

UK facing potential landlord exodus – almost 30% say they may not be a landlord in 2021

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- UK facing potential landlord exodus – almost 30% say they may not be a landlord in 2021
- Both tenants and landlords believe renting will become harder once we officially leave the EU
- New research reveals almost 30% of landlords find property management “very stressful”

2019 was a tumultuous year for landlords, with Brexit uncertainty and changes to the law leading to a potential landlord exodus, according to a new survey. When asked, almost 3 in 10 (27%) landlords said they may not be a landlord by 2021, with many feeling increasingly stressed and under pressure.

Almost a third (31%) of landlords say they have more worries than they did 12 months ago, with 28% claiming that owning a rental property is “very stressful”. Emily Morley from Just Landlords says:

“The checklist for a landlord can seem endless, with so many areas to consider. There’s property maintenance to uphold, knowing your rights as a landlord, and what you are required by law to provide for tenants. It can feel like a never-ending task to stay on top of changes in the industry, so we’re not surprised to learn from our survey that so many are finding being a landlord stressful.

“One way to reduce this stress is to use an accredited letting agent to manage your property. It’s worth researching your options to find a local agency with a good reputation, to ensure your tenants are looked after. Like with insurance, the cheapest option isn’t always the best.”

Brexit is now inevitable following a Conservative victory in last month’s election, though its exact nature remains unknown. The overriding feeling is that Brexit will adversely affect the market; 23% of respondents believe it will become harder to find new tenants, while a quarter (25%) say rental properties will be harder to come by.

Uncertainty surrounding Brexit has hit an industry already affected by a stormy 2019. Last year saw a number of legal changes, including the Tenant Fees Act 2019. This law banned the use of tenancy fees, limiting what tenants can be liable to pay for, with payments for inventories and references specifically prohibited.

These changes were widely lauded as a tenants’ victory but did represent an extra burden for landlords, who are also subject to new eco-friendly standards. The research showed that almost a quarter (24%) of those surveyed believe this change will have the greatest impact in 2020.

Another significant change relates to the phasing out of deductible mortgage interest payments. Until 2017 mortgage interest payments were tax deductible but from April this year that will no longer be the case. Instead landlords will receive a tax credit calculated at 20% of their mortgage interest, reducing their tax liability by the same percentage. All these factors contribute to more than a quarter (26%) of respondents saying that this year will be more expensive for landlords.

Landlords must be aware of all these changes, as well as financially capable of accounting for them. Emily Morley also says:

“Investing in and letting a property has never been a straightforward process, but we’re seeing an increasing amount of additions and changes to legislation. It’s great that the Government is acknowledging issues within the private rental sector and making attempts to improve housing for tenants, but there needs to be a balance that allows landlords to remain confident in the market.

“2019 was full of surprises, both good and bad, and with Brexit decisions still ongoing, we expect the boat to continue rocking for a while longer. As with any introduction of new legislation, it can take time to acclimatise to change. Landlords must try to look to the future and have faith that the market will not only stabilise but strengthen.

“There are measures that can be taken, to ensure you have a cushion to fall back on during financial difficulties, such as taking out a comprehensive landlord insurance policy. Having such a plan in place can provide peace of mind for those feeling unsure about the future.”

The scale of change, both in terms of Brexit and the law, has shaken a sector already sensitive to change. The private rental sector forms the bedrock of society and there will be ramifications across the board should landlords respond to their worries by exiting en masse. 2020 will be a revealing year.

-Ends-

Notes to Editors

For further information please contact Cash at IMN Group on cash@imngroup.co.uk or call 0207 158 0001.

About Just Landlords

Just Landlords provides specialist landlord insurance in the UK, as well as cover for unoccupied properties and UK holiday homes, and rent guarantee insurance. As one of the UK’s leading independent providers of landlord insurance, Just Landlords are continually developing and adapting their products to meet the needs and requirements of landlords and property owners.

For more information visit the Just Landlords (<http://www.justlandlords.co.uk>) website.