

Housing Association Management of Private Sector Properties (*ref 28*)

- 1.** In order to meet the need for temporary housing for homeless households Local Authorities have commissioned Housing Associations to acquire and manage properties within the private sector on their behalf. This has the advantage of reducing the demand for hostel and B & B accommodation, which, is a costly alternative, and providing a better living standard for homeless families. This arrangement can be attractive to private sector landlords. Similar arrangements could provide a means of allowing learning disabled individuals to rent in the private sector with (appropriate) security.
- 2.** The essence of the arrangements are that a private landlord leases properties to a registered Housing Association. The Housing Association then sub lets the properties for a defined period to the tenant.
- 3.** The advantages for the private landlord are:
 - Management Charges are low: 2% - 5% compared with 10% (finding tenant and collecting rent) - or up to 17.5% (for complete management service).
 - Rent is typically paid to the owner throughout the contract period regardless of occupancy. The landlord doesn't need to worry about voids and has a continuous income.
 - Housing Association contract usually says that the property will be handed back in good condition (subject to 'reasonable wear and tear'). So the landlord doesn't need to worry about the treatment of the property
 - Regular visit schedule maintained.
 - Contractors are vetted and expected to meet high standards of workmanship.
 - Landlord tenant relationship between Housing Association and owner.
 - Leases between 2 and 5 years renewable on expiry with agreement of both parties.
- 4.** Rents paid to the landlord are generally lower than the prevailing market rate but the lower management fees offset this. If the landlord repairs are not completed within preset time the Housing Association may employ its own contractors and charge an administration fee on the value of repair (typically 10%).
- 5.** For tenants the advantages are:
 - Better standards including more space than in hostels or B & B. and less 'social stigma'.
 - Greater autonomy and privacy.
 - Relationship with RSL easier than with private sector landlord.
 - More security of tenure, tenancies at least 2 years and often longer compared to minimum of 6 months for assured short hold tenancies.

If you require further information or have other queries contact Housing Options.

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