

**Impact of Covid-19 on Landlords and Letting Agents**  
**Department for Communities (Northern Ireland) consultation**  
**Response from ARLA Propertymark**  
**July 2020**

**Background**

1. ARLA Propertymark is the UK's foremost professional and regulatory body for letting agents, representing over 9,500 members. ARLA Propertymark agents are professionals working at all levels of letting agency, from business owners to office employees.
2. Our members operate to professional standards far higher than the law demands, hold Client Money Protection and we campaign for greater regulation in this growing and increasingly important sector of the property market. By using an ARLA Propertymark agent, consumers have the peace of mind that they are protected, and their money is safe.

**Overview**

3. Our response to this consultation has been put together following a virtual workshop surveying 12 letting agent members located across Northern Ireland who work in County Down, Belfast, County Antrim, and Londonderry. The vast majority of these agents (82%) have over 100 properties under management with 9% managing between 21-50 properties and 9% managing between 1-20 properties. In addition, 83% of members surveyed said they are working with more than 15 tenants with 17% only working with between 1-4 tenants.

**Questions**

**What proportion of your tenants have fallen into arrears during the period April-June 2020 as a result of the pandemic?**

4. Over half (59%) of ARLA Propertymark members surveyed said that just 25% of their tenants had incurred arrears while 33% reported no tenants at all had fallen into arrears during the period between April and June 2020 as a result of the coronavirus pandemic. A minority, 8% said that half of their tenants had fallen into rent arrears. Our members report that flexibility has been shown on all sides with a willingness from tenants to continue to pay rent and landlords generally being accommodating to tenants who were struggling financially due to COVID-19. Where tenants have been unable to pay rent, repayment plans have been arranged.

**What proportion of the rent owed has been paid over the 3-month period, April-June 2020?**

5. A third (33%) of ARLA Propertymark members surveyed said that all the rent owed has been paid over the three-month period from April to June 2020. In contrast over half of members

surveyed (59%) said that two-thirds of rent owed had been paid and 8% of members outlining that only one-third of the rent owed had been paid.

6. ARLA PropertyMark believes that tenant arrears prior to the coronavirus pandemic should be treated separately. However, unfortunately, tenants already in arrears have now been given additional cover through the Private Tenancies (Coronavirus Modifications) Act (Northern Ireland) 2020 to continue to stay at properties for months without paying rent. To relieve pressures on the sector, the Department for Communities must continue to promote the avenues available to tenants to support rent payments and look at further measures to cover rent payments of those tenants who fall outside of existing government support.

**Were agents able to reach an agreement regarding rent repayments during this 3-month period April-June 2020 with their tenants?**

7. A total of 92% of agents surveyed reached some form of agreement with some or all of those tenants who fell into arrears. We know that many agents took early action at the start of the coronavirus pandemic to connect those tenants facing financial difficulty with the various funds and schemes available to support them.

**As an agent have you issued a 12-week notice to quit to any of your tenants during the 3-month period, April-June 2020?**

8. The vast majority (67%) of ARLA PropertyMark members surveyed said that they had not issued a 12-week notice to quit to any of their tenants during the three-month period between April and June 2020. In contrast, 33% of agents said they had resorted to issuing a 12-week notice to quit during this time. To illustrate this, one member has told us that they collect rent for 500 properties. They have arrears on 15 properties but have arranged payment plans in all but two tenancies. For these two cases the agent believes that the tenants' income has not been affected and therefore they have the means to pay rent but are refusing to do so. Consequently, as a last resort the agent has been forced to issue a 12-week notice to quit.

**What impact has COVID-19 had on letting agents?**

9. In order of importance there are three main areas of concern impacting letting agents. Firstly, reduced access to property to carry out essential repairs. Members report that work from contractors has continued, however tenants remain cautious about allowing agents to carry out routine in tenancy checks due to COVID-19. Secondly, delay in processing Universal Credit and housing benefit claims. Agents have seen an increase in tenants claiming Universal Credit as well as delays to payments being processed. At the start of the coronavirus pandemic, ARLA PropertyMark called on the UK Government to suspend the five weeks Universal Credit payment period with all payments made in full and paid directly to the letting agent or landlord. Thirdly, lack of contact with tenants. To this end, some agents report less people

wanting to move within and into the rental market due to increased uncertainty because of COVID-19.

10. In addition, agents have also expressed concern about two other issues. Firstly, management inspections of property due to reduced access. This is because most tenants do not want to permit access to strangers even when it is an emergency. When checks do go ahead the main issues that agents are having to resolve are pre-visit cleaning, crowded households due to additional people being at the property, challenges of moving tenants to a different room for social distancing and then post visit cleaning. Secondly, staffing issues, such as organising furloughed staff, moving to flexible working and staff working from home.

**Has COVID-19 impacted on landlords plans in relation to remain or invest further in the private rental market?**

11. Half of members surveyed (50%) said that their landlords plan to reduce activity in the private rented sector because of the impact of COVID-19. Whereas 42% of agents said that the coronavirus pandemic has had no impact on their landlords. Only a small portion (8%) of agents surveyed said they were aware of landlords planning to increase their activity in the sector despite the impact of COVID-19.

**Are agents aware of the helpline/advice services available through Housing Rights?**

12. The majority of members (92%) are aware of the advice provided by Housing Rights the housing and debt helpline for Northern Ireland. Whereas only 8% of members are not aware of this service.

**Do you manage any Houses of Multiple Occupation?**

13. From the members that took part in the virtual workshop survey, 33% of agents said they are managing between 1-4 Houses of Multiple Occupation (HMOs) with 8% managing 15 or more HMOs. In contrast, 59% of members surveyed said that they do not manage any Houses of Multiple Occupation.