

## RESIDENTIAL LETTINGS UPDATE

### SPRING 2022

Welcome to our latest Residential Lettings update, as we move into the spring of what has already been a fairly dramatic start to 2022.

The first quarter of 2022 has seen all legal Covid restrictions dropped as we move into the new phase of 'living with Covid'. Whilst it has clearly not gone away, we hope that the major restrictions which have impacted the market in the last 2 years may be behind us now for good.

The market itself is still performing well; supply levels are showing signs of improvement as we move into the spring, with more houses starting to come up. But there remains plentiful demand for country houses in Hampshire, so we feel confident that this up tick in supply shouldn't lead to a dramatic slow down in the market place.

At the time of writing, the war in Ukraine is intensifying and focusing most people's attention. Whilst it remains unclear what impact this may have on the property market in terms of sentiment, it is clear that energy prices are being further impacted and more so for households later this year. We haven't yet seen this filter down to tenant's struggling to meet their costs, although there is clearly going to be increased pressure on household finances with the cost of living also increasing. This is obviously something that we will be keeping a very close eye on. That being said, partly as a result of the pandemic, we have put in place a thorough monitoring system whereby we maintain

open dialogues with tenant's who may find themselves in financial difficulty and help find a sensible way forward, which also in turn protects our landlord clients.

Another topic which is still occupying much debate, albeit with precious little clarification from the government, is the new Minimum Energy Efficiency Standards (MEES). We are currently still waiting for a firm answer as to what is going to be required but it seems likely that for all new tenancies, a 'C' rating on an EPC will be required by 2026, with all existing tenancies coming up to the same rating in either 2027 or 2028. This will pose a challenge to rural properties and especially those older houses where many of the recommendations are not considered practical. But we are already engaging with renewable energy specialists, to find practical solutions that can be implemented across our managed portfolios. We will update you further on this as we have more information.

As ever, we hope you find our snapshots of the market useful, and if you would be interested to discuss any rental queries or plans that you might have, or if you have any questions please do contact us and we would be happy to help.

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## LEGISLATION UPDATE

### Section 21 Notices

- Notice periods have reverted back to pre-pandemic levels. To gain possession under a Section 21 notice, two months notice is required.

### Energy Performance Certificates (EPCs)

- The government are soon to announce changes to EPC regulations for rented property. The plan is to increase the minimum grade required for a rented property from an E to a C. The government should be making an announcement this spring but it is thought the change will be in 2026.

### Renters Reform Bill

- We are also awaiting an announcement of the Renters' Reform Bill. This will be a huge shake-up to the lettings industry which will see changes such as scrapping of no-fault evictions (section 21 notices), changes to section 8 notices and lifetime deposits.

### Legionella

- A reminder to have Legionella Risk Assessments carried out on rented properties. It is a requirement of HSE that Landlords must assess and control the risk of legionella.

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