

## **Letting Port Solent Houses.**

**Summary:** Port Solent Houses may be let on standard Assured Shorthold Tenancies but Posol has had legal advice, fully supported by a High Court Ruling in its favour, that houses may not be let for short-term periods. This precludes “Holiday Lets” through on–line companies, e.g. Airbnb, Bookings.com or similar.

## **Assured Shorthold Tenancies.**

Port Solent houses may be let on standard Shorthold Tenancy agreements provided such agreements reference the tenant’s obligations to observe all covenants and restrictions relating to the house as specified in the Title Deeds of the house and in accordance with regulations determined by Posol.

In particular the tenants are bound by

- No parking of caravans.
- No parking of motor homes.
- No parking of lorries.
- No parking of large vans
- No parking boat other than in a carport or garage.
- No washing to be on display.
- No right of way along the marina capping.
- To maintain the area in a neat and tidy condition.
- No business activity if this involves visits by customers or storage of merchandise.
- No nuisance.

There is also a Portsmouth CC Byelaw that prohibits fishing or swimming in the marina.

## **Holiday Lets or Short Term Letting.**

AirBnB style holiday letting is a growing phenomenon, with the potential to radically alter the nature and ambience of PS if allowed to continue unchecked. Posol has had legal advice that such use of PS houses is a clear breach of the restrictive covenant “not to

use the property other than for private residential purposes”, which is a covenant binding on all shareholders. There have been a number of recent court decisions about AirBnB type use in similar circumstances, all of which support that advice. Posol has therefore resolved to take action to stop such use in PS houses for the benefit of the whole estate and over the past year or so has issued strong letters asking shareholders to stop such letting.

Most shareholders have responded positively and stopped. However two shareholders ignored the letters and continued with holiday letting, so Posol commenced legal action against them. One of those shareholders settled out of Court, but had to pay Posol £4,000 in legal costs. The other shareholder chose to defend his case, resulting in a hearing in the High Court in October 2018. The High Court found in favour of Posol, determining that the covenant “not to use the property other than for private residential purposes”, prohibits such short term lets. The Court ordered the shareholder to pay Posol £10,000 in legal costs.

As the case was heard in the High Court, the decision sets a legal precedent, which Posol will rely on in any future cases.

The High Court Judgment made clear that short-term occupation of POSOL properties constitute a breach of covenant. While the Judgment related to AirBnB type short term letting, the same principle applies to other types of short term occupation, for example companies using a house as a form of hotel or hostel for employees for short periods

Shareholders are respectfully asked to take note. Any who are using their property for anything other than for private residential purposes, are asked to contact Posol immediately to discuss their situation.

Agreed by the Posol Board on 18 October 2019