



PORTSMOUTH RESEARCH

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RESIDENTIAL MARKET REPORT



The Rights, Obligations & Responsibilities of the 8,980 Portsmouth Landlords & 22,181 Tenants During the Virus Outbreak

The last three or four weeks, unquestionably, have been one of the most life-changing times we have seen since WW2. The imminent threat of the Coronavirus has taken over the world, the UK and Portsmouth and will challenge you, our families, our relationships and test us all.

The drive of this worldwide action of social distancing is not just to stop you from getting ill with the virus; the bigger drive is to slow down the development of this virus so the NHS will not become overwhelmed with those who are most likely to need hospital care. Yet the issue of social distancing has certainly raised many questions around the landlord/tenant/agent relationship, so in this article I wanted to share with all the 8,980 Portsmouth landlords their rights, obligations and responsibilities to their Portsmouth tenants. I also wanted to highlight the rights, obligations and responsibilities of the 22,181 Portsmouth tenants in return.

These will be trying times for Portsmouth landlords and Portsmouth tenants alike, so let's start...

A landlord has the responsibility to ensure the property is fit for habitation, so what if the Portsmouth landlord/agent is incapable of undertaking an emergency repair (or say the annual gas safety check) because the tenant is self-isolating or actually has the virus? The answer is the landlord should use their best efforts to fix the problem if it's an urgent repair, yet if the landlord/agent are unable to do so they should record this fact and that it is related to the Coronavirus epidemic. One should then re-try as soon as is possible and appropriate, having full respect for information on self-isolation, personal-safety and social-distancing and ensure that you make a written note for future issue. My advice is that you or your agent (as we are with our Portsmouth tenants) need to uphold good lines of communication with the tenants touched by these current circumstances, so they are clear on what action you are taking and the timescales for this.

Yet at the same time, there will be very few situations in the coming weeks when the contractors who the landlord/agent use will also be in self-isolation, meaning a handful of the 22,181 Portsmouth tenants might have to wait for repairs to be sorted. We have some excellent Portsmouth contractors with their own backup plans and so together we will use our best endeavours to find an alternative contractor to fix any issues. If your agent has issues, then maybe we can help – do call me. Yet whatever you do, if this occurs, document everything and that it is related to the Coronavirus epidemic.

The total rent paid by Portsmouth tenants each month is £22,025,700

It's true the UK government has demanded that building societies and banks give a three-month mortgage holiday to those landlords that are unable to make mortgage payments. This is not free cash, the mortgage payments are basically postponed with interest to be collected at the end of this crisis, meaning your obligation as a Portsmouth tenant to pay the rent still exists. HM Government is offering employers an 80% wage support with the furloughing to avoid having to make people redundant and the rent for your Portsmouth rental home will be treated in the same way as the landlord's mortgage.

The average Portsmouth rental payment currently stands at £993 per month

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Therefore, if you are incapable of being able to pay your rent, it will still build up and accumulate during this virus predicament and you will need to start a payment plan to pay it back on top of your normal monthly rent. So if your rent is £993pm and you have already been living there for 2 months into a 12 month tenancy, there is still £9,930 to be paid over the next 10 months, so should you not pay anything for 3 months your rent would increase by 43% a month for the last seven months or you face eviction due to arrears (remember arrears have been put on hold – not removed during the virus outbreak). One option, subject to status and agreement by all parties, could be to renegotiate a new longer lease to pay off the arrears over a longer period. Again, the point here is communication from all sides – making sure there are no nasty surprises.

So, if you are in this predicament, there is a lot of help accessible from the HM Government including Universal Credit or Employment Support as soon as possible to escape any interruptions to your payments. Remember, your Portsmouth landlord will need proof of your Universal Credit or Employment Support claims to give to their mortgage company to be able to start the mortgage holiday, so my advice to all the 22,181 Portsmouth tenants is keep in contact with your agent to ensure your Portsmouth landlord doesn't suffer any avoidable hardship (which ultimately may end up with your home being repossessed because the mortgage payments were missed because you were unable to furnish the landlord with your own claim documents).

Communication is the #1 priority here. Whilst most agent's premises are closed including our own, all are open for telephone and email enquiries, with staff working from home. This is a fast-changing time for everybody, for the 8,980 Portsmouth landlords and 22,181 Portsmouth tenants correspondingly and we will be ever vigilant to oversee the financial and monetary backdrop in the coming months.

These are going to be tough times for the people of Portsmouth (and the world), financially and mentally; yet together we will come out of this stronger. By working together, working in partnership, again keeping lines of communication open with regards to your finances and your housing, by keeping safe and protecting our families and most of all by being kind to each other ... we will get through this, a little battered and bruised – yet hopefully better human beings for it?

Portsmouth Property Market – Is it Time to ‘Plan’ to Get the Builders In?

Even though the new legislation was placed on hold because of the recent General Election, it is expected the Government will start fining around half of all UK local authorities for failing to build enough new homes as Westminster starts to force local authorities to build more homes with the new laws.

The Conservative Government has gone on record with an ambition to build 300,000 new homes each year from the mid-2020s (aspiring as the average for the last 13 years has only been 177,000 pa). So Downing Street see the planning system as requiring root and branch change to ensure local authorities deliver on that promise. The Ministry of Housing, Communities and Local Government’s ‘Housing Delivery Test’, which should be launched on an undetermined date this year, will hold local authorities to account for ensuring they hit their own specific house building targets.

If a local authority is unable to show that it has a five-year stock of land for building new homes, it gives builders greater rights and liberties to build their new homes where the builder wants (not where the local authority wants).

This will mean there will be a house building free-for-all

as the council will have less control over the setting, types of properties, contribution to infrastructure and location of any new home development.

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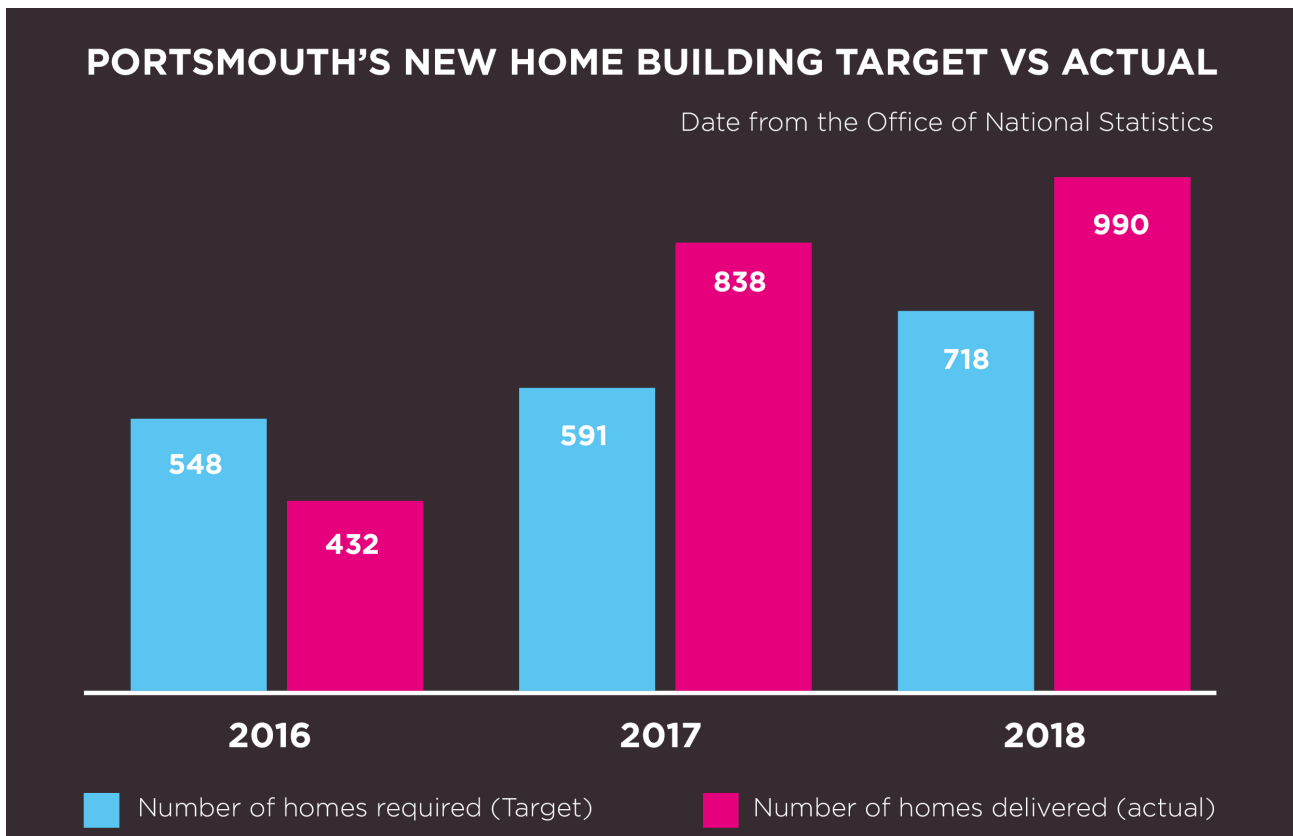
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Only 44% of local authorities have a local plan that is less than five years old.

Locally, Portsmouth isn't in that 44% of local authorities. The current situation is, they have started collecting data and evidence, issues and options for consultation.

Yet, the original question of this article was to find out if we are building enough homes in Portsmouth and the surrounding local authority area i.e. should we get the builders in? Well, the Government set targets for local authorities for the number of homes they should build each year. The latest set of data is for 2018, so

Portsmouth's new home building target was 1,856 new homes, yet it achieved 2,260, a surplus of 404 new homes



So, what does that all mean for the Portsmouth property market?

Even with the surplus, there are positive and negatives to this. The Portsmouth property market is not broken, yet it does need to get the builders in. Irrespective of the results from the last three years, we have over three decades of under building, which has created issues regarding affordability of homeownership and older generations being stuck in homes too big because there aren't enough suitable homes for them to move to, i.e. bungalows. The stabilisation of the General Election has been a net positive to overall confidence in the local property market, meaning Portsmouth homeowners and Portsmouth landlords looking to sell their home in the coming spring and summer will find decent demand (although sellers still need to be realistic with their pricing).

Unfortunately, the negatives are that many Portsmouth renters that want to buy, are unable to as they can't save after paying their rents and feel as if they've been left behind. I know the Government recently launched their "First Homes" scheme for selected first time buyers at the start of February, where a 30% discount would apply to "a proportion of new homes" and would be subsidised out of contributions from builders, the Tory's have previously promised to build 200,000 cut price homes for first time buyers back in 2015, yet the National Audit Office has recently confirmed they never built a single one!

The simple fact is, we as a country need to build far more affordable homes in the areas where people want them. This means the dream of homeownership will be a greater possibility for our children and grandchildren in the future. Our local authority needs to continue to plan the housing needs (and associated infrastructure) to ensure that as we live longer and continue to grow as a country - we have the homes in place to live in that are suitable for every generation.

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