

Date \_\_\_/\_\_\_/20\_\_\_

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Dear \_\_\_\_\_

Thank you for your correspondence regarding your concerns about the financial security of students during the coronavirus pandemic

I share your concern for the welfare of my tenants, and I want to show as much flexibility as I can in supporting them at this difficult time.

However, I would note that the Government's most recent landlord survey for England showed that:

- 94% of landlords rent property as an individual.
- 45% of landlords have just one rental property. A further 38% own between two and four properties.
- The average (median) gross rental income (before tax and other deductions) is £15,000 per annum. The average (median) non-rental income for landlords was £25,000 per annum. This means many landlords would struggle to afford to cover a period without rent payments.

I set this out to provide context here. The vast majority of private landlords do not have the financial resources to be as flexible as the providers of purpose-built student accommodation when considering what financial support may be offered to their tenants.

Further, the vast majority of landlords are also ineligible for any of the other business or personal support measures announced by the government, making it extremely difficult to provide direct support to tenants beyond applying for a mortgage holiday where they are eligible; this support is only available on a case by case basis if their tenant's finances have been affected by the coronavirus pandemic.

### **Supporting my tenants**

I am happy to apply for a mortgage holiday and pass the benefit of this on where I can, but it must be borne in mind that -

- The holiday is only available where lenders are assured that landlords are facing difficulty in meeting their repayments because their tenant's finances have been affected by the coronavirus. The Student Loan Company has confirmed that all [loan payments will continue in full](#) so students are not automatically affected financially by the coronavirus. If a student's income, including from a loan, means that they are still able to cover the cost of the rent a landlord would not be able to apply for a mortgage repayment holiday.
- The onus is on the tenants to contact their landlord at the earliest opportunity where their finances have been affected so that the landlord can arrange a mortgage holiday. Without contact from my tenants I cannot afford to unilaterally defer payments.

- Where a mortgage holiday is offered to me, I am still obliged to catch up with the deferred mortgage payments and so are my tenants, subject to agreeing a reasonable timetable for payment of the deferred rent.
- A mortgage holiday on its own does not cover the costs incurred for my other expenses such as agency fees, utility bills, licensing fees and insurance. Should I agree to release my students from their tenancy I would also be liable for the council tax where none was due before.

I would urge you to encourage your students to work with their landlords and follow the Government guidance. Where they have been affected, they should contact us early to arrange a payment plan and provide evidence of how their finances have been affected so we can defer some of our losses and pass that on to the tenants.

Where the tenant's finances have not been affected, I would also encourage you to support them by providing clear instructions to pay their rent and avoid building up unsustainable debt in the future. The Government guidance is clear on this point and tenants should not be receiving misleading information that could lead to unsustainable debt levels in the future.

Finally, I would encourage you to press the Government to allow students to access Universal Credit where they need to. This would allow students who are affected to have their rent paid during the crisis rather than have payments deferred to a later date. This would give tenants the peace of mind to focus on their studies without concerns over the future.

Kind regards

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