

HB 60

National Assembly for Wales

Communities, Equality and Local Government Committee

Housing (Wales) Bill: Stage 1

Response from: National Landlords Association



National Landlords Association:

Response to the Welsh Government

January 2014

Introduction

1. The National Landlords Association (NLA) exists to protect and promote the interests of private residential landlords across the United Kingdom including Wales.
2. With more than 22,000 individual landlords from around the United Kingdom and over 100 local authority associates, we provide a comprehensive range of benefits and services to our members and strive to raise standards in the private rented sector.
3. The NLA seeks a fair legislative and regulatory environment for the private rented sector while aiming to ensure that landlords are aware of their statutory rights and responsibilities.

General Comments

4. The National Landlords Association (NLA) would like to thank the committee for providing the opportunity to comment on this proposal.
5. The proposed for the private rented sector that is proposed by the Welsh Government does raise concerns for the NLA.
6. The NLA are encouraged that the Welsh Government wishes to see investment within the private rented sector. This will only happen if the correct mechanisms are in place and there is a stable environment for people to make investment opportunities.
7. The NLA believes that any changes to the private rented sector need to be carefully balanced. Additional burdens on the landlords in a contract with obligations on the tenant have to be equally balanced. Focus on increasing the stability of the sector must be the aim of the policy. Social policy should be dealt with through other appropriate legislation.
8. It should be the shared objectives of all parties involved to facilitate the best possible situation for landlords and tenants. Best practice should be recognised and shared.
9. Communication and arbitration between landlords and tenants is the best way to resolve problems that arise from time to time. Although in certain situations they escalate and the NLA believes that a tribunal body should be set up by local authorities to resolve these problems when they arise, so prevent claims intensifying to court and costs on both sides.

10. The NLA is a long-term advocate of online learning, particularly given the part-time status of many smaller landlords.
11. The NLA's Online Library has demonstrated that landlords and agents are happy to engage with issues and subjects online, at their convenience. This has proved to be a means of keeping individuals up-to-date in respect of their skills and knowledge of changing responsibilities and obligations
12. The NLA welcomes the development of social letting agencies, but believes that they will only work when there is equality in the partnership, otherwise landlords will not get involved in the numbers that the government requires.
13. The introduction of a register will require resources to be allocated to the area it to work i.e. tenant information officers, landlord liaison officers, anti-social behaviour staff, community workers and enforcement staff. This cost cannot be met through register; after recent Court cases.
14. There are currently over 100 pieces of legislation that a landlord has to comply with. An understanding of the laws that the private rented sector has to comply with can be misunderstood. A landlord is expected to give the tenant a "quiet enjoyment", failure to do so could result in harassment case brought against the landlord. Thus legislation has to be proportional.
15. The introduction of a register cannot be a replacement for enforcement. In Scotland a significant number of landlords are still not registered.
16. The use of enforcement against the criminal landlords is required, legislation alone will not remove them. There are significant powers already available which authorities can use.
17. The NLA would like to take this opportunity to raise a number of concerns and queries.
18. WALLS is afforded a significant degree of authority in the proposals, however the only options provided for its management are; continued administration by Cardiff CC, or another local authority. Likewise there is discussion of input from the other 22 local authorities, but no reference to any input from the supply side or consumer representatives. This highlights a number of questions pertinent to landlords in Wales:
 - (i) What is the justification for the decision not to organise a full and transparent tender to select an appropriate administrator?
 - (ii) Why is it anticipated that running WALLS will be left solely to LHAs?
 - (iii) What representation of landlords, agents and tenants is expected?
 - (iv) What scope is there for a representative board of trustees to oversee the eventual organiser?
 - (v) What process will be established for the auditing and oversight of WALLS?
 - (vi) As a non-governmental body what is the basis for appointing it as administrator of significant fines for example; for not using the appropriate registration number as outlined in paragraph 22?

(vii) What is the justification for appointing WALLS as the sole licensing body, when it is expected that third parties will provide much of the training? Has any assessment been made of the potential efficiency savings possible were training bodies permitted to award licensing on completion of relevant training?

19. The certainty that the government proposes is welcome, the concern will be the interpretation by the courts. Equally that the regulations are balanced and provide parity between the parties (landlord/tenant).

Conclusion

20. The aims that the Welsh Government has identified do raise concerns some as highlighted we believe that they require further work. The changes that are proposed are significant and needs to be correct first time; otherwise they could destroy the sector which would take a significant time to rebuild.
21. The increase in demand for privately rented accommodation is due to a number of reasons. The proposals for the private rented sector could kill the sector if they are incorrect. The changes should be based on the legality within law of a contract and not for social engineering.
22. Again, the NLA would like to thank the committee for the opportunity to respond and hope you find our comments useful.