

## Welcome to Rentguard News

These last few months have been a trying time, throwing us into unknown waters and disrupting every single one of our lives. Our team have worked hard to keep our clients serviced over the period. We thank you for your patience and continued support. We hope you are all safe and well as we can see small glimpses of getting back to normal.



## Majority of landlords have helped tenants during coronavirus crisis

The vast majority of landlords have worked with their tenants to support them through the coronavirus pandemic, according to a new study.

A recent survey by the National Residential Landlords Association's (NRLA) of more than **4,500** private landlords, found **90%** of those asked by their tenants for support during the crisis responded positively.

The poll found **44%** of landlords had been approached by their tenants facing financial difficulties as a result of the economic impact of the pandemic.

Landlords have responded in a number of ways, including offering tenants a rent reduction or deferral, a rent-free period, an early release from a tenancy or a refund on service charges included in rents for homes of multiple occupation, the survey found.

Overall, **54%** of landlords said they had been affected by the coronavirus lockdown in some way, whether this was issues with tenants paying rent or longer void periods.

In spite of facing financial difficulties themselves, the majority of landlords are being flexible in their approach and are trying to support their tenants as much as they are able to, the NRLA said.

While rogue landlords make the headlines, there are many stories of landlords that don't make the newspapers,



including those that have offered key workers free or reduced rent accommodation or shopped for vulnerable tenants.

The 'them-and-us' mentality has come to define the landlord and tenant relationship in recent years, and the coronavirus crisis has created further tension in some areas, with some arguing tenants should not have to pay rent at all, a suggestion that has been slapped down by landlord organisations, the Labour Party and Shelter.

Instead, the NRLA, along with other organisations, is calling for the housing allowance to be increased further to ensure it can cover rents. It also wants to see an end to the five-week wait for the first payment of Universal Credit and welcomes cross-party support for interest-free loans for tenants struggling to pay rent.

The organisation says the cooperative spirit between landlord and tenants during the coronavirus outbreak should be used as "a springboard to improve the private rented sector further" and should be borne in mind by policymakers seeking to improve the rental sector for all parties.





## Rental crisis deepens as more than 300,000 tenants failed to pay their rent on time in May

The crisis in the rental sector caused by the coronavirus pandemic will “get worse before it gets better” as new research points to a surge in tenants falling behind on their rent last month.

More than **300,000** tenants - equating to one in every 15 renters - failed to pay their rent on time in May, the research from Goodlord suggests.

Out of **16,000** rental properties, some **6.6%** of those surveyed were in arrears by at least one week, up from **5.8%** in April and well up on the usual rate of **4%**.

The coronavirus pandemic has led to a surge in rent arrears as many tenants face financial hardship as the economic impact of the lockdown begins to bite.

Research by housing charity Shelter suggests that one in five renters in England are likely to lose their job within the next three months.

But the spike in rent arrears should not lead to more immediate evictions, Franz Doerr, CEO of flatfair said, as he encouraged landlords to work with their tenants to work out a repayment plan, admitting “the mounting rent

arrears crisis will get worse before it gets better.”

Citizens Advice is also calling on tenants struggling to pay their rent to speak to their landlord to try to negotiate a reduction, but as Doer points out “this may in turn see many landlords struggling to meet their own obligations such as mortgage repayments.”

The government has paused eviction proceedings until 25 June and has also temporarily extended notice periods for some tenancy types to three months.

Whether there will be alternative measures put in place after 25 June is as yet unknown.

Whatever the next steps the government takes to limit the impact of coronavirus on the rental market, Doer says, “landlords and tenants alike need to be given the space to negotiate repayment plans that ensure that everyone is treated fairly.”

**Rentguard** can offer **Legal Expenses** to protect landlords against tenant default - simply ask your **relationship manager for more details**.

### Administration fees

Just to let you know that from **July** Rentguard’s administration fee structure will be changing and all policies will be subject to a minimum of a **£15** administration fee unless otherwise notified.

Following Rentguard’s transition to become part of the Gallagher group of companies, this change brings us in line with other firms in the group selling similar policies to ours and will be transparent in all our documentation.

This change will not affect Rentguard’s ability to continue to provide **competitive premiums** and **cover terms** for your customers. If you have any questions please do not hesitate to contact your **Relationship Manager**.

