

More than half of landlords and agents unable to recoup pet damage costs

propertymark

JULY 2022

KEY FINDINGS:

85%

of landlords and agents have incurred damage to their properties by pets.

57%

of landlords and agents were unable to recoup the costs of pet damage.

66%

of landlords and agents see specialist pet damage insurance as the key to encouraging more pet-friendly rentals.

In partnership with:



EXECUTIVE SUMMARY

Results from a recent "What's the damage?" online survey has shown that pet damage is extremely common in properties where landlords rent to tenants with pets and the costs are difficult to recoup.

The survey and research were undertaken as a joint project between lettings industry trade bodies Propertymark and the National Residential Landlords Association (NRLA) along with landlord website, LandlordZone and East Midlands-based pets charity AdvoCATS.

The organisations say that the information presented clearly shows that the UK Government has limited the protection of landlords and therefore access to housing for those with pets and are calling on Eddie Hughes, the Minister for Rough Sleeping and Housing, at the Department for Levelling Up, Housing & Communities (DLUHC) to prioritise amendments to the Tenant Fees Act 2019 to make renting with pets easier for landlords, tenants and letting agents.



Timothy Douglas,
Head of Policy
and Campaigns
Propertymark

“ The data from this research backs up what Propertymark and others have been warning for some time, that the unintended consequences of the Tenant Fees Act have reduced the appetite for many landlords to take on the greater risk of damage.

With the demand for pet friendly homes continuing to increase, the UK Government must now understand the costs involved for landlords and implement rules that support the sector to take on greater risk in order to support more people to rent with pets.



James Wood,
Policy Manager
NRLA

“ With many landlords unable to recover damage caused by pets, it is no surprise that landlords generally prefer to let to tenants without pets. Particularly those with smaller portfolios who are not able to absorb the losses caused by damage.

If the UK Government is to increase the supply of pet-friendly homes then it is vital that landlords and agents have confidence they can recover the cost of repairs. Amending the Tenant Fees Act to permit pet insurance or pet deposits would provide this confidence and give tenants with pets more options in the private rented sector.



Jen Berezai,
Co-Founder
Advocats

“ Over three quarters of tenants either have or aspire to own a pet, and this must be reflected in the number of pet friendly rentals on offer. Our survey results show that the majority of landlords and lettings agencies are in favour of a simple legislative change which will dramatically increase the number of landlords willing to accept pets, once they know they can protect themselves in the event of any pet damage, and we urge the Government to act on this knowledge.

The Heads for Tails! report and campaign of the same name is seeking an addition to the List of Permitted Payments within the Tenant Fees Act, to give a landlord the option to either request a financially capped pet deposit or stipulate that pet damage insurance must be held by any tenant wanting to keep a pet or pets, and is currently backed by over 40 organisations and more than 40 MPs and Peers: advocatseastmids.org.uk/westminister

The white paper *A fairer private rented sector*, recently released by the UK Government, has committed to giving tenants 'the right to request a pet in their property, which the landlord must consider and cannot unreasonably refuse'. The UK Government has also confirmed it will amend the Tenant Fees Act so that landlords can request that their tenants buy pet damage insurance. The campaign continues to ensure these commitments are met in resulting legislation and that pet insurance is designed to meet the needs of landlords, agents, tenants, and pets.

The survey

A survey of English landlords and letting agents was conducted by Propertymark in conjunction with the NRLA, LandlordZone, and East Midlands-based pets charity Advocats between 4 April–5 May 2022.

537

There were 537 responses to the survey, 463 of which were landlords and 74 agents. Responses were received from across England, including 32.6 per cent from London and the Southeast. The sample included a range of landlord portfolio sizes from 1–5 to 100+, with 1-5 properties being the most common at 57.5 per cent. The sample also included variation in property type, including houses, flats, and houses in multiple occupation (HMOs).

LANDLORDS' EXPERIENCE OF DAMAGE

Vast majority of landlords and agents have incurred damage by pets

85.3 per cent of landlords and agents have incurred damage to their property by pets. This is closely followed by 84.7 per cent having incurred damage by adults and 54.9 per cent incurring damage by children.

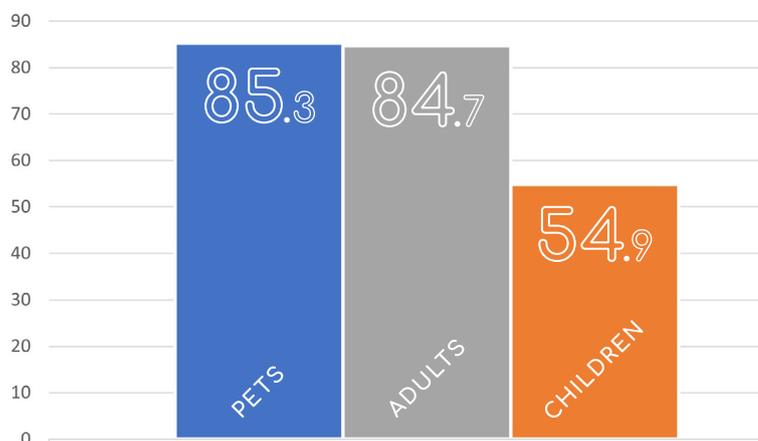


Figure 1: Percentage of landlords who have experienced damage by culprit

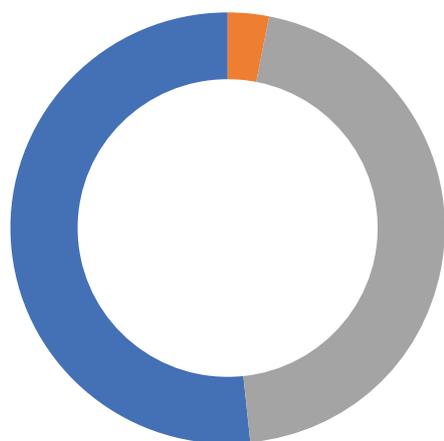
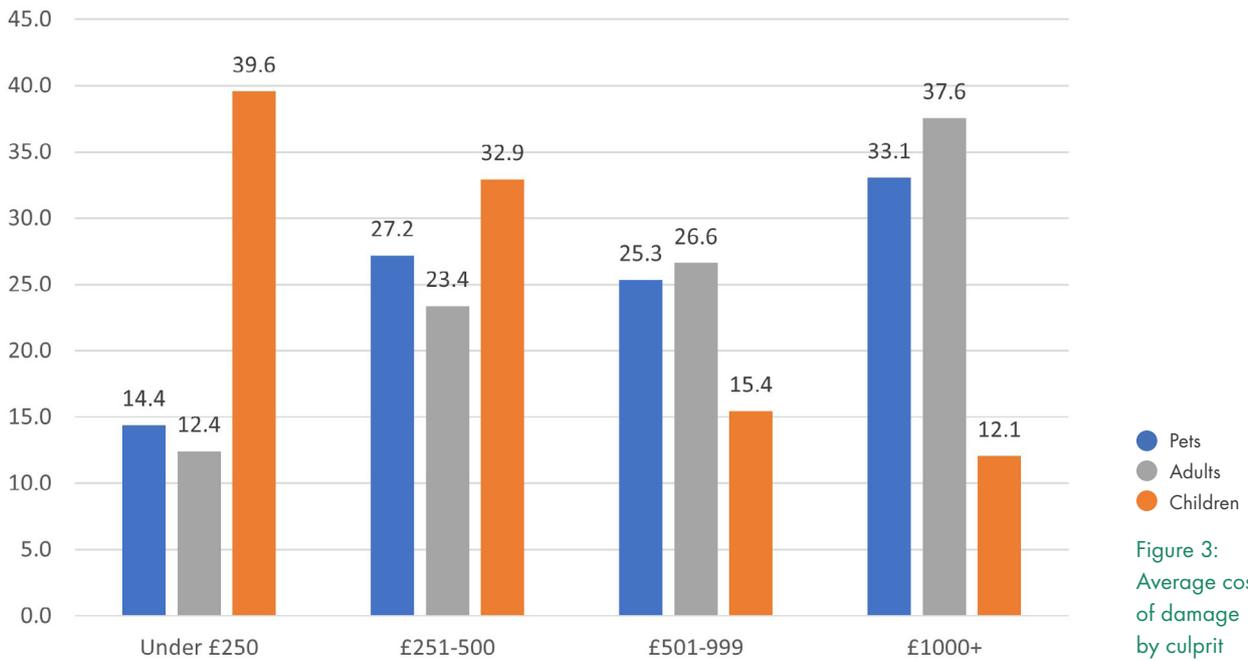


Figure 2: Group which has caused the most damage to a landlord's property

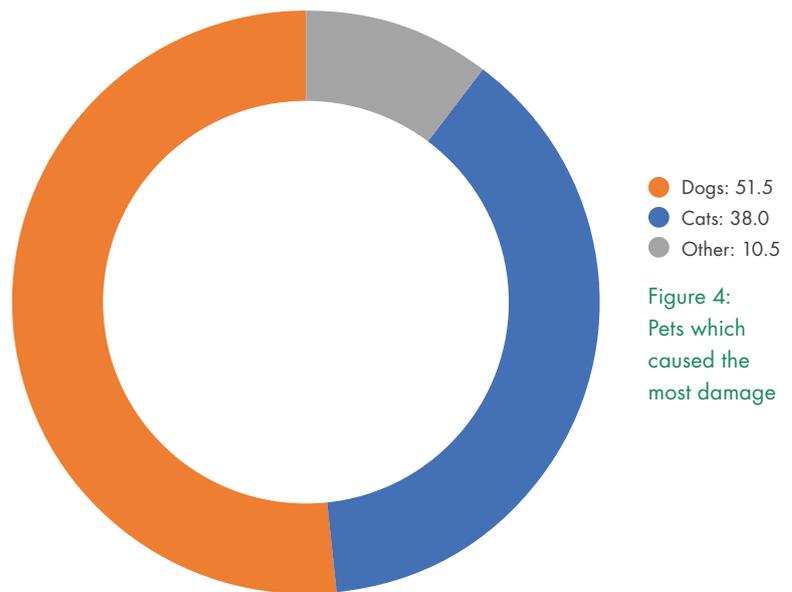
Whilst landlords have experienced damage from pets, adults and children, the extent of the damage is mainly caused by pets.

Damage incurred by children appears to be the cheapest of the three types of damage to repair. Due to a disparity in the number of pets compared to adults in all tenancies, the results show that damage caused by adults (closely followed by pets) is the most expensive damage to resolve.

However, reports of damage amounting to over £1,000 was the most common answer to both the value of pet and adult damage.



As we would expect (being the most common), dogs and cats were the most likely pets to have caused damage to a landlord's property over other types of pets.



FURNISHED VS UNFURNISHED

No difference in the likelihood of damage when letting furnished or unfurnished

While the majority of landlords and agents told us that they let out their property unfurnished, analysis of the data showed that neither type of let was more likely to be damaged by pets.

This suggests that landlords hoping to avoid expensive pet damage bills by letting property unfurnished are likely to be disappointed.

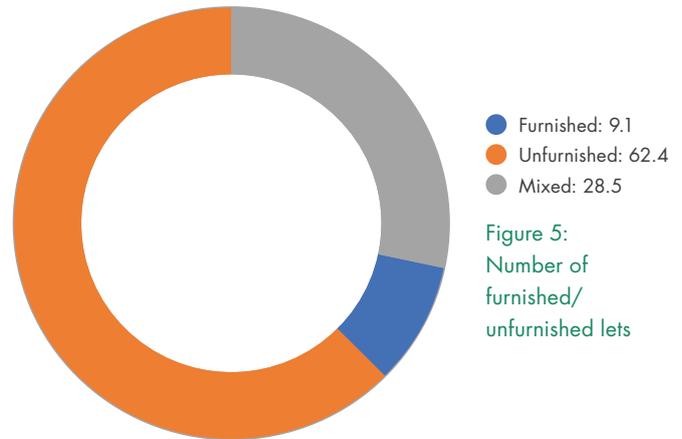


Figure 5: Number of furnished/unfurnished lets

RECOUPING THE COST

Majority of landlords and agents unable to recoup costs of pet damage

57 per cent of landlords and agents said they were unable to recoup the costs of damage by pets. 29.7 per cent recovered costs from the standard rental deposit and 11.8 per cent recovered costs through a special pet deposit. However, only 0.5 per cent were able to reclaim through an insurance policy.

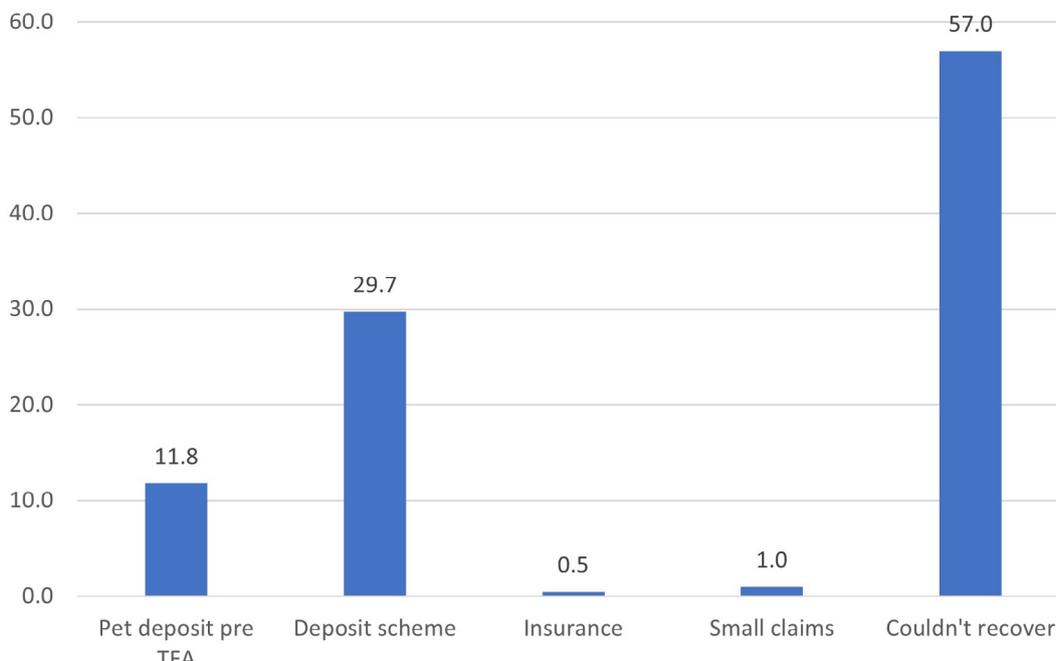
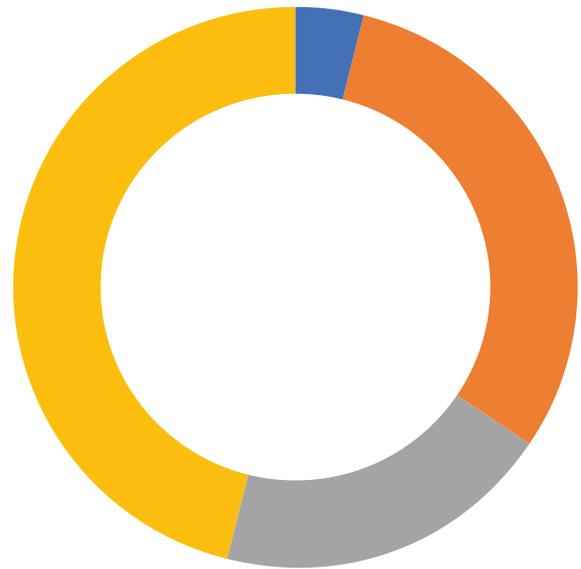


Figure 6: Pet damage cost recovery method

Pet damage insurance is the key to more pet-friendly rentals

While only 0.5 per cent of respondents had previously been able to recoup the costs of pet damage through an insurance policy, 65.5 per cent told us that this is the preferred solution to the problem of pet damage that would encourage more pet-friendly rentals. 45.9 per cent would like tenants to pay through the landlord for this insurance, while 19.6 per cent trust the tenant to hold this and claim themselves.

30.5 per cent of landlords and agents said that they would prefer a separate pet deposit is included as standard for lettings with pets. And, finally, 4.0 per cent said that an additional element added to the standard deposit would encourage them to rent to people with pets.



- Additional deposit: 4.0
- Separate pet deposit: 30.5
- Tenant has PDI: 19.6
- Tenant pays landlord for PDI: 45.9

Figure 7: Preferred option for increasing pet-friendly rentals

ENDS

ABOUT PROPERTYMARK



Propertymark is the leading professional body for estate and letting agents, commercial agents, auctioneers, valuers, and inventory providers comprising nearly 18,000 members. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry leading training programme and mandatory Continuing Professional Development.

The lettings division of Propertymark is the UK's foremost professional and regulatory body for letting agents; representing almost 10,000 members. Our members operate to professional standards far higher than the law demands and we campaign for greater regulation in this growing and increasingly important sector of the property market. By using an Propertymark Protected agent, consumers have the peace of mind their agent will provide a professional service and their money is safeguarded by Propertymark's Client Money Protection (CMP) scheme.

EDITOR NOTES

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