

In private housing, accurate information is the key to enforcement. Ian Watson provides the findings from an initial analysis of a mass of data that is now available online from the Land Registry and explains how EHPs can make best use of it

Digital detectives

As part of the government's commitment to the digital economy, HM Land Registry made its data on land ownership in England and Wales publicly available last year. Nearly four million records from the commercial and corporate ownership and overseas companies ownership datasets became accessible for exploration, identifying the address, company's name, price paid and country of incorporation, along with other useful information.

It's a treasure-trove of data, identifying commercial and corporate landowners across the country. But while looking at how many land titles are owned by different companies is interesting, making more of the resource requires additional analysis. This is mainly because the information relates to land and doesn't include any geographical boundaries. Making sense of the information requires matching these titles to more tangible addresses. It may sound straightforward, but it's not a simple process to match the title number and the attached data to an address list.

Having purchased some complex geodata, BRE's team of analysts has created programmes that convert the land titles to an address-based

property ownership database, enabling the true value of the data to be investigated with address-level granularity. Using BRE's bespoke program to link titles to discrete residential addresses reveals 9.7 million residential addresses owned by commercial and corporate organisations in England.

We know that data is key for local authorities, particularly for EHP colleagues working to improve and regulate the private sector – for example, through licensing – but that knowing where to look and interpreting it can be difficult. BRE's housing and health team is made up of EHPs, analysts and statisticians and has been set up to support the local authority private sector housing function.

We can provide housing-stock modelling, discretionary licensing appraisals and health impact assessments. We have two web-based services, the Housing Health Cost Calculator and Excess Cold Calculator. And now we can also help local authorities make better use of the Land Registry data.

There has recently been increasing availability of housing-related data at address level – for example, energy performance certificates offering information on wall-type and heating types, Tenancy Deposit Scheme (TDS) data identifying addresses where tenants' deposits are protected, and Ordnance Survey data providing metrics on the footprint and



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height of every address. We were therefore eager to explore how Land Registry data could sit alongside other datasets, so as to enhance tenure information and help local authorities to identify and take appropriate action against landlords who are off the radar.

For assured shorthold tenancies that began after April 2007, landlords have had to register or place their tenants' deposits in a government-backed deposit scheme. There are three schemes: TDS, the Deposit Protection Service and My Deposits. Since April 2017, local housing authorities in England have been able to request the schemes provide specific information they hold on tenancies relating to properties in their geographic area. But new research from comparethemarket.com from a survey of 1,000 adult private renters, reveals that a third of renters know that their landlords have not placed their money in a government-backed scheme.

There are also now increasingly 'no deposit' options for renting, which presumably avoids the registration of any deposit. The Residential Landlords Association's website says it doesn't consider an advance payment of rent to be a tenancy deposit. It also suggests that a guarantor who could provide assurance that rent and damage will be paid for before the end of the tenancy may be an alternative, as would rent insurance, a tenancy administration fee

Practice

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and potentially a 'good faith' deposit to hold the property before the actual tenancy agreement being entered into.

Therefore, whilst the TDS data can provide robust information on the private rented status of the addresses recorded in the schemes, it is far from an exhaustive source for identifying the numbers and distribution of this sector in any given area.

The new Land Registry information is an incredibly useful resource for mapping and identifying the commercial ownership of residential property. However, making use of this for local authorities' benefit is challenging. Addresses owned by social landlords can readily and confidently be identified, but the potentially more useful ability to identify private rented addresses from this data is more problematic.

Only commercial and corporate entities are available from the dataset, so it will not capture those rental properties where the owner, usually a landlord with a small portfolio, has not formed a company. However, it can be useful for licensing and enforcement work as it enables the fast identification of addresses owned by the same company.

For example, if some properties owned by the company are already licensed by the local authority, it opens the possibility that others may require a licence, providing information for proactive work. Likewise, the larger landlords can be identified, which is useful for engaging stakeholders of the private rented sector.

The press frequently reports the plight of homeowners who purchase a new home, often from a reputable developer, but then incur soaring ground rent fees – the ground rent can double every 10 years and the leaseholder can be liable for fees when making changes to their home – making selling the property and lending against it problematic. It is estimated that there are between four and six million



Left to right: BRE analysts Golnaz Ijadi, Rosie Winn and Anabel Ramirez Aragon

leasehold homes in the private sector in England, the majority being flats.

However, it's not just flats: the government's research suggests that the leasehold sales of new-build houses increased from 7 per cent of transactions in 1995 to 15 per cent in 2016, and leasehold houses are particularly common in the Northwest, where 32 per cent of house transactions were leasehold in 2016. Ground rents are considered a financial investment, being bought and sold by investors and speculators.

The previous minister for housing, communities and local government, Sajid Javid, condemned many ground rent practices as 'feudal', before announcing a ban on leaseholds on new-build houses.

Consequently, an all-party parliamentary group on leasehold and commonhold reform was set up. The Law Commission is recommending changes to replace the current right of leaseholders to purchase a one-off

50-year lease extension at a high ground rent, with a right to purchase unlimited longer lease extensions without a ground rent.

BRE was recently commissioned by a northwest metropolitan borough council to integrate local data into the BRE housing stock models to estimate housing conditions. We worked with the authority to assess how the Land Registry data could be used. It provided a range of information at address level, including TDS data, enforcement records and social housing lists. Starting with an address list derived from its local land and property gazetteer, this data was matched to addresses across the borough.

After removing duplicates and addresses that could not be matched, 4,127 addresses were allocated private rented status from the raw TDS data containing 4,853 records. By cross-referencing the Land Registry commercial land owners against the register of social providers, 16,738 addresses were identified as social rented; however, the local authority tenure list provided 15,327 social rented records – more than 1,400 fewer than the Land Registry data identified. But many authorities to which BRE provides services have no such lists and may not be aware of all the providers of social housing operating in the authority.

Interestingly, 65 addresses featuring on the TDS list were owned by social landlords. This therefore invites the question: are these flats? If so, perhaps the social landlord retains the freehold after the leasehold is purchased, and the leaseholder now rents the flats out privately? Perhaps there is a case for investigating sub-letting?

After removing those entries owned by social landlords, the next task was to determine which of the remaining entries were ground rent companies. We found 374 addresses were owned by six organisations containing 'ground rent' in the name. For the remaining companies, we carried out a simple internet check on those owning 10 or more addresses in the area, to see if there was any information on their activities. This revealed a further 43 organisations likely to be ground rent companies owning 4,612 addresses.

We have gained a greater awareness of ground rent companies and the potential size of this issue, and wonder, given the well-publicised concerns, whether this is likely to be an emerging problem for local authority officers in the future. With potentially increasing ground rents, reduced equity and the added costs and inconvenience associated with seeking permissions for home improvements, a more marginalised or precarious home-ownership population will emerge. ■

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Who owns what?

The data from the **3.6 million land titles** covering England and Wales shows that:

3.6m

titles are owned by **631,664 corporate and commercial bodies** such as limited companies, local authorities and housing associations. Charities and trusts are excluded

The second biggest category of owner are councils with

607,447 titles

The category owning most titles is limited companies or public limited companies with

2.2m

Limited liability partnerships own

85,804 titles

'Corporate bodies' own

254,476 titles

This is a catch-all category including organisations such as government departments, the Church Commissioners, the Crown Estate and power companies

The remaining titles are owned by industrial and provident societies, housing associations, and various forms of community association