

## Coronavirus has affected the UK property market in a number of ways

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- According to Rightmove, demand for rental properties has considerably increased since May 2020, estate agents being permitted to resume property viewings on 18 May 2020. Lockdown may well have contributed to both tensions within relationships and dissatisfaction with existing properties thereby causing this demand. In London alone, demand for rental properties is up 17% according to figures published by Rightmove.
- There may also be a considerable increase in properties available for sale caused by relationships breaking down as a result of lockdown induced stress: As regards married couples, divorce inquiries between 23 March to mid-May have increased by over 40% compared with the same period in 2019 (figures from Co-op Legal Services). On the basis of statistics from the Office of National Statistics, this could lead to over 38,000 couples divorcing, (and if each couple owned a property and decided to sell it), over 38,000 properties entering the property market. With the average UK house price being nearly £250,000, this could mean up to £9.3bn in property transactions.

### What are the legal issues likely to be involved?

- The increase in tenants moving from one rental property to another may cause an increase in legal disputes relating to tenancy deposits (eg over returning a deposit when a tenant moves out, whether initial tenancy deposits requirements are/were met under s. 213 of the 2004 Housing Act).
- In the case of separation of unmarried cohabiting couples, this may lead to an increase in legal disputes regarding individuals' respective interests in a property (under TOLATA 1996), and in the cases of both married and unmarried couples, disputes over how assets are divided.
- Joint tenants wishing to vacate rental properties prior to the end of the fixed term, or seeking to rely on break clauses, will need to consider the terms of their leases carefully and serve any notice in accordance with the specific requirements. The well-known "reasonable recipient" test will apply to any allegedly defective notices.

- Joint tenants may wish to leave due to relationships breaking down, but also due to their rent becoming unaffordable due to changes to their employment or income. If demand falls, due for instance to a reduced student population, tenants may be able to renegotiate rents.
- Landlords may be seeking to rely on rent review clauses and, recalling that time is not of the essence for a landlord to rely on such a clause, may seek retrospective rent reviews.

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