

Housing – Critical Futures.

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The Association of Residential Letting Agents (ARLA)

Lack of Supply Continues to be the Root Cause of Affordable Housing Issues

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We need more homes. For every house built in the UK currently, two households are created.

The facts show that private developers have not met the demand for housing over the last thirty years. We need central and local Government to respond to the needs of the population, ensure that stability allows for skilled workers and house building materials to be in place, and to lead a stable and sustainable programme of house building. We also need to make better use of our current housing stock by encouraging home owners to bring properties left empty for long periods back into use, allowing local authorities to fine home owners that do not.

ARLA urge Government to resist calls to commit tenants to compulsory three year leases. While this may suit some tenants, it will not suit many groups, including a large number of students and those moving for work, who need flexibility.

In the private rented sector we need a sensible tax system which allows landlords to refresh their portfolios without massive and punitive taxation penalties. Landlords should be encouraged to provide accommodation which meets the needs of the local market rather than trying to convert existing, inappropriate dwellings while the costs of improvements, maintenance and repairs should be offset against income tax rather than Capital Gains Tax.

Reasonable fees charged by letting agents to tenants are necessary to cover essential costs but these should always be transparent and offer value for money. We have produced **The ARLA Student Guide to Renting a House – How to Protect Yourself and Your Money** to help students to find first accommodation which is appropriate for them, and to take precautions which allow them to live safely and securely.

By far the biggest problem is a largely unregulated market. ARLA and The National Association of Estate Agents (NAEA) know from working daily with agents, tenants and landlords that most consumers and landlords do not realise that the industry is unregulated.

This gives consumers and landlords a false sense of security and means that they do not realise when comparing costs that they are not comparing 'like with like'.

The unregulated market facilitates scurrilous agents to run substandard and hazardous properties. Agents which offer higher standards of service choose to be part of a self-regulatory organisation like ARLA and NAEA, this means that they are expected to maintain standards throughout their properties, and the way that they treat deposit and rent payments is regularly monitored by the association. Rogue agents often cause tenants high levels of stress and loss of money, and many rogue agents are involved in criminal activity.

For years Government have been trying to find legislative solutions to individual issues rather than looking to solve the root cause of the problem. This is evident in areas including immigration, tenancy deposit protection, and energy efficiency, with bills in the pipeline to legislate for smoke and carbon monoxide alarms. This additional piecemeal regulation increases costs, which in turns pushes rent up and yet unprofessional landlords and agents do not comply and flout the law while local authorities lack the resources to enforce.

By getting rid of additional and unnecessary bureaucracy and creating a simple regulatory model for the sector, the costs of compliance will go down, reducing the need for rent increases and allowing local enforcing bodies to concentrate on the criminal landlords who make life miserable for vulnerable tenants.

The ARLA (the Association of residential Letting Agents) is a UK professional and regulatory body for letting agents. It represents over 7,500 members and campaigns Government for greater regulation in the property market. In 2009 it introduced a licensing scheme to ensure its members are professionally qualified, governed by a strict Code of Practice and offer a complaints and disciplinary procedure so that any disputes are dealt with transparently and fairly.

The NAEA (the National Association of Estate Agents) is a UK professional body for estate agency personnel. It represents over 7,000 members. Its aim is to reassure the general public that by appointing an NAEA member to represent them, they will receive in return the highest level of integrity and service for all property matters.

ARLA: <http://www.arla.co.uk/>

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