

News & Legislative Update October 2019



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The logo for the National Landlords Association (NLA) features the letters 'NLA' in a bold, white, sans-serif font. A teal-colored horizontal line is positioned directly beneath the letters.

National
Landlords
Association

The logo for the Residential Landlords Association (IRLA) consists of the letters 'IRLA' in a bold, red, sans-serif font. The letter 'A' is stylized to resemble a house with a triangular roof and a square base.

Two Associations

– One Vision

Government to end Section 21?

- **Govt currently consulting on proposals to:**
 - 1. Abolish Section 21**
 - 2. Reform Section 8 Grounds Court System**
- **Under the plans Landlords would need specific grounds to evict.**
- **This has been enacted due to concerns about security of tenure in the PRS.**
- **Consultation closes on the 12th October.**

Section 21 Consultation Proposals

- **Removal of Assured Shorthold Tenancies.**
- **Landlords would agree a fixed term or periodic assured tenancy, which could only be brought to an end using section 8.**
- **Changes will NOT be retrospective**
- **Existing ASTs will still have use of S21.**
- **A six month transition period once law.**
- **Changes unlikely to be in force before late 2020 / early 2021**

Section 21 Consultation Proposals

- **New ground when the landlord wants to sell or move back into property.**
- **Amending ground 8 rent arrears so that LLs need**
 - **Two months' arrears on notice**
 - **One month's arrears at the time of the hearing**
- **Possibility of strengthening antisocial behaviour grounds**

Section 21 Consultation Proposals

- **Domestic violence ground to be made available to private landlords.**
- **Strengthens ground 13 for LLs if tenants routinely refuse access to the property for repairs & safety checks.**
- **Proposes introducing accelerated process for possession for mandatory grounds.**
- **Consultation does not ask about court reforms, but indicates ongoing work on the issue.**

Section 21 - What we can do?

- **The consultation will be available on the MHCLG website until the 12th October – make your submission to ensure your voice is heard!**
- **Lobby your MP about proposed changes**
- **Vital we speak with a single voice to Govt and have strong evidence of the impact – send case studies to contact@landlords.org.uk**
- **We have produced a guide to help you navigate the process.**

Caridon Property LTD vs Monty Shooltz

- **Any Section 21 notice is invalid if a gas safety certificate is not served before the start of the tenancy (England only)**
- **Cannot rectify this at a later date**
- **Your AST would effectively be treated as an Assured Tenancy**
- **Keep a detailed records of dates, times and correspondence with the tenant**
- **We continue to press Government for change**

Tenant Fees Act

- **From 1 June this Act bans all fees from letting agents and landlords to tenants.**
- **Gives exemptions for payments arising because of the action of the tenant**
- **Creates a civil offence with a fine of £5,000.**
- **Creates a criminal offence for repeat offenders.**
- **Allows civil penalties of up to £30,000.**

Tenant Fees Act Transition

- **For all tenancies signed before 1 June 2019, there is a transition period to the 1 June 2020**
- **Fees can still be charged for existing tenancies until 1 June 2020**
- **Afterwards, even if tenancy agreement includes fees, you will not be able to charge them**
- **Any tenancy after 1 June 2020 will need to comply with new Fees Ban and/or deposit cap.**

Tenant Fees Act - Deposits

- **For existing tenancies Landlord or Agent will be required to refund the part of the deposit above cap at the end of the tenancy**
- **Landlords not immediately obliged to refund part of security deposit now**
- **If tenant signed agreement before 1 June 2019 then tenant will be bound by terms until contract is renewed or terminated.**

What Can Be Charged to the Tenant?

- **Rent & utilities**
- **Rent Arrears 3% above BOE interest rate**
- **Holding Fee 1 weeks rent held for a period of 14 days**
- **Replacement tenant (mid tenancy) £50.00**
- **Lost Keys or security devices**
- **5 Weeks Deposit 6 weeks if rent is £50k+ a year**
- **Surrender of tenancy Tenant pays remaining rent**

Rogue Landlords Database Consultation

- **Currently includes Landlords with two or more civil penalties within a 12 month period.**
- **Govt proposes reducing entry threshold (e.g. one civil penalty) & allowing tenants access.**
- **Consultation asks which offences to include, how long LLs should be on database, and who can access it.**
- **NLA warn changes pointless if local authorities don't use existing enforcement powers.**

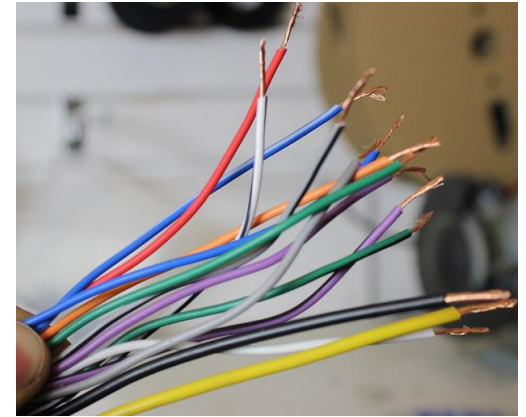
Landlords to be Legally Required to Join Redress Scheme

- **New Housing Complaints Resolution Service will make it easier to claim compensation**
- **Landlords fined up to £5,000 if they do not join.**
- **NOT expected to be implemented in 2019**
- **Looking at ways to include Redress in NLA as part of membership**



Five Year Electrical Safety Checks to be Compulsory

- **Banning orders for repeated or serious offences**
- **Landlords fined up to £30,000 if found to be in breach**
- **NO DATE** has been announced for the implementation
- **Landlords need to ensure inspectors have necessary skills and competence**



English Housing Survey 2018

- **84% of private renters 'satisfied' or 'very satisfied' with their accommodation**
- **Most private rented sector tenancies ended because the tenant wanted to move.**
 - **72% moved house because they wanted to**
 - **12% Asked to move by a landlord**
 - **10% mutual agreement with a landlord (10%)**
 - **8% moving due to the end of a fixed term tenancy**

Right to Rent High Court Ruling

- **The High Court ruled the scheme contravenes the European Convention on Human Rights' prohibition of discrimination.**
- **Judge rules it causes Landlords to discriminate or opportunity/cause to where none previously existed**
- **Case brought by the Joint Council for the Welfare of Immigrants (JCWI)**
- **Right-to-Rent remains in force unless and until Parliament changes the law.**

Why join the NLA?

Join now and get £14 off using my rep code



- ✓ Advice line
 - ✓ Online library
 - ✓ Online members register
 - ✓ NLA Forms
 - ✓ UK Landlord Magazine
 - ✓ NLA Licensing 365
 - ✓ Free tax investigation insurance
 - ✓ NLA Accreditation and CPD
 - ✓ Offering 30% off all NLA courses until 05.07.19
 - ✓ NLA Membership card
 - ✓ NLA Membership logo
- ✓ Discounts on commercial services:
 - NLA Property Insurance
 - NLA Property Repossession
 - NLA Rent Recovery
 - NLA Tenant Check
 - NLA Rent Protect
 - NLA Inventories
 - NLA Landlord Vision
 - NLA Rent on Time
 - NLA Mortgages
 - myDeposits
 - NLA e-newsletter



Thank You

Any questions?

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