

Investing in Ordinary Lives

Innovations in housing for people with learning disabilities



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with learning disabilities?*

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About this briefing

The Housing & Support Alliance wants to significantly increase the range and type of housing available to people with learning disabilities (PLD) in the UK.

In the past social housing provided by Councils, housing associations and charities has tended to be seen as the primary source of housing for PLD. However, to significantly increase the volume and range of housing available it is necessary that privately provided and funded sources of housing are maximised to meet future housing need.

This briefing sets out the options for small landlords to invest in and provide property/housing that can be used by PLD.

The H&SA is seeking to attract small landlords to make available existing properties within their portfolios and to invest in additional housing that might be suitable for PLD.

There is no standard definition of 'small landlords' however there are a number of organisations that seek to represent smaller landlords; for example The Residential Landlords Association (RLA) represents 15,000 small and medium-sized landlords in the private rented sector (PRS) which manage over 150,000 properties across the UK.

The RLA estimates that almost 90% of English landlords are private individuals and couples; about 5% are property companies and the rest a mix of other organisations.

In the period between 1999 and 2010-11 the number of households in the private rented sector has increased from 2 million to 3.62 million, equivalent now to 17% of English households. RLA estimates that by 2016 one in five households, or 5.9 million households in England, will be renting in the private sector

Why would landlords rent to people with learning disabilities?

Most PLD, their carers and local authorities (that fund care and support) want a significantly increased range of housing options. The population of PLD needing housing is projected to increase over the next 10-20 years as the population grows due to increasing life expectancy and increasing numbers of children being born with learning disabilities.

Most small landlords are typically seeking tenants that:

- ❖ Do not breach their tenancy and pay the rent;
- ❖ Want to stay living in their properties for longer periods to minimise void times;
- ❖ Are 'good tenants' that provide a reliable source of rental income.

PLD are very attractive as potential tenants:

- ❖ The majority of this population is likely to have an on-going need for housing to rent;
- ❖ They need housing in all locations in the UK;

- ❖ A mix of types of housing is required;
- ❖ They tend to be relatively stable and tend to move less frequently than other potential tenants;
- ❖ They usually receive some level of care and support to live independent lives;

The diversity of housing requirements means that small landlords have a wide range of types of housing that will be potentially suitable and attractive to PLD, their families and supporters.

PLD are often looking for long term housing, for example as an alternative to living with their family or moving to residential care. Many PLD will be long term tenants seeking to live in a particular location and the right property often for many years providing longer term security for landlords.

Many PLD are eligible for and receive local authority funded care and support based on their individual needs from between a few hours support a week to 24 hours a day care. Because many PLD do receive support

they are often very effectively supported to maintain the terms of their tenancy agreement. This provides additional reassurance to landlords that the property will be looked after and that any issues with a property, such as maintenance requirements, can be swiftly identified where necessary by the support agency.

Changes to the welfare system are complex, however many PLD remain eligible for state funded welfare including meeting rent and service charge costs.

Many small landlords typically view their property portfolio as medium to long-term investments that offer the potential for income, capital gains and for some as an alternative to traditional forms of pension provision.

The disadvantages of investing and managing residential property are typically cost of upkeep as well as other factors including transaction costs and volatility of demand from tenants. Providing property that will be used by PLD can mitigate these disadvantages, i.e. letting property to PLD means the upkeep costs can in some circumstances be transferred to the housing provider/property manager under a leasing arrangement and there is the prospect of stable and long term demand from PLD as tenants.

Returns of between 4% and 5.5% are possible depending on the rent level charged, the extent of the rent charged that is recoverable by the tenant typically through local housing allowance/housing benefit and the costs of managing the property.

Case Study: Leasing -Golden Lane Housing (GLH) 'Great Tenants' scheme

GLH has been running the Great Tenants Scheme for the last five years. It is based on GLH taking corporate leases with private sector landlords, and housing people with a learning disability. The key elements of the scheme are:

- ❖ Golden Lane Housing (GLH) will take a corporate lease on the landlord's property.
- ❖ All rent is guaranteed by GLH.
- ❖ Deposits are paid in full.
- ❖ GLH will usually look to lease a property for between one and seven years.
- ❖ The landlord's property will be returned in the condition it was presented in (subject to fair wear and tear).
- ❖ GLH provides housing support for the tenant, ensuring that any issues during the tenancy are dealt with promptly.

Form more information visit: www.glh.org.uk

Case Study: Direct letting

The Cornwall Residential Landlord's Association (CRLA) is a membership organisation for private sector residential landlords and provides members and non members with a range of advice and services in relation to letting and managing residential property. Some of CRLA's member landlords provide housing for PLD on a direct letting basis. These landlords have done so because of the long term nature of these tenant's housing requirements and because they are effectively supported to maintain a tenancy.

Form more information visit: <http://www.crla.org.uk/>

How can small landlords rent to people with learning disabilities

There are a number of options for small landlords to invest in housing/property that would be for use by PLD. A key consideration for any small landlord considering

investment in housing for PLD is the most appropriate management and letting arrangements. These will typically include the options summarised in the table below:

	Options	Description	Considerations
1	Direct letting	Landlord responsible for all aspects of letting and management of property	Landlord responsible for finding tenants. Direct relationship with tenants (PLD). Landlord responsible for minimising void periods. Landlord responsible for liaison with support/care agencies as appropriate including in relation to tenants eligibility for Local Housing Allowance (LHA)/universal credit/other benefits
2	Partnership with a 'specialist' organisation such as a support provider	Landlord responsible for letting of and management of property. Support provider responsible for ensuring tenants maintain tenancy	Landlord and support provider determine which party finds suitable tenants. Support provider likely to have existing relationship/s with potential referrers, e.g. local authority Adult Social Services, helping to minimise void periods. Support provider will assess potential tenant's suitability on behalf of landlord. Support provider will support and/or arrange other support for tenant to maintain tenancy. Support provider will be able to ensure tenant's eligibility for LHA/UC/other welfare benefits is maximised. Support provider costs can be met as part of the individual's overall support package.
3	Leasing with a social housing 'partner' organisation	Landlord enters into a formal lease with a housing association or charitable housing organisation	Landlord enters into formal legal agreement with a social housing organisation to lease their property/ies for a fixed period. Arrangement vary depending on lease but likely to mean housing partner: Manages property on behalf of landlord; Pays agreed rent to landlord; Identifies suitable tenants; Liaises and manages relationship with referrers, typically local authority, and care/support providers; Takes or shares void loss risk; In some cases takes on maintenance responsibilities; Ensures that tenant/s are able to maintain tenancy including maximising eligibility for housing benefit and other welfare benefits. Costs of housing partner can be met through additional service charges that are eligible for housing benefit.
4	Through a property agent or management company	Landlord delegates management of property to mainstream property management company	Options include full management, tenants sourcing, liaison with support provider and local authorities. Options purchased will be reflected in the fee or percentage charged by the property agent. In most cases a mainstream property letting agent will have limited experience and expertise in letting to PLD.

www.housingandsupport.org.uk/investing-in-ordinary-lives

Contact details

Tel. 0845 4561497

enquiries@housingandsupport.org.uk

www.housingandsupport.org.uk/contact

More information on briefing 3

<http://bit.ly/landlords-invest>

More information about the project

www.bit.ly/invest-ordinary-lives