

FEDERATION OF PRIVATE RESIDENTS ASSOCIATIONS CONFERENCE

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SPEECH BY KEITH HILL

THANKS FOR THAT NICE INTRODUCTION AND WARM WELCOME.

I AM VERY GLAD TO BE BACK HERE AT THE FPRA CONFERENCE - AS YOU MARK, I THINK, YOUR FORTY-THIRD YEAR OF OUTSTANDING ACTIVITY ON BEHALF OF LEASEHOLDERS UP AND DOWN THE COUNTRY.

SO, IT'S A PRIVILEGE TO BE INVITED TO SPEAK TO YOU, AND A PLEASURE TO BE SHARING THE PLATFORM WITH MARTIN BOYD WHO HAS HIMSELF OVER MANY YEARS MADE AN OUTSTANDING CONTRIBUTION TO THE LEASEHOLDER MOVEMENT.

IT WAS TWO YEARS AGO WHEN I WAS LAST HERE - AS A MEMBER OF THE AUDIENCE - SHORTLY AFTER MY APPOINTMENT AS THE ARMA-Q REGULATOR.

AS YOU MAY BE AWARE, ARMA-Q COMES ON STREAM IN A COUPLE OF MONTHS' TIME IN JANUARY. BUT I AND MY REGULATORY PANEL HAVE ALREADY BEEN AT WORK OVER THE PAST TWO YEARS DEALING WITH DISCIPLINARY CASES AND PAVING THE WAY - HOPEFULLY - TO AN EFFECTIVE REGULATORY REGIME.

IT HAS BEEN AN INTERESTING AND WORTHWHILE EXPERIENCE AND I AM VERY PLEASED TO HAVE HAD THE OPPORTUNITY TO SERVE IN THIS WAY.

I AM PLEASED FOR SEVERAL REASONS.

ONE IS THAT I HAVE A LONG-TERM INTEREST IN THE HOUSING SECTOR AND SPECIFICALLY IN LEASEHOLD MATTERS.

I WAS ONCE A LEASEHOLDER MYSELF.

AS A MEMBER OF PARLIAMENT FOR A LONDON CONSTITUENCY I HANDLED A LARGE NUMBER OF LEASEHOLDER CASES, BOTH PRIVATE AND COUNCIL.

AS THE HOUSING MINISTER I DEALT WITH SOME OF THE REGULATION ARISING FROM THE 2002 COMMONHOLD AND LEASEHOLD REFORM ACT AND MET WITH MANY OF THE PARTNERS IN THE SECTOR.

I AM CURRENTLY THE CHAIR OF AN ALMO WHICH AS WELL AS 20,000 TENANCIES MANAGES OVER 9,000 RIGHT-TO-BUY LEASEHOLD PROPERTIES IN SOUTH LONDON.

IN OTHER WORDS I THINK I CAN CLAIM SOME INVOLVEMENT WITH LEASEHOLD ISSUES FROM THE ANGLES OF BOTH THE CONSUMER AND THE MANAGER, AS WELL AS FROM THE POLICY ASPECT.

AND I DO NOT FOR ONE MOMENT UNDERESTIMATE THE IMPORTANCE OF THIS SECTOR - AND NOR SHOULD ANYBODY ELSE!

MARTIN BOYD'S LKP/CARLEX HAVE ESTIMATED THAT THE TRUE FIGURE FOR THE NUMBER OF LEASEHOLD PROPERTIES IS 5.3 MILLION: THAT WOULD BE TWENTY PER CENT OF ALL HOMES IN THE COUNTRY.

THE USUAL GOVERNMENT FIGURE IS ABOUT 2.5 MILLION LEASEHOLD PROPERTIES (AND THAT WAS ALSO THE FIGURE USED BY THE COMPETITION AND MARKETS AUTHORITY IN THEIR RECENT INQUIRY).

WHETHER ONE CHOOSES THE HIGHER OR THE LOWER FIGURE, HOWEVER, THE FACT IS THAT WE ARE TALKING ABOUT A VAST NUMBER OF OUR FELLOW CITIZENS - AT LEAST 5 MILLION - OCCUPYING LEASEHOLD PROPERTIES, AND SPENDING BILLIONS OF POUNDS EACH YEAR ON THE UPKEEP OF THEIR HOMES.

THIS IS A VERY SIGNIFICANT PART OF THE HOUSING MARKET.

AND, OF COURSE, WITH THE CURRENT SURGE IN BUY-TO-LET AND BUY-TO-RENT THE SECTOR IS NOW GROWING VERY RAPIDLY, INDEED.

SO: THIS IS A MAJOR INDUSTRY PROVIDING A MAJOR HOUSING SERVICE WITH - I AM CONVINCED - A LARGE MAJORITY OF MANAGING AGENTS WANTING TO PROVIDE A FIRST CLASS SERVICE TO THEIR CUSTOMERS.

ON THE OTHER HAND, IN A LARGE AND COMPLEX HOUSING SECTOR LIKE THIS - WITH SEVERAL HUNDRED COMPANIES IN THE BUSINESS OF LEASEHOLD BLOCK MANAGEMENT - WITH HUGE SUMS OF MONEY MOVING AROUND THE SYSTEM - AND HUNDREDS OF THOUSANDS OF FINANCIAL TRANSACTIONS TAKING PLACE EACH YEAR - IT IS OBVIOUS THAT THE SCOPE FOR MALPRACTICE - INTENTIONAL OR UNINTENTIONAL - IS VERY CONSIDERABLE.

AND THE HEADLINES AND STATISTICS BEAR THIS OUT.

COURT JUDGEMENTS REQUIRING THE REPAYMENT OF HUNDREDS OF THOUSANDS OF POUNDS TO LEASEHOLDERS UNFAIRLY CHARGED.

A 400 PER CENT INCREASE IN LVT CASES BETWEEN 2002 AND 2011 (NOW THANKFULLY SLOWING DOWN).

I THINK I AM NOT ALONE IN FINDING IT HIGHLY SURPRISING THAT AN INDUSTRY WITH SUCH A VERY LARGE INTERFACE WITH THE PUBLIC SHOULD BE SUBJECT TO SO LITTLE BY WAY OF LEGAL OR STATUTORY REGULATION.

THERE IS PLENTY OF LAW ABOUT LEASEHOLD - BUT VERY LITTLE ABOUT REGULATION.

IT IS PERHAPS EVEN MORE SURPRISING THAT THE MAIN TRADE BODY FOR MANAGING AGENTS - THE ASSOCIATION OF RESIDENTIAL MANAGING AGENTS - ARMA - SHOULD, IN FACT, BE LONG-STANDING ADVOCATES OF STATUTORY REGULATION.

WHY SURPRISING?

WELL, THESE ARE ENTREPRENEURS - BUSINESSES BOTH GREAT AND SMALL.

AND THE CONVENTIONAL WISDOM TELLS YOU THAT THESE COMPANIES OUGHT TO BE CLASSIC OPPONENTS OF RULES AND REGULATIONS - RED TAPE AND ALL THAT!

AND YET: ARMA AND ITS MEMBERS FAVOUR A STATUTORY REGULATORY REGIME FOR THE SECTOR - WHICH MEANS AN ACT OF PARLIAMENT: FIRSTLY FOR THE LICENSING OF ALL OF THESE COMPANIES; SECONDLY, TO LAY DOWN STATUTORY STANDARDS AND A CODE OF CONDUCT; THIRDLY, FOR THE ESTABLISHMENT OF A REGULATOR AND HIS OFFICE; AND FOURTHLY, TO PROVIDE FOR STATUTORY SANCTIONS FOR WRONG-DOING, BOTH FINES - AND CUSTODIAL IF NEED BE.

PERSONALLY, I THINK THAT REFLECTS RATHER WELL ON ARMA AND ITS MEMBERS.

ESPECIALLY IN A PERIOD WHEN REGULATION HAS NOT BEEN EXACTLY THE FLAVOUR OF THE MONTH

SO, WHEN THE PRESENT COALITION GOVERNMENT SAID "NO" TO STATUTORY REGULATION WHEN ARMA WENT TO THEM IN 2010, ARMA DECIDED INSTEAD TO BRING ITS OWN SYSTEM OF VOLUNTARY SELF-REGULATION.

KNOWN AS ARMA-Q - Q FOR QUALITY - THE NEW SELF-REGULATORY REGIME HAS THREE MAIN ELEMENTS: AN INDEPENDENT REGULATORY PANEL - WHICH IS WHERE I COME IN - A CONSUMER CHARTER, AND A COMPREHENSIVE SET OF STANDARDS WHICH ARE SPECIFIC TO MANAGING AGENTS AND REPRESENT BEST PRACTICE IN THE INDUSTRY.

ARMA-Q IS GOING WELL. THREE QUARTERS OF ARMA MEMBERS HAVE ALREADY SIGNED UP FOR ACCREDITATION AND, AS I HAVE INDICATED, THE NEW SYSTEM WILL COME IN IN THE NEW YEAR.

BUT THERE IS A PROBLEM.

ARMA AS AN ASSOCIATION REPRESENTS PROBABLY ABOUT HALF OF ALL MANAGING AGENTS.

IN OTHER WORDS ABOUT HALF THE SECTOR IS LIKELY TO BE OUTSIDE THE VOLUNTARY REGIME - THAT COULD BE SEVERAL HUNDRED MANAGING AGENTS - SO HOW DO YOU ENFORCE STANDARDS ON THEM?

THE TRUTH IS THAT ONLY A STATUTORY REGIME CAN AND WILL ENSURE THE ENFORCEABILITY OF HIGH STANDARDS ACROSS THE SECTOR.

PERSONALLY, I HAD HOPED THAT THE COMPETITION AND MARKETS AUTHORITY - THE CMA - WOULD MAKE THIS RECOMMENDATION WHEN IT LAUNCHED ITS MARKET STUDY INTO RESIDENTIAL PROPERTY MANAGEMENT SERVICES IN THE SPRING OF THIS YEAR.

I WAS DISAPPOINTED (DISAPPOINTED ALTHOUGH PERHAPS NOT ENTIRELY SURPRISED) WHEN THE CMA PUBLISHED ITS INTERIM REPORT IN AUGUST. (IT EXPECTS TO PUBLISH ITS FINAL REPORT THIS MONTH OR NEXT).

I WANT TO EXPLAIN WHY THE CMA REJECTED STATUTORY REGULATION, BUT I ALSO WANT TO TELL YOU WHY I THINK THEY WERE WRONG, AND TO SUGGEST WHAT WE CAN ALL DO ABOUT IT.

BUT WHY DID THE CMA CARRY OUT ITS INQUIRY IN THE FIRST PLACE? IT GAVE THREE REASONS.

ITS REASONS FOR TARGETTING THE SECTOR WERE, IT SAID:

FIRSTLY, COMPLAINTS IT HAD RECEIVED OVER MANY YEARS: OF THE OVER-CHARGING OF CONSUMERS; OF THE PROVISION OF POOR QUALITY SERVICES; OF THE SPENDING OF MONEY ON UNNECESSARY PROJECTS; AND OF INEFFECTIVE DEALING WITH COMPLAINTS.

SECONDLY, THE CMA WAS AWARE OF CONCERN OVER ACCESS TO REDRESS.

THIRDLY, IT WANTED TO LOOK AT THE ROLE OF FREEHOLDERS, AND THE DIFFERENT RELATIONSHIPS AND INCENTIVES BETWEEN LEASEHOLDERS, FREEHOLDERS AND MANAGING AGENTS.

I WANT TO SAY AT ONCE THAT, ALTHOUGH I DO NOT AGREE WITH ALL OF ITS CONCLUSIONS, I THINK THIS HAS BEEN A MOST HELPFUL EXERCISE.

THE CMA HAS SHONE A LIGHT INTO A SECTOR WHICH IS RELATIVELY LITTLE UNDERSTOOD AND ABOUT WHICH VERY IMPORTANT INFORMATION IS STILL SIMPLY NOT KNOWN - LIKE - ACTUALLY - HOW MANY MANAGING AGENTS ARE THERE, AND FOR THAT MATTER HOW MANY LEASEHOLDERS ARE THERE, AND WHAT DO THEY THINK?

IN FACT, THE CMA WAS ABLE TO COMMISSION AN IPSOS MORI SURVEY OF LEASEHOLDERS, AND IT DID COME UP WITH SOME INTERESTING FINDINGS:

FOR EXAMPLE, TWO-THIRDS OF LEASEHOLDERS OVERALL THOUGHT THE SERVICE THEY RECEIVED WAS VERY OR FAIRLY GOOD; LEVELS OF SATISFACTION WERE EVEN HIGHER IN RETIREMENT FLATS; AND HIGHEST OF ALL IN RIGHT TO MANAGE COMPANIES - ALTHOUGH IT MAY COME AS NO SURPRISE THAT LOCAL AUTHORITY LEASEHOLDERS WERE THE LEAST HAPPY WITH THE MANAGEMENT SERVICES THEY RECEIVE.

FRANKLY AND BROADLY SPEAKING YOU WOULD HAVE TO SAY THAT THE SECTOR EMERGES WITH A FAIRLY CLEAN BILL OF HEALTH FROM THE CMA INQUIRY.

LET ME QUOTE WHAT THE REPORT SAYS ABOUT LEASEHOLDER ATTITUDES:

"WE HAVE FOUND THAT MARKET OUTCOMES FOR SOME LEASEHOLDERS CAN BE POOR, AND THAT THERE IS REASON TO BE CONCERNED ABOUT SOME PRACTICES AND OUTCOMES IN THE MARKET. HOWEVER, OUR LEASEHOLDER SURVEY INDICATES THAT PERCEPTIONS OF SUCH PROBLEMS ARE FAR FROM UNIVERSAL. MANY LEASEHOLDERS APPEAR TO BE CONTENT WITH THE SERVICE THAT THEY RECEIVE, AND WE HAVE RECEIVED EVIDENCE TO SUGGEST THAT THE EXISTING CHECKS AND BALANCES IN THE MARKET OFTEN WORK SUFFICIENTLY WELL TO PROTECT CONSUMERS." (5.4)

THIS FINDING SEEMS TO LEAD THE CMA TO ITS RATHER CAUTIOUS CONCLUSION ABOUT THE REMEDIES IT WANTS TO PUT IN PLACE.

LET ME QUOTE AGAIN BRIEFLY FROM THE REPORT:

"OUR CURRENT VIEW IS THAT THE MARKET DOES NOT WARRANT WIDESPREAD REFORM BUT RATHER TARGETED MEASURES TO IMPROVE WORKINGS WITHIN THE CURRENT MODEL." (6.4)

SPECIFICALLY THE CMA IDENTIFIES FOUR MAIN AREAS FOR IMPROVEMENT:

THAT THERE SHOULD BE BETTER LEASEHOLDER UNDERSTANDING OF RIGHTS AND DUTIES, ESPECIALLY AT PURCHASING STAGE;

THAT THE CREATION OF RTMS AND RMCS SHOULD BE FACILITATED BUT WITH CLEARER RULES ON GOVERNANCE, TRANSPARENCY, ACCOUNTABILITY AND REDRESS;

THAT THERE SHOULD BE BETTER INFORMATION WITH REGARD TO PROPERTY MANAGERS' ACTIONS AND CHARGES; AND

THAT THERE SHOULD BE BETTER COMMUNICATIONS BETWEEN PROPERTY MANAGERS AND LEASEHOLDERS.

I DON'T SUPPOSE THERE'S A SINGLE PERSON IN THIS ROOM WHO WOULD QUARREL WITH ANY OF THOSE RECOMMENDATIONS.

THE QUESTION IS, HOWEVER, HOW DO YOU ACHIEVE THEM?

HOW DO YOU ENFORCE PROPER CONDUCT AND BEHAVIOUR ON THE BAD APPLES?

AS I HAVE SAID, IN ITS REPORT THE CMA EXPLICITLY REJECTS STATUTORY REGULATION OF MANAGING AGENTS.

IT ACKNOWLEDGES THAT THERE WAS SUPPORT AMONGST THE STAKEHOLDERS IT SPOKE TO IN FAVOUR OF THE STATUTORY REGULATION OF PROPERTY MANAGERS.

BUT THE CMA DOES NOT SUPPORT STATUTORY REGULATION BECAUSE (AIQ):

"WE FOUND LIMITED AND MAINLY ANECDOTAL EVIDENCE TO SUPPORT THE ALLEGATIONS THAT NON-TRADE-ASSOCIATION PROPERTY MANAGERS ARE RESPONSIBLE FOR THE MAJORITY OF PROBLEMS THAT OCCUR IN THE RESIDENTIAL PROPERTY MANAGEMENT MARKET" (APPENDIX A.3)

IN OTHER WORDS, THE CMA TAKES THE VIEW THAT THERE IS NO PROOF THAT BLOCK MANAGERS WHO ARE NOT MEMBERS OF ARMA, RICS, OR ARHM ARE THE SOURCE OF MOST OF THE PROBLEMS OR MORE LIKELY TO BEHAVE BADLY.

WELL, I THINK THAT MOST TRADE ASSOCIATION MEMBERS WOULD QUESTION THAT.

THEY'D SAY: THERE'S GOT TO BE A REASON WHY BLOCK MANAGERS DON'T PAY THE DUES AND DON'T SUBSCRIBE TO THE VOLUNTARY CODE AND THE DISCIPLINARY MACHINERY. IT'S BECAUSE THEY KNOW THEY'RE BREAKING THE RULES. THAT'S WHY YOU NEED THE FORCE OF LAW TO ENFORCE THE RULES.

SO, INTUITIVELY THE CMA JUDGEMENT DOESN'T SOUND QUITE RIGHT .

BUT TURN THE ARGUMENT ROUND ON ITS HEAD:

IF THE CMA IS SAYING THE EVIDENCE SUGGESTS THAT THOSE BLOCK MANAGERS WHO DO JOIN THE TRADE ASSOCIATIONS, DO PAY THE DUES AND DO SIGN UP TO THE VOLUNTARY CODES ARE JUST AS LIKELY TO BREAK THE RULES - ISN'T THAT CONCLUSIVE PROOF THAT YOU NEED STATUTORY REGULATION OF PROPERTY MANAGERS THAT APPLIES TO ALL OF THEM?

I DON'T WISH IN THE LEAST TO DISMISS THE CMA REPORT. IT IS FULL OF PERFECTLY DESIRABLE RECOMMENDATIONS FOR IMPROVEMENTS IN THE MANAGEMENT OF RESIDENTIAL PROPERTY SERVICES. BUT MANY OF THESE RECOMMENDATIONS - TO QUOTE THE CMA - "REQUIRE" IMPROVED BEHAVIOUR BY PROPERTY MANAGERS - WHICH RAISES THE OBVIOUS QUESTION: HOW DO YOU ENFORCE A REQUIREMENT?

HOW DO YOU ENFORCE A REQUIREMENT WITHOUT THE FORCE OF THE LAW?

TO BE FAIR TO THE CMA, IT RECOGNISES THE PROBLEM. ONE OF THE MAIN QUESTIONS IT IDENTIFIES IN ITS INTERIM REPORT IS (AIQ):

"IN THE ABSENCE OF STATUTORY REGULATION, HOW CAN WE ENSURE THAT COMPLIANCE WITH GOOD STANDARDS APPLIES ACROSS THE [RPSM] SECTOR?"

AND MY ANSWER IS - YOU CAN'T!

NOW, IT IS PERFECTLY TRUE - AS I BEGAN BY SAYING - THAT AT THE MOMENT THE COALITION GOVERNMENT WOULD NOT SUPPORT STATUTORY REGULATION.

HOWEVER, LOOK ELSEWHERE IN THESE ISLANDS AND THERE IS CLEARLY A VERY STRONG TREND TOWARDS LEGISLATION.

NORTH OF THE BORDER, IN EARLY 2011, THE SCOTTISH PARLIAMENT PASSED THE PROPERTY FACTORS (SCOTLAND) ACT - PROPERTY FACTORS BEING THE SCOTS TERM FOR MANAGING AGENTS - AND THE LEGISLATION CAME INTO EFFECT AT THE START OF OCTOBER 2011.

THERE ARE THREE MAIN ELEMENTS TO THE NEW LAW:

THE FIRST IS COMPULSORY REGISTRATION FOR ALL PROPERTY FACTORS: PROPERTY FACTORS WILL ONLY BE REGISTERED IF THEY MEET "A FIT AND PROPER PERSONS" TEST, AND SUBSEQUENT RENEWALS WILL DEPEND ON COMPLIANCE WITH THE SECOND NEW ELEMENT - THE PROPERTY FACTORS CODE OF CONDUCT, WHICH SETS OUT MINIMUM STANDARDS OF PRACTICE.

OPERATING AS A PROPERTY FACTOR WITHOUT REGISTRATION WILL BE A CRIMINAL OFFENCE - SUBJECT TO FINES OF UP TO £5,000 OR EVEN TO IMPRISONMENT FOR UP TO 6 MONTHS - OR BOTH.

THE THIRD MAIN ELEMENT IN THE NEW LAW IS A "ROBUST" COMPLAINTS PROCEDURE, ADMINISTERED BY WHAT IS KNOWN AS THE

HOMEOWNER HOUSING PANEL. UNDER THIS PROCEDURE LEASEHOLDERS ARE ABLE TO APPLY FOR A DETERMINATION AS TO WHETHER THEIR BLOCK MANAGER HAS FAILED TO CARRY OUT HIS OR HER PROPERTY MANAGEMENT DUTIES OR FAILED TO COMPLY WITH THE CODE OF CONDUCT.

IF THE JUDGEMENT GOES AGAINST THE BLOCK MANAGER, UNDER AN ENFORCEMENT ORDER HE OR SHE WILL BE REQUIRED TO MAKE RESTITUTION OR PAY COMPENSATION. FAILURE TO COMPLY IS A CRIMINAL OFFENCE.

IT IS ESTIMATED THAT THERE ARE NEARLY A QUARTER OF A MILLION HOMEOWNERS IN SCOTLAND WHO USE PROPERTY MANAGERS IN THEIR BLOCKS, AND I AM PLEASED TO SAY THAT THE SCOTTISH EQUIVALENT OF ARMA - THE PROPERTY MANAGERS ASSOCIATION SCOTLAND - HAS WELCOMED AND SUPPORTED THE NEW LAW.

AS WELL AS CASTING OUR EYES NORTHWARDS, HOWEVER, WE CAN ALSO LOOK ACROSS THE SEA WESTWARDS TO THE REPUBLIC OF IRELAND, WHERE - IN VERY MUCH THE SAME SPIRIT - IN DECEMBER OF 2011 THE IRISH ENACTED THE PROPERTY SERVICES (REGULATION) ACT.

THIS PIECE OF LEGISLATION APPLIES PRETTY WELL ACROSS THE BOARD TO ALL PERSONS INVOLVED IN PROPERTY SERVICES - AUCTIONEERS, ESTATE AGENTS, LETTING AGENTS AS WELL AS MANAGING AGENTS.

IT ESTABLISHES A COMPREHENSIVE LICENSING SYSTEM FOR WHICH THERE ARE MINIMUM QUALIFICATION STANDARDS. IT PROVIDES FOR THE INVESTIGATION AND ADJUDICATION OF COMPLAINTS MADE AGAINST THOSE PROVIDING PROPERTY SERVICES, AND FOR THE AUDIT AND INSPECTION OF THEIR OPERATIONS.

THERE ARE CRIMINAL PENALTIES FOR OPERATING WITHOUT A LICENCE, AND WHERE IMPROPER CONDUCT IS FOUND FINES OF UP TO A QUARTER OF A MILLION EUROS MAY BE IMPOSED.

INTERESTINGLY ENOUGH, A CONDITION OF RECEIVING A LICENCE IS THE CONTRIBUTION OF A SET AMOUNT TO A COMPENSATION FUND WHICH COMPENSATES CLIENTS OF LICENSEES WHO SUFFER A LOSS AS A RESULT OF THE DISHONESTY OF THE LICENCE HOLDER.

SO, IN RECENT TIMES, OUR NEAR NEIGHBOURS IN SCOTLAND AND IRELAND HAVE MOVED DECISIVELY IN THE DIRECTION OF STATUTORY REGULATION.

BUT YOU DON'T HAVE TO LOOK ONLY TO THE CELTIC FRINGE TO SEE THE TREND TOWARDS LEGISLATION.

IN WESTMINSTER ITSELF, THE WRITING IS ALREADY ON THE WALL.

LAST YEAR, AS A RESULT OF THE STERLING WORK DONE IN THEIR LORDSHIPS' HOUSE BY MY NOBLE FRIEND THE BARONESS HAYTER AND OTHERS IN THE COURSE OF CONSIDERATION OF THE ENTERPRISE AND REGULATORY REFORM BILL, OUR VERY OWN GOVERNMENT FINALLY BROUGHT FORWARD AMENDMENTS TO REQUIRE ALL LETTING AND MANAGING AGENTS TO BELONG TO A REDRESS SCHEME. THE STATUTORY INSTRUMENT ENFORCING THAT OBLIGATION CAME INTO EFFECT ON 13 DECEMBER 2013.

MOREOVER, IN ITS POLICY REVIEW EARLIER THIS YEAR, THE LABOUR PARTY COMMITTED TO EXTENSIVE LEGISLATION OF THE LETTING AGENT SECTOR - WITH GREATER TRANSPARENCY ON FEES, CHARGES AND DEPOSITS; A CODE OF CONDUCT; INDUSTRY ENTRY

REQUIREMENTS; AND A POSSIBLE REGULATORY BODY WITH ENFORCEMENT POWERS.

FRANKLY, IN MY VIEW, LEGISLATION FOR MANAGING AGENTS IS A RELATIVELY SMALL STEP FROM THE REGULATION OF LETTING AGENTS.

INDEED, MANY COMPANIES COMBINE BOTH ACTIVITIES.

SO, LET ME BRING MY REMARKS TO A CLOSE BY SKETCHING OUT THE WAY FORWARD.

I BELIEVE THAT A BILL TO REGULATE THE PRIVATE RESIDENTIAL LEASEHOLD SECTOR WOULD BE WIDELY WELCOMED.

I BELIEVE IT WOULD BE WIDELY WELCOMED BY LEASEHOLDER ORGANISATIONS - AND CERTAINLY BY CONSUMER BODIES SUCH AS CITIZENS ADVICE, WHICH? AND SHELTER.

ALL THE PROFESSIONAL, TRADE AND ADVISORY BODIES OPERATING IN THE SECTOR WOULD WELCOME STATUTORY REGULATION - ARMA (WHOSE MEMBERSHIP INCLUDES THE TWELVE LARGEST AGENTS, THE SO-CALLED 'BIG 12'), THE ROYAL INSTITUTION OF CHARTERED SURVEYORS (RICS), THE BRITISH PROPERTY FEDERATION (BPF), AND LEASE.

WE KNOW WE ALREADY HAVE SUPPORT IN THE HOUSE OF LORDS, AND I BELIEVE THERE IS A GOOD PROSPECT OF ALL PARTY SUPPORT IN THE HOUSE OF COMMONS.

A COUPLE OF MONTHS AGO I WAS A MEMBER OF AN ARMA DELEGATION WHICH MET THE LABOUR SHADOW HOUSING MINISTER EMMA REYNOLDS MP TO MAKE THE CASE FOR STATUTORY REGULATION AND WE RECEIVED A VERY SYMPATHETIC HEARING.

NOR DO I BELIEVE THAT THE HOSTILITY OF THE CONSERVATIVE PARTY TO STATUTORY REGULATION IS SET IN STONE. JUST THINK ABOUT IT. THE LEASEHOLD SECTOR IS GROWING FAST - AND NOT JUST IN LONDON. THERE ARE LARGE CONCENTRATIONS OF LEASEHOLD BLOCKS IN MANCHESTER, LEEDS, LIVERPOOL, BIRMINGHAM, BRISTOL, CARDIFF AND ELSEWHERE. THIS IS A GREAT CONSUMER ISSUE FOR LEASEHOLDERS AND THERE ARE THOUSANDS OF THEM, AND THEY ARE ALL VOTERS.

LADIES AND GENTLEMEN, TODAY IS JUST 177 DAYS BEFORE THE NEXT GENERAL ELECTION.

THIS IS WHERE YOU AS MEMBERS OF THE FPRA COME IN. IF YOU WANT TO GET STATUTORY REGULATION ON THE AGENDA, THEN CONTACT YOUR LOCAL MP AND YOUR PARLIAMENTARY CANDIDATES. I GUARANTEE THEY'LL BE IN A VERY RECEPTIVE MOOD. BUT THEY GOT TO HEAR THE CASE FIRST. SO GET CRACKING!

THE CASE FOR LEGISLATION IS COMPELLING. THE MOVEMENT IN FAVOUR OF IT IS GROWING. THEY ARE ALREADY DOING IT IN SCOTLAND AND IRELAND. LET'S DO IT IN ENGLAND AND WALES.

LET'S WORK TOGETHER TO MAKE THIS A FIRST CLASS PIECE OF POPULAR CONSUMER LEGISLATION IN THE VERY FIRST SESSION OF THE NEW PARLIAMENT.

