

# IMLA: Expect more calls for rent controls



**IMLA economic adviser Bob Pannell has predicted calls for rental controls to grow stronger once weaker sentiment by landlords feeds into strong rent increases.**

Pannell noted that tax and regulatory changes, like the reduction in mortgage tax relief, have resulted in landlords maintaining or shrinking their investments rather than expanding their portfolios.

The final phased reduction will only take effect from April 2020, as he noted the full impact of the changes have yet to be felt.

## [When will landlords push up rents?](#)

Pannell said: “IMLA has been warning for some time that weaker investment by landlords will affect rental availability and eventually feed through into higher rental costs.

“If financial pressures on landlords have started to show through more explicitly in new rental contracts, then calls for rent controls are likely to grow stronger.

"A case of out of the frying pan into the fire?"

With regard to changing rental costs, Pannell said there is a real danger of not seeing the wood for the trees when it comes to increases, as different sources offer contrasting pictures on rent levels and trends.

Pannell added: "For example, recent figures depict rents nationally as anywhere between 2% lower and 3% higher than a year ago.

"At the risk of being unscientific, let me pick out one or two developments that might become more evident over the coming months.

"Several surveys report that, following a protracted period of softness, average rents in London are once again increasing and have hit new records.

"Rightmove, which measures asking rents, and so may be ahead of many of its peers, recently reported that average rents in London were more than 8% higher than a year ago.

"As well as the capital, above-inflation increases in Scotland, the South West and the East Midlands have been noted by more than one data source.

"Homelet has recently reported UK-wide rents for new tenancies increasing at their highest rate for 3 years."

Despite the flat nature of the landlord market, Pannell noted that there are no signs yet of a mass exodus.

[Pannell was writing in Mortgage Introducer, and you can read his full blog here.](#)