulge in students attending further and higher education this decade. So this month we are bringing you a student let special. Later we will be hearing from a seasoned landlord and agent on some of the challenges of managing a student lets portfolio. Catherine Behdad will bring us some topical tips from the NRLA advice line. And in a moment, we will be getting a national overview on the state of the student lets market and examine the role of institutional investment. But first, Ben, a quickfire question for you, student lets, fruitful or frazzled?

Ben Beadle:

Both for me. So I think any landlord that is debating about this area of life should know what they are letting themselves into. My episode of Strictly Come Dancing was interrupted the week before last, a tenant that had lost their keys and locked themselves out. And I find that very irritating if it interferes with Strictly, I won't lie to you.

Richard Blanco:

Oh, that's a really honest answer, Ben, of course, you've got quite a few student tenants, haven't you? I've dabbled a little bit. I sort of have them by accident occasionally. I get a sense that they need a bit more looking after, or they're not used to managing properties, assuming they're quite young, because I mean you can have post grad students as well. Do yours tend to be undergrads?

Ben Beadle:

Well, yeah they do. It's typically the first private rental that they've been into and so fairly run of the mill things like putting out rubbish and operating the heating and hot water, are all quite novel things. So invariably I find myself going around there and firing things up. I live not far away from my properties, so I'm close enough to be a very hands on landlord should it be needed.

Richard Blanco:

And why do you house students then Ben, if they are a bit more time consuming in terms of management, is it about profitability? Are you very fond of helping young people at that stage in their life or what goes on for you?

Ben Beadle:

Yeah, probably not the latter, if I'm honest with you. For me, it was a decision that I took. I worked in this environment in lettings and management and I bought a few properties in quick succession before Article Four came in, I should say in my area. I converted them into sort of six, five bedroom properties. So reasonably big HMOs, but not massive. And that was just an area that I knew had a plentiful demand. And frankly they've never been empty in the 15 years that I've had them.

Richard Blanco:

You see, I've kind of gone for, well, they say young professionals don't they, or working families and so on rather than students. And partly because I worry about the higher maintenance of students and just having to deal with parties and noise issues and stuff like that. Do you have the option of doing that as well, Ben?

Ben Beadle:

Well, I don't just dabble in the student market as you know. Over the years I've had problems with neighbours, I've had loud parties, I've had police called, I've had somebody selling drugs from their downstairs bedroom, I've had complaints of harassment between tenants and these are all things as a landlord - I know I'm not selling it to our listeners now - but these are all things that I have had to deal with and get to grips with over these past few years. But what I find is once you've got through the initial bedding in period, I work on a no news is good news basis and leave people to their own devices. And actually, although they are high maintenance, when things go wrong, I'm not perennially bothered. It's not that often that I'm bothered.

Ben Beadle:

The fact that they know I live nearby, I wonder if I'm not almost a key holder type service on occasion and that is one of the things that I'm working on fixing with something in the hallway so they can let themselves in if they lose their key or whatever. That's the biggest bugbear for me, those types of things, locking themselves out. I find that very irritating.

Richard Blanco:

Okay, well look, 11% of landlords let to students according to NRLA research. And we'll talk a bit more about all that management stuff later in the programme. But let's bring in our guest, Victoria Tolmie-Loverseed, who is assistant chief executive of Unipol and Simon Thompson, who is CEO of Accommodation for Students. Simon, let's start with you. Thanks very much for joining us. Now, just tell us briefly a bit about accommodation for students and what you do.

Simon Thompson:

So Accommodation for Students is a portal for student accommodation that helps landlords rent their student properties. We have just under the 40,000 student landlords now that self serve and advertise their properties through the portal. And we get just over one and a half million students a year that come through and visit the website.

Richard Blanco:

Okay. And something I wanted to start off by asking you, Simon is how did the pandemic affect the student market?

Simon Thompson:

So the pandemic really threw a curve ball at the market, because everything was just sort of going up and up and you probably saw there was so much development that was taking place with purpose-built student accommodation. And the market's been really, really positive in recent years. 2020 was a record year with 515,000 students that were accepted onto courses. This year's been actually slightly lower with 507,000, but you probably heard that in certain cities like Exeter there simply wasn't enough student accommodation.

Richard Blanco:

Wow. Okay. And you mentioned Exeter. Can you tell us a bit about the different markets across the UK? Where are those student lets concentrated?

Simon Thompson:

Obviously you've got major university towns and cities across the UK, obviously where those universities change in terms of the tables or rankings can change where students decide and opt to go to university. That we've seen in recent years, the rise of places like York, for example, where it's very, very popular to now be a student. But again, they've suffered this year because they simply haven't had enough accommodation for the students wishing to attend.

Richard Blanco:

And have any new post COVID trends kind of emerged and become embedded, do you think?

Simon Thompson:

The pandemic presented a big change in the respect that courses went online, students were working from home. Some students left their university accommodation to return home and stay with their parents. This year we've seen obviously a big return of students back to accommodation, which has obviously been very positive for the market. However, we've noticed obviously that online learning does still continue.

Ben Beadle:

And Simon, we often put COVID and Brexit together, because we're never sure what's driving which, but I won't make a political point there. I wondered whether the international market has evolved much since Brexit or how it's changing, any observations?

Simon Thompson:

Yes. So the international market has changed quite a lot. We've noticed that there's been big changes. So for example, a lot of Indian students chose the USA primarily and we've noticed the big influx of Indian students now coming to the UK, and China has been a different one. There are now fewer students from China coming to the UK. So yeah, there's quite a bit of flux there and a lot of international movement from a student perspective.

Ben Beadle:

I'm going to bring in Victoria now, if I may. Victoria from Unipol. Welcome Victoria, maybe you could give us a little bit of insight into the Unipol business portfolio, if that's okay to kick us off.

Victoria Tolmie-Loverseed:

We're a national student housing charity, probably our main national area of operation is accreditation. So we run accreditation schemes for purpose-built student accommodation halls and also for off street houses, your typical student HMOs. And our biggest operation really is the national code, which is a government approved scheme for halls of residents, purpose-built. And that covers just under 400,000 beds. We are also a landlord ourselves, we're in Leeds Bradford and Nottingham. We house about 3000 tenants. So we know the market, we understand the challenges of being a landlord ourselves, and we bring all of that knowledge into our accreditation schemes.

Ben Beadle:

And tell me, where does the investment tend to come from for larger developments?

Victoria Tolmie-Loverseed:

Investment is mainly from funds, is fund driven at the moment or off street houses, it's traditionally for smaller landlords it's bank loan driven.

Richard Blanco:

Victoria, we've seen considerable growth in the past and Simon's already mentioned growth recently as well, but we've also heard of saturation in Coventry, Liverpool, Sheffield I don't know if you'd name other cities. Do you think growth may have peaked?

Victoria Tolmie-Loverseed:

Well, I think we've certainly seen evidence. And I think Simon was saying that, London is a different market from the rest of the UK. And I think we've seen some evidence that growth in London is really peaked and it might be saturated there. It is difficult rural types of housing to get built in London. The London plan has got requirements around developing affordable student housing. So London's quite a difficult market and there's not a huge amount of expansion there. But I think around the rest of the UK, really, it is based on kind of individual cities and locations and the strength of their universities really feeds into what's getting built. At the moment over the last few years, there's been expansion of about 25,000 bed spaces a year in the purpose-built market. So it's still growing.

Richard Blanco:

I wonder as well. Is there a particular student that's attracted to larger developments and halls?

Victoria Tolmie-Loverseed:

Yeah. So the general pattern is that, as I mentioned students who are kind of new to the location often want the kind of safety and security, the known quantity of renting from a large organisation and so often, all their university. So they'll pick halls of residents because it also gives them security of things like cost. They know exactly what they're going to be paying each week because as bills are generally included. But then once I think students have lived in the city for a year, typically undergraduates, they often, once they get to know the area, want to move into a HMO or an off street property because they become more independent. And I think there is a feeling when students that sometimes living in halls can be quite a kind of institutional experience, the security on the front door, which is great from one perspective, but also limiting from another, once you kind of grow up and want to experience the full student socialising lifestyle.

Victoria Tolmie-Loverseed:

So typically second year students do like to move into HMOs. I think that we are starting to see a psych change in that pattern. We know that things like Article Four have put a bit of a corset on the expansion of further HMO and that's pretty widespread around the country, focused around university towns. So we are seeing more and more that second or third year students are moving into PBSA purpose-built buildings because student numbers are increasing, but HMO numbers are not increasing.

Victoria Tolmie-Loverseed:

So more and more students finding that they don't necessarily have the option to live in a house. And that they're having to look at halls. I think one of the issues with that though, is that often purpose-built buildings are more expensive than houses, considerably more expensive, probably about 50% more

expensive because they're just really expensive buildings to run. By the time you get to your front door, if you're living in a hall of residence, you've already spent 30, 40% of your rent on security, gym, a lounge, the smoke detection, the lift. So they're very lovely buildings, but they're very expensive. And I think a lot of second and third years struggle with that extra cost.

Richard Blanco:

That's very interesting. And I mean, I wanted to ask you as well about how you work with smaller landlords. And I'm curious about the sort of calibre of properties that you're seeing that smaller landlords provide. I remember when I went into Unipol and I was a student at Leeds, we had that sort of added security that you had vetted the smaller landlords. And I think you'd gone around and inspected and the properties had to reach certain standards. Is that how it works? And I mean, are you finding that you sort of chivvying landlords along now, or how does it go?

Victoria Tolmie-Loverseed:

I mean, standards are generally pretty good in the HMO market. I think informed by the experience that a lot of students have in halls now, where it's very high quality. They're bringing those expectations with them into their second and third year accommodation. So they're wanting really good quality interiors, locks on bedroom doors, inclusive bills, internet, that they can just turn up with their laptop and switch on as soon as they arrive. Really high expectations around management, cleaning, just condition of property, rents are actually increasing as well in the off street market.

Ben Beadle:

I'm just going to bring Simon back in now, if I may, and we've certainly seen build to rent providers move into the student market. And I wondered whether you've got any observations around the balance between build to rent and small landlords in London and across various regions, any observations Simon?

Simon Thompson:

Yeah, we've recently just done some research and there's 681,000 purpose-built bed spaces in the UK, which there's 279,000 owned by university, 401,700 by the private sector, which gives us of a minimum of 519,000 non PBSA accommodation, which is typically a landlords and letting agents that are operating those. And then there's about 115,000 beds that are currently in the PBSA pipeline of which 60% have planning permission at the moment. And HAPI has forecasted the need for an additional 300,000 bed spaces over the next 10 years. So there is significant demand.

Ben Beadle:

Indeed. And Victoria touched on this earlier, there is a perception that large scale accommodation is a more expensive product for students, talking to a lot of landlords. Some landlords are worried about the build to rent market, that encroaching, but if I use my own properties as a barometer, that my properties look very good value for money compared to build to rent providers. Have you got a view on this Simon?

Simon Thompson:

Yes. It's typically more expensive, the PBSA and obviously Victoria mentioned earlier about the running costs of those buildings and there's questions there as to whether they need the level of services that

some of them have with the swimming pools, the gyms and everything else that goes into them. But they are secure buildings, they are in demand. They're very often in very, very good locations, either in city centres or close to campus.

Simon Thompson:

And that's been a big shift in the last sort of 20 years whilst I've been running accommodation for students that I've noticed. You had areas in Leeds that were very, very densely populated sort of HMO areas. And then there's been a movement into the city, for example, in Leeds, similarly in Manchester, you've got Fallowfield and Withington, places like that, which are still very popular student areas but we're now finding that there's a lot more bed spaces that are actually very close to campus or in city centres.

Ben Beadle:

And Victoria, just to bring you back in on this discussion, large corporate investors have been accused of pushing up the cost of student lets. Do you think the extra cost can be justified?

Victoria Tolmie-Loverseed:

I think there are a lot of students for whom the cost, they don't see it as a problem. I think they feel that they're getting value for money because it's a very nice product to live in. Who wouldn't want to have en-suite bathroom and the gym and all of these lovely things. I think the problem for this sector, and I think it's something that it's going to have to think about as it expands, because we are going to have more students as we mentioned at the opening because of that baby boom, is how do you provide a product that's attractive to second and third students, that offers them a sense of progression? So I think the challenge is, can we offer something maybe a bit more affordable that offers a sense of that you're not in first year accommodation anymore. And I think if investors can do that, can make that offer, that would be really good news for them, because I think that's really where extra growth and capacity is in this sector. We do need some more affordable, reasonable housing, but for those older students.

Richard Blanco:

Victoria Tolmie-Loverseed and Simon Thompson. Thank you very much for joining us.

Ben Beadle:

It's a advice line time and Catherine Behdad is back with us. Catherine, what problems have you been attempting to solve for landlords this month?

Catherine Behdad:

Well, lots of the usual's Ben, as I'm sure you'll appreciate. The repossession notice periods have obviously reverted to pre COVID levels as of the 1st of October. So we've had lots of landlords asking how they can try and recover possession now with the shorter notice period.

Richard Blanco:

And lots of students are starting tendencies at the moment Catherine. Can you give us an example of some of the issues that are coming up?

Catherine Behdad:

Yeah, sure. And it's quite an interesting topic actually, because I've got two teenagers who are both in student accommodation. So I was quite interested in hearing the different perspectives and obviously from a landlord's point of view as well. So the sort of top three that I've gathered from the advice line are summer retainers, guarantors, indeed of assignments. They tend to be our top topic in relation to student there.

Richard Blanco:

Give us some insights into what kind of problems you're trying to solve there, Catherine.

Catherine Behdad:

So summer retainers is a sort of issue that crops up quite a lot. And I know that it's generally traditional. A lot of student landlords do get involved in doing half rents or whatever over the summer period. It's not actually a legitimate way of doing things though. So I often have to unpick those sorts of contracts that landlords have entered into, essentially with the Tenant Fees Act now. In particular, you've got to be charging the same level of rent over for the period of the tenancy. So you can't have these half rents for maybe July and August. You have to keep it at one rent level.

Catherine Behdad:

And there are things you can do. If you don't want to give a 12 month agreement, you want to give a 10 month agreement, then maybe work those two half month rents that you would've charged across a 10 month period. There are other things you can do. I know some landlords will allow students to store their belongings for the summer. That's possible, probably not as neat a way of doing things, but you would use a storage agreement rather than a tenant agreement. Essentially if you're charging rent and calling it a tenancy, then students or any tenants have to have access to the property.

Richard Blanco:

It's going to be interesting talking to our guests later on about this, because as you say, it's common practise to do this, isn't it, Catherine?

Catherine Behdad:

Absolutely. The other two things. We spend a lot of time unpicking a guarantor agreements. Again, it's traditional that student let, they can't often pass credit checks. They've got no income other than grants or loans. So it's quite frequent that parents are asked to stand as guarantee. So it's really important that you get those set up properly. They're quite easy for guarantors to shirk their way out of money owing at the end. So I'd say it's imperative to reference guarantor as you would a tenant and the NRLA provide a referencing and credit check service, so I urge landlords to use that. Student tendencies are often signed up months in advance. So that's one advantage you have got the time, but I know some markets, some areas it's a very limited window according to some landlords. So yeah, make sure you've got everything available and get it done as quickly as possible. So you can sign on the dotted line.

Richard Blanco:

And finally, the dreaded deed of assignment, Catherine. Tell us what comes up around that?

Catherine Behdad:

The dreaded deed of assignment. Well, a lot of people, I mean, it kind of ties into the guarantee situation as well. A lot of people don't realise that if you vary terms and that will often void any guarantee agreements you've got. So if you've got a large, I don't know, five or six bed student house, you've got five or six tenants, five or six guarantors, it's often quite tempting to do a deed of assignment because that not only keeps the original terms of the contract because the student lets they often don't want to go past the summer. But the problem is that, it's invariably going to void any guarantees you have. So you either have to get explicit consent from all the guarantors that they agree to the change. And that often involves getting a solicitor to draw up something for you or else you've just got to start from scratch. But deed of assignments can be useful where there aren't guarantors and you don't want to have the rigmarole of doing all the paperwork again.

Richard Blanco:

I must admit, Catherine and I tend to just start a new tenancy agreement if I have a tenancy swap, if someone leaves and someone else comes into the group of shares, it's probably the neatest and safest way. But if you don't have guarantors, deed of assignment is one route, isn't it?

Catherine Behdad:

Yeah. And because it preserves the end of the tenancy, which the student lets is often normally their primary concern. You're probably not going to want to sign tenants up for past the traditional end of tenancy, sort of summertime.

Richard Blanco:

Lovely. Thanks so much, Catherine. You're a font of information as ever. Thank you for all your wisdom.

Catherine Behdad:

Thank you.

Richard Blanco:

Cheers.

Ben Beadle:

Now I took the plunge and invested in student lets and as we heard earlier, I've had my fair share of management issues. Here to offer some tips on how you can get the most out of your student portfolio, hopefully without too much physical and emotional wear and tear. Sally Hatcher who runs letting agency specialising in student lets in Kent and student landlord, Terry Samuel. Terry, I'm going to bring you in first, if I may. Tell us a little bit about your business and why student lets?

Terry Samuel:

I've been a student landlord for 20 years and we have six, four bed student properties in Leamington Spa. We entered student lets when my daughter went to university and suggested that we buy a property for her and her three friends and that she might then be able to live free of charge in the property and her friends, would pay for the mortgage and all the other bits and pieces. So she found what she considered to be the ideal house for us to buy, which we did. And then we started to buy houses in the same area, over a period of about six years, which is how we ended up with our six properties.

Ben Beadle:

Very good. And tell me, do you let to sharers by the room or do you let as a whole property.

Terry Samuel:

In our area of Leamington Spa, 99% of the properties that are HMOs are let jointly and severally as a group. There would be very, very few properties which would let room by room. But I do know that if you do need to look at the area you are in, you could go to another area and find that it is completely the opposite. So we are letting on a joint at several basis to a group.

Ben Beadle:

Yeah, no, likewise Terry and I wonder in terms of the licencing and HMO regulations that we all have to comply with, how challenging do you see these in your area?

Terry Samuel:

Well, in terms of myself, we don't have any additional licencing schemes or selective licencing in the area that my houses are in. And one of the reasons why we chose four big properties is of course mandatory licencing doesn't come in until you've got five or more students in your properties. So for myself, licencing isn't an issue at the moment.

Ben Beadle:

Well long may it continue Terry, that's all I say on that matter. The last question from me. How do you advertise your property? Have you got agents in Leamington Spa that take care of everything for you?

Terry Samuel:

No, we manage all our properties ourselves. We've developed over the years a pretty comprehensive website, which gives facts and information and loads of information, really. We also use a number of free websites. Landlords can look out for sites that will advertise your properties for free. And the other way we've started to do it recently is through an agency in Leamington Spa where we just do an advertise only. But I would counsel that if you're going to go down this type of route and you've got several agencies in your area, try and take a sounding as to the quality of the agent before you actually put your property with them. As we hear quite a lot from our students that certain agencies in our area have different reputations. And so we believe we've put our properties in Leamington with a good quality agency.

Richard Blanco:

Now, Sally Hatcher is director of an agency with a good reputation, I hope Sally, I'm sure you are actually, you come well recommended, called Sally Hatcher Estates. So you're based in Canterbury and there are a number of universities there, aren't there, Sally? Can you tell us a bit about who you're working with?

Sally Hatcher:

Yes. Good afternoon. And thank you for inviting me. In Canterbury we were very fortunate to have three universities and certainly I've been in student lettings for just over 25 years now, as an agent working for corporate independent and then ultimately for myself. So I've seen a great change in Canterbury in the market over the last 25 years and everything that everybody's talked about previously Canterbury has

experienced over the years. So it's quite interesting to see what happens across the country. But all my properties are all let on joint and several tenancy agreements. Like Terry, we don't deal with room to room properties. However, a lot of agents have a lot of properties left over this year. We are experiencing a glut of private HMO properties that haven't rented. So they're either going to, or they're currently still trying to be let room to room, or in fact they're going back to families.

Sally Hatcher:

So there is going to be a huge reduction in Canterbury's private housing over the next few years. And the main reason for that is because in the last five years, we've seen a huge increase in purpose-built, which Canterbury never experienced before. It was all based on private housing. And now obviously the purpose-built have coming to town and are much more desirable to a lot of the students for reasons that Victoria has already gone over. From our point of view, a lot of landlords have got to start really increasing the standard of their portfolio. People now expect dishwashers, some landlords are providing weekly cleaners. So landlords have got to come up with incentives to drag the students away from the larger units back into the HMOs, I think.

Richard Blanco:

That's very interesting, Sally. And I'd heard from people, say in Newcastle in the Northeast, that sometimes the purpose-built student accommodation didn't do so well because the students preferred to be in houses. But that sounds like that's not happening in Canterbury.

Sally Hatcher:

I think because the purpose-built is so new, it's really attracting people that would like year two or three, that would usually go into the private sector, but hopefully we will get the fallout when they want to go back to the private sector A, for cost and B, I think as Victoria also mentioned, they just become less institutionalised and they can do their own thing.

Richard Blanco:

Yes. Does that ring true for you? I was going to ask you about this sort of student journey. Does it differ for kind of freshers, postgrads, undergrads, overseas students, some look for halls, some look for off street properties. Is that what you are finding Sally?

Sally Hatcher:

Yeah. The freshers do tend to stick to halls of residents and purpose-built. Some of the overseas students will do exactly the same. Some of the overseas students would prefer to be in a self-contained apartment in Canterbury. So that then comes to us. We class those as professional lets because they don't fall under HMO category. A lot of our overseas students want to live in nice apartments in the city centre.

Richard Blanco:

Presumably where they've got a substantial budget, I guess as well because that may well cost more. And are a lot of students coming to agents or are they finding properties directly from landlords or how are they finding them?

Sally Hatcher:

We get the majority of our inquiries from Rightmove and Zoopla. They're the main leaders of where we get our business from. And the majority of letting agents in Canterbury, we have to be on those websites. We all have our own websites, but for anyone coming into the area, they always hit on the Rightmove and Zoopla ones in the first instance.

Richard Blanco:

Is anyone looking for rooms or do students always want that kind of house share experience?

Sally Hatcher:

An increase is becoming more and more for individual rooms, especially the late comers to university. They don't have friends. They don't know people. They don't necessarily want to go into halls because of the cost factor. And they want to be able to just rent the room and have an all inclusive price which is probably two, 300 pounds a month cheaper than the purpose-built.

Ben Beadle:

And Sally, thinking about tenants from overseas, presumably you're are processing a lot of those applications into your properties. How do you deal with those? Do you do sort of right to rent and any issues with referencing, et cetera?

Sally Hatcher:

Well, it's very difficult for referencing. They very often have to pay the whole year's rent in advance or the terms rent in advance and right to rent checks are still being done at this stage by WhatsApp or a Zoom link where they send their passport and the government codes are working really well, where they pre issued. We're actually finding that much easier. If they've come to us with all their paperwork in order, then that's much quicker for us.

Ben Beadle:

And how do you deal with the timings, we spoke earlier about either last minute moves or moves well planned in advance, any issues for you in terms of taking, holding deposits and tenancy deposits in that context, since Tenant Fees Act?

Sally Hatcher:

The first year we didn't take holding fees because we thought that that was the right thing to do. But there, we had such a huge number of dropouts because they hadn't paid anything. They signed up with us and then three weeks after you tried to chase them, they'd signed up for another property, which they saw and they liked better. So this last year we did introduce the one week holding fee and that actually made a great difference. Obviously the bulk of our lets are done in January, the new year, January, February, March. So really by Easter time, the majority of our properties are let, so we have the time to get all that done. But this time of year you've probably got 48 hours, three days max, from the time of them seeing it to wanting the keys.

Richard Blanco:

Terry, do you sign up in the previous academic year, can you tell us how that works?

Terry Samuel:

Yes. In Leamington Spa, there seems to be some almost coordination of all agencies going to market round about November the first and then students tend to run around like headless chicken at that time from one property to the next. And a lot of the properties are signed up prior to Christmas and that's been an increasing model over the years. We would find now that of our six properties, probably four or five are now signed up by Christmas with just the odd one being signed up in the new year.

Richard Blanco:

I always think that's so mean, Terry, because you might fall out with those mates that you've signed up within November by the next September. Do you think it's been hard on students or do you think that's just reasonable way to run the market?

Terry Samuel:

I think it's become a norm. I think students here in our area expect it and we give them all sorts of advice on our website. For example, one of our facts is about forming - in inverted commas - the perfect group. And we do recommend that they take a look at some of these potential issues that could split a group up before it actually gets to a tenancy. But surprisingly, we've never had a group fall out once they've signed up.

Richard Blanco:

Oh, amazing. And what about this nine and 12 month tenancy thing that Catherine's mentioned? Have you ever done that sort of half rent over summer?

Terry Samuel:

No, we don't get involved with anything in the summer because 95% of tenancies in Leamington are about 11 month rents. This gives us a one month void in which to get in there and do that high maintenance bits and pieces that need to happen in student properties. So the properties are empty, in we go, coats of paint everywhere, repair this, new carpets or whatever.

Richard Blanco:

Any thoughts on the Renters' Reform Bill, Terry, this is obviously going to abolish section 21, no fault evictions. If and when it happens, if you are saying tenancy agreements are 11 months, that's not going to be allowed, is it? If we have lifelong tenancies, unless the government brings some sort of provision into the section eight eviction process?

Terry Samuel:

Well, I'm really, really hopeful. Like we said earlier, that government is going to make a special provision for student landlords because they are there generally speaking for a fixed period of time, by and large our experiences at the end of their course, there's often a few weeks left. They can't get out of the student property fast enough to go off and do whatever else they want to do. But it's crucial that the government tries to think in terms of fixed tenancies for students. Otherwise there's the whole issue potentially of students stay on. And what do you do about the next group of students which are signing up in November and all those potential issues? We just really hope that's not going to happen.

Ben Beadle:

Yeah. So do we, Terry and we've made the point to the ministers that matter on this particular case, because we do think there needs to be an exception. Otherwise the only people that will lose out will be the students themselves, as things get out of kilter and a lack of decent homes are available. I'm going to bring Sally back in now, if I may. Terry said earlier that he keeps his places empty a month. What do you advise in terms of void periods to manage the handover to the next one Sally?

Sally Hatcher:

I worked for an agent which used to charge the half rent retainer, but since I've set up Sally Hatcher Estate, they've all been 11 months tendencies where we have that one month void. We would not be able to turn around the volume of properties that we've got overnight. It would be a physical impossibility.

Ben Beadle:

So I managed to do mine in two weeks, but it's an effort. And if you've got a big portfolio, you do need to leave sufficient time.

Richard Blanco:

Terry, I wanted to ask you about disputes. I don't know if you get much between your house share, what's the best way to manage that? And how do you broach the issue of noisy parties and stuff like that?

Terry Samuel:

We've had the odd dispute in the past. We're very fortunate that we have a good relationship with the university that has a welfare department. And when we had, I can recall one student that was coming home late at night, having had a large dose of alcohol, was very noisy, very rowdy. There was clearly an issue there and we recommended that they all contacted the student union, made an appointment. If they couldn't resolve it in the house, they tried their best to have meetings, to get together, to try and raise the issues. And they weren't really getting anywhere. So we suggested they go to the university and get it sorted there.

Terry Samuel:

We have had the odd issue with loudness in the area late at night and so on. But we found by just giving them a phone call and making it clear that you were disturbing one or two of the neighbours that actually the issue then went away. I need to say one of the things we've built up over the years is an extremely comprehensive house handbook. And I'm not saying the students read it, but we do guide them towards it quite a lot. And there is a lot of information in the house handbook, which all helps to try and keep people on track.

Richard Blanco:

Do you ever have any sort of 'heart sink' tenantswhere the place just starts looking so rough?

Terry Samuel:

I have to be honest and say, we used to in the early day, but we tend not to anymore because we are a high quality landlord and we tend to find, we attract students that like high quality. So it was being mentioned earlier about what do you do with your properties? What do you put in? Well, we've got all

our student properties, have got double beds. We're moving towards all open plan, dishwashers, tumble dryers. We put USB charge points now in bedrooms and the lounge, we're investing in walk-in rain showers, American fridge freezers, solar panels, all these sorts of things are now going into our HMO properties. We are ahead of the big players to some extent. And we find that students tend to respect good quality. If they've got orthopaedic mattresses on the beds, none of which are longer than five years old, they tend to respect things a little bit more.

Ben Beadle:

Very good. And Sally, sometimes get a lot of questions around council tax in student properties. How do you manage that?

Sally Hatcher:

We've got a contact specifically at Canterbury City Council who deals with all the letting agents. We just fill out a sheet prior to the people moving out with all their details, their student ID numbers, et cetera, and the new lot going in. And they're provided with that. So the one month void period, the council tax bills come through to me. So I paid that on behalf of the landlord, but the council tax department can have the new student and outgoing students' details.

Ben Beadle:

Sally Hatcher and Terry Samuel. Thank you very much for joining us.

Richard Blanco:

Now, if you are hungry for more learning on this topic, the NRLA has got a few tasty nuggets coming up. You can attend the NRLA letting to students course and NRLA compliance specialist Dan Cumming will be hosting a student lets webinar at 1pm on the first of December 2021. For more details, go to nrla.org.uk. And don't forget to follow the NRLA on social media for the very latest on all things PRS. That's it for this episode. Thank you to all of our guests, to you for listening and to our producer, Sally Walmsley.