

Big City

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NLA Representative



2019 Tenant Fees Act

- All fees are prohibited except rent and...
 - Refundable tenancy deposit (capped at 5 weeks)
 - Refundable holding deposit (capped at 1 week)
 - one per property at any one time, written reasons if not returned, must be returned once tenancy has begun
 - Default fees (late payment, lost keys, utilities, early termination – we await statutory guidance)
- Next tenancies from 1 June 2019
 - Existing ASTs 12 months exemption
- Affects agents & landlords
 - 20% of some agents turnover

2019 Tenant Fees Act

- Lead Enforcement Authority
- Trading Stds £5,000 fine (£30,000 civil penalty)
 - Can serve notice for recovery of fees
 - Landlord can't use s21 until fees are repaid
- Other Letting Agent Reforms
 - Client Money Protection 1 April
 - Working Group looking at
 - Trade Body membership
 - Recognised qualification
 - Could take until 2022
 - Podcast at insideproperty.org.uk



2018 Fitness For Human Habitation Act

- All rented properties must be fit for human habitation
 - From 20 March 2019
 - Existing tenancies 20 March 2020
- Tenant can take action in county court – no need to rely on council enforcement



2018 Fitness For Human Habitation Act

- A property will be unfit for human habitation if there are serious defects in any of the following:
 - Repair
 - Stability
 - Freedom from damp
 - Internal Arrangement
 - Natural Lighting
 - Ventilation
 - Water Supply
 - Draining & Sanitary conveniences

Consultation on Longer Tenancies

- Min 3 year tenancy, break clause at 6 mths
 - Then tenant can leave with 2 mths notice
 - Landlord must use section 8 or if selling or moving in themselves
 - One rent increase per annum
 - Exemptions for short term & student lets
 - Suggested financial incentives
- Still awaiting response from government...
 - We think govt will propose financial incentives as an incentive but not bring in compulsory 3 Years

Important Cases: Gaskin vs Richmond

- Refused to pay £1799 renewal fee for HMO License
 - Included application & admin fees for running the scheme
 - JR said fee was unlawful because Gaskin was a “service provider” and fee amounted to an unlawful “authorisation scheme”
- Many councils have now split licensing fees
 - Application and administration elements

Caridon Property Ltd vs Monty Shultz

- Any Section 21 notice is invalid if gas safety certificate is not served **before** the start of the tenancy
 - Cannot rectify this at a later date
 - Your AST becomes an Assured Tenancy
 - Keep a record of dates, times, correspondence with the tenant
 - Also EPC, DPC & How To Rent
 - Government has shown disinterest
- NLA continues to press for change

Landlords Must Join Redress Scheme

- Legal Requirement To Join Redress Scheme
 - currently applies to agents
 - £5000 fine if not member
- Housing Complaints Resolution Service
 - Redress reform working group set up

Government Commits To Electrical Safety Tests

- Mandatory five year checks announced in Jan 2019
 - “as soon as parliamentary time allows”
- Min standards for inspectors to be laid out
 - In scheme or verify competence
- Fines of up to £30,000
- Or banning orders



Minimum Energy Efficiency Standards

- Ban new tenancies in F & G Properties
 - From 1 April 2018 inc SPT, LA fine of £5,000
 - Ban all existing tenancies from 1 April 2020
 - Some exemptions (upfront cost, lack of consent)
 - From 1 April 2019, contribution cap is £3,500
- Estimated to affect 280,000 properties
 - Note EPC methodology updated re solid walls
- Future extension consultation
 - Band D from 2025, Band C from 2030



Impact Of Section 24 Tax Changes

- 2019/20 will be Year 3 of section 24 tax changes
 - 25% at higher rate & 75% at basic tax rate deduction
 - 38% plan to buy in a limited company, only 15% have changed their structure
 - Only 49% fully understand changes
- PRA changes
 - 125% x 5.5% stress test
 - 60% of landlords report harder to get a mortgage



Licensing Updates

- Waltham Forest scheme ends 31 March 2020
 - Consultation until 29 April 2019
 - Borough wide AL & SL schemes proposed
 - SL fees £450/£700
 - AL fees £750/£1000
- Barking & Dagenham scheme ends 31 Aug 2019
 - Consultation ended 15 December 2018
 - Borough wide AL & SL schemes proposed
 - Fees £450/£900

Right To Rent On The Ropes

- High Court ruled contravenes European Convention On Human Rights
 - BUT.... only parliament can change the law
 - Continue checks as normal
- Landlord evicting tenant because of Home Office Notice breaches 2010 Equality Act
 - The scheme causes landlords to discriminate

Inside Property & NLA Podcast

- Monthly podcast
 - Expand, Hold or Sell?
 - Brexit & Investing
 - Crime in the PRS
 - Property in the media
 - Maintenance
 - HMOs
 - Design for Let Property
 - Current Affairs editions
- insideproperty.org.uk & www.landlords.org.uk



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Forthcoming Meetings

Google NLA London Meetings for details

Southgate - 9 April

Kingston – 22 May

Ealing – 11 June

Property Investor Show

12 & 13 April 2019 at Excel

Contacts

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