# Infosheet | Cannabis Farms. The Warning Signs

## Could you spot the warning signs of a cannabis farm?



Every letting agent expects to encounter the occasional difficult tenancy; however, few expect to take back a property with holes cut through its ceilings, overloaded electrical systems, industrial ventilation equipment and tens of thousands of pounds of damage.

Yet this is the potential reality when organised criminals gain access to a rented home and convert it into a cannabis farm.

As an agent, could you spot the warning signs – and would you know what to do if you were concerned about what was going on behind the front door?

Download the full guide to read a case study from across our group, and learn more about how you can spot the warning signs and protect your landlord's property.

## DOWNLOAD THE FULL GUIDE TO DISCOVER:

- Threat To Rented Homes
- Why Cannabis Farms Cause So Much Damage
- Warning Signs During An Application
- The Signs After A Tenancy Begins
- What Should You Do If You Suspect Cannabis Is Being Cultivated?
- Reducing The Risk

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Yet this is the potential reality when organised criminals gain access to a rented home and convert it into a cannabis farm.

Growing cannabis in a rental property isn't simply a question of tenants breaching their tenancy agreement. It can involve sophisticated fraud, electricity theft, serious fire and structural risks, exploitation and wider organised criminality.

For agents, the challenge is therefore not only knowing how to respond when a cannabis farm is discovered. It is recognising the warning signs throughout the entire tenancy journey - from the first application and referencing checks to inspections, neighbour reports and repeated requests for access.

Your landlord does not want to hear you've found one mid-tenancy; they need it to be prevented from entering the property in the first place.

# 1 | A Growing Threat To Rented Homes

Whilst cannabis cultivation may be more commonly associated with isolated warehouses, industrial units and disused agricultural buildings, police forces also discover smaller operations in ordinary residential properties.

Rented homes can be attractive to organised criminals because they allow those behind the operation to distance themselves from the property. Several addresses may be rented to spread the risk, sometimes using false identities and fraudulent documents; meanwhile apparently genuine applicants will also act as a front for others.

Research found that around 90% of cannabis grown in the UK is grown in rented properties, representing a criminal market estimated to be worth £2.6 billion. The same research also suggests that between 31% and 40% of fraud in the UK is connected to organised crime.

Therefore, this should not be seen as a small concern involving a handful of tenants growing plants for personal use. Large-scale cultivation can form part of a wider criminal operation involving fraud, money laundering, violence, human exploitation and the distribution of other drugs.

## MORE THAN JUST CANNABIS !!

During a national police operation in March last year, forces seized cannabis with an estimated street value of more than £48 million.

As well as the cannabis plants, cocaine and ketamine were also seized in properties alongside a total of 65 weapons, including firearms, machetes and knives.

242 people were arrested, and 19 individuals were suspected of being victims of modern slavery and human trafficking.

Almost half of the addresses raided by police did not have people in the premises, which matches a pattern noticed by police of an increase in empty cannabis farms.

Where people were living, officers often found squalid living conditions and numerous hazards in the properties including dangerous wiring into the property from mains electricity, as well as damage from things like fumes and watering.

*Source: https://news.npcc.police.uk/releases/over-gbp-45-million-worth-of-drugs-seized-in-crackdown-on-cannabis-cultivation*

> ***Cannabis may seem harmless but its production and subsequent selling has long fuelled other serious acts of criminality, which in turn blight our communities. It's links to the importation of class A drugs, county lines and gang violence is prevalent, as well as the alarming levels of exploitation people fall victim to.***
>
> **Adam Ball |**
>
> Assistant Chief Constable



## 2 | Why Cannabis Farms Cause So Much Damage

Cannabis cultivation requires substantial amounts of heat, light, moisture and ventilation. Turning an ordinary residential property into an effective growing operation can involve extensive and dangerous alterations.

These may include:

- Bypassing electricity meters or rewiring electrical systems
- Overloading sockets with high-powered lamps
- Cutting holes through walls, floors and ceilings
- Installing industrial ventilation and extraction equipment
- Covering or sealing windows
- Removing internal fittings
- Creating irrigation or hydroponic systems, and
- Fortifying entrances to make access more difficult



Electricity theft and unsafe wiring can leave exposed live cables and increase the risk of fire or electrocution. Heat lamps and overloaded circuits can cause serious fires, putting tenants, neighbours and emergency services at risk.

Meanwhile, high humidity can cause condensation, mould, peeling wallpaper and damage to plasterwork. Water leaks from irrigation systems may affect ceilings, floors and adjoining homes.

A property may also remain inaccessible while it is treated as a crime scene, delaying repairs and preventing it from being re-let.

Insurance cover should never be assumed. The policy wording, exclusions, claim limits and inspection requirements will all matter, so landlords should be encouraged to check their cover before a problem arises.

## 3 | The Warning Signs During An Application

A cannabis farm doesn't start when the first plant appears; the criminality will begin with a carefully constructed tenancy application to fool a landlord into letting a property which will then be modified to form a farm.

Organised criminals are likely to use falsified identification, altered bank statements, invented employment details, or they could be otherwise credible applicants who actually have no intention of living at the property themselves.

The warning signs include:

- Several applicants provide documents with remarkably similar formatting or transaction patterns
- Names, addresses or account information which don't match across different records
- When an applicant appears unusually keen to avoid formal referencing
- The applicant asks for utility accounts to remain in the landlord's name
- Cash payments are preferred without proper explanation
- Applicants insisting that they need complete privacy and ask for no inspections
- Information about employment, income or previous addresses cannot be independently verified
- An individual appears to be controlling the applications and communications for several proposed tenants.



None of these points automatically proves criminal intent. There may be reasonable explanations for individual inconsistencies or requests. However, they should prompt further questions rather than being ignored simply because the applicant appears able to pay the rent.

## CASE STUDY | WHEN FIVE APPLICANTS BECAME ONE

Five people applied together for a four-bedroom rental property in the South East. Each applicant supplied a bank statement to evidence their income.

At first glance, the documents appeared credible. However, the statements looked remarkably similar.

When they were examined using fraud-detection technology, it became clear that all five were versions of the same original document. One individual had edited it repeatedly, changing the names and transactions to create the appearance of five separate applicants and incomes.

This was not an isolated spelling mistake or an applicant slightly overstating their salary. The level of coordination raised concerns about organised fraud and the possibility that the property was being targeted for criminal activity, including conversion into a cannabis farm.

The application was stopped before the tenancy began, protecting the landlord from potential lost rent and property damage estimated at up to £40,000.

The case demonstrates why referencing must assess more than whether someone appears to meet an affordability calculation. Agents also need confidence that applicants are genuinely who they claim to be, that their documents are authentic and that the people taking the tenancy will be the people occupying the home.



# 4 | The Signs After A Tenancy Begins

Even the most thorough referencing process can't predict every tenant's future conduct. A genuine applicant may also hand over the property to someone else after the tenancy starts, which means regular property management is essential to spot the dangers of a cannabis farm being set up within the property.

Possible warning signs include:



- Repeated delays or refusals when inspections are requested
- A tenant who is consistently unavailable despite apparently living at the property
- Different people appearing to occupy the home
- Windows being constantly covered, sealed or blacked out
- Silver tape, reflective materials or other unusual insulation around windows;
- Lights operating throughout the day and night
- A persistent whirring or humming noise from fans
- New vents, ducting or other unexplained alterations
- Heavy condensation, steamed-up windows or visible mould
- A strong, sweet or pungent smell, sometimes masked by excessive air freshener
- Unusual amounts of soil, fertiliser, lamps or tubing
- What appears to be extensive fortification or additional locks added
- Significant activity when the tenant first moves in, but followed by very little sign the property is occupied
- Frequent visitors at unusual hours
- Signs of interference with the electricity meter
- During the winter, snow melting faster on one roof than on neighbouring properties

It could be that neighbours to the property may be the first to notice changes, particularly a change in smell, strange visitors, or inexplicable alterations to the outside of the building; therefore, any concerns should be recorded and considered, rather than dismissed as an interfering neighbour.

Of course, many of these individual signs may have an innocent explanation. It is the pattern of behaviour, and the combination of several indicators, that may justify greater concern.

# 5 | What Should You Do If You Suspect Cannabis Is Being Cultivated?

You should never enter the property unexpectedly, confront suspected occupants or attempt to investigate criminal activity yourself.

Cannabis farms can often involve organised criminals, dangerous electrical installations, fire risks and in some circumstances can include people being exploited or held at the property. Personal safety must come first.

Where there is an immediate risk to life or in what you believe to be an emergency, contact the emergency services. Otherwise, your concerns should be reported to the police, or anonymously through Crimestoppers.

You should also:

1. **CREATE A CLEAR WRITTEN RECORD**

   Make a note of what you have seen, heard or reported, including dates; include details of failed inspections, communications and any concerns raised by neighbours.

2. **INFORM THE LANDLORD**

   Explain the concern factually without presenting suspicions as proven criminal activity.

3. **CHECK THE MANAGEMENT AND INSURANCE REQUIREMENTS**

   Your landlord may need to notify their insurer promptly and follow particular instructions to preserve a potential claim.

4. **CONSIDER LEGAL ADVICE**

   Cannabis cultivation is an illegal use of the property and is likely to breach the tenancy agreement. Possession action may be available, but the correct process and evidence will depend on the circumstances.

5. **BE CAREFUL NOT TO DISTURB POSSIBLE EVIDENCE**

   If police attend or the property becomes a crime scene, follow their instructions before arranging access, repairs or removing any items.

Growing cannabis without a specific licence from the Home Office is illegal. The Misuse of Drugs Act 1971 also creates offences relating to knowingly permitting premises to be used for the production or supply of controlled drugs.

Therefore, agents and landlords should act quickly if any credible evidence emerges, and you should certainly not allow such activity to continue.

# 6 | Reducing The Risk

Of course, no processes can eliminate criminal behaviour entirely, but agents can make properties significantly less attractive to organised groups intent on setting up a cannabis farm.

1

## REFERENCE EVERY ADULT THOROUGHLY

Confirm identities, addresses, employment, income and rental histories. Never simply rely on the appearance of a document, because document forgery can be very sophisticated.

Open Banking and fraud-detection technology can help identify documents that have been manipulated, that may be difficult to spot manually; meanwhile referencing should be supported by an experienced human review, where an application contains inconsistencies or unusual circumstances.

2

## CONFIRM WHO IS OCCUPYING THE PROPERTY

Where several people have applied to rent the property, ensure every adult occupier is declared and appropriately checked. Any subsequent changes in occupation or unexplained additional residents should be investigated in accordance with the tenancy and applicable legal requirements.

3

## ESTABLISH THE INSPECTION PROCESS FROM THE BEGINNING

From the outset, your tenants should know before they move in that reasonable inspections will take place. An early inspection will help you confirm that the named tenants have moved in and that the property is being used as expected.

However, all inspections must be conducted lawfully, with appropriate notice and respect for the tenant's right to quiet enjoyment. You can't simply enter because access has been requested or suspicion has arisen.

In the event the tenant repeatedly denies requests to arrange access, you should document the tenant's responses and escalated appropriately.

4

## KEEP LANDLORDS INFORMED

Your landlords may mistakenly believe that accepting a tenant whose referencing sails through fastest, or those who make an offer closest to the advertised rent will provide the most security. You can add value by explaining why proper due diligence, regular inspections and suitable insurance are more important than progressing an application quickly.

# Protect The Property Before The Keys Are Handed Over

By the time a cannabis farm is discovered, the consequences may extend far beyond a tenancy breach.

The landlord may face structural damage, electrical repairs, lost rent, an insurance claim and lengthy possession proceedings. Neighbours may be exposed to fire risk, violence and criminal activity. Your agency may also face difficult questions about its referencing, inspections and record keeping.

Our comprehensive referencing combines technology with specialist human expertise to identify suspicious applications and falsified information before a tenancy begins. Where potential fraud is detected, our dedicated Fraud Team can examine the evidence and help agents make properly informed decisions.

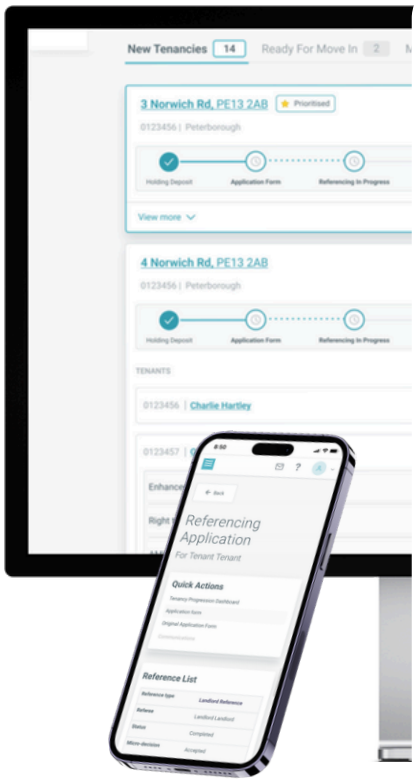
Meanwhile, Rent & Legal Protection can provide an additional layer of reassurance where a tenancy subsequently goes wrong, subject to the terms, eligibility criteria and conditions of the policy.

The best time to identify organised rental fraud is not after the police have entered the property; it is before the applicant receives the keys.



BOX FROM THE LETTINGS HUB
the home for lettings

At The Lettings Hub, we're always here to support you through the ever-changing lettings landscape. With the Renters' Rights Act continuing to introduce new regulations, staying updated is crucial. That's why we offer a variety of resources to help you navigate these changes smoothly. From webinars and blogs to tailored guides, our platform is packed with expert insights. Be sure to follow us on LinkedIn and bookmark our Renters' Rights Hub for the latest updates, tips, and advice.

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