




Sulets
Better student living

Annual Report

2019-2020

www.sulets.com



Message from the CEO

Welcome to the Sulets Annual Report for the year 2019-20.

It would be easy to let the worldwide coronavirus pandemic dominate this round up of the Sulets year. There is no doubt that it has had a significant impact and we will talk about it in the pages that follow. It is not the whole Sulets year though. Prior to March, when the UK government introduced lockdown, the business was moving forward with a combination of new initiatives, challenges to overcome and customers to look after.

I will resist the temptation to split the year into a pre and post COVID-19 commentary and instead briefly outline the key things that have driven the business this year, what we have learned and what we will take forward into the future.

Irving Hill, CEO

Our key initiatives

- › New members appointed to our Trustee Board, including a new chair and the addition of invaluable experience and expertise to the group.
- › Changes to contracts. We have removed the unpopular summer rent requirement from our contracts, which has further strengthened our position as the champion of students and their housing needs when they are studying.
- › The introduction of a new well-being health service. This will be available to all our private housing tenants from October 2020 and ensures that we include wellbeing and mental health as key parts of our service provision to students.
- › New contact platforms. As part of our adaptation to changes enforced by the COVID crisis we added an online chat facility to our website. This helps us to be responsive and available to customers. With over 2000 questions answered it has proved its worth.
- › At a key moment in the COVID crisis we were able to put the needs of students first and release our leased property tenants from their rental contracts early, meaning they did not have to pay their final rental instalment. Over 250 students benefitted from this action. The cost of this early release was shared by Sulets and our leased property landlords who we want to thank again for their considerable support.

What have we learned?

- › The support of the two Student Unions and Universities was invaluable during the year and helped us outperform our competitors in the local market.
- › We can adapt. The team embraced working from home and our service provision and communication did not suffer.
- › We have asked a lot of landlords and received terrific support. Being able to release our leased housing tenants early from their contracts was a major help to those customers at the height of the COVID crisis.
- › That our service is well received by students. In this year's Annual Moving Out Survey 9 out of 10 students would recommend us to their peers.
- › Our digital marketing activity has proved its value. The sales cycle has been disrupted this year but our previous investment in strong Google page positions and targeted digital campaigns have helped us to recover sales momentum in June, July and August.
- › Even though success is not always measured in the balance sheet, a strong financial platform has allowed us to weather to COVID-19 storm. This gave us the resilience required to do the right thing by our students and to turn on marketing resources when required.

What will stay with us?

- › Our commitment to training and development. This is an area where we have continued to invest and will continue to do so. This commitment has been recognised this year as we have been nominated for a regional business award for excellence in Training & Development.
- › That until the vaccine is fully rolled out, we will need to provide additional care for students and staff and will need to adapt our processes as required.
- › Sharper sales and marketing practices will help us in the coming months and years. We have seen that effective and specific campaigns and management and nurture of enquiry data, for example with the successful relaunch of Regents Court, are key to our sales success.
- › The teamwork that existed already has been heightened in unusual working conditions. The team, when distant from each other, continued to be efficient with their communication and actions.
- › That we can successfully adapt and be flexible. If we can make the swift changes that we did this year, then we can certainly adapt to similar changes in the future.
- › That putting students at the centre of all that we do will continue to be the mission that drives us and is the commitment that guides our strategy and decision making.

We have had an incredible year, not just in commercial performance, but in tackling things that we have not had to deal with before. Things have been shaken up but by and large, our ability to adapt and thrive has demonstrated that the path we were already on was the right one. We have a strong set of business principles that guide us, a team that delivers those on those values and an approach that gives us distinctiveness in the marketplace.

The key numbers

Net surplus for the year

£172,931

this is

£39,880

behind the previous year

Even allowing for the early release of some tenants, the combined performance of sales and control of costs means that

Surplus was

£30,664

ahead of the annual plan for the year

The surplus is reinvested back into the Sulets operation to support the charities on-going development.

Mission and values



Never has there been a year where our mission and values have been more important. When major business decisions needed to be made, often quickly and with significant consequences, the mission and values provided an essential framework to guide the process.

The ability to refer to our core principles means that we have been able to make decisions that put the needs of our student tenants first while also doing the best we can for landlords. This was most clearly seen in our decision to release students early from their contracts in our leased housing, in response to the COVID-19 outbreak. Like other letting agents we had to consider the financial implications of taking this decision and to work with our landlords on what that would mean for their individual circumstances. Unlike other agents, our clear mission (and strong balance sheet) meant that we were not pressured by the actions of others. We made a choice that put the needs of our customers first.

Our status as a successful educational charity means that we have the governance and principles required to ensure our stakeholders understood the reasons behind our decisions. They also appreciate the value of their relationship with us and how we can work together through the current crisis and be ready for lettings in the coming years.

Aside from the COVID-19 crisis we have also delivered in terms of student welfare. We have committed to new services for students in relation to wellbeing and mental health. We have also fine-tuned processes to improve contracts and booking for tenants. These are explained in more detail later in this Annual Report.



Staff development and training

The development of our staff has continued to be an essential component in our ongoing improvement of service delivery. This commitment has been recognised by our peers in the regional business community as we have been nominated in the '**Excellence in Training and Development**' category in the Leicester Live Business Awards. We feature this event later in the Annual Report.

In the last 12 months the Property Management team have continued to upgrade their skills through the achievement of the Property Mark qualifications. All have now reached the level 3 status.

One of the team has progressed to study the Chartered Institute of Housing, level 4 Certificate in Housing, which will add more to the skills and knowledge within the team.

The team undertook Mental Health Awareness training day in October. The day, delivered by national organisation, Student Minds, gave the team useful insight into the areas that most commonly affect students and how they can learn to recognise signs and where additional help and support can be found for students.

Sales performance

There is no doubt that this has been a unique year. The impact of the pandemic has been most clearly seen in our sales performance. Students have understandably delayed decisions about coming to, or re-starting at, university. This coupled with lower recruitment overall at both Leicester Universities has created pressure in the marketplace.

At the time of completing this Annual Report the most obvious outcome has been to extend the sales year. Whereas in past years we would see most sales completed by late Spring, this year sales continued well into September.

Houses

We had to stop face to face viewings when the UK government introduced lockdown measures in March. Fortunately, most of our sales had been completed by then and year on year our performance had improved. The restrictions related to property viewings were later relaxed and we were able to resume this activity where it was requested.



We let 139 houses, achieving 98.5% sales despite Covid-19

Halls

As with houses, not being able to conduct face to face viewings at halls did have a short term impact on sales activity. By using the video tours already on our website, and mobile phone video cameras, we were soon able to deliver a changed, but still effective, service to students.

The changes that took place in March were sudden, wide ranging and unique. As a business we had to

adapt quickly to ensure we looked after students and kept a focus on the new term that started in September 2020.

When added to the delay in decision making about the next academic year from students, it is clear that generating sales in halls was going to be challenging.

The response to the situation was for Sulets to work closely with our partner, Student Roost, to develop sales and marketing initiatives to encourage bookings.

Student Roost were one of the first in the market to release tenants from their contractual obligations during 2020 which greatly enhanced their reputation in the student market. They also committed to a Booking Promise that allowed students to book with confidence, safe in the knowledge that should their course be delayed or cancelled then their contract could be also be delayed or cancelled. This was well received by students and resulted in a huge surge in bookings over the summer so that we outperformed our key competitors in Leicester.

Student welfare initiatives

Our unique position as a small, nimble business means that we can embrace new initiatives quickly and efficiently. When coupled with our status as an independent educational charity, it means that we are sensitive to the commitments made in our mission and values and can make changes that are not just beneficial but also necessary.



Two examples of these types of actions taken this year are:

- › Removing the 8-week half rent element of tenancy agreements
- › The launch of a new Well-being Advice Service

The practice of charging a half rent for 8 weeks, across the summer, before tenants can move in has long been seen as unfair and a source of frustration of tenants.

It works for landlords and letting agents, giving them income before the academic year starts, but not so much for tenants. They are paying rent for a property that they are often not allowed to access for a significant period. That is why we have decided to scrap the practice of charging the summer retainer.

This change will mean that students will be able to access their chosen property for the full 48 weeks of their tenancy agreement. Landlords will not lose out as they will still collect rent but now only when the accommodation is occupied. Making it a fairer process for tenants and landlords.

For us there were three key factors to consider. Firstly, the Tenant Fees Act which came into force in 2019, which, in our view, is likely to outlaw this practice. Secondly, our own position as an educational charity and our commitment to do the best for our students, and landlords for that matter. And finally, the fact that the practice is just plain unfair.

A change of this type must be discussed with landlords. We explained to them the reasoning. Almost without exception they understood that this practice must stop and have agreed that charging fair rents, for an appropriate period is the way forward.

Students who become residents in our houses from September 2020 will have access to a free wellbeing and mental health helpline as part of their arrangement with us. This 1 to 1 service is run by established provider, Health Assured and will give students access to free, professional and confidential advice and support on issues such as friendships, starting at University, finance, health, problems with drugs and alcohol, bereavement and mental health. Students can have up to 6 free 1 to 1 sessions with a counsellor and can access the helpline, which is staffed by fully trained counsellors, 24 hours a day, 7 days a week.

The provision of this service is a further example of our commitment to putting students at the centre of all that we do and will help our tenants during their time at university in Leicester.



Sulets in the news

As part of our integrated approach to marketing communications we have increased our activity with public relations to give more prominence to our name and message. This helps us to keep all our stakeholders informed and maintain a presence in the business and sector press. Coverage of this type also benefits our page ranking positions on Google searches which helps to drive enquiries from those looking for student accommodation. Two of our more successful pieces this year were:

New Trustee board members

At the end of February, three new Trustee Board members were appointed, including a new Chair, Paul Groves. The broad range of business and property sector experience that these new appointments added to the Trustee Board was a significant step for the organisation and warranted communication to all stakeholders.

This story was picked up across the region with coverage in numerous publications, including:

Leicester Mercury

Leicester Mercury (Leicester Live)

UKFundraising
www.fundraising.co.uk

Fundraising.co.uk

Plus, various business publications and websites: **East Midlands Business Link, Business Daily, the Business Desk, UK News Group and Love Business East Midlands.**

Early release from rental contracts

As mentioned earlier, in May, to ensure that we communicated our actions to our wider stakeholder community, we explained how we were releasing our leased housing tenants from the final payment of their contract. This not only helped to build our profile but allowed us to publicly thank our landlords as well.

This piece was featured in Leicester Mercury (Leicester Live), and many of the business titles mentioned above.

Student feedback

Our Annual Moving Out Survey was conducted with tenants in our private houses during May 2020. This provides useful benchmarking data that allows us to accurately gauge the way that our customers feel about our service delivery, the condition of our houses and the value that we offer. The survey enables students to give frank and honest feedback and rate our performance in several key areas.

The key highlights from this year survey were:

- 1)** An increase in the number of respondents. We received nearly double the number of responses this year. This ensures that our data is robust and credible. It also shows that students are keen to engage with us and leave their feedback and opinions.
- 2)** Strong approval of the condition of houses when students move in. This year **83% agreed** or strongly agreed that the property was 'clean and of a good standard' when they moved in. Last year that number was **68%**. This is a significant change and can be explained by the increase in responses (giving us more robust data), the reduction of the number of Let Only homes (where we do not control the cleaning and standards) and an improvement in our own management of property standards and cleaning.
- 3)** That students see our rents as good value. The number who thought this was **1% up** on the previous year, at **87%**. This small change indicates that rents are probably at about the

right level, which is something that we need to keep in mind when discussing rents with landlords for the coming year.

- 4)** A key area for improvement is the topic of repairs and their timely execution and finished standard. The approval for this question stayed the same year on year at **60%**. This is always a difficult subject, and even though we have clear standards for response times, it could be that more communication is required to manage expectations.
- 5)** And most importantly, the number of students who, based on their experience, would recommend Sulets to other students was an **excellent 91%**. That is **8% up** on last year's figure.

This is arguably the most important question in the survey as it feeds directly into word of mouth recommendation, which continues to be the leading channel for students to find out about Sulets. There is nothing better for Sulets than student advocates of our service.

We also asked our leased housing tenants if they were happy with the actions that we took during the COVID-19 crisis, **83% agreed**, or strongly agreed, that they were happy with our actions.

Overall, the survey gave a clear indication that our service and the quality of our houses have improved, and they continue to satisfy the demand and needs of our student tenants. There is always room for improvement, and we will set targets to ensure that we continue to make progress.





Individual comments

The numbers give the complete picture of customer sentiment and opinion. Respondents are also given the opportunity to leave individual comments. These highlight specific areas of feedback.

“The Sulets team have been great with any issues we’ve had. We have nothing but good things to say about the team for their quick responses and attentiveness. Very pleased with the house and the service we received.”



“Amazing experience, wanted to live in the same flat with my friend. We were assisted and guided through the whole process. Sulets is by far the best student letting agency I have come across so far. I will therefore recommend Sulets.”

“Following the recommendation of my university, I rented lovely private accommodation with Sulets. I was very happy to get this beautiful newly renovated property.”

“I have used Sulets for accommodation throughout university and they have always been very helpful. I would recommend Sulets to students at DMU and UoL.”



“Honestly can’t rate the experience enough. There have been some problems but that’s expected with rentals, especially student houses. The service when reporting the problems is excellent and everything has been fixed within the space of a week.”



Repairs Performance

Repairs performance in student properties is a key indicator in the level of service Sulets provide to our student tenants. As such we have a policy in place which helps to track repairs from initial reporting to completion. These repairs are ranked by priority for the urgency on how quick the repair should take.

Priority 1

24 hours Emergency (HIGH)

Emergency repairs that seriously risk tenant's health and safety or materially risks serious damage to the property. For example, broken windows, gas leaks, no hot water, uncontrollable leaks.

Priority 2

7 calendar days (MEDIUM)

Urgent repairs that materially affect the comfort or convenience of the tenants. Such as a cooker fault, heating system failure or faulty white goods.

Priority 3

21 calendar days (LOW)

Non urgent day-to day repairs to be completed in reasonable timescales such as furniture repairs, gutter cleaning, garden maintenance and fence repairs.

At Sulets we target 90% of repairs to be completed in accordance priority timings we have set. This year we completed 525 repair jobs, of which 488 were completed on time. This is 92.95% and above our target.

Considering the challenges of the past year and availability of repair contractors we are pleased with this above target performance. During the first lockdown of 2020 we reached 100% job completion some months, due to most students being at home in their accommodation which allowed quicker and easier access to properties to resolve repairs.

We also target to check 25% of all jobs that we approve. For this report period we checked 33% of the jobs we issued. During the lockdown this proved difficult, but previous high monthly performance enabled us to get another above target average for the year.

Going forward

The pandemic has added stress to the financial plans of the business for most of the second half of the financial year. This was most readily seen in the release of students from their final rental payment in the leased housing and increased marketing costs to drive sales. It is the latter that will leave a longer lasting impression on the business. The success of our digital marketing activity re-enforced our existing belief that we need to apply our resources effectively in this area. This has seen us spend more on search engine marketing and make more improvements to our website.

A short period of consolidation is likely as the country, and our marketplace adapt to the world as it is now. This will allow us to develop our financial and investment plans to ensure Sulets retains and improves its position as the leader in student lettings in Leicester.

Some of our planned major developments for next year include:

- › An exciting development will see Sulets further improve our commitment to helping students with their accommodation choices. This is a key part of our mission and values and will see us work with both Leicester Student Unions to set up a landlord and property rating website. This independent resource will allow students to help each other by sharing their accommodation experiences with brief ratings and comment. Over time we think that this project will not only help to drive up accommodation standards but will also become an essential source of information for students choosing Leicester as their place to study.
- › A new 5-year plan for Sulets.
- › A planned expansion of our leased housing provision.
- › Development of our own housing provision.



An exciting development for the next year will see Sulets further improve our commitment to helping students with their accommodation choices.



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