

A property market frozen and leveraged landlords at risk

In the recent weeks where we have seen communities locked down in self-isolation, a government urging people to stay home while daily commuters are still flocking to work and a frozen property market, landlords have understandably become uneasy. Due to the uncertainty of the period ahead, more and more tenants are contacting them to negotiate some kind of agreement as their incomes have been slashed in a world of zero-hour contracts.

As a CEO and a business leader I believe in being on the front lines in a crisis, so I have been speaking to our landlords updating them on new government guidelines and offering support where I can. Supporting my team is always my priority and ever more so now when dealing with the massive rise in calls from tenants and landlords. Through this, I think I am gaining a unique overview of both perspectives and the challenges each party faces.

As an individual, I am a glass-half-full kind of guy and I hope that this crisis will hit a downward curve beyond the point of no return; all citizens globally have to take responsibility for helping prevent the spread of this pandemic any further. That said, even if I take my most positive outlook forward I feel we may

be looking at between twelve to eighteen months before we can see any sort of stability or recovery in global markets.

Since the UK government's intervention in the housing market, restricting the ability to show property and discouraging home moves, many homeowners who were planning to move have had to delay. Landlords with heavy investment, unfortunately, may start to feel the stress in the coming months.

My concern surrounds the rental sector and the government's intervention to help tenants and landlords who are struggling with rent and mortgage payments. In my opinion, if we see a slump in housing prices then we can only hope that there is swift movement in the financial markets and the property market corrects itself, which I imagine will need a serious level of support from the government.

We are lucky the UK property market is relatively resilient as we recently came out of Brexit price slumps and confidence in the market was restoring after the General Election. The 2008 crisis also shows some optimistic data on how fast recovery can be, but as I say, we are dealing with a world-first global crisis that we are grossly unprepared for.

My top three pieces of advice for landlords are...

Communication

Increase the level of communication you have with your tenants or managing agent to ensure they are aware of your tenants' income is being impacted by COVID-19. Keep an open dialogue with them to agree on a monthly plan of rent they can afford to pay.

Property maintenance is still a must

Regardless of if tenants have fallen into rent arrears because of a lack of funds due to COVID-19, landlords still have the duty to keep the property in a habitable condition. However be clear with tenants due to restrictions that are being placed on movement, key worker resources will be stretched and the vulnerable are likely to be prioritised.

Rent arrears

It is likely that some tenants may find themselves in rent arrears over the coming months and again here it is important for them to agree with landlords at this stage what the rent arrears agreement is and a plan for re-payment once this period ends. I again advise all landlords to seek advice online which is

available online [here](#).

I am also providing advice for landlords [here](#)...

In the coming months with so much uncertainty, we may see the property market stretch to near breaking point. We can only hope that the government will intervene in a meaningful way to help keep the private rental market going. In the short term work with your tenants, managing agents, insurers and seek out any government assistance you are eligible for.

Adam Joseph, CEO of [The Happy Tenant Company](#) is a serial entrepreneur and leading property industry ambassador. He successfully exited his first venture five years ago and decided to make the move to The Happy Tenant Company because he felt there was a real gap in the market for a property management firm that serviced both part-time and professional landlords.

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