

London Borough of Wandsworth – Selective and Additional Licensing Consultation 2024

Response from Propertymark

August 2024

Background

1. Propertymark is the UK's leading professional body for estate and letting agents, property inventory service providers, commercial agents, auctioneers and valuers, comprising over 18,000 members representing over 12,800 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.

Overview

2. The London Borough of Wandsworth is proposing to introduce additional HMO licensing in all wards of the borough. This would apply to small, shared houses that do not fall under the national mandatory HMO licensing scheme and will help to drive up standards, ensuring safer and better managed HMO accommodation. In addition, Wandsworth are proposing a selective licensing scheme proposed for all privately rented homes (excluding HMOs) within seven wards to address the prevalence of poor housing conditions. This would be introduced in two phases from Spring 2025. Phase one would include Furzetown, South Balham, Tooting Bec and Tooting Broadway. Phase two would then include East Putney, West Putney and Northcote.

Summary

3. Thank you for the opportunity to respond to the consultation on introducing a selective and additional licensing scheme in Wandsworth. Propertymark is supportive of efforts made by local authorities to improve housing stock within the private rented sector (PRS). However, we do not think that licensing is the best method to achieve this aim. Accordingly, we object to Wandsworth Council's proposal. Propertymark would prefer a regulatory framework, which seeks to educate landlords in improving their stock rather than punitive measures that are difficult to enforce and only punish compliant landlords and letting agents with additional administration and costs. We are also concerned that the scheme will take up valuable resources from the Council and as a result whilst compliant landlords and letting agents sign up and comply, those more unscrupulous agents and landlords who require more attention and enforcement to go undetected. We oppose this proposal on several grounds which are set out below.

Licensing structure

4. **Scope of the scheme** – We think that any consideration of the borough-wide additional licensing scheme and selective licensing scheme should be taken in context of other measures

undertaken by the authority to control the quality and numbers of Houses of Multiple Occupation. To this end, we would welcome clarity on performance data for the authorities mandatory licensing scheme. How many inspections did the authority complete; how many fixed penalty notices did the authority authorise along with warning letters and any other measures and sanctions. Additionally, we would like clarity on the proportion of the proposed areas that are made up of housing from the PRS, as it is likely that any social problems within this area are contributed by other housing tenures. While other areas have larger percentages of PRS stock, the level of social housing is also significant. We are also concerned that in targeting the whole of Wandsworth in a borough-wide scheme, Wandsworth may become less desirable for landlords to invest in and will result in less housing supply in the area.

5. **Costs of the scheme** – We hope that the London Borough of Wandsworth can clarify how much the scheme will cost. Many additional and selective licensing schemes are a significant investment for local authorities, and we would ask that Councillors consider carefully if such a scheme offers value for money for their residents and is the most cost-effective method to improve the quality of the PRS. The costs should include the total costs for the council in administering property licensing.

6. **Fees** – At £850 for a selective licence and £1,450 for an additional licensee, the fee is high given the economic challenges and costs faced by landlords and property agents operating in the area. It is also high when compared to other local authority selective licensing schemes including £650 in Newcastle¹ and £550 in Liverpool.² The fee is also higher compared to fees for selective licenses schemes in London Boroughs where costs are typically high including £640 in Brent³ and £652 in Merton⁴ (before discounts). We would like clarity why an additional license is £600 more expensive when surely the administrative procedure would be broadly similar. However, we do acknowledge and welcome the discounts the authority is offering including the innovative ‘Gold Standard’ scheme that rewards landlords and property agents who are performing high levels of standards and compliance. Equally we welcome the consideration of discounts for early bird payments, multiple properties, accredited landlords and discounts of properties with an Energy Performance Certificate (EPC) rating B although most of these properties are likely to be new builds and should offer little concern in terms of property standards. However, we would like clarity if the authority will offer discounts for those landlords and property agents who are members of an accredited trade body such as Propertymark. Membership of such bodies demonstrates that the letting agent is suitably qualified, has access to regular training and meets compliance and regulatory standards, so encourage the council to consider discounts for Propertymark member letting agents.

7. **Impact of cost-of-living and landlords** - Regardless of the fee level, we are concerned these charges will come at a time when landlords are impacted by ongoing mortgage costs, the cost-of-living crisis and the impact fees could have on the ability of landlords to improve standards. Our members have also told us that a common concern from landlords on licensing schemes

¹ [Fees and Charges.pdf \(newcastle.gov.uk\)](#)

² [Fees, discounts and exemptions - Liverpool City Council](#)

³ [Appendix 3 Proposed Schedule of Fees and Charges \(1\).pdf](#)

⁴ [London Borough of Merton Landlord Licensing and HMO Planning Controls Consultation](#)

is that the costs can be extremely high for landlords especially those, as we have just highlighted, as having larger portfolios of properties.

8. **Impact on supply of homes** - Exiting the market is especially a concern for smaller landlords who are more likely to sell their properties and further shrink the supply of much sort after PRS properties leaving remaining private tenants with higher rents. Our research on the shrinkage of the PRS⁵ found 53% of buy to let properties sold in March 2022 left the PRS and that there were 49% less PRS properties to let in March 2022 compared with 2019. In addition to these concerns, those landlords who remain in the market, often have less money to improve conditions from increased costs. If the decision to operate an additional and selective licensing scheme across significant parts of Wandsworth is approved in areas that are already low demand, then there is a concern that landlords currently operating within these areas could invest in neighbouring areas outside of the scheme or indeed other local authority areas or exit the market altogether. This could result in fewer housing options for people living in these Wandsworth communities meaning some people might be forced to find housing options outside the area, change employment or break social ties within the community. In addition, Wandsworth is home to a large student population who attend the University of Roehampton and other institutions. Many of these students live in HMO's and could be severely impacted by any schemes that could reduce the supply of HMO's and PRS property.
9. **Unintended Consequences** – We are pleased to see that the London Borough of Wandsworth acknowledge that the PRS is an important and increasingly growing tenure that is home to many people living within the Borough. Renting in Wandsworth, like much of London can be expensive with a median rent in the PRS in some postcodes being £2,700 per calendar month (August 2024⁶). It is likely that many low waged and people in receipt of benefits access the PRS in Wandsworth. We are concerned that landlords may increase rent due to the added and significant costs of licenses. Accordingly, some renters living within the dedicated areas require cheaper accommodation due to being on a low income and the continued challenges in the cost-of-living crisis. We previously outlined the possibility that further legislation could reduce the housing options of the most vulnerable from landlords exiting the market there could be further implications on the rent level for those landlords who remain. As is the general law of supply and demand, if the supply of PRS property reduces, the cost of rent for the remaining properties is likely to rise. With the current demographics of persons accessing the PRS in Wandsworth, there is a very real danger that many low-income families will be priced out of living in the area.

Improving standards

10. **Property condition** – Large parts of Wandsworth are characterised as including significant levels of older housing stock. The consultation document concludes that 'It is notable that there is a gradient of risk with age of the property, the risk being greatest in dwellings built

⁵ [A shrinking private rented sector | Propertymark](#)

⁶ <https://www.london.gov.uk/programmes-strategies/housing-and-land/improving-private-rented-sector/london-rents-map>

before 1850, and lowest in the more energy efficient dwellings built after 1980. Wandsworth has a high level of residential properties built pre-1900. Wards with many older properties tend to have more hazards such as excess cold, fire & electrical issues, damp and mould⁷. While this is true, the danger with operating a borough-wide scheme or even a selective licensing scheme over a large area, is that new builds and high-quality housing is included within the scheme. Areas that have these characteristics are often inner-city communities with large section of pre-1919 built housing. Accordingly, a significant amount of investment is required to improve the condition of stock including the energy efficiency of properties. We would be grateful if the London Borough of Wandsworth could clarify if they have any proposed financial grants or loans available for landlords to improve stock.

11. **Energy efficiency** - Since 1 April 2020, landlords can no longer let or continue to let properties covered by the Minimum Energy Efficiency Standards if they have an EPC rating below E, unless they have a valid exemption in place. According to the consultation document 'The statistical evidence shows that there is a continuous relationship between indoor temperature and vulnerability to cold-related deaths¹⁰. The colder the dwelling, the greater the risk. The percentage rise in deaths in winter is greater in dwellings with low energy efficiency ratings. Therefore, the F and G properties present a serious risk to the occupants' health, particularly if over the age of 65' However, only a very small number of properties would be below EPC E, and these may be exempt. The Department for Energy Security and Net Zero are due to unveil plans to ensure that properties meet EPC C by 2030. Accordingly, we would be grateful to learn how the London Borough of Wandsworth will support landlords and property agents meet these targets. In addition, as Wandsworth have correctly identified the vulnerability of certain populations to the cold such as older people, we would welcome clarity on how the authority are tackling fuel poverty within the London borough. Are they utilising the full opportunities of the Energy Company Obligation Scheme 4 (ECO⁸) and adopting a flexible eligibility scheme to target support for older people.

12. **Empty properties** – We are pleased to see that Wandsworth shares are concerns over empty properties and that they are a waste of a recourse. Additionally, empty properties are not only a wasted resource, but they can deteriorate standards of neighbouring properties through increased fly tipping and act as a magnet for anti-social behaviour. The consultation document highlights that 'As part of the Housing Strategy, the council has made the commitment to tackle long term empty properties bringing them back into use as affordable housing via the use of grant funding (as part of the authorities Warm Homes Programme) We would welcome clarity on proposals the council would consider increasing housing stock including Empty Management Dwelling Orders or enforced sales to highlight their activity. The council should provide further information into what active steps have been taken the reduce the number of empty properties within the borough to aid the high number of people waiting on the housing list for housing.

⁷ https://haveyoursay.citizenspace.com/wandsworthecs/ahsl24/user_uploads/lb-wandsworth-consultation-pack-combined-1.pdf

⁸ <https://www.gov.uk/government/publications/energy-company-obligation-eco-help-to-heat-scheme-flexible-eligibility>

13. **Current enforcement** – The proposed selective licensing scheme will include the Northcote area of Wandsworth. According to the statistical data provided, there are areas that have considerably higher complaints and recorded category 1 hazards. Accordingly, we are concerned that the council are considering a borough-wide additional licensing scheme when the most serious concerns appear concentrated in small areas. Wandsworth also highlight that they received 823 complaints from PRS tenants over 2023. We would welcome clarity on what the outcome was on the 823 complaints. Wandsworth also highlight that overcrowding can be tackled through an effective licensing regime. However, overcrowding in PRS properties does not appear to be an issue by the council’s own data. According to the 2021 Census, Wandsworth is below both the national and London average in overcrowding.⁹
14. Wandsworth are correct in highlighting the concern of damp and mould. The current UK Government are considering extending Awaab’s Law from the social sector to include the PRS. However, damp and mould can occur for several reasons including tenant behaviour in cooking and washing. We would welcome clarity on how the council support’s tenants modify their behaviour when this contributes towards damp and mould. Propertymark has issued guidance to our members on tackling damp and mould, and we would be happy to share this guidance with Wandsworth if that would be useful.
15. Wandsworth should also consider setting targets in how they perform for the proposed schemes. For example, how many working days will it take for a typical licence application to be processed and issued? Wandsworth should also publish key statistics on their enforcement activity including warning letters, prosecutions, and civil penalties issues. We would be grateful if this data could be broken down by years and whether the action was within a selective or additional licensing scheme area or from general enforcement. We would also be grateful for clarity on the reasons for issuing civil penalties for example, how many were for over-crowding, banning orders or for simply not obtaining the correct license.
16. We would welcome clarity on what the council’s enforcement policy will entail. How will the council educate landlords to ensure they are complaint, and for those landlords who struggling with the management of properties, will the council recommend landlords discharge their duties to Propertymark registered agents?

Engagement

17. **Engagement with landlords and letting agents** - For most cases of substandard accommodation, it is often down to landlord’s lack of understanding rather than any intent to provide poor standards. We would welcome clarity on how Wandsworth have engaged with landlords and property agents both within the London Borough and with those from neighbouring boroughs including via landlord forums and training opportunities. In addition, we would welcome clarity on how the council encourages landlords and agents to be members of an accredited membership scheme such as Propertymark.

⁹ www.ons.gov.uk

18. To strengthen this engagement, we would be very happy to support the council in engaging with our members and local property agents. A licensing scheme is a very reactive mechanism, and it is far more beneficial to have a programme of education to engage with landlords on helping them improve before a situation gets worse. We would welcome clarity on what training opportunities the council will provide to landlords and agents to help them understand their responsibilities and improve standards. We recognise the council have made strong efforts in this in the past with engagement via the council's Landlord Forum and an accreditation scheme for local landlords. However, engagement is more credible over a longer more embedded period. Propertymark has a network of Regional Executives and a series of Regional Conferences that take place throughout the year.¹⁰ We would be very happy to work with the council to engage with local agents over a virtual roundtable discussion on how standards can be improved.

Tackling Anti-Social Behaviour (ASB)

19. We strongly agree with Wandsworth consultation document that 'reducing ASB will make areas safer, more desirable and healthier places to live.' However, how this will be achieved from licensing appears confused and unclear. The consultation document outlines that the council has 'seen, through licensing, a notable increase in landlords managing their properties more effectively in order to ensure they do not breach licence conditions. This includes the enforcement of tenancy rules to prevent ASB by tenants or their visitors'. However, the document does not offer any explanation specifically how this has been achieved.
20. Some of the proposed licensing areas are integral to the night-time economy in Wandsworth. Accordingly, it is likely that ASB is contributed from a variety of sources outside private tenants especially given that the PRS only makes up 36% of the total Wandsworth housing tenure. We would like clarity on what plans the council has to limit ASB overall across all housing tenures including in social housing areas. While some of the proposed selective licensing areas have high levels of ASB, it is not clear if this originates from the PRS or social housing.
21. Furthermore, landlords and property agents are not the best equipped to deal with anti-social behaviour and certainly do not have the skills or capacity to deal with some tenants' problems such as mental health or drug and alcohol misuse. As one example, if a landlord or their agent had a tenant that was causing anti-social behaviour, the only tool that the landlord or agent could use would be to seek possession from the tenant under a Section 8 notice. While this would remedy the problem in the short-term, the tenant is likely to still occupy this behaviour and all that has been achieved is that the anti-social behaviour has moved from one part of Wandsworth to another or another local authority area. In this context, it should be noted that with regards to reducing anti-social behaviour, landlords and their agents can only tackle behaviour within their properties. Effectively, they are managing a contract and not behaviour. Landlords and their agents are not responsible in any form for anti-social behaviour occurring outside the property. Nevertheless, we would be interested to learn about any

¹⁰ <https://www.propertymark.co.uk/about-us/board-and-governance.html>

partnership work the council are proposing with stakeholders such as the Metropolitan Police in reducing anti-social behaviour within communities including outcomes from the Home Office funded Safer Streets Programme.

Environmental crime

22. We welcome Wandsworth's efforts to tackle environmental crime such as fly tipping and littering. The consultation document states that 'poor waste management and fly tipping are linked to the PRS, particularly within HMOs. All HMO licences contain a condition that the licence holder must provide adequately sized bins and sufficient recycling containers for the occupiers.' While we welcome efforts to tackle fly tipping, unless the perpetrator is caught doing the fly tipping or there is some sort of evidence, such as an addressed letter, within the fly tip, then it is impossible to suggest to what extent fly tipping is a problem in the PRS. Even if the link between fly tipping and the PRS could be proved, there is very little that landlords could do for any behaviour outside the tenancy unless the fly tip was done within the grounds of the property. The consultation document also states that exterior of PRS properties should be free from graffiti and fly posters. Again, the perpetrators are very unlikely to reside within the property and other than removing graffiti and fly posters as quickly as practical, there is little landlords and property agents can do. We would also welcome clarity on what Wandsworth's expectations on tackling litter, graffiti and fly posters from Registered Social Housing providers.

Selective Licensing and Section 21

23. Propertymark would like clarification on the council's policy concerning helping a landlord when a section 21 notice is served, the property is overcrowded, or the tenant is causing antisocial behaviour, as per the council's consultation. What steps will the council take to support the landlord? It would be useful if the council were to put a guidance document before introducing the scheme to outline its position regarding helping landlords remove tenants who are manifesting antisocial behaviour. The recent proposed changes to section 21 legislation and how tenancies if implemented could mean landlords will become more risk-averse to taking tenants with a perfect reference and history. We would be willing to work with the council and develop a dispute resolution service with other local authorities.

Conclusions and alternatives

24. Propertymark thinks that local authorities need a healthy private rented sector to complement the other housing in an area. This provides a variety of housing types that can meet the needs of both residents and landlords in the area. Appropriate regulation and enforcement are essential for improving standards and removing criminals from the sector who exploit landlords and tenants. An active enforcement policy that supports good landlords and letting agents is crucial as it will remove those who exploit others and help create a level playing field. It is essential to understand how the sector operates as landlords and letting agents can often be victims of criminal activity and antisocial behaviour with their properties being exploited.

25. If the scheme is approved, the council should consider providing an annual summary of outcomes to demonstrate to tenants, landlords and letting agents' behaviour improvements and the impact of licensing on the designated area over the scheme's lifetime. This would improve transparency overall. Propertymark has a shared interest with Wandsworth in ensuring a high-quality private rented sector but strongly disagrees that the introduction of the proposed measures is the most effective approach to achieve this aim both in the short term and long term.
26. We would welcome the opportunity to work with the London Borough of Wandsworth to further engage with our members and property agents in the local area.