

HELPING LANDLORDS HELP THEIR TENANTS

THE
FAMILY
BUILDING
SOCIETY

A LITTLE EXTRA HELP WHEN YOUR TENANTS MAY NEED IT MOST

Lockdown may be easing, shops may be opening and many are returning to work. While it may appear like some form of normality is approaching, for some, particularly for those who rent, the events of the last few months will be one of the biggest financial upheavals they will have witnessed.

As lenders have helped borrowers, have you considered how to best help your tenants get back on track? Have they been able to access the financial support available? If they are furloughed, or worse, been made redundant, how to pay their rent will be among their biggest concerns.

THAT IS WHY WE WOULD LIKE TO HELP YOU HELP YOUR TENANTS

Understanding your tenants' unique circumstances and engaging and supporting them positively, helps them find a way through these difficult times and can help you deal with your financial commitments too. We know this from our own involvement as a landlord and are happy to share our experiences in this leaflet.

There is also wide range of other sources of information for you and your tenants, some of which we have outlined overleaf.

NATIONAL RESIDENTIAL LANDLORDS ASSOCIATION

Many of you will already be members of the National Residential Landlords Association. If you haven't yet taken advantage of their wide range of resources, it's a great place to start. Members have full access to a wealth of information and support not only on managing and letting your property during the current pandemic, but how to deal with arrears. You can also learn what financial support may be available to your tenants. Visit [Landlords.org.uk](https://www.landlords.org.uk) for more information.

OTHER SUPPORT

You may be able to direct your tenants to a number of organisations that can provide financial and emotional support. These include:

General government guidance and support. There are more links available now on the coronavirus page following the FCA guidance, including encouraging people to do a budget planner and also assess priority debts. You might want to include these – [gov.uk/coronavirus](https://www.gov.uk/coronavirus)

Your tenants may be able to claim housing benefit. You can find more details here – [gov.uk/housing-benefit](https://www.gov.uk/housing-benefit)

If you know your tenants are struggling to pay their other bills, **Citizen's Advice** offers the following information – citizensadvice.org.uk/debt-and-money/if-you-cant-pay-your-bills-because-of-coronavirus

Your tenants may be entitled to benefits. Find out more with **Citizen's Advice** – citizensadvice.org.uk/benefits/coronavirus-check-what-benefits-you-can-get

The Money Advice Service can offer support with managing money, including steps to take to prepare for if circumstances might change – moneyadviceservice.org.uk/en/articles/coronavirus-and-your-money

The Money Advice Service also has a budget planner that could help tenants work out essential costs – moneyadviceservice.org.uk/en/tools/budget-planner and it has also produced a guide to help prioritise debts – moneyadviceservice.org.uk/en/articles/how-to-prioritise-your-debts

Other places where you might find useful information at this time include **Which?** – [which.co.uk](https://www.which.co.uk) and **Money Saving Expert** – moneysavingexpert.com/latesttip

The Financial Conduct Authority has produced a guide to managing financial difficulties during coronavirus – [fca.org.uk/publications/finalised-guidance/information-consumers-financial-difficulties-coronavirus](https://www.fca.org.uk/publications/finalised-guidance/information-consumers-financial-difficulties-coronavirus)

If your tenants are feeling stressed or worried and need help with their mental health, **The Money and Mental Health Institute** can direct you to help here – [moneyandmentalhealth.org/get-help](https://www.moneyandmentalhealth.org/get-help)

ENGAGING WITH TENANTS - DOS AND DON'TS

Dos:

- Do telephone your tenant and ask how they are getting on
- Do understand that they may be particularly stressed at the moment
- Do ask after their health
- Do try and understand their financial situation
- Do ensure they have access to all sources of information
- Be flexible. If one tenant can pay then accept this until the second tenant is working, then arrange a flexible, affordable payment plan
- If a tenant needs to move, allow them to do this. It is easier to re-let your property than to get money from a tenant that just can't afford it. Agree a deduction from their deposit and start marketing your property asap.

Don'ts

- Don't make them feel under pressure
- Don't be unrealistic when discussing paying arrears
- Don't stretch them so much that they will default in the future.



CASE STUDY

As landlords ourselves, we have some real world experience in dealing with tenants who are facing a stressful time and who may be seeking help with their rental payments. Through our initiative with Family & Arden Homes LLP, we own a number of refurbished properties in the south east. We have been actively engaging with our tenants to ensure they are benefiting from the range of help available to them whether they are furloughed, on reduced hours, been made redundant or self employed.

Michelle Goldstein, Senior Property Manager at Family & Arden Homes LLP, explains our approach:

The key to dealing with a tenant is understanding and communication. I always start by making sure they are well and asking whether or not anyone close has had any health issues. I try to strike a balance between being professional and being friendly and caring. You do need to keep a slight distance because you are going to have to explain that the rent will need to be paid on a long term basis.

Always ask about their work and make sure all is well. If not, try and ask if there is any advice they need to help them find out if they are able to get benefits or not. Often all they are looking for is a bit of guidance on the best way forward and help not getting into debt.

Advise self employed people on their entitlement to the government grant – sometimes people don't understand that they should claim what they are entitled to. Help small businesses to get in touch with the local council and see if they are entitled to loans or grants – this is an important way forward. I do believe that the key to helping your tenants is making sure that you have the knowledge of what is available to help them. Tenants need to understand their entitlement to Housing Benefit and how they should make sure they are claiming Universal Credit.

Some tenants may try to stretch themselves, or, conversely, not pay anything at all. It's important they understand that a landlord still has expenses on the property, ie, ground rent, service charges and mortgages. Make sure that any arrangement or payment schedule you agree with the tenant is affordable and not too much of a strain on their finances. You want to avoid the possibility they might default again in the future.

If a tenant needs to move, help them if you have other properties that are cheaper and smaller. This keeps a good relationship going.

Be firm but fair and analyse the best way forward before giving them a suggestion.

This brochure can be provided in alternative formats on request.



familybuildingsociety.co.uk



03330 140146



mortgage.service@familybsoc.co.uk

FAMILY BUILDING SOCIETY
EBBISHAM HOUSE
30 CHURCH STREET
EPSOM
SURREY KT17 4NL

Family Building Society is a trading name of National Counties Building Society which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Firm Reference No.206080
register.fca.org.uk

THE
FAMILY
BUILDING
SOCIETY