Energy costs

We would like to remind members that a valid EPC (Energy Performance Certificate) is still required for all property offered for rent (even though HIPS have been abandoned) - phone the office to find how to get this done.

Additionally, we would also remind you of the Landlords Energy Savings Allowance (LESA) available on your tax form - talk to your accountant about this. It has been suggested that LESA might be removed, so ensure you take advantage of it now.

The Coalition Government have announced discussion on the Green Deal. This is a methodology of allowing energy saving alterations to a property by funding made available from energy companies.

The energy companies would then recover this cost by loading the charge to energy supplied to the property - therefore the charge remains with the property, not the owner. It is intended that the overall charge would be lower after the alterations - thus encouraging changes to be made.

We will keep you informed of this.

LEASEHOLD ADVICE

Members with leasehold property will be interested to read the following letter sent to Shula Rich, a member of the SLA board and specialist in Leasehold matters:

"Dear Shula

Just to update you: I came to your evening meeting earlier this year regarding our freeholder and the purchase of our freehold at our flats in Worthing.

The original offer from our freeholder was £12,000 but your solicitor advised £10,000 would be a good price.

Having learnt from you how the figures work, I contacted our freeholder and made an offer of £8,000. He came back with £10,000 so I have just agreed £9,000 with them.

Thank you for your advice, many thanks". (A happy SLA member)

For details of the leaseholders' drop in - initial advice free to SLA members call 01273 705432 (24 hours)

FROM THE DESK OF MIKE STIMPSON

COMMON LAW TENANCIES TO BECOME ASSURED SHORTHOLD TENANCIES

Members are reminded that the annual rental value of an Assured Shorthold Tenancy has increased from £25,000 to £100,000 as from 1st October 2010. The change will apply retrospectively and from that date all Common Law Tenancies with an annual rental value of between £25,000 and £100,000 will automatically become Assured Shorthold Tenancies.

What this means is that for all tenancies contracted after the introduction of the Tenancy Deposit Regulations in April 2007 or for which subsequent renewal agreements were implemented after that date, the deposits will need to be regulated. Failure to do so could result in a landlord being required to pay three times the value of the deposit to the tenant in the event of a successful claim being made. It is essential therefore for all landlords to ensure that they take steps to have any deposits taken properly regulated through one of the three deposit regulators. (However CLG is now less sure - please see a separate article later - editor).

Members who have current tenancies with an annual rental in excess of £25,000 will be aware that they are currently regarded as Common Law Tenancies and that possession has to be sought through the County Court by serving a notice to quit. From October, the possession procedure will also change and landlords will be required, if seeking possession under normal circumstances, to serve a two-month Section 21 Notice and then, if the tenant does not voluntarily leave, proceed under the County Court Accelerated Possession Procedure.

It is most important that members who have properties with annual rentals exceeding the current AST limit clearly understand the implications of the changes that took place in October. The SLA Helpline is there to advise, and members who require advice in respect of the implications of these changes should use it. (Tel: 0845 475 2483).

Later in this Newsletter you will read an article commenting on how the deposit regulations are being used, in the main, by solicitors/barristers acting for legally aided tenants to delay eviction, or as a bargaining device to reduce claims for rent arrears in possession cases, where the deposit regulations have not been strictly complied with by the landlord.

DISCRETIONARY LICENSING

Members will be aware that any property of three storeys and occupied by five or more unrelated persons requires a licence from the local authority. Failure to obtain a licence can, and often will, result in substantial penalties.

As from 6th April 2010 the former Government introduced regulations that gave local authorities authority to introduce discretionary licensing schemes without first having to seek permission from the Secretary of State. A small number of local authorities have, since that date, stated that they will introduce discretionary licensing. However, most are failing to go through the correct consultation procedures and seek to introduce schemes with requirements that are not acceptable, with some relating to antisocial behaviour that are impossible for landlords to comply with.

Members may well know that discretionary licensing schemes should not be entered into lightly; they should only be implemented when all other alternatives have been considered and when it is believed that the only way to bring about improvement is through a licensing scheme. The previous requirement for local authorities to seek permission of the Secretary of State before entering into such schemes reinforces this. However, the removal of that requirement on 6th April removes a crucial check in the system. The Government maintains that local authorities will still have to undertake consultation with stakeholders ahead of introducing licensing schemes. However, should a local authority fail to do so, the only way for stakeholders to challenge it is through judicial review, a hugely costly process. In reality, the last Government has tampered with a system that did not need changing. The current coalition Government has not amended the regulations.

Members may wish to know that a scheme for additional licensing in Nottingham has not gone ahead, through the intervention of the local landlords' association. Currently, Oxford City Council is proposing to introduce additional licensing in that city, but it appears to have set unreasonable conditions and not consulted in accordance with the regulations. Our association, working with the British Property Federation, is seeking to persuade Oxford City Council to disband its scheme and to ensure that before any such scheme is introduced all procedures have been correctly followed.

If the case at Oxford has to be considered for judicial review, it will be essential that a landlord in that area who has Houses in Multiple Occupation acts as a 'guinea pig' in the case. If any member is prepared to do so, perhaps he/she would contact Mike Stimpson on Tel: 01273 571580 indicating his/her interest.

Comment by Mike Stimpson: The main purpose of the Southern Landlords Association is to be at the forefront of acting in the interests of members and ensuring overzealous local authorities do not impose unrealistic regulations on our members. This is a good example of SLA in action.

PLANNING PERMISSION FOR SMALLER HOUSES IN MULTIPLE OCCUPATION

Members will be aware from previous Newsletters / E-letters that as from 6th April 2010 planning permission is required if a property previously used as a family house is to be converted into a House in Multiple Occupation (HMO) to be occupied by between three and six unrelated persons. (Members should be aware that planning permission has always been required in respect of HMOs where seven or more persons are proposed or are in occupation).

That situation remains, and the coalition Government has indicated that it has no intention of altering the current regulations. However, as from 1st October 2010 local authorities that consider they have too many small Houses in Multiple Occupation (usually regarded as shared houses) will be able to implement an Article 4 regulation, removing the right to permitted development in respect of such properties in a designated area.

To implement Article 4 regulations, the local authority may be constrained by what is defined in its Local Plan. However, for landlords, what it means is this: in any area where a local authority does not apply Article 4 regulations, a landlord will be able to use a family house as a small HMO without having to obtain planning permission. In the same way, a landlord will be able to revert to family house usage, again without obtaining planning permission. But where a local authority implements Article 4 regulations, a landlord will be required to obtain planning permission to convert a family house into a small HMO.

As mentioned in previous Newsletters, these regulations are not retrospective and any property in use as a small HMO prior to 6th April 2010 can continue with that use without the need to obtain planning permission. However, in areas where Article 4 directives are imposed, if such a property reverts to a family house, then planning permission will be required to reinstate it as a small HMO.

Members purchasing family houses with the intention of converting them into small HMOs will be well advised to consult with the planning department of the local authority to ensure that the proposed use will be permitted.

Members may be interested to note that Canterbury City Council has indicated that it intends to impose Article 4 regulations in areas where shared houses exceed 20% of property occupation.

DEPOSIT REGULATION
USING DEPOSIT REGULATIONS TO HELP DISHONEST TENANTS

Our association and others we have been involved with have strongly opposed regulation of deposits at point of acceptance, believing that the small number of disputed claims should be where deposit regulation commences.

Members will be only too aware that both Shelter and Citizens Advice alleged that around 44% of all deposits were unlawfully withheld by landlords and, even when challenged, the Government considered that a figure of around 22% was more realistic. Our association has always said that the number is very small indeed and it is therefore most interesting to note that the Deposit Protection Service initially considered, when competing for one of the schemes, that the dispute rate would run at around 3%. That organisation has now disclosed that the dispute rate at present is running at 1.7% of all deposits, and at that level is significantly lower than estimated by our organisation, which very much confirms the view of the Southern Landlords Association that the regulations were totally disproportionate to the problem. That is even more relevant today, and it is time that the coalition Government took steps to rescind this most outrageous legislation and to place it where it belongs - in the last Government's dustbin.

Having said that, not only were the regulations ill-conceived and promoted by organisations only too keen to regulate landlords and put them to more cost and administration but those very same organisations are now exploiting the situation by using the deposit regulations themselves to maintain tenancies in many cases where the tenants will not pay the rent.

Members seeking possession of a let property using Section 21 procedures must understand that any deposit taken after 1st April 2007, or where a tenancy commenced before that date but has since been renewed, the deposit must be regulated, otherwise the case cannot proceed using the County Court Accelerated Possession Procedure. In cases where court action is being taken for rent arrears, this does not apply, but members should be in no doubt that lawyers acting for tenants, often supported by legal aid, are, whenever possible, using the tenancy deposit legislation either to delay possession or to effect a deal whereby a landlord surrenders rent arrears for an earlier possession order.

Our association considers such practices by lawyers, supported by public funds, deplorable. However, whilst they act within the law we cannot do much about it except advise you, our members, that you need to act very precisely in respect of the regulation of deposits.

To illustrate the point, it will perhaps be helpful if I deal with a particular case, which involves a tenancy in respect of three sharers. One of the sharers moved in to the property prior to the deposit regulations being introduced. That deposit was therefore not required to be regulated at that time. Two other tenants moved in after the implementation of the regulations and therefore their deposits needed to be regulated. A new agreement was produced for all three but the landlord did not regulate the deposit of the first tenant (who had originally been a tenant prior to the regulations being implemented). This tenant's deposit should also have been regulated, as a new tenancy agreement was drawn up.

The tenants were all due to move out of the property at the expiration of the tenancy agreement; two did and one remained in the property. The one that remained in the property declined to pay rent and changed the locks. The other two tenants, one of whom lived in Australia, had their deposits returned in the normal way. The third tenant, the one who had changed the locks, paid no rent until the landlord was able to get the Local Housing Allowance reverted to himself, and then only following a series of lies to the local authority by the tenant. The landlord then served a Section 8 Notice for possession for non-payment of rent.

When the case was due to come before the court, the landlord was notified that the tenant was being legally represented, and when the landlord appeared before the court the defence asked for an adjournment relating to the failure of the landlord to comply with the tenancy deposit regulations. The judge gave the defence (a London barrister) seven days in which to present the defence.

Bearing in mind that this tenant's deposit proportion had been regulated and that the rent demanded was a result of joint and several responsibility, one would have thought that the judge would have given a possession order at the hearing, as the tenant was over two months in arrears, but not so. In the event, the case was reheard very quickly and the substance of the defence was that the landlord should have regulated the deposit in respect of the person who moved in prior to April 2007 in view of the further tenancy agreement being granted, and that the landlord therefore had not complied with the tenancy deposit regulations, and the tenant could make a claim for three times not only of his deposit but of the deposit of £1500 paid in total by the three tenants!

Bearing in mind that two tenants had already vacated and had their deposits returned in full and, further, that the deposit was properly regulated in respect of this third tenant, one would have reasonably thought that a sensible solution was for the judge to deal with the rent arrears application - but not so! What happened was this: the defence then suggested that the tenant pay a certain sum of money to the landlord and be allowed to remain in the property until a certain date, after which he would vacate, and that all claims in respect of any other rent arrears be discontinued. The landlord, after some discussion, decided to accept the offer and the case was concluded.

One may wonder why I have spent time in explaining this situation but there is a moral: where there are shared houses with a number of deposits, it is essential that those deposits are properly regulated and that those deposits are not returned until the final tenant leaves the property, regardless of the difficulties this may cause other tenants.

As mentioned earlier, there are legally aided lawyers who will go to any lengths to confuse district judges, using deposit regulations as the basis for so doing. It is important therefore that landlords understand how they need to act to avoid these unscrupulous lawyers. Fortunately, it is possibly only one in a thousand cases that has this sort of ending, but once the word gets around and more and more cases are defended, lawyers will use the deposit regulations to make sure that the landlord suffers if he/she hasn't complied precisely with the regulations.

I cannot stress enough that no landlord is required to take a deposit. I recommend most strongly, as does our association, that landlords do not take deposits, wherever possible. An alternative is to make guarantors responsible for damage caused by a tenant and for rent arrears or to use our recommended insurance company's insurance to remove damage excess from the insurance policy, which, by the way, is cheaper than deposit insurance in most cases. These are two ways of avoiding unsatisfactory regulations. Many landlords do not now take deposits but take rent in advance only, and this is a further option.

Landlords as businesses versus landlords as investors - Earned Income versus Capital Gains

I don't know about you but I have been a landlord for many years and my involvement is often between 40 and 60 hours each week. I consider myself a businessman operating a business, and my properties represent my business assets. You, on the other hand, may well be a passive investor purchasing properties as a form of investment for either income or for a Capital Gain at retirement and having an agent to both let and manage your property portfolio. I consider that the latter is an investor and the former a business person.

The coalition Government, in its first emergency budget, has hit investors hard by increasing Capital Gains from 18% to 28% from the date of the emergency budget. On the other hand, the coalition Government has given much incentive to private enterprise to expand and at retirement have virtually tax-free sums from selling their business assets.

Some landlords have said that they don't wish landlord-ism to ever be a business occupation, as they would have to pay National Insurance Contributions, and that would be unacceptable. Judging by the Capital Gain level as compared with business asset sales, that argument doesn't stand examination any more. Landlords are required to act as businesses and are regarded as businesses by Government and by local authorities, and it is inconceivable that Government does not accept that a significant proportion of the income derived from property is earned income and not simply investment income. This is clearly supported by the fact that when an agent acts for a landlord they claim their income for so doing as earned income.

In France, landlords have the option of being an investor landlord or a business landlord. A similar option should be available in the United Kingdom. It is no good landlords asking for special concessions regarding Capital Gains, as the Government will not listen and it is likely that the level of Capital Gains in the future will increase and not decrease. What we all need to do is press for landlordism as a business, our income (or a significant proportion of it) being counted as earned income and our assets being regarded as business assets, with all the ever-increasing benefits that that situation currently allows. I consider that we all, as landlords, should be challenging the right of the Inland Revenue to tax us as investors and not businesses for a substantial part of our income.

If any member has views on this and, in particular, any suggestions on how this item could be pursued I would be very grateful to hear from them. Please communicate with Mike Stimpson by email: mike.stimpson@southernlandlords.org

What's the benefit? - Housing Benefit reductions

As from April 2011, following the earlier emergency budget, Government intends to cap the maximum amount of Housing Benefit at £400 weekly. In addition, the Local Housing Allowance (LHA) payable for each property size will be capped. The amounts vary significantly from area to area. However, members who have tenants in receipt of Housing Benefit are able to find details on www.lha-direct.voa.gov.uk and ascertain the level of reduction based on current LHA levels.

Members who charge rents to LHA tenants at the maximum of current LHA rates (or more) will need to consider whether their tenants will be able to make up the difference between the rent and the reduced LHA payments when introduced. The areas most affected will be the London boroughs and other areas, in the main, in the south where there is a high demand for accommodation and consequently high market rents.

Members need to start considering their options now. Should you get out of the Housing Benefit market and seek clients who are able to pay their rent from their own resources? In this respect, members will need to consider whether there are sufficient professional tenants around for such accommodation and also whether their accommodation will meet the standards sought by professional tenants and, if so, should you start thinking about giving notice to your LHA tenants so that you can obtain possession before the new regulations are introduced? The second option is to do nothing and see whether your tenants are able to afford any shortfall between the rent charged and the LHA received. The third option will be to consider whether you are prepared to accept a lower rent and keep the existing tenants in occupation.

There is little doubt that many tenants in receipt of LHA are going to be put under extreme financial pressure from April 2011. There is no doubt that the coalition Government is determined to make it difficult for those in receipt of benefits who are able to work to not take a job. This may be a sensible policy to reduce the amount of money paid out to Housing Benefit claimants who simply won't work but, as a landlord, you must consider how these reductions will affect your tenants and the income you receive.

Do not think for one minute that Government will not implement those measures set out in the emergency budget. You should work on the basis that it will and you must consider your individual position in relation to those changes. There is little doubt that difficult decisions will need to be made but, as a landlord, you must consider your situation sooner rather than later, as it is most unlikely that Government will go back on its budget proposals.

Remember also that the excess of up to £15 payable to tenants who occupy properties at rentals less than the LHA rate for their accommodation is most likely to be withdrawn in April 2011. Further, in view of the proposed cuts in housing allowances, I have little doubt that the requirement for shared housing, which is at present the cheapest form of housing on the market, will increase significantly, and one wonders what tenants will do in areas where the local authority imposes Article 4 restrictions on the spread of such accommodation and how Government will respond to the certain need for more shared houses, particularly in areas where local authorities will not allow them.

SHARED HOUSES – LIABILITY FOR COUNCIL TAX: DON'T GET CAUGHT OUT

Members will wish to know that in a recent High Court decision an appeal by a landlord was allowed in respect of payment of Council Tax for a shared house. From that case it is most important to remember that if you let a shared house, you should always do it on a single agreement and ensure that the whole of the property is included within the letting. If any part of it, for example a room or conservatory, is reserved for use by the landlord, then if the tenants fail to pay the Council Tax, the liability could well fall on the landlord.

In many shared house lettings, the individual occupiers often pay their rent separately to the landlord. This in itself does not constitute separate lettings, and local authorities should not use such payments as an indication that the property is a true HMO (House in Multiple Occupation) and the landlord therefore responsible for payment of the Council Tax.

The main point in forming the High Court decision was that the test for determining whether a property is an HMO for Council Tax purposes is different from that set out in Section 254 of the Housing Act 2004, which defines an HMO for licensing purposes. The definition of an HMO for Council Tax purposes is set out in Regulation 2 of the 1992 regulations, and should any local authority seek to obtain Council Tax unpaid by tenants in a shared house using the 2004 definition, then that local authority should be informed that the 1992 definition of an HMO for Council Tax purposes is the appropriate regulation.

THE SOUTHERN LANDLORDS ASSOCIATION – WHAT WE STAND FOR AND HOW WE DIFFER FROM OTHER ORGANISATIONS REPRESENTING LANDLORDS

The Southern Landlords Association (SLA) is a landlords' association representing the interests of its members and promoting good practice for landlords. Through our affiliation with the British Property Federation we work with politicians and civil servants to achieve fair regulation for landlords throughout the United Kingdom. The SLA will work with local authorities, promoting best practice, and will, if necessary, act against local authorities that seek to implement unfair regulation in whatever form.

Although SLA does not support bad landlords, neither does it support campaigns seeking out such landlords and giving the impression that they represent a small but significant number of landlords in the United Kingdom. For every unsatisfactory landlord there are many unsatisfactory tenants. SLA does not seek or support campaigns against such tenants. What SLA seeks to do is to promote good practice for landlords, in order that bad landlords are unable to remain within the business. With regard to bad tenants, SLA promotes fair eviction procedures to ensure that such tenants cannot continue to occupy properties either causing antisocial behaviour or failing to pay the rent.

In becoming a member of our association, you support our objectives and understand that SLA is an organisation supporting best practice whilst seeking a fairer balance between landlords' and tenants' rights and responsibilities.

SLA also provides services to members, of which our Helpline and member meetings have always been at the forefront.

SLA does not seek to become, nor would it wish to be, an organisation simply offering services for profit. SLA is one of the few organisations operating, in the main, with volunteers, who give their time freely for the benefit of their members.

SHARED HOUSING AND ELECTRICAL SAFETY

Members may be aware that properties that are due for licensing under the Housing Act 2004, which includes many shared houses containing five or more persons and of three or more storeys, are required to have an electrical safety certificate, usually issued for a five-year period, in addition to the usual gas certificates, if appropriate.

Members who let such properties that are NOT required to be licensed will wish to know that included in the management regulations under the Housing Act 2004 that have now been published, it IS a requirement for landlords to have an electrical safety certificate. In the past, this was not applicable, but it is now, and members need to ensure that such a certificate is obtained and is available for production to the local authority, should they request it.

Mike Stimpson

FORMER COMMON LAW TENANCIES - The Deposit Situation - Latest View

Although all agreements in the £25,000 to £100,000 range have become ASTs, and although reported any deposits would have to be regulated (confirmed by Grant Shapps), it is now thought they won't:

This is because the wording of the Housing Act 2004 talks about a deposit 'received in connection with an AST' should be regulated. These deposits were received in connection with a non-AST.

However, the advice appears to be to protect, rather than be the first one to test the legal system! All deposit schemes will accept a deposit, whether legally required or not.

The above is a "view" only and does not constitute SLA advice.

Grant Shapps (Housing Minister):

Sensible approach to manage shared homes
Published 7 September 2010

Landlords and councils will no longer be faced with bureaucracy aimed at micro-managing rented housing, Housing Minister Grant Shapps confirmed today.

The Minister laid new regulations that could cut as many as 8,500 planning applications from the system, freeing up councils to focus on local priorities. Currently landlords have to submit a planning application to rent their properties to unrelated tenants - known as Houses in Multiple Occupation. Regulations published today will ensure councils only have to use this power where they know high concentrations of shared homes are a problem.

Too many shared homes in one area can cause problems. A high number of short term tenants with little stake in the community can leave an area with an unloved look and feel, which can sometimes create seasonal ghost towns that harm local economies, anti-social behaviour and an increase in crime.

But the Minister said that a blanket requirement to manage these through the planning system is a drain on council resources, and threatens to drive good landlords away from the rental sector because of increased costs and red tape, therefore restricting availability of affordable homes for rent.

Currently up to 8,500 planning applications may be added to the system each year if every landlord looking to turn their property into a shared home is forced to submit an application, regardless of local circumstances.

Housing Minister Grant Shapps said:

Councils understand their local area best, and they don't need burdensome rules that assume housing issues in every town, village and hamlet are exactly the same. I am also committed to safeguard the supply of rented housing - shared homes are vital for people who want to live and work in towns and cities, and are important to the economy.

That's why I'm giving councils greater flexibility to manage shared homes in their local area. Where there are local issues with shared homes, councils will have all the tools they need to deal with the problem - but they will avoid getting bogged down in pointless applications, and landlords won't be put off renting shared homes where they are needed.

Notes

1. Councils are to be given more flexibility to manage shared homes in their area. The problems that arise from concentrations of shared homes are not widespread and the current requirement imposes an unnecessary burden on landlords and local planning authorities in those areas where shared homes are not a problem. It also runs the risk of reducing supply if landlords choose to move out of the sector rather than face the costs and delays of applying for planning permission.
2. The definition of a small HMO (the C4 use class) will remain and permitted development rights will be extended to allow all changes between the C4 and C3 classes without the need for planning applications. In areas where there is a need to control HMO development, local authorities will be able to use an Article 4 direction to remove these permitted development rights and require planning applications for such changes of use.
3. These proposals will mean that any change of use between dwelling houses and small HMOs will be able to happen without planning permission unless the local council believes there is problem with such development in a particular area. In these areas they will be able to use Article 4 powers to require planning permission.
4. Consultation with interested partners on this issue will ensure that the new rules work effectively for local people without placing an unnecessary burden on landlords and local planning authorities.
5. The proposals are part of wider reform to the planning system so that it moves away from the current top-down approach and create a system which encourages local people to take responsibility for shaping their communities, and gives power to councils to make this happen.

Southern Landlords Association - Insurance Scheme

The Directors of the Southern Landlords Association have enjoyed a long and mutually beneficial business relationship with the Alan Boswell Group for well over 10 years.

So what's new?

Well, everything ….. and nothing!

Alan Boswell Group (ABG) was one of the first companies to specialise in insurance for residential let property in the country. The cover has been tweaked and improved over the years based on feedback from clients and experience with claims. The result is one of the widest covers available in the market.

ABG are regularly adding to this by introducing new options or extensions such as legal expenses, rent guarantee and home emergency cover. If you aren't aware of these cover extensions be sure to ask ABG for details and costs.

The insurers used by ABG provide first class security and are also here for the long term. Continuity of insurers helps keep premiums stable, and insurers which have underwritten the schemes consistently for 10+ years have built up extensive experience in the sector and know what they are doing. New insurers are assessed by ABG and added to the select panel as appropriate.

The pricing of this sector has changed out of all recognition over the years, and ABG have been instrumental in leading the way to make sure that the premiums paid by individuals reflect the exposure they present. Flat (one size fits all) rates can't be right, but everyone should expect to receive competitive premiums for their portfolio.

ABG conduct monthly comparisons to make sure that their policies provide excellent value for money. Detailed reviews of cover and premium of competitors are undertaken and the results analysed to ensure that ABG can confidently provide market leading insurance.

SLA members receive an additional 5% premium discount over ABG terms in recognition of the loyalty and relationship between ABG and SLA.

The SLA also receives income directly from ABG to help with the running of the Association and to keep membership fees down.

So if you are one of the few SLA members who are not already insured on the SLA insurance scheme, give Alan Boswell's a call on 01603 216399 and see what you are missing!

BRIEF NEWS ITEMS

PARAGON MORTGAGES RETURN TO THE MARKET

As many of you will have heard, Paragon are back. This is obviously a welcome sign for landlords who still seek to expand their portfolios. However their deals are not especially competitive in comparison with what many of us are currently enjoying, but if purchasing further properties then the costs can be factored into the final offer price. Their deals start from 5.2% APR for a 5 year tracker and maximum 65% LTV.

STUDENT RENTS INCREASE

From research by website accommodationforstudents.com student rents have increased by 4.3% in the last year, the main area for gain being the South East. This is in marked contrast to the two previous years, of 1.6% and 1.7% respectively.

BASE RATE TO REMAIN LOW FOR TWO YEARS?

In a report published this week the Centre for Economic and Business Research (Cebr) project that BBR will remain where it is (0.5%) for another two years, based on their assessment of the economy.

GOVERNMENT ANNOUNCES 50% SOCIAL HOUSING BUDGET CUT

This has only been announced on Tuesday 19th October and details are still sketchy. However it would seem likely that amongst other effects will be that private rents will increase, as will demand for private rental properties, also increasing the value of those properties. Watch this space for a more detailed analysis in the next issue.

Also, in the in the Comprehensive Spending Review yesterday (Wednesday 20th), it was announced that the government is going to increase the age of 'shared rate' HB claimants from 25 to 35. In other words, single tenants under age 35 will not get LHA, but will get Shared Room rate.

Also, please remember that ALL rates will be reduced anyway when they change the LHA calculations from 50 to 30 percentile of the average.

DEALING WITH LETTING AGENTS

We have received reports of letting agents making certain promises or claims to landlord members, with somewhat ambiguous Terms of Business. These ToBs have later had a rather different interpretation applied by the letting agent to that which the member had been led to expect. The golden rule is only sign what you are happy with; if something is not clear, or you have agreed different terms, then ask for it to be clarified in writing - **never** rely upon verbal assurances.

ADVERTISING WITH SLA

We are pleased to offer the facility for both members and non member service providers to advertise here in SLA eNews.

The rate for a quarter page advert is £50 for approved non member service providers. Members get a 20% discount to £40.

If you need some typesetting, then we may be able to assist, for a small extra charge.

YOUR ASSOCIATION NEEDS YOU!

Would you like to be involved or know someone who would?
This association is for YOU the members.

- If you wish to offer your services or know someone you would like to propose, or contribute in any way please contact us
- We are especially keen to find a Treasurer - voluntary at first
- We are pleased to receive comments, articles, stories, and other items for consideration for publication in future issues of this newsletter.
  We are also keen to receive feedback and suggestions (preferably constructive!) regarding the Association and its future. Please email: editor@southernlandlords.org

REASONS FOR BEING A MEMBER

For a low annual membership fee of £75 (£82.50 for couples), (£5 discount if paying by Standing Order) you get all the great benefits of membership of an association dedicated to YOU and your interests:

- representation to government
- excellent expert assistance on our helpline
- web site, including dedicated and secure members area (coming soon)
- free access to quality documentation, including ASTs, Section 21s and Section 8s
- discounted insurance via our insurance partner, Alan Boswell
- insurance to cover the cost of defending an HMRC investigation
- and so the benefits go on - don't delay, join today!

Many members find that they cover the membership cost just on the buildings insurance premium savings.