COHO

The Future of HMOs 2025

Tech-Forward HMOs: Transforming Shared Living

Co-Living Reimagined: Building Tomorrow's Shared Homes

Effortless HMO Compliance: Technology to the Rescue

HMO Investment Strategies: Winning with Asset Management

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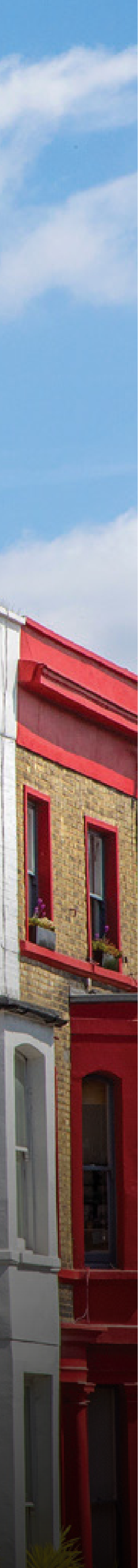
Foreword:

Navigating the Future of HMOs in 2025



Welcome to "The Future of HMOs 2025," an invaluable collection of insights from leading voices in the shared living sector. There is no doubt that 2025 will be a pivotal year for HMO landlords and property professionals, which is why we've commissioned this report: to equip the key players in our industry with the insights and practical tools necessary to not only navigate the challenges ahead, but to also thrive in this evolving market.

More than just a collection of great articles, this report is a roadmap informed by the most pressing trends and developments in the industry. Drawing on the expertise of 13 thought leaders, it addresses the key issues that will define the future of HMOs in 2025.

Several key themes emerge from the articles:

Regulatory Changes:

The Renters' Rights Bill and other legislative changes are set to significantly impact the sector, introducing the end of fixed-term tenancies, stricter licensing and safety standards, and new rules for rent-to-rent agreements. Landlords need to be prepared for the implications of these changes, including the loss of Section 21 evictions and the increased administrative burdens.

Shifting Tenant Demands:

There is a clear shift in what tenants are looking for, with community, connection, and a sense of belonging becoming increasingly important. So unsurprisingly, most tenants are willing to pay more to live with the right housemates. They are demanding higher standards of living spaces, with amenities such as high-speed internet and en-suite bathrooms being greatly valued. They also expect professionalism, a well-designed onboarding process, responsive landlords, and timely maintenance.

The Rise of Professionalism:

There is a clear move towards greater professionalisation in the sector, with an emphasis on the use of property management technology, as well as the overall improvement of processes and systems. Landlords are encouraged to treat their HMOs like a business, focusing on detailed financial planning and, an understanding of all costs.

Sustainability and Technology:

The importance of sustainable practices and technological integration is also highlighted in this report. Landlords need to focus on energy efficiency and should embrace smart home technologies to attract and retain tenants.

The Importance of Financial Acumen:

Landlords must pay close attention to costs and profitability, including managing utility expenses and void periods. Efficient rent collection, deposit regulation compliance, and adherence to safety regulations are also essential.

Opportunities for Growth:

Despite the challenges, there are significant opportunities for growth in the HMO sector. The demand for affordable housing continues to rise, and HMOs provide an essential solution for a growing number of people.

I have no doubt that the insights and expert advice offered in this report will help you to not only manage the changes coming in 2025, but also to create high-quality, sustainable, and community-focused living spaces that will help your business flourish.

Here's to creating better homes, better communities, and a better future for the HMO sector in 2025.

Vann Vogstad

CEO and Founder of COHO

All Change?
How New Legislation Will Affect HMO Landlords

By Ben Beadle, Chief Executive of the National Residential Landlords Association

With the introduction of the Renters' Rights Bill, upcoming adjustments to minimum EPC ratings and the extension of the Decent Homes Standard to the private sector, it is clear that 2025 will be a time of great change for landlords – including those running Homes in Multiple Occupation (HMOs).

HMOs are becoming an increasingly popular investment area for landlords, with research from Paragon Bank showing they are a target investment for aspiring portfolio landlords.

According to data published in the autumn, while 8% of these landlords currently invest in this type of property, the figure rises to 17% when it comes to future property acquisitions.

So, why are HMOs so popular?

In short, returns on HMOs' are generally higher than other property types, due to the nature of them being let on a per-room basis, with yields of up to 9% in some areas.

But, be warned, they are typically more expensive to run than a standard let, due to increased maintenance costs, the comparatively high turnover of tenants and high energy costs where bills are included in the rent.

They are also more complex to manage, with each tenant typically on a separate tenancy agreement and are subject to more stringent rules with regards to standards – not to mention licensing requirements for larger HMOs.

How will HMOs be affected by legislation change in 2025?

HMOs are, in many cases, subject to the same rules and regulations as other types of rental properties, but there are specific issues which landlords of HMOs are expected to face as a result of changes coming later this year.

1. Renters' Rights Bill

The **Renters' Rights Bill** promises the biggest change in a generation to the way the private rented sector works, with the loss of Section 21 - the so-called 'no fault' eviction – being the big shift making the headlines.

Section 21 is used by landlords across the board, but it is often seen as a crucial tool for HMO landlords looking to address low level anti-social behaviour. Anti-social behaviour is obviously an issue whatever the property type; but the experience can be more acute in HMOs where tenants are sharing social spaces on a daily basis. Section 21 has historically offered an easier and quicker solution than the Section 8 grounds-based repossession process, making the situation less problematic for those tenants who have made complaints.

Another big concern coming about as a result of the Renters' Rights Bill is the loss of the fixed term. This is a particular concern for student landlords, with many HMOs specifically housing student tenants.

While the Renters' Rights Bill will include a specific provision allowing student HMO landlords to take back possession of their property at the end of the academic year, there are caveats. The landlord will need to give students prior notice at the start of the tenancy, and they will also need to be confident the students are all in full-time education when they rent the property, or the grounds will be invalid. A recent amendment also stipulates that for the notice to be valid, the tenancy must have been agreed no more than six months before the move-in date.

2. Rent-to-rent

Rent-to-rent arrangements will also be affected by the Bill. R2R sees landlords rent out homes to companies who then 'take over' the day-to-day running of these properties, paying the landlord a retainer (typically below market rents) but taking all the management and maintenance responsibilities themselves.

Done properly this can work well for landlords who are cash rich but time poor. However, new rules are making it clear these 'superior landlords' – those at the top of the chain – can now be liable for anything that goes wrong.

Combined with the loss of Section 21 which effectively removes the guarantee that they can get their property back, the R2R proposition is becoming significantly less attractive.

3. EPCs

Proposed changes to the way in which Energy Performance Certificates (EPCs) work are also set to affect HMO landlords. Currently room-only HMOs are not required to have an EPC, something that will most likely change, with a current Government consultation on the issue suggesting they become mandatory for HMOs as well. This, of course, will have financial implications, both in terms of paying for the inspection and also for any remedial work required to get the property up to standard.

4. Planning

On a more positive note, proposed changes to the planning system, currently subject to consultation, would relax rules about extending homes and building upwards. For those outside Article 4 areas (which restrict the number of HMOs in a given location) and who want to develop properties as HMOs, these changes will mean they can extend and reconfigure their properties using permitted development rights, without the need for planning permission.

What does it all mean?

It is clear that 2025 will be a time of great change for landlords, although these changes are by no means restricted to those with HMOs.

For those with the time – and money – to commit to properly managing and maintaining their properties, HMOs remain a great investment for landlords, as well as an affordable solution for those looking for somewhere to live, not least in the midst of a housing supply crisis.

Ben Beadle is the Chief Executive of the NRLA, the membership body that represents over 110,000 landlords across England and Wales. A landlord for 20 years, Ben has had a lengthy career in housing, holding senior roles at Places for People and TDS, and is a familiar face in the sector and in the media.

The Association was founded in 2020 and helps landlords – big or small – navigate the many challenges of the private rented sector, providing first class support, advice, learning resources and services, as well as powerful research and campaigning. The NRLA offers a comprehensive range of documents, guides and training on successfully running an HMO, as well as offering members all the information and support they need to cope with the raft of legislation change up ahead.

For more information and to join click here.

Keep Calm and Create HMOs: Navigating Policy, Demand and Market Dynamics

By Adam Lawrence, Founder of Propnomix

Welcome to the new world. Or so they told us. Those pesky politicians. A new dawn, we were promised – after all, a new broom sweeps clean, right? Or does it? What if it's just more of the same? What if housing is simply too difficult a problem to solve?

It could well be that it's simply because not all solutions to the problem have been considered in equal measure. HMOs (Houses in Multiple Occupation), regardless of what people may think of it, are undeniably a critical part of the solution. Yet, in the real world, we see the increasing use of NIMBY-style Article 4 directions, which hinder progress. These directives often protect existing developments while making new ones unnecessarily challenging to establish, frequently applying blanket restrictions across vast areas. It's an approach that fails to align with the reality of a rapidly growing population. Migration alone has added 909,000 people in a single recent year.

The average number of people in a migrant household is 1.25, and so they are prime for HMO. It makes sense. It is an extremely cost-effective way of living, especially as it includes bills.

In the economic real world, it is THE answer. And with enabling property management technology, such as the solution that COHO delivers, we're seeing an increasingly professional offer from landlords. But the political landscape doesn't play ball (yet).

Then - there's the challenge. Reform is coming. Already topping Labour in a recent poll - next stop, the Conservatives, who did not vote in their immigration hardliner. Will they regret that in 2029? Possibly.

Still, there are several positives coming in 2025. Planning reform - absolutely. But this is more about sites and what's "fair game" than it is about HMOs, because the political naivety of the incumbents is such that they don't realise how much HMOs are a critical part of the solution. The frustrating thing is - all you hear is that "it's complex".

Many of these problems are, but it is used as an excuse for not solving them, rather than a reason to lay out a detailed plan and then execute, execute, execute.

Where's the industry leaders being invited to parliament to contribute? Where's the appetite to make shared living great? The standards at the top of the industry have moved forwards light years in the past half-decade or so – but why is that not acknowledged and reflected in the policy and political landscape?

The way forward will include light numbers of regulations that are strongly enforced on HMOs, closing down or fining delinquent and badly managed ones, or forcing them into management from professional managers. It's time to stop the (sometimes ignorant) fear of HMOs, and start to educate key audiences on the hard facts. Get the community involved. People need a place to live, for goodness sake.

> ***"The only caveat is to beware of the top line yield versus the actual return.***

Thankfully, the landscape has become more open in recent times. The excellent work of Wendy Whittaker-Large, Daryn Brewer et al. has enshrined HMOs as a workable asset management strategy for years to come, without the major uncertainty of arbitrary single-room banding.

National and international money can and should flow into HMOs, assisted by HMO sales brokers with integrity. The only caveat is to beware of the top line yield versus the actual return - but nonetheless, a great HMO can outperform a single let by some distance on the cashflow side of things.

Will the politicians come up with yet other ways of changing the landscape via taxation? Not currently. The upcoming Renters' Rights Bill is dichotomous for HMOs - and is going to change your local landscape so it's safer and better for business to be clued up. Student HMOs are not the proposition they once were. One simply has to look to Scotland for clues when they removed fixed term tenancies for Student HMOs (alongside every other tenancy).

The law of unintended consequences played out on a grand scale: student homelessness shot up as investors withdrew, in fear of unstable income and vastly increased risk. And that's how investment works folks, right?

Professional HMOs, however, will continue to boom with net migration figures anywhere near the current totals. That's a guarantee for the next 4 years, at least. Then we have social, and specialist sectors. All booming, I'm afraid, because the number of people in need are booming (percentage wise, as well as just the number of people overall).

These are major league growth areas that really should form a part of a larger portfolio strategy. Larger portfolio holders should absolutely be getting some exposure in this department - as a lessor, if nothing else. There are social rewards from getting involved in this sector; far more so than a typical PRS property.

Use it as part of a CSR policy: we often let entire HMOs for less apparent "margin", but the time saving based on far lighter touch management, lower voids, and overall investment performance is, more often than not, an improvement.

How about duty, and giving

back? Plenty of larger charitable organisations like the YMCA and Salvation Army, and lots of much smaller ones too, are often looking for HMOs. If you can, let to them at 15% below LHA rate or similar. It's a workable return in some areas, with their donations being protected and their excellent outcomes being supported. Unfortunately, this just doesn't get said enough.

However, regardless of the political landscape, capital values are going upwards, rents are still going up faster than capital values, so yields are improving, and the cost of debt is trending downwards (albeit steadily). To my mind there is only one mindset needed here - and that is to Keep Calm and Carry On Creating HMOs!

Adam's corporate career was in Wealth Management for boutique investment firms in Switzerland, and also included a role as a cross-business consultant for one of the UK's top 10 lenders. He was also the Dean's Scholar at Warwick Business School in the MBA class of 2013.

Adam's property career started in earnest in 2011 and since then he has been involved in over 750 UK property purchases, from flats purchased for £23k to portfolios of 91 properties at a time, and everything in between. The goal has been to buy at good value, add value, and then refinance and hold on - there has been some development, and sale, along the way but 90%+ has been to retain.

Adam has shares in a number of trading business interests focused around property support services and other asset-backed businesses and is privileged to work with people who he considers to be amongst the top asset managers in the country.

Within his group built around a joint-venture model, the balance sheet is over £60m in assets, with a loan-to-value under 60%. The central tenets are risk management and sustainable growth in a sector which is crying out for reform, efficiency, and ethical business people.

The Changing HMO Industry: Getting the Right Support

by Andy Graham, Founder of The HMO Roadmap

There are lots of big changes coming to the HMO industry, particularly with the Renters' Rights Bill making its way through Parliament. Admittedly, things might look a bit rocky with the impact of stricter licensing and safety standards, the end of Section 21 evictions and increasing costs.

Though whilst the ongoing challenges and upcoming changes will be difficult to deal with on your own, there are still plenty of opportunities for HMO landlords with the right support. With so much changing - a lot of which is beyond our control - it's helpful to focus on the things you can control, like the people you work with and have on your team.

Build Your Power Team

There are professionals who can provide key services to finding, buying, refurbishing, or managing property, as well as supporting and guiding you throughout your investment journey. I've always maintained that building a successful HMO business is like putting together a great symphony. You shouldn't play every instrument yourself; instead, your most important role is as the conductor.

Having professionals with the right skills and experience on your power team will allow you to remain compliant, tackle any curve balls that come your way, and boost your service offering – helping you to create a sustainable HMO business and achieve your goals more quickly. Here are 10 experts you should have on your power team!

1. Agents

For starters, having a network of agents who contact you whenever a property that meets your requirements becomes available, will give you access to more deals and enhance the pace at which you can acquire HMOs. This can even allow you to access deals that you potentially would've otherwise missed or not been able to get access to.

2. Mortgage Broker

An HMO mortgage broker can help you navigate the ever-changing mortgage market, ensure you don't waste your time looking at the wrong products or lenders, and save you money with access to specialist lenders. Plus, they'll provide support throughout the entire buying process, which at the best of times can be incredibly stressful when doing it on your own.

3. Solicitor

An efficient solicitor who can move quickly will give you so much confidence when putting offers in, saving you time, money, and heartache, while reducing the risk of your deals falling through. Having a solicitor on your side who can move quickly and communicate well can ensure your transaction doesn't take any longer than it needs to.

4. Architect

An architect with experience in HMOs can really help you understand what you can do with the floor plan. They can provide feasibility options and estimates on refurbishments and what your deal could be worth, while ensuring you maximise profits.

5. Interior Designer

Then, an interior designer can create a cohesive design, which can elevate your products and improve your property's financial performance. Having these sorts of professionals on your team can be especially valuable as standards increase across the sector. Investment in the aesthetics of your HMOs could crucially help with valuations too.

6. Planning Consultant

If you need to apply for planning permission, working with a planning consultant can provide essential support. This is particularly the case in contentious situations like Article 4 directions, which we could see more of in the future.

Planning consultants will know how to optimally craft the wording in your application and can help you overcome technical objections from the outset, ensuring you approach the planning scheme in the right way.

7. Tradespeople

There are a range of tradespeople that will be useful to have as part of your power team. Finding a good builder or contractor who can undertake quality refurbishments and ensure the project runs on time and on budget is especially important as material and labour costs have been on the rise in recent years.

Registered electricians and gas engineers are also essential when renewing certificates in your properties and when any electrical or gas issues need to be fixed on short notice. It goes without saying that due to the strict regulations around decent home standards, you need trustworthy professionals that come with an excellent reputation.

It's also useful to have a handyperson; someone who can do a bit of everything. They can help take care of all those little jobs that nobody else wants to do, saving you a ton of time, money, and headaches.

8. Valuer

A qualified valuer can give you expert advice and undertake desktop valuations before you buy deals or finish a refurbishment, helping you avoid costly mistakes, manage your expectations, and give you more confidence overall. A valuer who understands lenders well, as well as how HMOs are valued commercially, can ensure you are as informed as possible.

9. Property Manager

Even if you self-manage your property now, you'll probably want to find a property manager in the future as management will only become more challenging moving forward. Property management is an extremely tough job and problems pop up when you least expect them. Finding a property manager who can meet your service expectations is crucial, especially if you plan to enjoy the benefits of building a property portfolio in the future.

10. Mentor

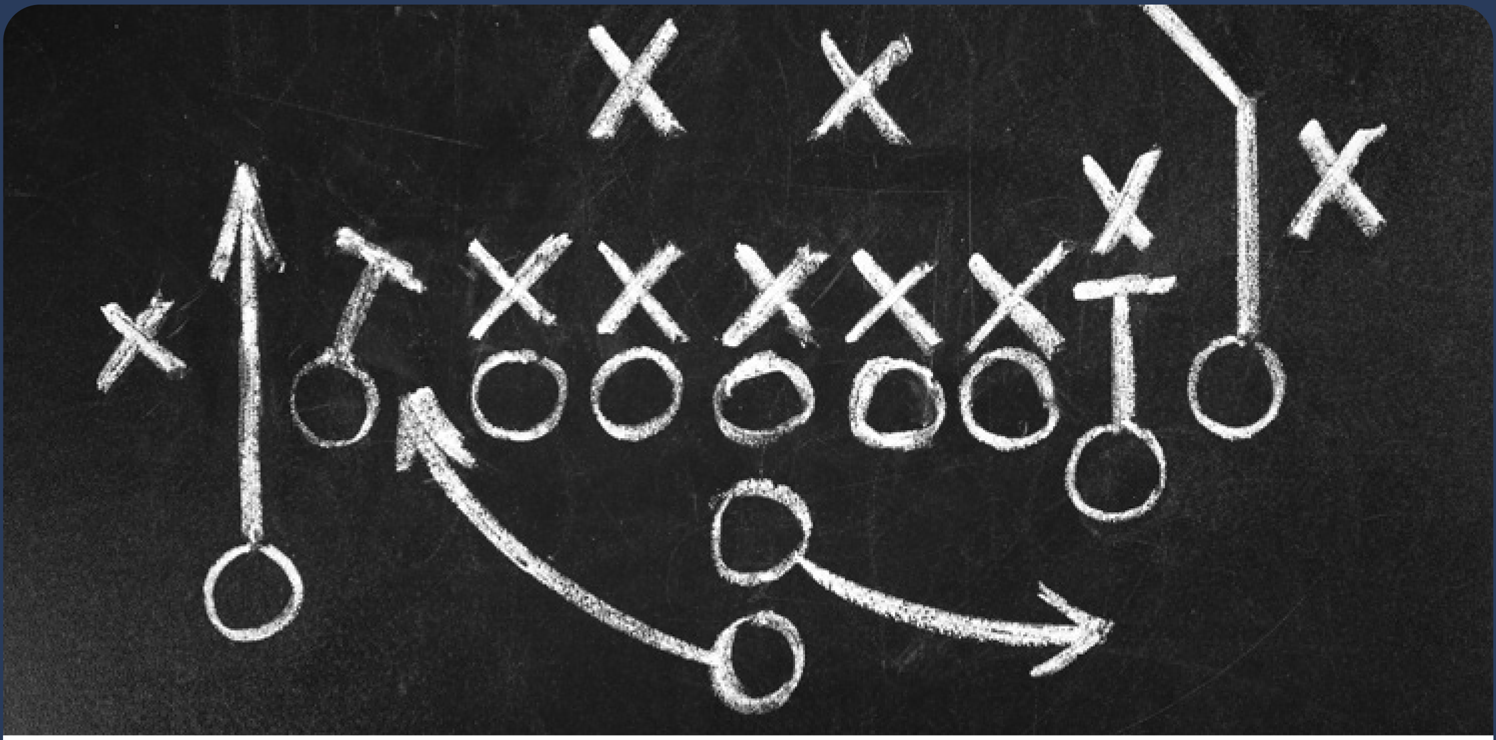
Depending on where you are on your investment journey, an experienced and knowledgeable mentor could be the most valuable person you'll add to your power team! They can motivate and encourage you, identify any issues you have now or may have in the future, and provide accountability every step of the way, while helping assess deals and maximise your profits.

Power Up!

If you can add these 10 professionals to your power team, you'll be well placed to deal with the upcoming changes within the industry, and potentially, the fallout of ad hoc things you simply can't control.

Investing time and effort in finding the right people to work with will allow you to not only prepare for the challenges ahead, but also be in a better position to take advantage of any opportunities that may come your way!

Andy Graham is a seasoned HMO property investor with a wealth of experience in building and managing high-performing portfolios. As the Founder of The HMO Roadmap, he provides an invaluable resource for property investors navigating the complexities of shared living. Andy is also the Host of The HMO Podcast, where he shares expert insights, strategies, and interviews with industry leaders to inspire and educate the next generation of HMO investors.



Treat HMOs Like a Business, and Business Like a Contact Sport

By John Paul, Agency Coach

Here's a truth that not everyone has considered: running an HMO agency, regardless of the amount or size of the agency, is a business. Because let's be honest, we're not in this for mediocre returns; we're in this to maximise profits and make every investment worthwhile.

So, whether you own the property yourself or manage it on behalf of other landlords, the way you approach HMOs will determine how much success you have. And the best way to do that? Treat your agency like the business it is. Once you do, it'll be easier to apply the 2nd truth: business is a contact sport. It's hands-on, strategic, and requires a proactive mindset.

Know Your Numbers Inside Out

First things first, you need to know your numbers. And I'm not just talking about the rent you're collecting each month. I mean the real, nitty-gritty numbers that tell the true story of how your agency is performing.

When you treat your agency like a business, you'll understand the importance of tracking every pound. You'll analyse where the money's coming from and where it's going. This isn't just about surviving; it's about thriving.

Margins can be tight but will get tighter still if you're not keeping an eye on rising costs. Regularly review your outgoings and look for ways to simplify and/or improve operations. A business-minded approach means being constantly on the lookout for ways to reduce waste.

Communication is Key

Here's where the contact sport analogy really kicks in. Business is all about communication. When it comes to HMOs, your landlords are your customers. Keep the lines of communication open, honest, and professional. Landlords need to trust you – and you need to show your expertise to earn that trust.

When I ran my agency, we always tried to "WOW" our customers, and to do that we had a communication policy. It detailed how often and frequent we spoke to our clients, which kept them up to date with what we were doing. Even when we had very little to tell them, we still did, because often, what is considered a small matter by a landlord, is a big issue for a tenant.

Systems and Processes: The Backbone of Success

If you're still winging it with spreadsheets and post-it notes, it's time for a serious upgrade. Successful businesses run on systems and processes, and your HMO operation should be no exception. Whether it's tenant onboarding, rent collection, or maintenance requests, having clear, efficient systems in place will save you time and headaches.

You have to think of it in a "hit by the bus" scenario – what would happen if you or another integral member of the team couldn't work or left all of a sudden? How would the business run? Could it still run? No business should have a single point of failure in the shape of an individual.

You may be ok at the minute as it's a small team, but when you grow, there will always be issues due to lack of systems. So, start as you mean to go on: your future self will thank you for it. Especially as implementing software in a large team with 'set in concrete' ways, is not without its challenges.

The A Team

"If you want to go fast, go alone, if you want to go further, go together". It's a well-known adage that has always served me well. You can't run and operate a successful, scaling business on your own - at some point you'll need to employ a team to reach that next level of growth.

Start with a management and leadership strategy, and learn about motivational behaviour (Maslow, Alderfer, Hertzberg etc.) to understand what makes people tick and how to manage and lead them effectively.

Ultimately, don't aim to be your employees' friend. They have friends. In you, they need a leader with a clear set of performance requirements, and potentially, a mentor. Of course you can be friendly, but you can't be friends in business because friends do not require each other to deliver on targets.

Handle Challenges Head-On

Every business faces challenges, whether it's issues with team members, unexpected repairs, or regulatory changes, the key is to tackle these issues head-on. Ignoring problems will only make them worse.

Make it your business to stay informed about the latest legislation affecting your agency, because compliance isn't optional; it's a legal requirement. From licensing to HR, from contract law to Tort, always understand the law as best you can, because a proactive approach to compliance not only keeps you out of trouble, but also enhances your reputation as a professional operator.

Invest in Your Knowledge

The best businesspeople never stop learning, and neither should you. Attend property events, network with other agency owners, and stay updated on market trends. The more you know, the better equipped you'll be to adapt and succeed.

Position yourself as the expert. Offer insights and advice that demonstrate your value. Landlords want someone who knows what they're doing, someone who treats their property like the business asset it is. That someone should be you.

The Bottom Line

Running an agency is not easy. It's a business, and like any business, it requires effort, strategy, and a willingness to adapt. By treating your agency like a business, you'll not only maximise profits but also build a reputation for professionalism and excellence. Remember, business is a contact sport. Get stuck in, play to win, and the results will speak for themselves.

John founded and scaled the Castledene Group to 11 branches, with over 2,250 properties under management and selling 950 properties per year. John is a Director for ARLA and also co-founder of the AI powered PropTech platform, Prospector Pro.

Rethinking Shared Living: Insights from the Shared Living Survey 2025

By Vann Vogstad, CEO and Founder of COHO

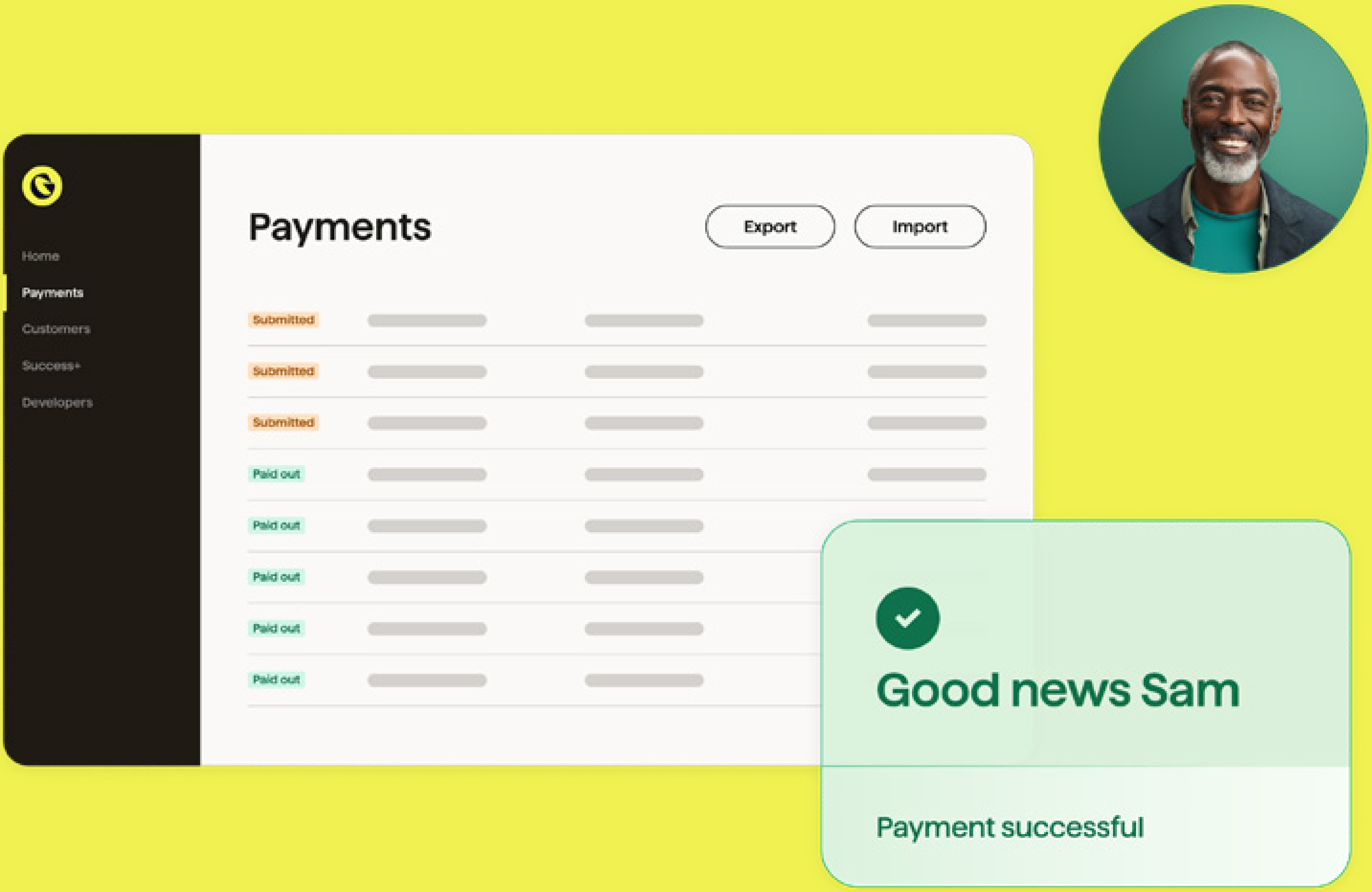
Let's be honest – the shared living sector doesn't exactly have a stellar reputation. And that's because for too long, it's either been misunderstood or misrepresented by outdated stereotypes. However, the reality is that the industry is now evolving at pace. and that is an exciting prospect.

With over 6,000 tenants taking part in COHO's Shared Living Survey 2025, we've got a clearer picture than ever of what tenants actually care about, where the gaps are, and where shared housing is heading.

Shared living in HMOs (Homes in Multiple Occupation) is no longer reserved for those priced out of solo rentals, or even property purchases. For many today, it's a real and conscious choice: 44.5% of our survey respondents said that the social side of house sharing was important to them. It's a shift that is starting to redefine the future for both tenants and landlords. So, what did we learn, and how can we all step up to deliver what today's tenants are asking for?

The easy way to get paid

Collect instant, one-off, or automated recurring payments. Without the chasing, stress or expensive fees.



GoCardless

Shared Living Is Bigger Than You Think

First off, let's talk numbers. Recent figures from Octane Capital estimate there are around **497,884 HMOs** across the UK. With an average of six tenants per property, and factoring in 4.6% voids and 3% 'couple sharing' rooms, we're looking at close to **3 million people** living in shared housing. That's huge.

And here's where it gets interesting: the potential for shared living is *even bigger* - because the ***Shared Living Survey 2025*** showed us that many people would happily opt for a shared house if the experience was better tailored to their needs – and that right there is a significant opportunity for our industry.

It's Not All About Cost

The biggest surprise from the survey? **Who tenants live with matters – a lot.** Forget the idea that shared living is just about saving money. More than half of respondents (59.5%) said they'd pay **up to 10% more** to live with housemates who share their lifestyles, interests, and values.

Back to our earlier estimate of the number of people living in shared housing (2,935,383). If 59.5% of tenants were willing to pay 10% more for the right housemates, and the average rent was £700 per month, that would potentially represent an additional £1.46bn of rental income per year across the industry if landlords are able to match housemates effectively.

Think about that. Tenants are telling us they want more than just a roof over their heads. They're looking for connection, community, and harmony in their homes. For landlords, this is a great opportunity because by focusing on creating intentional, well-matched communities, you're not just improving the tenant experience, but also:

- reducing tenant turnover: in our survey, 80% of respondents said that a bad housemate would make them want to leave sooner.
- making your properties more desirable: especially to those 'would be' tenants who indicated they'd be willing to house share if it was with the right people.

In fact, the importance of the human connection is so crucial, that 65.9% of the survey respondents indicated that they would want to know what their housemates were like before they moved in (though only 44.6% would like to actually meet them ahead of time), while 76.8% said that good housemates would make them more eager to move in.

Basics Still Matter – Get Them Right

Of course, even the best community can fall apart if the basics aren't in place. Tenants in the survey were crystal clear on what they expect:

- **Maintenance matters:** Nothing frustrates tenants more than being kept in the dark with repairs. Fast, responsive communication is key.
- **First impressions count:** From the moment someone requests a viewing, the experience matters. A well designed and modern tenancy onboarding process with clear information and friendly communication is expected.
- **Amenities are essential:** Respondents rated the following as their top three critical amenities rating it as 'extremely important' in the survey:
    - A washing machine – 83.85% of respondents.
    - High speed internet - 67.62% of respondents.
    - En-suite bathroom – 48.9% of respondents.
    - And just for interest' sake, the amenity that scored lowest was a TV in the bedroom (only 21.63% thought it was extremely important).

The message is simple: tenants expect professionalism for their largest monthly financial expense. The days of landlords coasting by with subpar spaces are over, with the experience holding as much if not more value than the aesthetics.

People are demanding a higher standard, and they're willing to pay for it.

> *The message is simple: tenants expect professionalism for their largest monthly financial expense.*

Why Tenants Leave (And How to Stop Them)

So, why do people leave shared houses? Turns out it's often due to a lack of management: 94% of tenants said they'd want to leave due to bad property managers, and 87% said they'd leave due to unresolved maintenance problems.

Sound familiar? These issues are avoidable, but they're often ignored. Tenants don't expect perfection, but they do want to feel heard. Simple things like regular check-ins, a transparent feedback process, and speedy fixes for problems can go a long way.

When it came to the top three trending reasons why tenants leave, here's what the survey revealed:

1. Cleanliness / Hygiene Issues
2. Noise Levels
3. Shared responsibility conflicts

Some of the above, like noise levels, will be trickier for landlords to resolve. But not impossible. There is much that can be done to support tenants to ensure a clean home where tasks are fairly distributed. For landlords and property managers, this is the golden ticket: Look after your tenants, and they'll stick around. Happy tenants mean fewer voids, less hassle, and a more stable income. Win-win.

Let's Talk About The HMO Stigma

Now, let's address the elephant in the room: the HMO brand image. For too many people, they bring to mind cramped spaces, dodgy landlords, and tenants who'd rather be anywhere else.

But here's the truth – it doesn't have to be that way.

In fact, when done right, shared living can be a genuinely positive choice. I know, because I've lived in shared housing myself. When a property is well-maintained, the housemates get on, and communication is clear, it can be a brilliant way to live. Changing the reputation of HMOs isn't going to happen overnight, but it's absolutely possible. Collaboration is key. Events like the **HMO Summit** are already helping bring landlords, property managers, and tenants together to share ideas and drive standards up. At COHO, we're committed to leading that change.

Why This Matters Right Now

So, why is all this so important? Well, take a look at the bigger picture. The UK housing market is in crisis. There aren't enough affordable homes to go around, rents are skyrocketing, and landlords are under pressure from rising costs and tougher regulations as we await the passing of the Renters' Rights Bill.

However, despite a generally biased view of our industry, HMOs present a tangible solution to the housing crisis: they're affordable, efficient, and meet a growing demand for flexible living. But to make the most of this opportunity, we need to raise the bar. Better properties, better management, and better communities – that's what tenants are asking for.

Moving Forward Together

The *Shared Living Survey 2024* gives us a clear direction. Shared living is here to stay, but we all need to do our part to make it work:

1. **Landlords:** Invest in creating homes, not just houses. Matching housemates, maintaining standards, and staying engaged are affordable ways that make all the difference.
2. **Property Managers:** Focus on the tenant experience. Every interaction, from onboarding to maintenance, shapes how tenants feel - impacting how they interact with you, and ultimately how long they'll stay.
3. **Policy Makers:** Support shared living as a real solution to the housing crisis by encouraging quality and innovation. A 4-bedroom house can be occupied by a single couple, or be developed into a high quality 6-bedroom HMO and provide much needed affordable housing for young people moving to a new city for their career.
4. **Industry Leaders:** Keep the conversation going. Support initiatives like the HMO Summit and show what's possible when we collaborate.

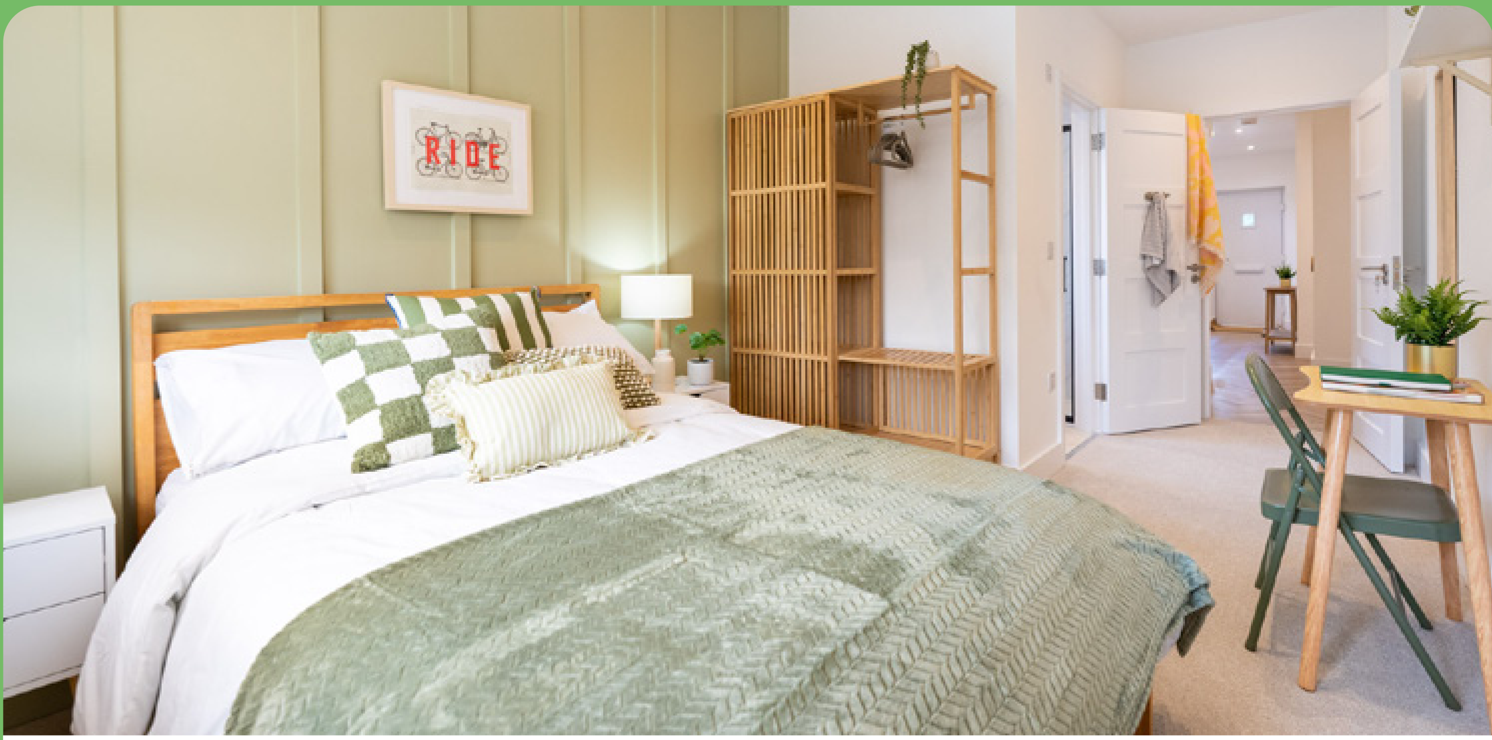
At COHO, we're passionate about reimagining shared living. We believe it can be a positive, empowering choice for millions of people across the UK. The future of shared living is bright, but we need to get it right. By listening, learning, and taking action, we can redefine what shared living means.

Let's create homes where people want to stay, communities they're proud to be part of, and a housing solution that works for everyone.

At COHO, we're ready to help light the way. Who's with us?

Vann Vogstad is the visionary Founder and CEO of COHO, a pioneering property management software provider that is helping to transform the co-living and property management landscape. Dedicated to innovating the way people live and interact in shared spaces, Vann has established COHO as a leader in providing seamless, tech-enabled solutions for landlords, property managers, and tenants alike.

Driven by a mission to make co-living smarter, more efficient, and community-focused, Vann leverages his expertise in developing innovative software solutions to address the unique challenges of modern property management.



Building the Future of Co-Living: A Blueprint for Connection, Community and Change

By Alex Babouris, Founder of Babouris Real Estate, a fully integrated investment and management platform

Across the UK - and indeed the world - co-living is emerging as a powerful answer to the growing demand for housing flexibility, affordability and (surprisingly to some) community. Which is why, at the heart of the co-living movement, lies a strategy that prioritises connection, not just convenience.

This sector is about so much more than housing – it's about creating spaces where people thrive together. So whether you're an investor, developer, or operator, the opportunities in this space are immense, but so too are the responsibilities. If co-living is to truly flourish, we need to focus on three tenets to make sure we get it right.

1. Designing for People: Homes, Not Houses

The success of co-living spaces begins with design. We must move beyond viewing shared properties as purely transactional assets and instead treat them as canvases for community experiences.

We're currently working on 19 projects at varying stages of construction, from repurposing heritage buildings to constructing modern developments from the ground up – however, regardless of style and location, the following design principles are hardwired as a blueprint into each project to ensure that the spaces are not only practical but meaningful:

- **Purposeful Layouts:** Creating spaces that balance privacy and sociability, with flexible areas for work, rest, and play.
- **Timeless Design:** Building interiors that feel warm and welcoming, with high-quality materials that will stand the test of time.
- **Amenities with Impact:** Incorporating features that enhance quality of life - be it wellness spaces, collaborative kitchens, or gardens designed for communal use.

2. Building Community: More Than Just Housemates

Co-living is fundamentally about people. The most successful operators understand that it's not enough to simply bring

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tenants together; you need to help them connect. Here are strategies that work:

- **Active Programming:** Host regular events, from fitness classes to cultural evenings, that bring residents together organically.
- **Support Networks:** Appoint house ambassadors or community managers to act as touchpoints for residents, ensuring that no one feels isolated.
- **Local Partnerships:** Collaborate with gyms, co-working spaces, and local businesses to offer residents perks that integrate them into the wider community.

3. Embedding Sustainability: For the Planet and Beyond

The housing sector has a vital role to play in combating climate change, and co-living is uniquely positioned to lead the charge. By pooling resources, shared housing naturally reduces individual footprints - but we must go further.

- **Energy Efficiency:** Use cutting-edge technologies like smart heating and solar panels to minimise environmental impact.
- **Sustainable Interiors:** Source furniture and materials responsibly, opting for pieces that are both durable and beautiful.
- **Circular Economies:** Encourage residents to share, swap, and repurpose items to reduce waste.

A Vision for the Future

Applying these three tenets to every property you develop isn't easy. Not even close. In a recent project, we set out to transform a historic Victorian warehouse into a space that truly embodied our principles. The challenges we faced reminded us that for these tenets to endure, they must be embedded in our company's DNA. Principles cannot survive as mere project guidelines, "nice-to-haves," or broad goals - they require unwavering commitment to withstand pressure.

But this is just one example of what I perceive as a wider industry movement. From multi-city co-living brands creating global networks, to small-scale operators revitalising local communities, the innovation keeps on coming. For anyone looking to enter the co-living space, my advice is simple: start with the people. Understand their needs, their aspirations, and their pain points. If you can design solutions that improve lives, the rest will follow.

The future of co-living is bright, but it's not without challenges. To succeed, we need to think long-term, prioritise the needs of our residents, and constantly strive for improvement. It's not enough to build spaces; we need to build legacies. Because co-living isn't just about living together; it's about thriving together. And that's a future worth building.

Alex Babouris is the founder of Babouris Real Estate, a fully integrated investment and management platform specialising in co-living real estate in Cambridge. A multi-award-winning manager and operator, Alex focuses on delivering high-quality, sustainable, and community-driven shared housing. He partners with investors to identify, design, build, and manage spaces that residents love while achieving outstanding returns. A five-time HMO Awards winner, Alex is a recognised authority in the sector, serving as a member of the Zoopla Lettings Advisory Board and regularly appearing as a featured agent on BBC's *Homes Under The Hammer.*

How to Ride the Wave of Change in 2025

By Suzanne Smith, Founder of The Independent Landlord

With the new tenancy system that the Renters' Rights Act will bring, change is coming to the private rented sector in 2025 - whether we like it or not.

Whilst the rental reforms probably won't make a vast difference - beyond extra admin - to single let landlords with long-term tenants, it's a different story for investors with HMOs and those in the student market.

What's all the fuss about?

In a nutshell, these are the big-ticket items that all HMO landlords need to understand:

- Existing fixed term tenancies will become periodic on the commencement date, including those for students.
- No new fixed term tenancies can be created from the commencement date.
- There will be no minimum term, even for students, and tenants will be able to terminate at any time with two months' notice.
- In-tenancy rent increases will be trickier with **the new compulsory Section 13 regime.**
- It will be more difficult for landlords to deal with problematic tenants as they will only be able to evict tenants if they qualify for **one of the grounds in Section 8.**
- Landlords won't be able to mitigate risk by asking for upfront rent.

These changes mean that there's likely to be a greater turnover of rooms, longer voids and less predictable revenue for HMO investors.

There are also a lot of other reforms which you can read about via this link: **The 12 key provisions in the Renters' Rights Bill.**

Widespread ignorance about what's coming

Despite all the publicity about the Renters (Reform) Bill 1.0 and its Labour 2.0 makeover in the guise of the Renters' Rights Bill, few landlords actually understand what's coming.

According to the **2024 English Private Landlord Survey**, only 37% of landlords are aware that fixed term tenancies will convert into periodic tenancies when the Act comes into force, and a mere 19% say they understand the new rules. Given the long list of new penalties and the extra teeth for **Rent Repayment Orders**, this high level of ignorance is surprising.

When's it all going to happen?

The new tenancy system is due to come into effect for existing and new tenancies on a "big bang" commencement date to be set by Angela Rayner after the Act receives Royal Assent.

If I had to place my bets on the timing of the commencement date now, I'd say it's likely to be in Q4 2025 at the earliest.

> *As with most things, a good plan starts with a solid understanding of the issues at hand.*

Preparing for change

People don't like change at the best of times, let alone when it's change that will make life more difficult.

The experience of change is often likened to the experience of grief, involving the stages of shock, denial, anger, bargaining, depression, and ultimately, acceptance. With regards to the Renters' Rights Bill, I suspect each one of us is moving through this change curve.

However, a key part of running a successful business is horizon scanning: anticipating and preparing for change. Sure, some may decide they've had enough and sell up. Others are looking for the loopholes, which the government is determined to close, or are crossing their fingers that it'll somehow go away. For those of us who aren't selling up, we need to reach the acceptance stage so that we ensure our businesses will successfully adapt to this brave new world.

It's therefore useful for us to think about where we all are on the change curve, and what we can do to move towards acceptance.

Ride that wave

I worked as a corporate lawyer for large multinationals for 25 years, and my motto was always to plan for the worst, hope for the best. It's a motto that has served me well, and that's certainly how I'm approaching 2025.

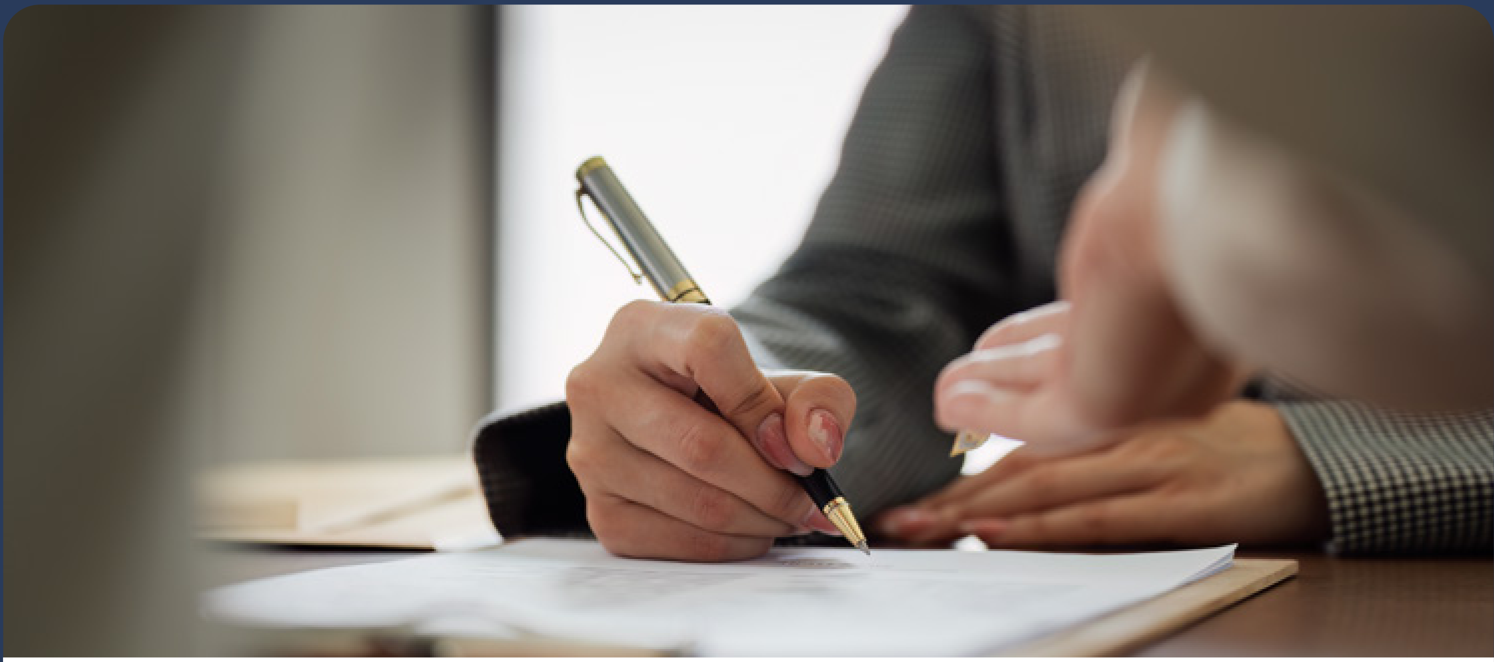
Unless your decision is to exit the market, it's wise to start the process of preparing for the inevitable. As with most things, a good plan starts with a solid understanding of the issues at hand. So let your step 1 be to gather as much information about the topic as you possibly can.

There are free and helpful resources out there to get you started, such as the ***Renters' Rights Bill Explained*** course on YouTube. Once you know what you're up against, you can work on a game plan that covers what you'll need to do differently, and how you'll go about it.

It might not be as bad as you think, and you may even see opportunities, especially if other investors sell up, reducing supply, with the underlying demand for housing not going away. This mindset will help us ride that wave, not fall off the board, and be on the lookout for the new opportunities the rough water will bring.

Suzanne Smith is the founder of **The Independent Landlord,** a prominent website providing reliable, free resources for landlords. The site has grown into one of the leading platforms in the sector, with over 7,000 subscribers to her **weekly newsletter** and a popular **YouTube channel.** Suzanne's guidance is widely recognised and utilised across the UK. She also established **The Renters' Rights Hub**, offering free content to help landlords navigate upcoming regulatory changes.

A former corporate lawyer, Suzanne transitioned to property investment after a 25-year career in senior in-house legal roles for multinational life sciences companies. Now a self-managing landlord with a property portfolio in Kent, she combines legal expertise with hands-on experience. Suzanne also serves as an independent member of Propertymark's disciplinary tribunal and provides consultancy services focused on the private rented sector.



Improving Dispute Resolution in the Private Rented Sector

By Dr. Jennifer Harris, Head of Policy, Research and Strategy at the Tenancy Deposit Scheme (TDS)

With fundamental changes happening in the private rented sector, it is essential that policymakers and housing providers ensure an adequate system of dispute resolution is available to both landlords and tenants.

The Existing Redress Land-scape

While disputes can occur in any consumer market, they can have particularly harsh consequences in the private rented sector, such as the loss of a home or significant loss of income. An effective dispute resolution system is crucial to ensure that landlords and tenants can assert their legal rights and resolve disagreements.

However, the current redress landscape in the private rented sector is complex and confusing, with several potential routes to resolve housing issues, including local councils, ombudsman schemes, various licensing schemes, county courts, tribunals, deposit adjudication services, and trading standards. Additionally, voluntary schemes, such as the Good Landlord Charter in Greater Manchester, are also being established – and while worthy, it adds another layer of complexity.

It's therefore no surprise that navigating these diverse processes can be exceptionally challenging. **Research demonstrates** that tenants are highly unlikely to escalate complaints to their council or other redress bodies, resulting in the underreporting of non-compliance issues. The unfortunate domino effect is that it leads to the further tarnishing of the sector's reputation, as criminal landlords and letting agents continue their operations – potentially leading to the addition of even more redress routes. There is also concern that costly delays and growing pressure on the courts could undermine landlord confidence, potentially leading some landlords to exit the market.

The Renter's Rights Bill

The **Renters' Rights Bill** includes provisions to raise standards in the sector, such as the Decent Homes Standard and the creation of a new Ombudsman, which private landlords must join to improve tenant access to redress. All well intended, these reforms risk adding to the existing complexity in the redress landscape.

Furthermore, there is a misconception that the removal of

Section 21 - also proposed within the Bill - will automatically empower tenants to report housing issues, challenge poor practices, or contest unfair rent increases, thus driving up standards in the sector. However, research shows that tenants lack adequate knowledge and understanding of available redress mechanisms. In a **national representative survey** with over 2,000 tenants, 50% said they would not know where to go next if their landlord failed to act.

What Are Some Potential Solutions?

Information and signposting

Tools are needed for tenants to resolve disputes and access clear information, reducing the likelihood of misunderstandings escalating into legal disputes. Tenants who feel supported in accessing redress are more likely to trust their landlords, improving overall relationships and reducing tenancy turnover. The TDS Charitable Foundation's free signposting and diagnostic tool *My Housing Issue Gateway* (due to launch in early 2025) will create a structured pathway for communication and the raising of issues, making it easier for tenants to articulate their concerns and for landlords and letting agents to respond appropriately, in turn reducing the overall number of complaints received.

Policy reforms

However, this won't go far enough. The Government must outline a comprehensive vision for reforming dispute resolution in the sector, focusing on minimising confusion and complexity. When they have a problem, tenants are often unaware of whether it is the agent or the landlord they should be complaining about. The Government should consider whether the new Ombudsman could be incorporated into the existing redress landscape within the private rented sector while working towards a "single front door" model for those facing housing problems. For example, JUSTICE proposed the **consolidation of providers** into an easily navigable online portal, serving as a 'one-stop shop' for individuals facing housing problems. The proposed single portal would automatically triage and direct disputes to the appropriate forum.

Expanding the availability of ADR

Ensuring possession claims are processed quickly and effectively is crucial in addressing landlords' perceptions of risk and gaining their support for the reforms proposed within the bill. Expanding the availability of Alternative Dispute Resolution (ADR) services to address housing disputes offers one such solution.

Conclusion

In conclusion, improving dispute resolution in the private rented sector is essential to protect both tenants and landlords. Simplifying the existing complex system, providing clear tools for tenants to access redress, and expanding the availability of ADR could help resolve disputes more efficiently. By ensuring a clearer, more accessible process, we can create a fairer and more trusted housing market for all.

Dr Jennifer Harris is Head of Policy, Research and Strategy at Tenancy Deposit Scheme (TDS), the UK's leading tenancy deposit and resolutions service provider. Jennifer has over twelve years' experience in leading housing policy research across multiple sectors with a focus on improving conditions and outcomes in the private rented sector and tackling homelessness. Jennifer holds a PhD from the University of Bristol Law school. Prior to joining TDS, she led the "Raising Standards in the UK Private Rented Sector" research programme within the UK Collaborative Centre for Housing Evidence (CaCHE).

A Diverging Demand: Catering to Gen Z and Ageing Demographics in Co-Living

By Lee Dumbarton, Director at Urbanshare

The co-living sector is experiencing a fascinating demographic shift. While Gen Z, with their tech-savvy preferences and emphasis on community, has traditionally been my primary target, the significant rise in older adults seeking co-living arrangements is becoming an important audience to consider and accommodate.

Who Is Gen Z?

Gen Z, those born between 1997 and 2012, are shaping the future of housing. As of 2025, the oldest Gen Z will be 28. They're a generation that have grown up in a world defined by rapid technological advancements and economic uncertainty, and they're bringing very unique perspectives and expectations to the rental market. And it's changing the sector for good. Here is what we, as landlords and agencies in the shared living space, need to know about what matters most to this cohort:

Value First

Gen Z wants to understand the value proposition they are buying into, and this is the same requirement when choosing accommodation. Design led, both visual and functional aspects will become more important than ever in this sector.

Flexibility for the Win

Gen Z seeks flexible terms and short-term rentals to accommodate their dynamic lifestyles, which may involve frequent job changes or travel. The Renters' Rights Bill looks set to pave the way for this to become a reality and force considerable change with the removal of the 'shorthold' element of the AST.

Sustainability

This generation is passionate about environmental issues. They prefer rentals with energy-efficient appliances, recycling programs, and a green approach.

Smart Tech
Gen Z expects tech-enabled living spaces as standard. Smart thermostats, keyless entry, and energy monitoring systems are highly desirable. The world is more instant than ever before, and the housing sector needs to step up to meet higher expectations both with the rental product and service delivery.

Health and Wellness
Access to green spaces, good air quality, and clean-living environments are crucial considerations for their well-being, both physical and mental.

Community and Social Impact
Gen Z values community engagement and seeks rentals in areas that support local businesses and promote diversity and inclusion. Perhaps it's time we took a steer from market leading agents in the buy to let sector, who are looking to promote local businesses to their client base and foster local community growth.

A Digital-First Approach
This generation relies heavily on online platforms, social media, and virtual tours to research and select rental properties. Will physical viewing numbers dwindle in the coming years? If so, how do we deliver value and set ourselves apart from others?

To attract and retain Gen Z tenants, housing providers should:

- **Prioritise value** offerings with flexible terms
- **Embrace sustainability** by implementing eco-friendly practices and incorporating sustainable features into properties.
- **Leverage technology** to enhance the rental experience through smart home technology and digital tools. Ease, service, and speed are now a must.
- **Foster community** by creating spaces that encourage social interaction and support local businesses.
- **Prioritise health and well-being** by providing clean, well-ventilated spaces and access to green areas.

> *Those that master it will thrive.*

By understanding and addressing the unique needs, preferences and challenges of this influential generation, housing providers can create a more attractive and sustainable rental market for them. Those that master it will thrive.

Put older Millennials and Xennials on your radar

This year, the oldest Millennial will turn 44, while Xennials - those aged 42 to 48 - represent a fascinating subgroup of their generation. Not as tech native as younger Millennials, the oldest Millennials and Xennials often find it difficult to fully relate to the values of their generation's younger end (who are just 29 this year). Their outlook on life has been uniquely shaped by the rapidly evolving world they grew up in, bridging the gap between analogue and digital eras. For perspective, the oldest Millennial was already 17 when Google launched and 24 when YouTube debuted.

From a co-living perspective, the sector is witnessing a notable surge in popularity among individuals aged 40 and above. This demographic shift can be attributed to several key factors:

- **Economic Pressures:** Rising housing costs and the increasing difficulty of accessing homeownership are driving many individuals in this age group towards alternative living arrangements. Co-living offers a financially viable option, particularly in core urban areas with high living expenses.
- **Lifestyle Changes:** Divorce, separation, or the "empty nest" syndrome can lead to a reassessment of living arrangements. Co-living provides an opportunity for individuals to downsize, reduce living costs, and enjoy a more social and engaging lifestyle.
- **Flexibility and Mobility:** The rise of remote work and the increasing desire for flexibility in living arrangements are attracting individuals who value the freedom and convenience offered by co-living spaces.
- **Community and Social Connection:** For many, the allure of co-living lies in the opportunity to increase their friendship circle. Shared amenities, social events, and of course a sense of community can combat feelings of isolation and loneliness.

This growing interest from older demographics presents a significant opportunity for the co-living sector. By tailoring offerings to meet the specific needs and preferences of this age group - such as prioritising privacy, quiet spaces and a more mature house share environment

- We will attract and retain amazing tenants in this demographic. Not to digress, but while many housing providers are already working hard to understand and serve this target tenant, I believe it is something that all housing providers will need to embrace to thrive. Especially post the Renters' Rights Bill with the all but certain end to fixed term tenancies.
To attract and retain this 40 plus demographic, focus on:

- **Privacy and Quiet:** Soundproofed rooms and quiet zones
- **A mature living environment**
- **Health and Wellness:** Access to healthcare facilities, fitness centers, and wellness programs.
- **Social Connection:** Organised social activities, community events, and opportunities for intergenerational interactions.

A Hybrid Approach: The Future of Co-Living

Interestingly, there is considerable overlap in the wants and needs of both Gen Z and those above 40. A couple more pointers to focus your message and product offerings:

- **Intergenerational Living:** Create spaces where Gen Z and older adults can live together, fostering mutual respect, learning, and support.
- **Flexible Living Arrangements:** Offer a variety of room types, from private studios, mini HMOs and larger HMOs, to accommodate different needs and preferences.
- **Personalised Services:** Offer tailored services, such as housekeeping, meal delivery, and transportation, to meet the specific needs of older adults.

By understanding the unique needs and preferences of the Gen Z, Millennial and Xennial generations, co-living providers can create vibrant, inclusive communities that offer a high quality of life for all residents. I believe taking influence from the above will retain tenants, offering them the right home and environment while ensuring your house share assets continue to be profitable and viable.

Lee Dumbarton is the Director of Urbanshare, a leading HMO provider. With a passion for property that began in 2009 with his first HMO purchase, Lee has since overseen the extensive renovation of over 40 properties. His hands-on experience and dedication to systemising operations have enabled Urbanshare to successfully house over 4,000 tenants. Today, Lee and team Urbanshare manages a portfolio of approximately 350 rooms, solidifying his experience and knowledge to deliver a leading customer journey.

HMOs Reimagined: Technology, Sustainability and Community

By Mike Hedgecox, Director at Platinum Property Partners

The landscape of shared living is undergoing a profound transformation, with HMOs emerging as a dynamic solution to urban housing challenges. Far beyond simple shared accommodation, modern HMOs are becoming sophisticated living ecosystems that blend cutting edge technology, sustainable principles, and a deep sense of community.

However, in 2025, HMO landlords in the UK are likely to face several significant developments:

1. Regulatory Landscape

- Continued tightening of licensing and safety regulations
- Stricter requirements for property standards and tenant protection
- Increased local authority enforcement of HMO compliance

2. Housing Market Dynamics

- Growing demand due to housing affordability challenges
- Continued appeal for young professionals and students
- Potential impact from remote work trends affecting urban housing needs

3. Sustainability and Energy Efficiency

- Mandatory energy efficiency improvements
- Increased focus on retrofitting older HMO properties
- Potential financial incentives or penalties related to environmental performance

4. Technology Integration

- Smart home technologies for better property management
- Enhanced digital platforms for tenant communication
- Improved safety systems and monitoring technologies

5. Investment Trends

- Continued interest from property investors
- Potential shifts in investment strategies due to regulatory changes
- Increased professionalisation of HMO management

6. Tenant Expectations

- Greater demand for high-quality, well-maintained shared living spaces
- Increased importance of community and social spaces
- More sophisticated tenant screening and management processes

7. Financial Considerations

- Potential impacts from

changes in tax regulations
- Continued pressure from increased operational costs
- Need for more efficient property management strategies

These trends suggest that HMO landlords will need to be increasingly agile, especially around the areas of sustainability, technology, and community to remain competitive in the 2025 housing market.

There's also a stark warning in these challenges if demand continues to rise. Rents are once again rising across the UK. This appears to be as a result of more landlords selling HMOs rather than buying them.

Landlords must not think this increase is enough to future proof their business - they need to stay ahead of the game and ensure they're leveraging all the opportunities rather than just market trends.
Here are a few recommendations on how to address some of the challenges mentioned:

- To remain in line with growing tenant expectations, create contemporary, premium spaces with a WOW factor. We always recommend professional photography of the property to really show the quality, as it can vastly improve the ability to attract a premium price.
- Be proud to charge in the upper quartile or rents to demonstrate to tenants the high quality they will receive. It's also wise to manage expectations of your tenants upfront that rents will rise annually.
- When developing HMOs, it's important to consider technology integration and sustainability. There are several things you can look at, such as installing Smart thermostats, upgrading to LED lighting, implementing water saving measures, and considering solar panels and other renewable energy sources.

Our world is changing fast, and whilst the above recommendations will help you get ahead, the reality is that tactics and plans must change and evolve frequently if landlords are to stay ahead of the curve. This is why my ultimate piece of advice is to get involved in a community of like-minded individuals, where ideas and strategies are shared and improved. As the adage goes: *if you want to go fast, go alone. But if you want to go far, go together.* For those who are in this for the long game: find your trusted circle as soon as possible. It will make all the difference in a turbulent year.

Mike Hedgecox is a Director at Platinum Property Partners. He is also an Alumni Franchise Partner with ten HMO properties. He works closely with the head office team to support service delivery and programme development, always ensuring the wants and needs of the Partner network are front of mind.

Smart Ways for Landlords to Safeguard Finances in 2025

By Taran Hughes and Jane Scroggs, Founders of Beam and Eave Virtual Assistant suppliers

Unless you've been trapped under a pile of planning applications, it will not have escaped your attention that the landscape for property investment has shifted, and it's no longer business as usual. So as we step into 2025, we will be strongly encouraging our landlord clients to take a cold hard look at their property portfolios and ask a vital question: Is this property a keeper?

How profitable is your property?

The biggest shake-up facing landlords is the abolition of Section 21 "no-fault" evictions. While landlords will still be able to regain possession of their properties if they plan to sell (via proposed Section 8 Ground 1a), there's a catch, because, well there's always a catch. Under the proposed changes, a landlord cannot serve this notice within the first 12 months of a tenancy, and if the property doesn't sell, it cannot be marketed or re-let for another 12 months from the notice's service date.

Had these changes already been implemented, we would have been affected with one of our North London properties. Our lovely first floor flat had been happily tenanted for a couple of years, but like so many with a fixed-term mortgage coming to an end and the looming increase in repayment costs, we decided to put it on the market. After notifying the tenants and preparing the flat for sale, engaging a solicitor and estate agents, we placed it on the market. However, the market had other ideas. With some time passing and no sensible offers coming in, we made the decision to re-let the property, all straightforward bar the few months void. However, if the incoming legislation had already been in place, we would have been forced to wait 12 months before we could lawfully do so. It's a sobering reminder of how crucial it is to plan ahead when it comes to your property's future.

And it's not just legal changes that should prompt a careful review of your property's profitability. As if the end of section 21 evictions wasn't enough, we also find fixed-term tenancy agreements are ending. That means less stability in your rental income and greater cash flow unpredictability.

If ever there was a time to get forensic about your property's financials and identify potential cost drains before your profits circle the plughole – this is it.

> ***When working with new clients, we often notice a lack of scrutiny over the monthly operating costs of their properties.***

A common issue we encounter when supporting landlords is an overemphasis on maximising rent – however that is only one dial on the performance dashboard. When working with new clients, we often notice a lack of scrutiny over the monthly operating costs of their properties. This oversight is understandable, especially with larger portfolios, which is why we recommend conducting a utilities audit if one hasn't been carried out recently.

Here are some reminders on how you can keep the monthly operating costs down for your properties:

Review Utility Costs:
You should really keep a close eye on what's happening in the utilities space. If you're still on a fixed tariff for broadband, gas, or electricity, make sure you know when these end and be ready to switch. We've been caught out ourselves. After many years with the same broadband supplier, we realised we'd gone from paying £35 per month to paying an eye-watering £72 per month. With a bit of research, we slashed that cost to £25 per month by switching to a new teaser rate from a competitor. It's a clear example of how easily landlords can fall into the "rollover" trap with suppliers, paying far more than necessary.

Void Period Management:
Are you keeping on top of council tax during tenant changeovers? It's another easy thing to overlook, but across a large portfolio it only takes a few council tax bills to accumulate during void periods, regardless of how short they are, and suddenly you get caught by unexpected demands simply because you're unaware of their liability during tenant transitions.

Rent Collection Discipline:
With countless responsibilities to juggle, it's easy for profit-impacting areas to slip through the cracks, particularly when tenants pay rent at different times of the month or follow non-standard schedules.

We've seen landlords caught off guard, only realising they've fallen behind on collections after debts have accumulated. To avoid this, if you're working with an agent, ensure you regularly review monthly statements and address any discrepancies in rent receipts promptly. Remember, staying on top of rent collections is far less stressful than chasing overdue payments and managing rent arrears.

Getting tight on compliance to protect your profits

Compliance isn't just a tick box exercise. It's about protecting your business, your tenants, your profits and your right to possession, all the while avoiding costly mistakes. Unfortunately, too many landlords only discover they're non-compliant when it's too late. If you're outsourcing, ensure that whoever is handling your compliance knows the rules inside out because as the landlord, in the eyes of the law the buck stops with you. Possession claims can be thrown out of court over something as simple as missing paperwork or failing to meet prescribed deadlines.

Some of the compliance pitfalls to avoid in 2025 Include:

Incomplete Tenancy Agreements:
This is an easy one to get wrong, so make sure you've sent all required documents to tenants at the right time and in the correct order. Just one simple mistake can leave you vulnerable in court if a possession claim is challenged.

Handling Holding Fees Correctly:
If you're not refunding the holding fee or deducting it from the first month's rent in the correct manner, you're in breach of the rules.

Deposit Compliance:
Failing to send tenants the deposit's prescribed information or not keeping evidence that it's been sent is a classic oversight.

Without proof, you're at risk of fines and possession delays.

Gas Safety Gaps:
Even today, with all the available information about safety testing and the law, there are still many landlords who don't realise that if their gas safety certificate expires, even for a day, it's a compliance breach which can mean a possession claim is dismissed. It's a simple fix but one that's frequently overlooked.

Proof of Delivery for Section 21 Notices:
If you find yourself needing to issue a Section 21 notice, be sure to either deliver it in person with photo evidence, or with a proof of postage from the Post Office. Recorded delivery letters can be rejected by the recipient, and serving via email can be contentious depending on the service methods stated in the tenancy agreement, and the time of the day it was sent.

These tasks are often dismissed as "low-value admin" and frequently handed off to inexperienced staff. But with tenants' rights poised for further reforms in 2025, attending to these details as though your business depends on it, can be the difference between keeping control of your property or losing it.

Final Thoughts

The new legal framework in 2025 requires landlords to be more strategic and proactive. Our personal experiences have taught us that profitability is about more than just rent. It's about controlling costs and staying compliant. From avoiding supplier "rollover" charges to maintaining ironclad tenancy documentation, every small action can have a big financial impact.

If you're unsure where to start, focus on two questions: "How profitable is my property?" and "Am I fully compliant?" If you can answer both with confidence, you're already ahead of the game for 2025.

Taran and his partner Jane are the founders of Beam and Eave Assistants, two disruptive virtual assistant agencies dedicated to serving property investors by removing the headache of property management and helping them regain control of profits and operations.

With over two decades of property, international business and startup experience, as mentors and founders, they understand the demands of property investors and boutique letting agents. Their mission is simple: to provide seamless, stress-free support that allows their clients to smoothly manage their portfolios.

Four Ways to Maximise Revenue as a Landlord in 2025

By Tom Metcalfe, Director, Partnerships, UK&I , GoCardless

Increasing interest rates, government and policy changes, and general rising costs have all made 2024 a particularly challenging year for landlords – and so far, 2025 is promising its fair share of change and upheavals. While it may seem that so much is outside of the control of landlords, there is one very valuable lever you can pull that will help you to maximise profitability and ensure a reliable rental income: the way you collect rent.

In fact, there are four key strategies which can help you to optimise your collections process and increase revenue in 2025.

1. Understand the total cost of collecting payments

When it comes to the cost of collecting payments, a lot of businesses often only consider the upfront cost of transaction fees. Whilst these are integral to payments, by only considering these upfront, direct costs, you could be subjecting your business to unnecessary expenses.

One of these indirect costs is the time and financial investment it can take to manage payments manually and in-house. People are a large part of your fixed operating costs: **a study from Forrester** shows that most businesses have 20+ full-time employees to manage recurring payments.

Meanwhile, the **PwC Finance Effectiveness Benchmarking Study** found that 26% of the time spent on customer billing by finance teams could be automated.

Unsurprisingly, many landlords are now viewing the automating and outsourcing of payments as a game-changing opportunity to significantly reduce outgoings and inefficiencies.

2. Tackle late rental payments

When rental payments fail, it can have a huge knock-on effect on your financial situation as a landlord. A study by **Molo** found that almost 60% of UK landlords have seen a rise in late rent payments due to the challenging financial climate. At a time when delayed payments are increasing, landlords need to do all that they can to create a fast and efficient payments process.

A simple way to do this is to automate and outsource some of the main manual tasks involved in managing Direct Debit payments with the bank, such as sharing mandate files or trying to work out when or why a payment has failed. By switching to an automated payment solution, you can cut out any lengthy manual processes and reduce the overall time it takes for payments to be set up and enter your bank account.

3. Stop rent payments from failing

Not only do late rentals adversely impact your cash flow, but it's also further affected due to the significant resources it takes to chase and recover the payments. In fact, **Forrester found that 11-15%** of the value of a payment can be spent trying to recover it.

When it comes to payment methods, not all methods are created equal. Cards, for example, **fail up to 8% of the time** because they are lost, stolen or expired. Bank payments on the other hand, such as Direct Debit, because they're more direct and pulled from one bank account to another, fail only 2.7% of the time.

It's also about how you manage any payments that do fail. Manually chasing tenants to recover payments interrupts the customer experience, souring relationships, and only results in 38% of payments being recovered. There are better ways to do this.

By using a payments provider that automates the process of payment retries you could recover up to 70% of failed payments without bothering your tenants in the process.

4. Make it easy for your customers to pay

Referencing for a tenant and getting a lease signed can all take a lot of time and work – and so the last thing you want is for the payment experience to add friction to the tenant onboarding journey.

In a recent TDS study, we **partnered with YouGov** to understand the influence payments have on the buying journey, and found that 67% of payers will stop a purchase if their preferred payment method isn't available. Clearly, payments are a very divisive aspect for tenants. Which begs the question: how can it be made less so? What are tenants really looking for?

Using the YouGov insights, we discovered that the top three reasons a payer chooses a payment method for both invoice and e-commerce purchases are:

- Security
- Ease of use
- Money leaving the account right away

Landlords who are able to remove complexity and uncertainty from the payment experience will almost certainly end up with more satisfied tenants.

In 2025, the way you collect payments will play a critical role in driving greater profitability for your business and minimising market effects. By effectively addressing each of these key areas, landlords can create a seamless and effective payment journey that will help to maximise revenue and cut down on late and failed payments.

Tom has worked in Partnerships for over 10 years, and for the last six years has been building partner relationships at GoCardless, most recently taking on the role of Partnerships Director for the UK business.

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> *The way you collect payments will play a critical role in driving greater profitability for your business and minimising market effects.*

Taking the Leap: The Journey from Corporate Life to Full-Time Property Investor

By Athena Dobson, CEO of Girls in Property

I learnt one thing very quickly early on in life... "Nothing is secure, unless you secure it yourself."

This reality hit home more profoundly than ever on March 23, 2020, when the world officially ground to a halt due to the COVID-19 pandemic.

Picture this. For the last seven years, I had thrived as a premium travel consultant, crafting dream holidays and experiences for clients worldwide. Suddenly, my livelihood and sole income vanished with the click of a finger, and all I could think was "What now?"

Like countless others, I originally found solace in weeks of Netflix and Disney+ marathons. Then, one day, as I was doom scrolling through Facebook, I came across an advert that read, "2 days property training for only £99.00". Intrigued, I signed up and spent the following weekend immersing myself in the world of property investment.

Four weeks later, I was bright eyed and bushy tailed, armed with newfound knowledge from research, podcasts, books, and conversations. I had suddenly found myself as the director of my first company and navigating the conveyancing process for my first buy-to-let property: a 1-bedroom flat in the heart of Bournemouth! Was this terrifying? Absolutely! They say every investor has that one property where they learn all their invaluable lessons, and this was certainly mine. This property alone served as my crash course in purchasing through a company, forging alliances with contractors and planning consultants (spoiler alert: it took

9 months to get approval for a simple 1-to-3 bed conversion during COVID) and adeptly handling unforeseen challenges such as installing new chimneys and sewage systems. To say it was a steep learning curve would be an understatement.

Life definitely picked up pace from there, even as I returned to the grind of full-time work. But my determination to build my own business and dive deeper into property investment never wavered. I quickly got the hang of juggling multiple tasks at once. These days, I often hear aspiring entrepreneurs and property investors make excuses about not having enough time because they're tied to full-time jobs. So here's a top tip from me for planning your success: browse your favourite property sites like Rightmove, Zoopla, and On The Market in the evening, but schedule your emails to agents to be sent first thing in the morning around 8 am. That way, you can follow up with calls during your lunch break. And remember to plan ahead—when do you have time to actually work on finding your next property investment? For me, it was weekends, which quickly turned into my dedicated property days filled with viewings and meetings. You've got to figure out when you can make it happen and plan for success accordingly!

Fast forward to September 16th, 2022, and after acquiring several more properties through the rent-to-rent structure, I took the leap to become a full-time property investor. I distinctly remember the first day I no longer received pay checks from my employer.

It was a moment filled with both uncertainty and conviction – I knew then that this new venture had no option but to work, and my only path was forward.

As I sit here today, reflecting on my journey so far, I find myself considering the three key insights I wish I had embraced at the start of my entrepreneurial and property investment journey. Let me share these lessons with you, in the hope that they might inspire and guide you on your own path to success:

Let the strategy choose you

It's a common misconception among business owners and property investors that we can control every aspect of our ventures. Reality often teaches us otherwise. I used to believe I could simply pick and choose the investment strategy that appealed to me. Yet, in reality, this falls short. Instead, success demands starting with the end goal in mind. What outcome are you aiming for? How do you envision your lifestyle?

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> ***All too often, I've witnessed investors pursuing strategies that don't align with their personal values or lifestyle objectives.***

All too often, I've witnessed investors pursuing strategies that don't align with their personal values or lifestyle objectives. For instance, an individual once told me they wanted to invest in serviced accommodation units with the sole intention of receiving passive income and a quiet life - I will leave you to imagine what my response was! It's a pattern I see all too often: property investors choosing strategies that don't quite fit with their lifestyle choices, only to end up frustrated and walking away from their investment altogether.

So, ask yourself: What is your primary objective for property investing right now? Are you seeking cash flow to transition away from your full-time job? If so, strategies like rent-to-rent, deal sourcing, and property management may be suitable. Alternatively, if you're content with your current job and simply looking to buffer your income, strategies like flips or buy-refurbish-rent-refinance may be more appropriate. Or perhaps you're aiming to create a legacy, opting for a hands-off investment like a buy-to-let property that appreciates over time. After defining your lifestyle objective, the ideal property strategy will naturally present itself, paving the way forward on your journey.

Enjoy the process, not just the end result

To be completely transparent, this is still a concept I am navigating. As entrepreneurs and business owners, it's all too tempting to fixate on the outcome, as it's ultimately what pays the bills. I found myself trapped in this cycle. I became almost singularly focused on the end result, always chasing "the next deal," "the next investor," "the next property," and so on.

Too often, we forget to pause, look up from our screens and devices, and appreciate the people and experiences around us. Life has recently taught me how short and precious it can be. It's essential to relish and celebrate every win no matter how small, to take leisurely walks with friends, and to indulge in life's simple pleasures because we never know what tomorrow will bring.

Becoming a property investor and business owner isn't just about achieving financial wealth; it's also about personal growth and fulfilment. It's crucial to take a holistic approach and ask yourself, "What kind of lifestyle would I like to live?" Additionally, reflecting on your journey and acknowledging how far you've come is essential. In the world of property, setbacks like deals falling through or investors backing out can make you feel stagnant. Instead, remember where you were a year ago—perhaps you were struggling to analyse deals or lacking connections with investors you now speak to daily. Appreciate the progress you've made and enjoy the journey - not just the result.

Consistency, consistency, consistency

As most will know I live by this mantra daily. Consistent daily actions are the pathway from where you are now to where you want to be, even if you improve by just 1% each day. Consider it akin to hitting the gym. If you only went once, you wouldn't see much change, but if you went three times a week for a month, you'd start noticing a difference in your physique, and as a result you'd keep going.

Apply this analogy to business and property investing. Attending just one networking event won't yield much result, but if you're committed and attend regularly, you'll see progress and start building relationships in your area which will lead to results. Similarly, with estate agents, maintaining consistency and nurturing meaningful connections will lead to tangible outcomes over time. Consistency above everything else is what will accelerate your progress.

So, as I look to the future, I'm beyond excited about what's ahead. My property portfolio is growing, and I'm proud to be the CEO and host of Girls in Property, where we run a podcast, community, and events with a mission to build a supportive network for women across the property, finance, and construction industries. Our goal is to help women connect, share insights, and empower one another in what's still a very male-dominated industry.

And remember - entrepreneurship, particularly in property, is no easy path. It is NOT a get rich quick scheme and demands unwavering dedication, hard work, and resilience. However, by staying consistent and true to your values, owning your own property business can offer you the freedom to live life on your terms. I'm deeply grateful that I now experience this freedom every day - and if I can do it, so can you!

Remember – YOU are your greatest asset and investment. So be the one who starts when others stop. Keep going and good luck!

Athena Dobson is a thriving property investor and a dynamic community leader. She made a swift transition from a high-paying corporate job to full-time property investor in just under a year. As CEO of **Girls in Property,** Athena is dedicated to uniting, inspiring, and empowering women in the property and finance world through her **podcast,** community, and events. In a sector still largely dominated by men, she is driven to help women make informed investment decisions that align with their lifestyle goals. For anyone wanting the most up-to-date information on Athena and her events, head on to her constantly updated social media channels at @athenadobson_official (personal Instagram) and @girlsinpropertypod (Girls in Property Instagram).

"I network quite a bit and PIP is one of my favourite meetings; I really value this group, always welcoming and the exchange of knowledge is excellent!"

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