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Belvoir backs NRLA campaign for Government Tenant Loan Scheme

Belvoir, the UK's largest High Street property franchise, welcomes the adoption by the Welsh Government of proposals for a Government backed loan scheme for tenants who have accrued rent arrears due to the impact of coronavirus. Belvoir is also backing the NRLA campaign to introduce a similar scheme in England to protect tenants within the Private Rental Sector (PRS).

Belvoir CEO Dorian Gonsalves says: "With confirmation that the UK has officially fallen into recession we believe that it is more important than ever for the Government to introduce a loan scheme similar to that in Wales, which will ensure all tenants are able to pay their rent, and landlords can continue providing much needed housing for the PRS.

"It is important to realise that the PRS is entering into this recession in a completely different position to the credit crunch of 2008, with a much closer proportion of people renting property compared to homeowners with a mortgage. In addition, according to the latest English Housing Survey, for the first time as many people are now renting through the PRS as through social housing. Homeowners who have been financially impacted by coronavirus have had the advantage of being able to access a mortgage holiday, and it would seem only fair that tenants should have access to a similar loan scheme to the one operational in Wales.

"Belvoir's Q2 rental index, which is provided for us by property expert Kate Faulkner, confirms that the rental market has so far not been dramatically affected by the coronavirus. Belvoir continues to monitor rent arrears, and our most recent data shows an arrears percentage of 3.34% directly related to coronavirus. Rents in most areas have remained stable, although there is a definite post lockdown demand for more rental properties with outdoor space and far less demand for flats. In England, Wales and Scotland, Belvoir's Q2 2020 rental index reveals an average rent for offices trading over the last eight years of £746 per month - a decrease of around -3.5% versus Q2 2019. When comparing Q2 2020 to the 2019 annual average of £755 per month, which has proved to be a more robust measure over time, this reveals a smaller, almost insignificant fall of around -1%.

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“Although the rental sector remained robust throughout lockdown, the furlough scheme is due to end in October and there is inevitably some uncertainty about how this will impact on the job market and the ability of a small percentage of tenants to pay their rent. A loan system of the type operating in Wales will help to protect tenants by ensuring they can continue to pay rent and reduce the risk of evictions. In the long term a loan system to subsidise the rental market and protect tenants may ultimately be less costly for the Government than a potential increase in homelessness, especially as councils will struggle to rehome people due to a shortage in social housing.

“Landlords and agents play an important role in the economy, contributing significantly in terms of employment of staff and contractors, ensuring compliance of safety regulations, maintaining properties to a high standard etc. Belvoir’s rental index confirms that the majority of tenants choose to remain in their rental home for between a year and two years, with one office reporting an average of almost four years. Belvoir remains committed to the care of all of our tenants and landlords and we are delighted that the NRLA campaign for the tenant loan scheme in Wales has proved successful. Belvoir is very much behind the campaign to introduce a similar scheme in England.”

NOTES TO EDITORS

- Belvoir was founded in February 1995 and its Central Office is based in Grantham, Lincolnshire. Michael Stoop is Belvoir’s Chairman.
- Belvoir is recognised as the largest property franchise network Group on the High Street, with 300+ franchised offices nationwide in the Belvoir, Newton Fallowell, Northwood and Lovelle brands, as well as financial service brands Brook Financial Services and MAB Gloucester.
- Belvoir is a founder member of the safeagent Kitemark scheme, which is fully supported by NALS.
- Belvoir successfully listed on the AIM market of the London Stock Exchange on 21st February 2012.

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