

Greater Manchester Combined Authority Good Landlords Charter

Consultation response from Propertymark

February 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 17,800 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.¹

Consultation – overview

2. The Greater Manchester Combined Authority (GMCA) is proposing to introduce a Good Landlords Charter in its geographical area. The Good Landlord Charter would be a voluntary scheme for landlords of all types. To become a member a landlord would need to show that they are currently meeting the legal minimum standards of renting and, with support, commit to higher standards than they are currently required to by law. The GMCA want to understand from both tenants and landlords what their priorities are for a safe and decent home.

Summary – Propertymark's position

3. Propertymark welcome the aims and objectives of the Charter. However, we believe that letting agents should have a larger role and be considered for membership of the Charter. There are an estimated 19,000 letting agents in England, with 46% of landlords using an agent for letting services and 18% using an agent for management services.² Letting agents play a vital role in support landlords to understand and comply with their legal responsibilities as well as making sure properties are safe to rent as well as helping tenants find a suitable property to rent. The GMCA must do more to involve and engage with letting agents.

¹ www.propertymark.co.uk

² <https://www.gov.uk/government/publications/a-fairer-private-rented-sector>

Questions

Q5: To what extent do you agree that complying with existing legal minimum regulatory requirements should be a prerequisite of participation in the charter?

4. Propertymark strongly agrees that complying with existing legal minimum regulatory requirements should be a prerequisite of participation in the Charter. This should include demonstrating membership of an existing accreditation scheme, submitting certification, and agreeing to a proportion of properties being checked. We also welcome the inclusive two-tier scheme to allow landlords who are working towards full compliance to be originally awarded as charter supporters and for landlords who have then demonstrated these standards to be awarded with charter membership.
5. We would welcome clarity on the GMCA's views on the Regulation of Property Agents (RoPA) and the proposals set out in Lord Best's working group report.³ Propertymark regulate the professional standards of our members through our membership rules, annual continuing professional development requirements and compliance and accounting audits with disciplinary procedures for those property agents who fall foul of these conditions of membership.⁴ Our members must pass a qualification and have access to guidance, training, resources and information as well as legal support and advice which allows them to provide a professional service to landlords, tenants and consumers. Propertymark has long called for Government regulation to ensure everyone in the industry is licensed, adheres to a strict code of practice and holds (at least) a Level 3 qualification.
6. While the Charter appears to be for landlords, given that GMCA research indicates that 40% of tenants in the Greater Manchester area use a letting agent to find private rented accommodation, we would welcome clarity and the opportunity to work with the GMCA on improving the legal regulatory framework for property agents, the role agents can play in promoting the charter and the role agents can play in a charter champion role. We fundamentally believe that it is a missed opportunity not to include letting agents as members of the Charter and we will expand on this in the relevant consultation sections.

Q6: To what extent do you agree that the Good Landlord Charter should encourage landlords to go beyond their legal requirements?

³ <https://www.gov.uk/government/publications/regulation-of-property-agents-working-group-report>

⁴ <https://www.propertymark.co.uk/professional-standards/rules.html>

7. We strongly agree. This would give tenants the confidence that their landlords prescribe to the highest standards and would overall drive-up standards within the private rented sector locally.

Q7: How do you think that compliance with existing legal minimums should be assured?

8. We recognise the limited resources that local authorities have in terms of enforcement activity. A UK Government report published in 2022 into the local authority enforcement in the private rented sector in England said that “Greater capacity and skills within teams, including from partners such as trading standards officers, would allow more proactive, effective efforts to improve private rented sector standards and conditions.”⁵ To this end, one of our main reservations over local authority licensing schemes is the likelihood of local authority enforcement officers being able to check the compliance of properties especially in borough-wide licensing schemes. When local authorities propose borough-wide licensing schemes, compliant landlords often pay for the license and comply with the standards. However, rogue landlords commonly ignore the scheme and continue to operate under the radar. Over an area constating the whole of Greater Manchester, we believe that it would be extremely resource intensive to check all properties. Therefore, we would advocate that compliance should be evidenced by landlords submitting relevant documents of evidence and certification. This would then be stored on a central GMCA database.

Q8: To what extent do you think that the charter characteristics capture the essential qualities of a good renting experience?

9. We agree that the charter captures many of the essential qualities of a good renting experience. However, we believe that the charter needs to be more explicit as to how good landlords can support tenants who have protected characteristics. We will outline this in the following questions on each criterion.

Q9: To what extent do you think that the member criteria for ‘Affordable’ describe the characteristic of good renting?

10. Propertymark agrees that the member criteria for 'Affordable' describes the characteristics of good renting. We welcome the acknowledgement that introducing a limit on rents would

⁵ <https://www.gov.uk/government/publications/local-authority-enforcement-in-the-private-rented-sector-headline-report/local-authority-enforcement-in-the-private-rented-sector-headline-report>

impact landlord participation. Furthermore, in recognition of the challenging financial constraints of both landlords and tenants from the current cost of living crisis, we welcome Charter members adopting a transparent system of rent setting where tenants can make representations on the fairness and appropriateness of the level of rent set. Looking ahead, we strongly recommend that the GMCA looks closely at the impact of the Cost of Living (Tenant Protection) (Scotland) Act 2022⁶ which introduced a rent increase cap in rented housing and a pause on some evictions until 31 March 2024. Following the introduction of the legislation we have received feedback from our members in three areas. Firstly, the legislation is continuing to influence landlord confidence. The majority of agents are still seeing landlords exiting the market. Secondly, the crux of the housing problem is that demand is far outstripping supply - the legislation is having the opposite effect by pushing landlords out of the sector. Thirdly, rent increases have never been a significant factor, yet this legislation and the threat of further rent control is forcing landlords to put up rents between tenancies to cover any future cost implications. In April 2023, Zoopla reported that rent in London was 13.5% higher than a year ago, in Scotland it was 13.1% higher, and the Northwest of England saw a 10.5% increase.⁷

11.

12. We cautiously support the proposal that all properties should be EPC C as a minimum. However, there needs to be greater clarity that some good landlords will have properties that are hard to heat and even with the best efforts may never meet EPC C. These could include older or heritage properties from listed buildings or those in conservation areas. We would recommend that not being able to meet EPC C in some circumstances should not disbar a landlord from the Charter and that providing they have demonstrated that they have done all they can to improve the energy efficiency of their property, then they should still be considered. We would also welcome greater clarity on what support the GMCA can offer landlords in terms of energy advice, grant funding, and interest-free loans to support them in their journey towards energy efficiency improvements.

Q11: To what extent do you think that the member criteria for 'Inclusive' describe the characteristic of good renting?

⁶ <https://www.legislation.gov.uk/asp/2022/10/contents/enacted>

⁷ <https://www.zoopla.co.uk/discover/property-news/rental-market-report/>

13. We think strongly that the member criteria for ‘Inclusive’ describe the characteristic of good renting, but think that the Charter can be stronger in this regard. Given the UK Government’s proposals as part of the Renters (Reform) Bill to prohibit landlords from discriminating against tenants in receipt of benefits ‘No DSS’ or those tenants with families, we believe the charter could reflect these principles prior to the proposals being made into legislation. Furthermore, given the shortage of social housing, it is evident that many disabled tenants are increasingly accessing the PRS. A focus group of Propertymark member letting agents has revealed that knowledge of grant funding opportunities to adapt properties to make them more accessible for elderly and disabled tenants is limited. The Charter could be an opportunity to raise awareness of grant funding opportunities such as the Disabled Facility Grant for landlords and property agents. The GMCA should also consider keeping a database of accessible property within the PRS so that elderly and disabled tenants can be signposted to appropriate housing when there is insufficient social housing stock. Given the limitations in DFG funding, GMCA could consider expanding funding for landlords and property agents who do not currently have a tenant that requires an adaptation but would like to future-proof their tenancies for future tenants. Propertymark submitted written evidence to the Levelling Up, Housing and Communities Committee on disabled people in the housing sector and was invited to follow this up with oral evidence.⁸ For landlords and property agents to meet the housing needs of future tenants and given the increasingly aged population of Greater Manchester and the UK in general, the Charter could be a good opportunity to develop a quid pro quo relationship between landlords, property agents and the GMCA on how future housing needs are met. We think this is vital work and forms part of a tackling a major housing challenge. Accordingly, Propertymark would be very happy to continue to engage with the GMCA on this issue.

Q13: To what extent do you think that the member criteria for ‘Private and Secure’ describe the characteristic of good renting?

14. We agree to some extent that the member criteria for private and secure describes the characteristic of good renting. In principle we are supportive of tenants being able to make reasonable changes to their home. However, greater guidance and clarity is required. As part of the Scottish Government’s New Deal for Tenants⁹, the Scottish Government categorise changes to property into two criteria. Category one requires no approval from the landlord

⁸⁸ <https://committees.parliament.uk/writtenevidence/123287/pdf/>

⁹ <https://www.gov.scot/publications/new-deal-tenants-rented-sector-reform-current-proposals/>

giving tenants the ability to make minor changes such as hanging pictures and putting up posters. Category two includes more substantive changes such as painting walls a different colour. For this category, landlords must be consulted however they can not reasonably refuse. We think this strikes the right balance. We would be grateful for any considerations the GMCA have on allowing tenants the right to keep a pet. The Charter is silent on this proposal, and we would be very happy to continue dialog with the GMCA on striking a fair balance in this regard.

Q15: To what extent do you think that the member criteria for ‘Responsive’ describe the characteristic of good renting?

We somewhat agree that the response criteria meet the characteristics of good renting. While we agree that fast and reliable broadband is an important aspect of living, and that some tenants experience digital exclusion, in some circumstances the quality of broadband infrastructure is outside of the influence of landlords which is particularly the case in some rural areas. With regards to the Decent Homes Standards, Propertymark thinks that to ensure that the standard of homes improves, resources should be focused on providing information to landlords and support to enable them to meet the standard, rather than using fines as a first response to any breaches. Likewise, if the breach in standards is due to a lack of care or neglect by the tenant, the landlord should not be liable for the violation. This is especially important when dealing with the issue of damp and mould. We also think that members of the Charter should have a clear complaints policy, with an independent stage for redress.

Q17: To what extent do you think that the member criteria for ‘Safe and Decent’ describe the characteristic of good renting?

15. Propertymark somewhat agrees that the member criteria for safe and decent describes the characteristic of good renting. The Welsh Government’s recent White Paper on Homelessness¹⁰, rejected the recommendation from their expert panel to make it a legal duty for landlords and property agents to refer tenants at risk of homelessness. While we supported this decision, we believe that property agents and landlords should refer vulnerable tenants at risk of homelessness but given that they do not have the same resources as the social sector, there should be no sanctions in failure to refer a tenant. It should also be noted that the White Paper proposes changing the definition of someone who is considered at risk of homelessness from 56 days to six

¹⁰ <https://www.gov.wales/cabinet-paper-ending-homelessness-in-wales-white-paper#:~:text=The%20white%20paper%20on%20ending%20homelessness%20in%20Wales%20sets%20out,White%20Paper%20on%20ending%20homelessness.>

months. Propertymark would be grateful for clarity on what the GMCA considers as a definition of what it is to be at risk of homelessness.

16. We are supportive of member landlords adopting a model tenancy agreement and would welcome further dialog with the GMCA on the terms of model contracts. Do the GMCA consider that there should be fundamental terms that landlords must prescribe to as well as supplementary terms that landlords can adopt at their discretion. For example, whether tenants are allowed to keep a pet, sub-letting or the decoration of a tenancy.
17. We are very supportive of landlord members adopting viewing standards and being mandated to provide tenants with relevant information.

Q21: To what extent do you think that the member criteria for 'Well managed' describe the characteristic of good renting?

18. We strongly support the proposal that landlord must be able to demonstrate accreditation or training or use an accredited managing agent. However, this must be made more explicit. The UK Government is yet to adopt the recommendations made by the Regulation of Property Agents Working Group led by Lord Best.¹¹ Effectively, in England, unlike in Wales and Scotland, there is no mandatory qualifications, minimum training requirements or regulation of property agents. To this end, the Charter must be strengthened in two ways. Firstly, be clearer on what it means to be a regulated property agent. For example, be a member of a professional body such as Propertymark. Secondly, greater clarity on what accreditation would be required of landlords and reassurance that it would be at an appropriate standard to demonstrate best practice and consumer confidence.

Q24: To what extent do you agree that we should we recognise the differences between different types of landlord (when considering the member criteria)?

19. We somewhat agree that the GMCA should recognise the different types of landlords and that the membership criteria should be set accordingly. As the consultation document outlines, the social sector is already more regulated and to persuade landlords to become members, some acceptance of the differences in types of landlords and their resources will be required.

Q29: Do you think that supporters and members of the Good Landlord Charter should pay a fee?

¹¹ <https://www.gov.uk/government/publications/regulation-of-property-agents-working-group-report>

20. We think that potentially being a member of the Charter may make sound business sense for landlord and may increase the quantity and quality of tenants. Furthermore, we think that it would be reasonable for the GMCA to require a fee for membership of the Charter providing the fee only went towards the cost of administering the Charter and was fair and reasonable. At this stage it is difficult to proportion what the fee should be until the full level of support and opportunities is outlined by the GMCA. However, we would be happy to provide greater feedback at a later stage when this is clearer.

Q31: To what extent do you agree that the business benefit of attracting more tenants would be an incentive for private landlords to participate in the Good Landlord Charter?

21. We somewhat agree that the business benefit of attracting more tenants would be an incentive for private landlords to participate in the Good Landlord Charter. However, that should not be considered the only incentive. We see the Charter as a good opportunity to enhance the relationship between the GMCA and landlords and property agents. This could include sign posting for grant funding opportunities, providing training opportunities and sharing best practice and information. Central to this should be effective communication, and we would be grateful for further clarity as to how the GMCA will communicate with landlords and that they will consider diverse communication methods. A recent Propertymark Freedom of Information request found that only a around a half of English local authorities who responded had held a landlord forum since 2021. We note that some local authorities within the GMCA have not held a landlord forum and we recommend this could be an area for improvement.

Q32: What do you think would be the best way for landlords to advertise Good Landlord Charter participation?

22. Later in the consultation we will explain why we think property agents should be part of the Charter. However, letting agents are in a good position to advertise their membership of the Charter through promotion within their offices. This could include window stickers or certificates. Aside from this form of promotion, members could be accredited with social media assets to demonstrate their membership on social media outlets. Other methods that landlords could consider could include business cards and appropriate use of accreditation logos. We think that there should be some official guidelines on promoting membership to prevent fraudulent or misleading use and to raise awareness with tenants on how to spot Charter member.

Q33: In addition to advertising, how could the Good Landlord Charter be effectively marketed and incentivised?

23. The Charter should be promoted amongst landlord, property agent and tenant groups to be an increasingly recognised brand. There is also a role for local authorities and local elected representatives, lenders providing mortgages and re-mortgaging buy to let property, the tenancy deposit schemes, redress schemes, trade persons and anyone connected to the private rented sector. We would be very happy to continue to engage with the GMCA on promoting the Charter amongst our membership.

Q34: To what extent do you agree that the Good Landlord Charter could play a useful role in helping landlords sustain tenancies and reduce tenant turnover?

24. It should be acknowledged that there are many reasons why a tenancy comes to an end. According to the English Housing Survey, most private renters ended their tenancy because they wanted to move rather than being evicted.¹² Therefore, there are many reasons why a tenancy ends that are out of the control of a landlord such as new job prospects or family issues. However, in some cases we believe the Charter may reduce tenant turnover.

25. The success of the Good Landlord Charter in achieving its aim of sustaining tenancies and reducing tenant turn over will depend on how aware landlords, property agents and tenants are of the scheme. To this end, we believe that the Charter will require a reasonable period to embed before any meaningful analysis or evaluation of its aims can be made. We also believe that the Charter should be seen as a medium to long term vision and developed over time. Accordingly, it is perhaps too early to assess the extent the Charter could sustain tenancies and reduce tenant turnover.

Q36: What other incentives would persuade landlords to participate in the Good Landlord Charter?

26. We have already outlined the potential additional benefits of joining the Charter as part of our response to question 31. Essentially the Charter may improve the relationship between the GMCA and landlords and their agents. We hope the Charter will foster a more cooperative relationship

¹² [https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-private-rented-sector/english-housing-survey-2021-to-2022-private-rented-sector#:~:text=Most%20private%20renters%20ended%20their,wanted%20to%20move%20\(77%25\).](https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-private-rented-sector/english-housing-survey-2021-to-2022-private-rented-sector#:~:text=Most%20private%20renters%20ended%20their,wanted%20to%20move%20(77%25).)

between both parties and be an opportunity to improve training, awareness of grant funding opportunities and support.

Q37: To what extent do you agree with the proposed approach to letting and managing agents in the charter?

27. We strongly disagree and believe that it is remiss not to include letting agents from membership of the Charter. We accept that letting agents operate in a different environment to landlords and it might be appropriate that the eligibility and criteria might be different for agents than the proposed landlords. For example, letting agents could demonstrate their inclusivity by evidencing an equal opportunities policy that is adhered to. Equally, letting agents are in a more advantageous position than landlords to demonstrate their accreditation and training. Other criteria such as being transparent on rent allocation, sign posting information and achieving necessary standards should be achievable for letting agents to demonstrate. Furthermore, it is a legal requirement for a letting agent to belong to a government-approved independent redress scheme and have Client Money Protection, these are protections not currently required by landlords but act as a greater layer of consumer protection and thus should be utilised through the Charter.

28. We would be very happy to support the GMCA on terms and eligibility for letting agents to be included onto the Charter, which would likely vary from the suggested terms for landlords. However, as the GMCA concedes, a significant proportion of tenants in the Greater Manchester area use a letting agent to secure accommodation so clearly this is a missed opportunity to holistically improve standards.

Q39: To what extent do you agree with the proposed approach to the charter's operation and governance?

29. We somewhat agree with the proposed approach of the Charter's operation and governance. We welcome the inclusion of both private and social landlords to be included on the programme board, but would welcome clarity on how they will be selected? Accordingly, should consideration be given on a greater role for property agents within the Charter including membership, then Propertymark would be happy to support the GMCA with the governance role.

Q42: If you would like to be kept informed about the future development of the Good Landlord Charter, please provide your name and email or postal address?

30. Propertymark would be very interested in further dialog with the GMCA and to be kept up to date with developments for the Charter. Please use the email this consultation was submitted from as your point of contact.