Setting up a Social Lettings Agency to meet demand
What is a Social Lettings Agency and why?

- Rugg Report
- Supplement social housing supply
- High Street Agencies
- Councils and landlords
- Breaking down the barriers
- Structures – who are you supplying for?
Background

- LHA changes
- Caps to welfare benefits
- Universal Credit
- PSL TA formula
Private lettings agents

- Marketing the property - tenant finder/references
- Managing/ safety certificates
- Rent collection
- Inventory
- Check in/out
- Deposit and rent in advance (Govt Tenancy Deposit Schemes)
Private lettings agents - income

- Tenant finding – 5%, 3 or 4 weeks, 10%, 12%
- £637 to £1,528
- ASTs - £100
- Inventory - £70 - £100
- Check in/out - £50, £30 - £50
- Management fee – 5% - 10% = £637 - £1,274
- Repairs admin – bill from builder + £10 - £15
- Deposits and rent in advance – 4 weeks + 6 weeks (TDS)
The SLA offer

What competes with the private sector?
- No fees
- Rent bonds
- Incentive/finder’s fees
- Rent guarantee actual/insurance
- Leases
Supply strategy

- Who are you targeting?
  - Individual landlords
  - Portfolio landlords
  - Lettings agents
  - Repeat business
  - Landlord focus group/forum
Advertising campaigns

- Web-site
- Google ads
- Mailshots, lessees, HB, C Tax
- Leaflet drops
- Newspapers
- Buses
- Monitor leads/ conversions
Financial models - leases

- In-house or RP?
- Lease rent formula
- Rents to landlords
- Start-up costs
- Margins
- Staffing costs
- Dilapidations in future years
Financial models – Direct lets

- Incentives (homelessness grant?)
- Fees (income generation)
- Staffing
- Bonds (call on future years’ budgets)
- Margins
Lindsay.deveney@southwark.gov.uk
0207 525 4172