



Property
guardianship
with purpose

Sian Berry AM
City Hall
Kamal Chunchie Way
London E16 1ZE

06 September 2022

Dear Sian,

Re: Notices to quit, rent rises and new tenancy agreements for guardians

Thank you for your letter of 30th August expressing concern at the changes we have made to our licence agreements with some of the guardians we house.

Dot Dot Dot is a property guardian company so the people we house live in buildings that would otherwise sit empty. Their presence keeps the buildings secure for the owners and wider community. In return, the guardians receive inexpensive housing. Our guardians are housed on licences to occupy rather than tenancies. Guardianship is a temporary housing choice, and this is what allows us to make housing available that would otherwise remain empty during periods of transition.

It is therefore important to be clear that we have not offered any tenancy agreements to any of our residents, and nor do we charge them rent, as suggested in your letter. All of our residents are licensees, and the money they pay for their housing is a fee rather than rent. While this may seem a pedantic point, it is an important legal distinction which we need to be clear on in order to be able to house anyone at all.

We carried out a review of the licence fees we charge to all of our residents at the beginning of 2022. Our aim is to offer housing at 50-66% of local private rental prices. As a result of this review, some guardians' fees were reduced, while others were increased.

For a small cohort of guardians who had lived alone in large properties for an extended period (in some cases, living alone in three-bedroom houses in Zone Two for five years), this review process resulted in fee increases which were large in percentage terms.

The majority of guardians affected in this way have accepted the fairness and necessity of our decision after benefiting for many years from extremely inexpensive housing. For those who were unable to afford the fee increases, we offered alternative options, including accepting a housemate or moving to a smaller property.

We have met with guardians across our portfolio to discuss these changes, including the guardians you mention in Abbey Wood, and we continue to discuss next steps with individual guardians.

The vast majority of the people we house continue to enjoy their housing with us. We survey all our guardians on a monthly basis to check their satisfaction with their experience. In July, the most recent month for which we have data, the average satisfaction score from our guardians was 4.36 out of 5, up from 4.14 out of 5 in June. These surveys included the small number of guardians with whom we have a dispute over fees.

I include more detail below on our approach to setting fees below, and a public statement on this is available on our website, [here](#).

Dot Dot Dot's approach to setting fees

Our aim is to offer housing at 50-66% of local private rental prices.

Before our 2022 fee review, the lowest fee an individual could pay to live in one of our properties was £185pcm and the highest was £860pcm – both including council tax and the latter including utilities. Now, after the review, the lowest fee is £325pcm and the highest – to live alone in a three-bed flat in Queen's Park – is £995.

Significant fee increases are not something that we have undertaken lightly. The reasons that some fee increases have been large in percentage terms are that:

- We need to set fees at a level that is inexpensive but which allows us to operate safely and sustainably
- A planned fee review in early 2020 was suspended because of the Covid-19 pandemic and so fees have remained static at low levels for three years

- We do not own the properties that we manage or have long term contractual guarantees of our own – we cannot rely on long-term returns to subsidise fees and offset losses
- In common with many businesses, Dot Dot Dot faces a range of increased costs that cannot be overcome through internal efficiencies

We worked hard during the pandemic to offer significant flexibility and support to guardians in financial hardship, and we made the decision to pause changes to fees. Unfortunately, this meant that the necessary increases in fees this year represent a substantial change in percentage terms for some guardians, although fees remain low in absolute terms.

We provided all guardians with 10 weeks' notice of these fee changes – this gave them significantly more time than the 28 days' notice we are obliged to give of a change, and longer than the two months' notice they would have received if they were tenants in the private rented sector.

Any increase in fees is unwelcome, but it is important that we undertook this review. Without establishing reasonable fees, our business will not be sustainable, and we will not be able to offer housing to any guardians. By setting fees in a consistent way, we can continue to offer good-quality housing that is cheaper than most other options available to our residents. In turn, this allows us to house guardians who contribute positively through volunteering and in other ways.

I hope this note offers helpful context. I am happy to discuss this further with you if you have additional questions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Katharine Hibbert', written in a cursive style.

Katharine Hibbert

Founder and Executive Chair