



Hello Neighbour  
14th Floor, Apex Tower  
New Malden, London  
KT3 4LH

20<sup>th</sup> June 2025

Angela Rayner, MP  
Deputy Prime Minister and Secretary of State for Housing, Communities and Local  
Government  
House of Commons  
London  
SW1A 0AA

**RE: Reduction of housing shortages through lettings market reform**

Dear Deputy Prime Minister,

We are writing on behalf of Hello Neighbour — one of the country's fastest growing property-tech platforms — to share our proposals for short-term measures that the government can take to rapidly address the UK's critical housing shortage and reduce costs for both landlords and tenants in the process.

As you know, without sufficient and affordable rental accommodation, the UK cannot attract talent, enable labour mobility, or unlock regional prosperity.

While we welcome the £39 billion pledged in the Spending Review to support affordable housing over the next decade, alongside £10 billion to boost private sector delivery to make that investment count, we believe the government must also address the underlying market structures that suppress supply and inflate costs for both landlords and tenants.

Currently, many letting agents charge landlords up to 20% of annual rent in combined management and letting fees. Renewal charges are routinely applied even when tenants

remain in place, and some agents now report average revenues of over £5,000 per transaction, driven not by better service, but by rent inflation.

More damaging still are restrictive contract clauses, particularly from larger firms, that lock landlords into long-term agreements with steep exit fees or extended notice periods. These practices limit choice, stifle competition, and discourage landlords from investing in or expanding their portfolios.

As the Renters' Rights Bill progresses through Parliament, advancing tenant protections, we urge the government to implement complementary reforms that introduce fairness and flexibility for landlords. As we are sure you agree, a balanced, competitive lettings market is essential for both sides.

To address the £2 billion in excessive fees that we estimate landlords face each year in London alone, as well as unlocking growth in the sector, we propose one simple but effective reform: **landlords should be able to leave agency contracts without punitive fees or unreasonable notice.**

Our own research shows that when landlords reduce unnecessary costs, many reinvest those savings into improving their properties or expanding their portfolios — delivering direct benefits for tenants in the form of either rental reductions or lower annual increases, as well as helping to meet national housing goals.

We believe these proportionate changes would enable the residential letting market to modernise, remain competitive, and hold firms to greater account. By accommodating these reforms in the Renters' Rights Bill or through other relevant measures, government can unlock a fairer, more dynamic rental market that benefits tenants, landlords, and the wider economy.

We would welcome the opportunity to meet with you to explore these proposals further, and to discuss how industry can help your department meet its objectives on housing market reform. Should such a meeting be of interest, please do not hesitate to have your officials contact us. In the meantime, if you require any further information on the work of Hello Neighbour or our detailed proposals for legislative reform, please let us know.

Yours sincerely,

**Phil Shelley**, Non-Executive Chairman  
**Richard Jenkins**, Co-Founder and CEO