

Striking a successful balance between landlords and tenants

It is right that the law requires landlords to treat their tenants well and to stick to the promises they make in their contracts with tenants. There have been too many cases of bad landlords who have failed to maintain properties to a decent standard, or who have sought to evict tenants for no good reason.

The government is currently reviewing the balance of the law to see if tenants can be offered more security. It is after all their homes we are talking about, and it is disruptive and upsetting if people have to move out of a place they need and like living in.

In the review the government also needs to take into account how landlords are likely to respond. Tenants have more freedom, more choice and more affordable rents if there are enough landlords wishing to make property available. Some overseas markets have been badly damaged by offering strict rent controls and other advantages for tenants, only to discover the supply of rented accommodation falls, creating scarcity and upward pressure on the general rent level.

Today both landlord and tenant can agree to a rental contract for a stated period. The landlord may have good reason why they want the property back at the end of the specified time. If this is no longer possible more potential landlords may be put off, concerned that they cannot get their property back. We have already seen a contraction in the supply of more property to let by the tax attack on buy to let investments by individuals. The disallowance of mortgage interest relief and the higher stamp duties on such investments has put some people off contemplating put their savings into such a venture. More emphasis has been placed on institutional and company landlords, who will in turn be concerned if contracts are too restricted.

I want tenants to get a good deal, and want there to be sensible legal protections against poor or bad landlords. The government for its part needs to recognise that the best way for tenants to get good deals and have choices is to encourage a larger and healthier private rented market. You do not achieve this by overtaxing provision, nor by intervening too much in the contracts willing landlords want to exchange with willing tenants.

I am not myself a tenant, nor do I have a buy to let investment.