Rent Rise Fears Over Landlord Tax Relief Cuts

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In the recent Budget Announcement, plans were disclosed to scrap the mortgage tax reliefs that private residential landlords currently receive. As a result, questions are being raised as to whether it is in fact landlords that will feel the impact of these cuts, or whether the cost will be passed on to tenants through rent increases. A survey from Makeitcheaper.com has revealed tenants' rising concerns over this issue.

The key findings from the survey are as follows:

- 38% of tenants are feeling uncertain as to how the cuts will affect them
- Over 50% are calling for greater rent control measures to be introduced
- 35% of tenants would move to a different property in the event of a rent increase

The news will surely come as a blow to tenants after it was recently reported that the UK already has some of the highest rental prices in the whole of Europe, meaning further price increases would leave Britain's tenants paying *well* above their European counterparts. If rent prices did rise:

- Just 20% of tenants would stay in their current housing
- More than 1 in 10 feel they would be forced to seek council housing
- 17% would be more motivated to buy their own property

These results show that landlords may run a high risk of losing tenants by increasing rent – 80% of tenants in fact – as many would be simply unable to afford a price hike.

There are certain rules around rent price increases that landlords must adhere to – for example, landlords cannot raise prices in a fixed-term tenancy prior to the end date, without the tenant's agreement. But, even with these precedents in place, there's a good chance that tensions between landlord and tenant could grow in the event of price rises.

With pressures mounting for those involved in the rental property industry, it can help to relieve the strain where possible. This landlord vs tenant tool can help to do just that, by clarifying common grey areas of where responsibilities for certain aspects of a tenancy lie.

- ENDS -

Notes to editor: Research among 1,000 UK private tenants was conducted by Google Consumer Surveys on behalf of Make It Cheaper on 27 & 28/07/2015.

How would a rent increase impact your current housing situation?

I'd seek a cheaper private tenancy	34.8%
I'd remain in my current private tenancy	20.4%
I'd be more motivated to buy my own property	17.1%
I'd be consider becoming a council tenant	12.7%
Other	15.0%

About Make It Cheaper: With head offices in Central London, 190 staff and 38,000 customers, Make It Cheaper has been the No.1 destination for businesses to get a better deal on their utilities since it launched in 2007. Following its acquisition of Ofgem Confidence Code-accredited www.UKPower.co.ukin 2012, Make It Cheaper also provides competitive energy prices and free expert advice for households – online and over the phone. Its supplier panel includes all of the Big 6 and 28 of the UK's smaller domestic and non-domestic energy companies. For businesses and charities it also offers savings across other overheads including: telecoms, insurance and merchant services. The company has appeared in the Fast Track 100 for three consecutive years and has won the title of 'Consumer Champion' at the Energy Live Consultancy Awards for the past two years. Its current 'Net Promoter Score', based on 2,718 customer satisfaction questionnaires completed to date in 2015, is +66.

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