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HML Lettings

YOUR PROPERTY.
OUR PRIORITY.

LETTINGS AND
PROPERTY MANAGEMENT
EXPERTS



HML Lettings Newsletter Q3

Welcome to the first edition of our HML Lettings Newsletter! We are thrilled to bring you the latest updates, insights, and trends in the property rentals sector. Whether you are a seasoned Landlord or a first-time Tenant, this newsletter is designed to keep you informed and provide valuable industry insights. In this edition you will find information on market trends, and expert advice from our Team.

Thank you for choosing us as your trusted partner in the world of lettings.



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Meet the Management Team



PAUL JARDINE
Head of Asset Management

Paul joined HML in 2020 as a Consultant and then acquired the role of Head of Asset Management a short time later. His 35 years in Property Management have included stints with the major corporates in senior management positions including Countrywide, LSL and Purplebricks where he was Chief Operating Officer. Qualifications include Business Management, Insurance, Project Management and Receivership. Paul has also operated independently as a Consultant for various entities within the sector such as Property Funds, Proptech Start Ups and Acquisitions and Mergers Brokers.



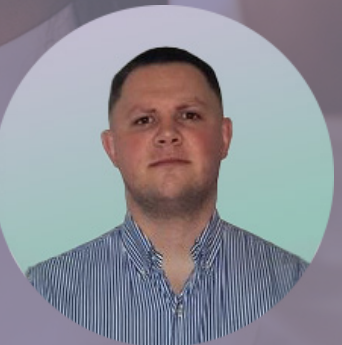
ANNIKA PATEL
Head of Lettings Accounting

Annika joined HML in 2016 as Head of Accounts Operations for Block Management and moved to HML Lettings in 2018 to Lead the Accounts team. Annika has worked in the property industry for 16 years with invaluable and extensive experience acquired in the financial/accounts sector, with a deep knowledge of the property sector. Annika oversees all finance related operations and produces and analyses financial information to assist with company decisions. Annika and her team work hard to support both Tenants and Landlords to ensure the smooth running of their accounts.



CHARLOTTE OATLEY
Senior Lettings Manager

Charlotte is vastly experienced having over 17 years in the industry. Charlotte has a proven track record working over a decade in a senior management role for a high-profile agent, 10 of which overseeing Richmond and the surrounding areas and the rest across Central London ensuring smooth property management operations. I joined HML Lettings early 2022 and have really enjoyed being back in Richmond building and maintaining strong relationships with our Clients and Tenants, while consistently delivering exceptional customer service.



MICHAEL GOODWIN
Lettings Manager

Michael joined HML Lettings in 2021 having previously worked in numerous different sectors within the property industry over the last 11 years. "As Lettings Manager of HML Lettings - Luton branch it is my job to ensure full portfolio compliance in accordance with Lettings Regulations while also providing technical and strategic guidance to the wider team.



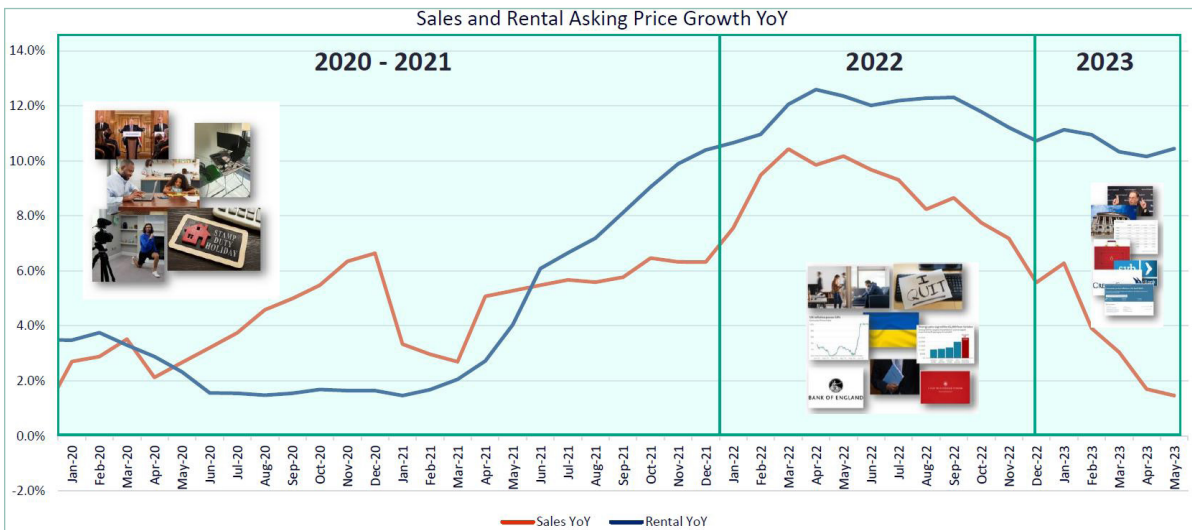
LINDA COLE
Lettings Manager

Linda came with 20 years of financial services background. Linda joined HML Lettings and has worked in the Sector for over 14 years bringing with her a wealth of experience. Linda has an excellent knowledge of the local markets and customer service is at the heart of everything that she stands for. Linda has built a specialist team around her and together they provide an unrivalled level of service to Tenants, Landlords and Investors alike.

Residential Lettings Industry Overview

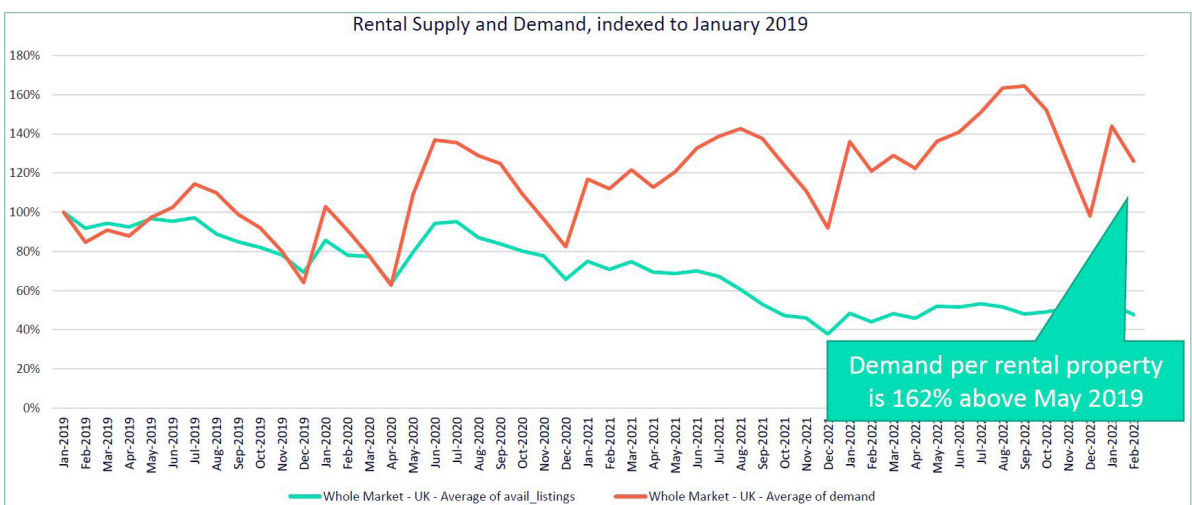
Asking price growth in the rental market has responded differently to the challenges and changes of the past 3.5 years in comparison to the sales market

Sales and Rental Asking Price Growth YoY



The rental market remains mis-matched between supply and demand

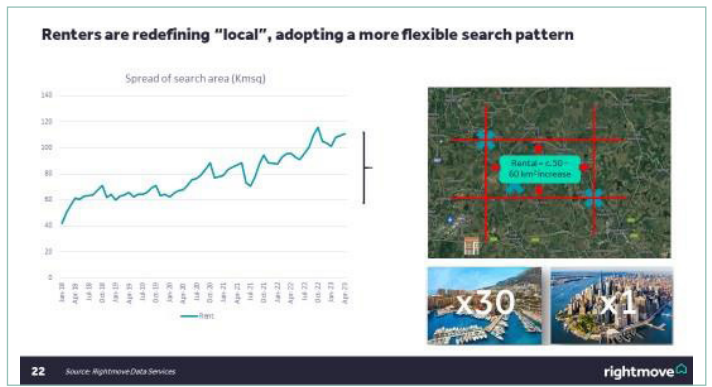
Rental Supply and Demand, indexed to January 2019



Source: Rightmove Data Services



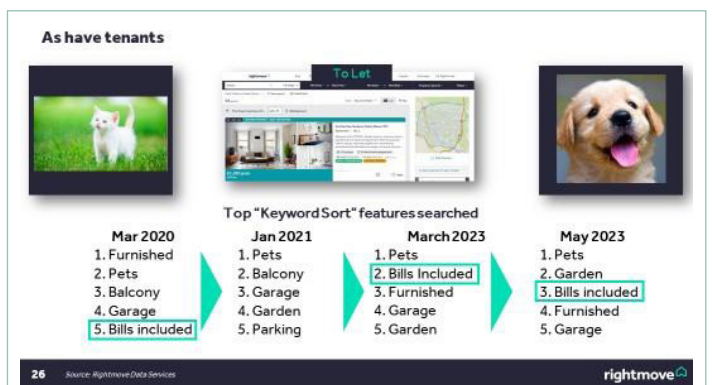
Our research shows renters have changed their search behaviour when faced with growing competition in finding and securing their next home



50 kmsq increase in rental search areas



Proportion of leads from city dwellers to non-city locations up >10% across major cities



"Bills included" has become one of the most common keywords" when Tenants are searching (alongside "Pets" and "Gardens")

Source: Rightmove Data Services

Landlords concerns are primarily focused on regulation, legislation and compliance

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Biggest concern?	Landlord type		
	1 Property	2 – 5 Properties	>5 Properties

The properties entering the market from the sales channel are outnumbered by the properties leaving the rental channel into the sales channel



Landlords plans for the future differ significantly across the different Landlord types

Plans for next 12 months?	Landlord type		
	1 Property	2 – 5 Properties	>5 Properties
Increase the number of rental properties you own	10%	19%	27%
Keep the same number of rental properties	47%	41%	31%
Decrease the number of rental properties you own	4%	18%	26%
Selling all your rental properties and stop being a landlord	22%	4%	8%
I haven't made plans yet	16%	17%	8%

Smaller portfolio landlords are more inclined to be selling up

Larger portfolio landlords are more inclined to add to their portfolios than smaller portfolio landlords

With energy efficiency requirements a clear concern; larger landlords appear more willing to upgrade their properties

Plans for properties with EPC C or below	Landlord type		
	1 Property	2 – 5 Properties	>5 Properties
I plan to make improvements to their EPC rating before 2025	15%	31%	31%
I plan to make improvements to the EPC rating after 2025	10%	4%	13%
I don't plan to make any improvements to the EPC rating at this stage	14%	19%	18%
I plan on selling the properties	22%	4%	8%
I'm undecided	16%	17%	8%

37% of landlords with >5 properties said they would invest in property below an EPC C vs 16% for landlords with only 1 property...

Source: Rightmove Data Services



HML LETTINGS VIEWPOINT

The coming years will see new laws and legislation introduced in the lettings industry which, in turn, will bring new challenges and hurdles for Landlords and letting agents alike. With careful planning and due diligence remaining compliant is not to be feared.

HML Lettings are committed to ensuring compliance across all areas of our portfolio in conjunction with our clients.

Residential Lettings Legislation Update

Renters Reform Bill

The Renters (Reform) Bill, introduced to Parliament on 17 May 2023, delivers the government's 2019 manifesto commitment to abolish Section 21 "no fault" evictions which will empower renters to challenge Landlords without fear of losing their home.

The new Bill also protects over 2 million Landlords, making it easier for them to recover properties when they need to - so they can sell their property if they want to, move in a close family member, or when Tenants wilfully do not pay rent. Notice periods will also be reduced where Tenants have been irresponsible - for example breaching their tenancy agreement or causing damage to the property.

The reforms will strengthen powers to evict anti-social Tenants, broadening the disruptive and harmful activities that can lead to eviction and making it quicker to evict a Tenant acting anti-socially.

Landlord Licensing

Local Authorities are broadening their Landlord licensing rules to include standard and single-tenancy buy-to-lets. Traditionally, additional and selective licensing schemes have only applied to Houses in Multiple Occupation (HMOs). However, with more Councils widening their rules, you should check to see if you require a licence now or may do in the future.

EPC Changes

The latest Minimum Energy Efficiency Standards have been in play since April 2020, and they apply to all existing tenancies, not just new ones or renewals.

However, after a consultation in December 2020, the government announced new standards for England and Wales, to become law by 2025. From this date, all rental properties will need an EPC rating of C or above. As before, these new regulations will apply to new tenancies first, followed by all tenancies from 2028.

The changes are intended to make homes much more energy efficient and reduce carbon emissions, to help the government reach its net-zero by 2050 target.

The penalty for not having a valid EPC will be raised from £5,000 as it now stands, to £30,000 by 2025.

The above is still subject to final confirmation as the Government is presently reviewing various 'Green Targets' and there is a possibility the deadlines for Compliance could be extended.



Residential Lettings Leasehold Advice

Leaseholders and freeholders should be aware of their legal responsibility in ensuring their property and or block is legally compliant.

Whether you are a leaseholder, freeholder, or both, ensuring your property and or block is compliant is essential to ensure you can legally let your property.

We advise that you familiarise yourself with the following acts.



Fire Safety Act 2021:

The Act will require Responsible Persons of multi-occupied residential buildings with 2 or more sets of domestic premises to update their fire risk assessment to include an assessment of the building's structure, external walls, and flat entrance doors.

Further reading; Fire Safety Act 2021 - GOV.UK

The Building Safety Act 2022:

The Building Safety Act 2022, provides a new framework for the design, construction and occupation of "higher risk" buildings. These are defined as those having at least 18 metres or 7 storeys in height and comprise of at least 2 domestic premises. It introduces a new duty holder: the "Accountable Person".

Further reading; The Building Safety Act - GOV.UK



Tips for Landlords



Building effective partnerships is fundamental towards improving business outcomes and for sustainable development. In today's fast-paced environment, partnerships drive collaborative innovation that delivers services and solutions that help our customers.

We work in collaboration with third party companies, such as Homelet and CP Walker, so that we can support our customers in an ever evolving leaseholders market.

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- Homelet - a leading supplier of specialist products and services for the private rented sector.
[Link - Tips for Landlords | Landlord Lowdown | HomeLet](#)
 - Alexander Bonhill - insurance broker, providing property insurance
[Link - Alexander Bonhill](#)
 - Shaw & Company - building surveying services
[Link - Shaw & Company](#)



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