Newsletter No 12 Christmas 2011

SOUTHERN LANDLORDS ASSOCIATION

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Welcome to our Christmas 2011 Newsletter, which we hope you will find informative. There is a particular "legal" theme this time, with contributions from TWO lawyers.

SQUATTING IN RESIDENTIAL PROPERTY

Members may well recall the case some months ago in which a young lady (and her daughter) returned home, having worked abroad, only to find that she could not get access to her property and ended up sleeping in a tent in her garden. That case received much local and even national publicity and was taken up by Mike Weatherley, the MP for Hove, who pursued in Parliament a case for making squatting a criminal, rather than a civil, offence. Our association became involved and in fact appeared on television and worked with Mike Weatherley to assist in this objective.

Although, in reality, the occupier of the property referred to above was a tenant who had not paid the rent and would not leave upon being requested to do so, the case was pursued as though it was a squatter occupying the property. This matter received such publicity that a consultation paper was prepared by Government, to which our association responded, giving examples provided by members of the effects of squatting and the problems and costs of obtaining possession.

We are pleased to announce therefore that the Ministry of Justice has announced tougher measures for dealing with intruders, including squatters, and in response to the consultation, on 4th November 2011, the House of Commons passed Clause 26 of the Legal Aid, Sentencing and Punishment of Offenders Bill, creating a new criminal offence of squatting in a residential building, this being punishable with a term of imprisonment not exceeding 51 weeks or a fine not exceeding £5,000.

Although your association also sought for squatting in commercial property to be included as a criminal offence, the amendment does not include such properties.

Once again, this is an example of your association putting forward a coherent case, with good examples provided by members and, thanks to the hard work of Mike Weatherley, success has been achieved.

FURNISHED HOLIDAY LETTINGS: NEW GUIDANCE PUBLISHED

Members who let furnished holiday lettings will wish to know that on 18th August 2011 Her Majesty's Revenue and Customs (HMRC) published new guidance in its Property Income Manual on the furnished holiday lettings (FHL) rules.

The new guidance reflects the changes to the occupancy and availability thresholds that apply from 2012 to 2013 and includes guidance on the period of grace provisions that were introduced in Schedule 14 to the Finance Act 2011. (These provisions allow an FHL business that meets the threshold for actual occupation in one year to elect to be treated as having met it in each of the two following years). The guidance also includes examples of what might be considered a 'genuine intention to let' and explains how the period of grace provisions and averaging provisions interact.

HMRC guidance on 'Recent updates to the Property Income Manual' can be obtained from the HMRC website (address also on our web site "useful links page"): http://www.hmrc.gov.uk/manuals/pimmanual/updates/pimupdate180811.htm

WELFARE REFORM BILL: DIRECT PAYMENT AMENDMENT REJECTED

Lord Freud, the Minister in the Department for Work and Pensions (DWP) responsible for Housing Benefit / Welfare Reform, has stated that payment of Local Housing Allowance direct to landlords is not an option when Universal Credits are implemented. His reasons for the decision are that the experience of claiming benefits should be as close as possible to the experience of receiving a salary and that because of the power imbalance between landlord and tenant, in reality it would be landlords who would determine how the payment is made, undermining any real choice. These reasons were given at a roundtable meeting and also by Iain Duncan Smith in a letter to the British Property Federation (BPF) and come as no surprise.

Lord Freud has also said that six demonstration projects that began in June 2011 will explore the potential mechanisms to protect landlords and tenants from rent arrears. In short, he asked that people trust him that adequate safeguards will be developed and that these are being trialled in the demonstration projects.

The British Property Federation (BPF), acting on behalf of its members (including ourselves), has written to Lord Freud and requested to be involved in these demonstration projects, as they may be crucial in determining the new rules for protection mechanisms against rent arrears and it is right that the private rented sector's specific views are included. (It seems that, currently, only social housing providers are included).

It appears that Lord Freud is relying for information on the 'Independent Housing Benefit Review' in assessing the impact of housing benefit cuts on the market. Members will be pleased to know that representatives of your association are involved in this most important independent review.

DISCRETIONARY LICENSING

Members will be aware that discretionary licensing can be implemented by any local authority without the consent of the Secretary of State, provided that the local authority follows a detailed set of conditions and also has a full consultation with local residents / landlords, etc.

Members should also be aware that there are two types of discretionary licensing, namely selective and additional. Taking a 'broad brush' approach, selective licensing was basically for the north and additional licensing for the south of England. Since the last Government delegated powers to local authorities to implement such schemes without having first to seek Secretary of State approval, the number of schemes being introduced has significantly increased. One may ask oneself: why has this happened?

Firstly, removal of the hurdle of having to seek Secretary of State approval has meant that the only challenge that a local authority can face is from local landlords who object to the scheme and who have the right to bring a judicial review (within three months of a scheme being implemented) with all the costs that such a review entails.

In addition, local authorities are being put to cutting costs significantly and, as a result, are faced with making redundancies of staff. Discretionary licensing offers an opportunity of licensing landlords and paying for it through licensing fees which, in turn, allows more staff to be employed/retained (note that the scheme can only cover the costs of administering the scheme).

Discretionary licensing should only be introduced in areas where there is poor management of properties and antisocial behaviour, which has to be demonstrated to be directly as a result of private landlords failing to control the behaviour of their tenants / tenants' friends within the curtilage of their properties.

For any form of discretionary licensing to be approved, it must first be established that alternatives have been considered that could resolve the problems without the need for any form of discretionary licensing. Once that matter has been debated, selective or additional licensing can only been implemented under the following conditions:

Selective licensing: One of two conditions has to be met, namely: (1) That the area is an area of low demand and that it will fall into dereliction unless steps are taken to remedy the situation in the form of selective licensing: (2) That if the above is not met, the local authority must establish that any antisocial behaviour that is occurring is both significant and is as a result of private landlords not controlling the antisocial behaviour of their tenants / tenants' friends within the curtilage of the properties that they rent.

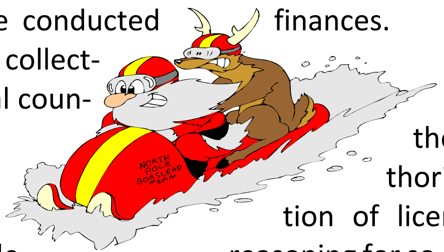
Additional licensing: Firstly, the local authority must look at any ways that the problems that they perceive are able to be resolved without the need to resort to additional licensing. If that is not possible, then the local authority is required to establish that the alleged antisocial behaviour is occurring directly as a result of the failure of private landlords to control the behaviour of their tenants / tenants' friends within the curtilage of their properties.

Many local authorities that are intending to or have already implemented either form of discretionary licensing are also including improved fire precautions and many properties' alleged failure to meet HHSRS (Housing Health and Safety Rating System) standards as being reasons for implementing discretionary licensing in one form or another.

Local authorities have a duty under the 2004 Housing Act to inspect defective properties (or in fact any property they wish) in order to ensure that the property complies with the HHSRS standards, and no part of those inspections has anything whatsoever to do with discretionary licensing, neither should local authorities use their duties under the 2004 Housing Act as reasons for bringing in discretionary licensing.

The Southern Landlords Association has little doubt that many local authorities consider that all landlords should be licenced, and one way of achieving this, to some extent, is to bring in discretionary licensing, especially knowing that the high cost of appealing against any scheme will deter such actions by local landlords / landlords' associations.

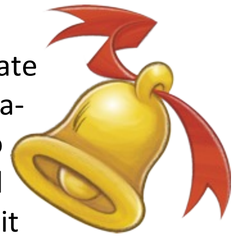
What is even more disturbing is that some local authorities in areas where demand is high are now seeking, or have already implemented, selective licensing. The effect in such cases is that every landlord who lets a property is required to obtain a licence, and the cost of doing so is significant at a time when everybody is required to look carefully at expenditure. The fees range from local authority to local authority between £300 and £600 per licence, and the monies can only be used by the local authority to administer such schemes and not for inspections of properties which, as already mentioned, are proper to be conducted under the 2004 Housing Act from monies collected by local authorities within their normal council tax, etc revenues.



It has also been seen as the common case that, once the housing committee have decided on a consultation with a view to implementing such schemes, very few local authorities decide not to implement once the consultation has been completed.

It is also considered that very few local authorities are able to establish significant antisocial behaviour by tenants or poor management practices by private landlords other than to assume that such take place.

Once schemes have been implemented, local authorities are asking, in many cases, for references to be obtained from tenants and unenforceable (in reality) requirements on landlords to deal with the antisocial behaviour of some of their tenants.



The irony of the above is that private landlords are having to pay for unreasonable conditions to be applied to their letting businesses when local authorities know perfectly well that it is the local authority and the police that have the powers in respect of antisocial behaviour, and not private landlords, whose ultimate option to deal with such behaviour is a Section 21 possession notice and up to four to five months delay in obtaining possession.

Local authorities also seem to consider that antisocial behaviour is not a problem that should be dealt with by the persons causing it but for it to be passed to landlords, who simply let the accommodation, to deal with it. It is about time local authorities and, for that matter, Government accepted that behaviour by a person should be the responsibility of that person and not somebody else (who, in this case, is the landlord).

Members will see from another article in this Newsletter that Government, under Universal Credits, expects tenants on benefits to act in the same way as persons at work when handling their finances. Government should also expect tenants to be responsible for their own behaviour and be accountable for it and not pass that responsibility on to landlords who, in reality, have no tools to deal with such behaviour. It is not good enough for Government to give local authorities the power to require landlords to act as guardians of their tenants when, where finances are concerned, it expects tenants to act as guardians of their own finances.

Local landlords should ensure that they attend any meetings with local authorities that are considering implementation of licensing schemes and challenge their reasoning for so doing and request evidence that what they are saying is happening is actually happening in sufficient quantities to warrant additional / selective licensing. Landlords should also make sure that they get involved in the written consultation, as local authorities are notorious for only advertising the consultation within the area in which it is being implemented and not notifying landlords who live in other areas but own properties within the area for licensing.

Members and all local landlords must ensure that they get involved as soon as a consultation is mooted. It is not good enough to think that somebody else will do it for you. All landlords should ensure, before any form of discretionary licensing is introduced, that the best case (if it is considered that a scheme is unnecessary) is put to the council..

In view of the number of cases where this is happening, it is not possible for landlords' associations to get involved in every single case, nor is it possible for those associations to pay for expensive appeals without the full financial support of the local landlords involved. It is most important therefore that if you own property in any area, you make sure that there is no intention by the local authority to bring in a form of discretionary licensing, and if that is the intention, then to become involved in the consultation process.

SELECTIVE LICENSING IN THANET

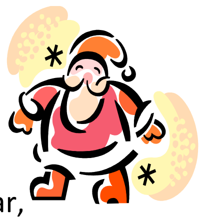
Members will be aware that Thanet District Council has already implemented a selective licensing scheme in Margate central and Cliftonville west. Your association has applied for a judicial review, as it considers that the scheme is inappropriate for the area.

Members will be pleased to know that after four-and-a-half months, the High Court has given permission for the judicial review to proceed and at the present time we await the final response from Thanet District Council.

It is most important that all landlords in Thanet support our judicial review, both personally and financially, as the cost could be very significant, even in the event of the case being won. What is even more important is that if we were to win (and we believe we can) then this will set the standard that local authorities will have to adhere to when considering implementing such schemes.

Your association will be holding another public meeting in Margate within the next few weeks. It will be publicised in the local press, but we implore all local landlords, and members in particular, to ensure that it is well publicised and that everyone makes an effort to attend. Just as much as you need our support, we need yours. We look forward to seeing you at the meeting.

MIKE STIMPSON'S COLUMN



We are now nearing the end of 2011 and one can only reflect that this year has been a year when world economies have really moved backwards and, in particular, those economies in Europe. The effect, if one holds stocks and shares, is only too obvious to see. It is clear that anything that happens anywhere in the world has effects far beyond that particular country and one wonders what the future holds.

In the residential letting business, I am finding that more tenants are finding it even more difficult to meet their rent obligations, what with the removal of the up to £15 excess and the 30th percentile levels of Local Housing Allowance taking effect, also tenants having to pay 'top-ups' where, previously, their rent was covered by LHA payments.

The good news, however, is that demand for residential accommodation is increasing and, with it, likewise, rents. The Local Housing Allowance for a one bed flat in Brighton and Hove at the 30th percentile is now exactly what it was this time last year when the 50th percentile was being used. The biggest drop is currently bedsits, where the level of Local Housing Allowance is severely affected by the inclusion of student shared housing, which significantly deflates traditional bedsit rates, and if it continues is likely to preclude occupation by benefit claimants of that sort of accommodation at a time when it is needed even more to house single persons.

Landlords in the southern counties are very fortunate in the demand there is for our accommodation and it seems that we shall survive the current economic downturn relatively unscathed. Of course, if you hold commercial properties within your investment portfolio the situation could be very different, not only with lack of tenants and failure to pay rent but also with the imposition by Government of empty property rates on all but the smallest properties.

Another piece of good news is that, following consultation, the Government has decided to make squatting in residential property a criminal offence and as you will see from the article on squatting, the bill passed its third reading on Friday 4th November. Unfortunately, this does not extend to squatting in commercial properties but as far as we are concerned as private landlords, this is very good news indeed. May I personally thank those members who provided vital information to enable a properly prepared case to be submitted to Government. Without your support the result may well have been quite different!

It is interesting to note that the National Landlords Association (NLA) made a contribution to the debate which fell short of recommending criminalisation of squatting. One wonders why they did not go for criminalisation, as it seems the only reasonable conclusion.

If any member was in the centre of Brighton recently, they would have witnessed demonstrations by squatters protesting against this change, which in effect means that if a squatter enters a residential property, then when reported to the police they must act and not simply (as they did in the past) sit on the sidelines, avoiding any action and leaving the landlord to deal with the situation.

The Government has now made it very clear indeed, to both the social landlord sector and private landlords, that it does not intend to make regulations giving tenants any choice in respect of their Local Housing Allowance when Universal Credits are introduced. Organisations representing tenants, landlords and housing providers have all represented that the Government reviews this situation, with a view to giving tenants choice. The reply from Iain Duncan Smith, Secretary of State for Work and Pensions, states that Government intends to make Universal Credits replicate wage payments so that those in receipt of such payments are able to handle their affairs in the same way as a working person has to.

From the article in this Newsletter you will see that Government has promised to look at precautions in respect of rent arrears but actually it simply believes that tenants' choice is not a reality because the landlord will not, in effect, take a tenant unless that tenant agrees to payment of the Local Housing Allowance element of Universal Credit direct to the landlord. What Government clearly fails to understand is that many people in receipt of benefits are unable / unwilling to handle their finances in a sensible way and that accumulation of rent arrears will occur in a significant number of cases, often with those tenants believing that they will be housed by the local authority, even if they don't pay their rent.

This will be a very challenging time for landlords. However, we hope that the reviews that are taking place assist Government in creating an acceptable formula for dealing with tenants who fail to pay their rent. This is an example of Government policy being non-negotiable and representations, however valid, are being listened to but ignored.

Finally, our association is continuing to expand. We would very much like to see one thousand members within the next twelve months to enable more professional support to be provided. Please inform your landlord friends of our association and of the benefits of joining. May I wish you a very happy Christmas and a prosperous 2012.

Mike Stimpson

LOCALISM ACT - WHAT DOES IT ALL MEAN?

The Localism Bill received Royal Assent on November 15th and is now an Act. It has a bit of everything in it. The principal ways it will affect landlords are:-

- allow Residential Social Landlords (RSL's) to work more like non-social landlords :-
- issue fixed term tenancies (to a minimum of 2 years);
- introduction of new Flexible Tenancies;
- both of these are intended to stop tenants staying in social rental property after their circumstances change.
- allow the right of succession on a secure tenancy to a spouse/civil partner only;
- allow Local Authorities greater flexibility:-
- to use the Private Rented Sector (PRS) to discharge their statutory duty to house people;
- to have greater power to limit who can be allocated social housing;
- improve things for tenants:-
- allow them greater flexibility to move to another area;
- change the complaints procedure against their RSL;

All the above will undoubtedly lead to even more tenants looking for property in the PRS;

- many changes to the Planning System, including putting more power in the hands of local residents, via a local referendum;

The other matters that will affect landlords that (for convenience) have also been bundled into this bill:-

- final abolition of Home Information Packs (HIPs) - they have been on permanent suspension up to now;
- changes to tenancy deposit protection, to undo some of the recent rulings made by appeal courts:-
- the deposit will have to be protected, and the tenants given the 'prescribed information' within 30 days of its receipt;
- this will not be mandatory, but the tenant can go to a court to force the landlord to comply ;
- If a tenant makes an application to the county court once the tenancy has ended, the landlord will no longer be able to retrospectively protect the deposit in order to comply with the Act. The landlord will have to return all, or part of the deposit;

- If the landlord is fined for non-compliance, the court will have the discretion to order payment between the amount of the deposit to a maximum of 3 x the deposit (currently only 3 x deposit);

A section 21 notice may not be given where a deposit has not been protected within the 30 day period, however this prohibition may be mitigated where:-

- the deposit has been returned to the tenant in full or with such deductions as have been agreed;
- an application to the county court under section 214 has been made and has been determined by the court or withdrawn or settled between the parties.
- Note - if you miss the 30 day deadline, and the tenant refuses the refund of the deposit - they could conceivably stay there for life (unless they breach the AST). So ensure you sort out your deposit procedure.

BOILER FLUES

New regulations mean that any boiler flues that are hidden in voids (ceilings; walls; etc) require extra inspection.

As from January 2013 landlords will also need to allow for the engineer to make a visual inspection of all joints on the flue. This will mean inspection hatches being fitted where the flue is currently hidden.

From 1 January 2013, any Gas Safe registered engineer will turn the boiler off and formally advise you not to use it until inspection hatches have been fitted in appropriate places.

This will naturally cause problems where the flue goes through neighbouring properties, especially if they are owned by someone else.

FIVE IMPORTANT POINTS ON RESIDENTIAL LICENCES

By solicitor Tessa Shepperson

There is a lot of misunderstanding about the difference between a licence and a tenancy. Here are five important points to help you:

1. A licence is not a different sort of tenancy

It is a completely different type of let. A tenancy is a type of ownership of land. A licence, on the other hand, is a permission which prevents occupation of property from being trespass. They are TOTALLY different. In particular you can't give a tenant a 'licence' as a sort of probationary tenancy, which you can then end without going to court if the tenant doesn't behave himself. Or because the tenant is only renting the property for a short period of time. It doesn't work like that.

2. Street v Mountford

In 1985 there was a landmark case in the House of Lords called Street v Mountford. What this told us was that IF you have:

- exclusive possession of land / property
- at a rent
- for a term

it is a tenancy and not a licence. This will happen automatically, whatever the parties think they are doing.

3. A fork is not a spade

The case also made the point that you cannot turn a tenancy into a licence simply by getting the parties to sign a piece of paper headed 'licence agreement'.

Or as Lord Templeman said: “The manufacture of a five pronged implement for manual digging results in a fork even if the manufacturer, unfamiliar with the English language, insists that he intended to make and has made a spade."

4. When do you have a licence then?

When the three conditions set out in Street v. Mountford don't apply. So if there is no rent, ie the occupier is living there rent free, it is not a tenancy.

However the most common way of ensuring the occupation is a licence is by creating a situation where the occupier does not get exclusive possession. For example if occupiers share a room as in a hostel dormitory, or if cleaning and meals are provided as in a hotel.

5. What’s the point of pretending?

Street v Mountford was heard in 1985. At that time rented property was regulated by the Rent Act 1977. Under this Act, once a tenancy had been granted it was exceedingly difficult for the landlord to end it. Hence landlords’ attempts to get around the legislation by creating 'licences'.

Now however it is quite different. Under the Housing Act 1988 the default tenancy type is the assured shorthold tenancy, where a landlord can recover possession as of right by serving a s21 notice and then getting an order for possession. There is no point in trying to create a licence. Particularly as you still have to get a court order for possession under most licences (save for lodger situations).

Finally, I should perhaps make it clear that this article has nothing to do with licences required from Local Authorities for some HMOs. That is a whole different ball game.

Tessa Shepperson
Tessa is a solicitor and author, and runs the popular Landlord Law site at www.landlordlaw.co.uk. She also writes a respected blog at:
www.landlordlawblog.co.uk.

DIGITAL CHANGEOVER

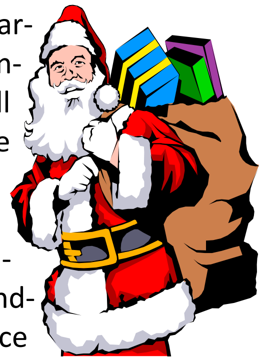
Don't forget that old analogue TV's won't work after next April. If you supply any TV's, or are responsible for the provision of an appropriate aerial suggest you sort it out now – as all digital engineers will become extremely busy.

GREEN DEAL

The Energy Act 2011 received royal assent on 18 October 2011 and is intended to have a significant impact on the energy efficiency of all housing, including both owner occupied and rented, and also commercial properties. Its proposals for the private rented sector in particular are wide ranging with the introduction of two new sets of new Regulations which could see a prohibition on the renting of up to a fifth of all private rented properties from 2018, at the latest.

The Act will introduce the Green Deal and set up a new energy supplier obligation, the Energy Company Obligation (ECO), which together are planned to ensure that consumers and landlords can have improvements to the energy efficiency of their properties carried out without having to pay upfront costs. The Green Deal is to be introduced from October 2012, less than 12 months away. Works will be carried out by accredited installers and the works will be paid for by a combination of charges placed on the energy fuel bills and/or grants funded through ECO.

For landlords this should be a "Win - Win" situation and the Government hope this will overcome the reluctance of many landlords to carry out energy efficiency measures, as the tenants who benefit from the works will also be the ones paying for the works though their fuel bills. The Government has set a "Golden Rule" which requires that any Green Deal charge placed on the bill will be less than, or at the worst, equal to, the savings in fuel usage. This should mean no consumer taking the Green Deal would be worse off once the works are completed, whilst many will save money.



To "encourage" landlords to voluntarily take up the Green Deal the enforcement provisions in the Act will be introduced a few years after the Green Deal is launched. No later than 2016 tenants will be able to demand any reasonable energy efficiency works are carried out and landlords who fail to comply will face severe penalties. From 2018 it will be illegal to rent out any property with a poor energy rating that is proposed to be any property with an Energy Performance Certificate rating of Band F or G, or currently 19% of the private rented market.

More details of the Green Deal will be finalised once the formal consultation process is completed, but whatever the final details, it is important that all landlords and agents look at their properties and start planning the improvement of their energy efficiency.

Dave Princep
Independent Housing Consultant,
Chair of the Department of Energy and Climate Change - Private Rented Sector Group

SOMEWHERE TO STAY AFTER PRISON

Having somewhere stable to live lets prison leavers establish a solid base and turn their lives around, yet one third of ex-offenders leave prison homeless. Nacro, the crime reduction charity, works with ex-offenders to help them resettle in the community and move their lives forward in a positive way.

Nacro's supported accommodation provides short stay services to people on their release from prison. Nacro helps ex-offenders access support services, learn to better manage their own needs, and move towards independent housing and employment in the local community. During their time with Nacro they learn to manage their responsibilities within a tenure agreement, manage their money, pay their own bills and access training, education or employment. With ever decreasing stocks of social housing available, Nacro, in association with Crisis, the single homeless charity, has developed a Private Rented Sector (PRS) service, working with landlords and lettings agents in the private rented sector.

Nacro are always looking for good quality accommodation. Trevor King, team manager of the Nacro Westminster Housing Team, said: 'It is a sad story when a service user has worked hard to improve their life and is then unable to find somewhere to live, particularly because we know that they could manage a tenancy.'

According to Jane Harvey, who manages the Nacro/Crisis project: 'With the right support, our clients can make very good tenants for private landlords. They welcome the stability after frequently having experienced trauma and upheaval.'

Nacro's PRS scheme aims to provide that assistance, with the tenant's housing project worker and the PRS access officer providing 6 months on going support. If the tenant is on benefits, the maximum rent that can be paid by housing benefit is the local housing allowance. However, some of Nacro's clients progress to paid employment once they are resettled and gradually reduce their dependence on benefits.

Nacro is always looking for decent studios, one-bedroom flats and rooms in shared houses in which to house our clients. We are looking for properties all over Greater London.

Any landlord or lettings agent who is interested in finding out more should contact Jane Harvey
on 020 8880 7447, mobile 07816 173794 or email jane.harvey@nacro.org.uk

For the avoidance of doubt the above contributor is not related to this Newsletter editor

BTL INVESTORS TOLD TO BEWARE COSTLY HMO RULE CHANGES

from: Mortgage Solutions | 26 Oct 2011 Kay McLellan

Buy-to-let investors and landlords have been warned to beware potentially expensive regulatory changes that require planning permission for Houses in Multiple Occupation (HMOs) or risk facing a "hefty" fine.

The Association of Residential Letting Agents (ARLA) said landlords could not afford to be complacent about HMO regulations, particularly if they are looking to alter their properties to house more people or extend their portfolio.

It warned that "many" local authorities have indicated to it that they will now enforce a piece of legislation known as Article 4, making planning permission a requirement for any property changed from a dwelling house (Class C3) to a small HMO (Class C4).
Whereas Planning permission has always been required for properties with more than 6 tenants, an Article 4 Direction requires a so-called "small HMO" (with between 3 & 6 tenants) to obtain planning permission from the implementation date. It should be noted that whereas the law changed from April 2010, it is optional for local authorities to implement it.

While the rule change was introduced in April 2010, it is optional for local authorities to implement it.

However, ARLA said local authorities are increasingly likely to enforce the rule, particularly in areas with a high density of HMOs, such as city centres or where a large number of students live.

ARLA warned landlords must check with their local authority before altering their property or extending their portfolio or they could risk being fined.

Ian Potter, operations manager at ARLA, said: "HMO licensing and planning applications are not a new issue for landlords, but now there is the added complication of Article 4. There is no room for complacency - failure to comply could result in a hefty fine.

"It is therefore important for any landlord considering changing the use of a property to fully research the regulations in their area.

"For landlords with portfolios spanning more than one local authority area, this may mean different rules apply for each property. Factoring in the possible additional costs of purchasing the licence is also vital."

A DELICATE ISSUE

With 5 days turn around we were left with cockroaches (CR's) and bed bugs (BB's) to deal with after a corporate tenant moved out. This is an account which will I hope, help you to deal with any similar problem.

The cockroaches and bed bugs were confirmed on 18/9 - new occupants were due in from 23/9.

Prices vary widely
We called two pest control experts. The second firm was better than the first and its fixed costs were much lower. No firm would offer a guarantee.

Procedures vary in unoccupied property
It's fortunate that our property was empty. Although we only had five days between tenancies, because there were no tenants, we were able to take more radical measures.

If you have tenants you should make sure that they are asked to tell you if they have any reaction to any recommended chemical, or to consider heat treatment - much more expensive but no chemicals used.

Expect a report on each room
You should expect to be given a report of where the pests are, which breed, and the level of infestation.

The first firm charged £20 per room. Other costs can vary between £300 a visit to £800 for a yearly contract. I was told that if you can't see CR's behind the fridge and on a mattress/ or behind the bed, then they aren't going to be in the room. I now doubt this, but its a useful start.

Bed bugs will leave splattered blobs of dark blood on the floor about the size of a large ladybird. German cockroaches walk up walls and jump large distances. BB's are not visible till night when they come in search of human blood. Apparently they can live for 18 months without food.

Best Guidance
In my opinion the very very best guidance is from the Chartered Institute of Environmental Health. (CIEH)
It is thorough and absolutely and clear and gave me a bench mark to judge the procedures of both firms I called.

I recommend that you download this now or send for it, because it also explains how pests can come into a property and how occupants can avoid or encourage them. I do not recommend that the firm's literature only is taken as a guide. In my experience no literature that I received was as good or clear as that of the CIEH.

Tenants should be given guidance
Any property can get an infestation, but once there our tenants can help it to spread or help to contain it. The following encourages the spread of CR's:

- not cleaning up after eating,
- leaving food lying around without a sealed container
- dirty greasy cookers
- damp, hot conditions
- sacks of grain which may already have CR's on import

Lots of small CR's's indicates a mature infestation as there is a nest somewhere and they are breeding.

Recommended Treatment
The best treatment is said to be a heat treatment which kills both CRs and BB's - however this means the property must be sealed and evacuated for at least two days. We were quoted £4000 to £5000 pounds for this and no guarantee.

Other measures involve traps, sprays, and gels.

We were recommended to get rid of all soft furnishings and beds.

Nothing with suspected pests should be carried through a property as this in itself spreads the infestation. It is therefore better to get rid of things first and then treat.
The expertise in calling in a specialist firm will be to get the recommendations which suit the property and the type of infestation.

Consequences
I was told by one pest controller, of a restaurant with CRs which re-laid the concrete floor and could still not get rid of them.

A landlord I know had to have the wall paper stripped due to bed bugs, and a neighbour of mine threw out two good beds before she could be convinced that she would only get rid of them if she stayed in the room to draw them out as she slept.
Her infestation came from a pile of bedding left outside in the corridor of her block of flats.

The CIEH warns that CR's spread dysentry, whilst BB's which live off blood will give big itchy bites.

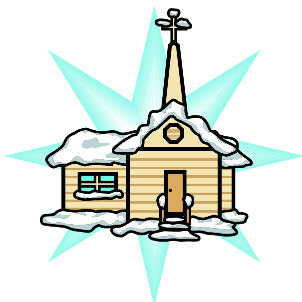
Insurance
I have not found any firm which will insure us against them. The best protection is being well informed and watchful of occupants once an infestation is reported.

Our occupants, who moved in before we could fully protect the property, were told:

- to thoroughly clean food surfaces
- seal food left overs
- put dirty washing in plastic bags
- wash weekly at 60 degrees centigrade.

We have a pest control contract in place for 12 months now. For a 5 bedroom property it cost less than £1000.

We have compensated the tenants with rent refunds until the property is clear. We have employed a professional cleaner to deal with the dead bugs for them, and paid for them to use the laundry which has professional quality machines.



Forewarned
During the time our property was leased to corporate tenants, we were not in charge. I knew about

the infestation via copy emails. If I had known then what I know now I would have warned them to deal with the issue with the greatest seriousness.

Until we get rid of the infestation completely a property that we have had for 40 years is blighted. The tenants have fortunately been most understanding and appreciate our being up front with them.

Members and Other News:

We are delighted to offer Corporate Membership, to help members identify potential suppliers. Corporate Membership provides:

1. Advert / company details and information on our web site
2. 1/8 page advert in each newsletter (larger available, subject to space, at extra (but discounted) charge)
3. Advertorial upon joining, and priority editorial space on matters relevant to them, (subject to space and editor's discrettion)
4. 25% discount on "this newsletter sponsored by " charge previously agreed to be £195
5. Preferential rates and priority if and when we decide to take advertising on web main pages

Corporate membership £195 per annum.

Please contact info@southernlandlords.org for more details.

BRANCH MEETINGS

Full and up to date details are on our web site.

MEMBER's DISCOUNTS

We remind you that we have negotiated trade suppliers' discounts for members; details in the Members Area of the web site.

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.

TELEPHONE NUMBERS

We are fortunate to have several people who help run the SLA. This means that we are not able to give out a geographic number, but have to use non-geographic numbers to allow us to switch the telephone to whomever is manning it at that time.

Note that you should only be charged the local rate for your call, and that the SLA makes no money from their use - it is purely for your convenience. Any other numbers might not be answered. To remind you, our numbers are: -

Main number	0845 475 35 83
Fax	0845 475 32 83
Help Line	0845 475 24 83
Landlords Insurance	0845 475 13 83
Private Health Insurance	0845 475 23 83

REASONS FOR BEING A GOLD 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
- 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.

If you have any contributions, ideas or wish to communicate please contact editor@southernlandlords.org.

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