Newsletter No 20 March 2014

SOUTHERN LANDLORDS ASSOCIATION

This edition's feature
Corporate Member

SECTION 21 NOTICES - NEW COURT OF APPEAL RULING GIVES RELIEF TO MEMBERS

As this is the first Newsletter for 2014, it was decided that the first article should be good news for all our members.

In a recent Court of Appeal case, it was ruled that just two calendar months' notice is required to end an assured shorthold tenancy after the end of a fixed term. Ever since the Housing Act 2008 was implemented, it was believed that once a fixed term had come to an end and the tenancy had become a statutory periodic tenancy, landlords had to serve a notice under Section 21(4)(a) of the Housing Act 1988 which requires a minimum of two months' notice to end after the last day of a period of the tenancy in accordance with the tenancy agreement.

Over the years, many members will have been refused possession by the courts on the basis they had entered the incorrect date for the ending of the notice period. This, of course, could have been compensated for by adding an additional clause to the Section 21 notice which allowed the tenant to work out the correct date.

In this particular case, the landlord had quoted an incorrect date on the Section 21, and instead of the Court of Appeal looking just at the saving clause, which it accepted made the Section 21 valid, the Court of Appeal judges also looked at the wording of the original Act in order to interpret what parliament had intended, and in doing so they came to the conclusion that after the fixed term the only requirement that a landlord needed to follow was to serve a Section 21 notice giving the tenant two months' notice which could end on any date and did not have to be precise. In other words, it did not need to end on the last day of tenancy period.

In future, therefore, any member wishing to issue a Section 21 notice, assuming that notice is after the fixed term has come to an end and the tenancy is a statutory periodic tenancy, just needs to serve that notice on a Section 21(1)(b) form, rather than a Section 21(4)(a) form. The notice must be for a minimum of two months and in reality that makes all Section 21 notices easy to issue and the only requirement is that the landlord gives a minimum of two calendar months.

One wonders whether all County Court judges will be aware of this most important Court of Appeal decision, and any member seeking possession under the revised Section 21 notice should keep a record of the case, which is Spencer v Taylor (2013) EWCA Civ 1600 in the Court of Appeal, and quote this reference in the event of any County Court judge refusing possession on the basis that the incorrect date for possession has been inserted on the Section 21 notice.

Mike Stimpson comments: Over many years we have sought to establish a two-month notice period when issuing a Section 21. The Law Commissioners produced a paper to Government which included a similar request. It is therefore most surprising that some 25 years after the implementation of the Housing Act 1988 the Court of Appeal judges decided to review the wording of that Act, with the intention of working out what parliament meant by it and then coming to a conclusion that we have all been seeking since the Act was introduced. This is a most satisfactory resolution to the absurdity of previously having to insert a specific date rather than just giving two months' notice, and we should be relieved that the Court of Appeal judges have made their ruling.

REMOVAL OF TAX RELIEF FOR WHITE GOODS

Members may well be aware of the change to the claimable allowances in respect of white goods. Basically, Her Majesty's Revenue and Customs, in the past, have been prepared to allow some tax relief for capital expenditure on furniture and furnishings in property which was let. This was by way of a concession. However, changes have been made which came into force with the tax year commencing April 2013. What these changes mean are basically as follows.

A wear and tear allowance was put into "proper law" and is reasonably generous but only applies to a dwelling which contains sufficient furniture, furnishings and equipment for normal residential use, so if a dwelling is only partly furnished or is unfurnished, then no such allowance is claimable. To be more specific, a deduction could be claimed for either:

- A wear and tear allowance of 10% of the "net rent" from the furnished letting designed to cover the depreciation of the furniture and furnishings, or

- The net cost of replacing a particular item of furniture but not the cost of the original purchase, known as the non-statutory renewals basis, subject to a number of detailed rules.

Members will be well aware of the 10% wear and tear allowance, but it cannot be emphasised more that such an allowance means that the landlord provides sufficient furnishings and equipment for the property to be occupied without the tenant having to provide such items. What cannot now be claimed is that where a dwelling is let partly furnished, the non-statutory renewals basis previously allowed has been withdrawn with no replacement. This means that where a dwelling is let partly furnished or unfurnished there are no capital allowances and no wear and tear allowances, which in reality means no relief for any furniture and furnishings.

We have made representations to Government but have been told that it has no intention of introducing concessions, so if you wish to claim a wear and tear allowance you must furnish the property in the manner previously described.

Mike Stimpson comments: The wear and tear allowance is a generous allowance and it is surprising that more landlords do not let their properties furnished, and perhaps as a result of the new regulations, more landlords will consider the furnished option rather than the part-furnished option for which no allowances are now claimable.

Repairs to white goods, free-standing cookers, etc are still claimable as expenditure items but the replacement of those goods is not. This is an example of Government not understanding that landlords will retain white goods longer than they would have previously if they could claim tax relief on the cost of replacements, no doubt both to the detriment of tenants and the manufacturers of such goods!

FLOOD INSURANCE

Government has been consulting with the insurance industry as a result of the problems of homeowners living in areas liable to flood being unable to obtain insurance or, even if able to do so, only at a prohibitive cost. The Government has now published its proposals in respect of the setting up of a fund which will provide cover at a reasonable cost to homeowners in such areas. Not included are business premises or properties with an 'H' council tax banding, but also not included are properties that are let.

Our association's committee were amazed that properties owned by landlords have been excluded from the scheme, and the strongest representations are being made through our representatives in the British Property Federation for such properties to be included. The reason they have not been included, to date, is that Government considers landlords to be a business and therefore Government is excluding landlords in the same way as they are excluding business premises.

If this matter cannot be resolved, it could well mean that landlords owning properties in flood areas will not be able to obtain insurance cover against floods and would be in breach of their mortgage conditions in not having adequate insurance protection. Further, it could involve having to pay tenants damages if a property floods, together with alternative accommodation, etc.

The prospects are very poor indeed and it is important therefore if any member is considering buying further investment properties to be aware of the current position and to ensure that the property is not liable to flood damage, especially in view of the current climate changes that are occurring. Your committee cannot forecast the outcome of the continuing negotiations with Government but consider it sensible to warn members of the current situation, which hopefully can be brought to a mutually acceptable resolution in the near future.

IMMIGRATION CONTROLS

If the Immigration Minister can make a mistake and employ an illegal immigrant and **NOT** be fined £1,000 why is it that a landlord can?

Members will be aware that the Government is imposing on landlords the requirement to check the status of immigrants applying for accommodation. It is to be introduced in phases and the MP for Brighton Kemptown, Simon Kirby, sits on an immigration committee in parliament and has expressed interest in Brighton and Hove becoming one of the pilot areas. Your association's representatives have taken the opportunity of communicating with Simon Kirby, pointing out that the fine of £1,000 for making a mistake is unreasonable, and he has agreed to take this matter up on our behalf.

COUNCIL TAX RELIEF (EMPTY PROPERTIES)

Members will be aware that for many years landlords did not have to pay council tax for a period of six months on a property that was both unoccupied and unfurnished. With the current squeeze on local authority budgets, many local authorities have reduced the six months to two months, six weeks, four weeks or even removed it altogether, although it seems the norm is four weeks' relief.

When six months' relief was given, no problems seemed to arise, as this was adequate time for a property to be refurbished and re-let. Now that the average is four weeks, it means that a landlord often gets caught for full council tax on empty accommodation, as the four weeks' council tax free period is often insufficient for both redecoration and re-letting.

What has also been brought to our attention is that when a tenant is offered either housing association or council accommodation, a requirement of taking that accommodation is that the tenant is usually required to sign an immediate tenancy agreement, not giving sufficient time for notice on their current property. The tenant then has to make a claim for a dual payment - that is a payment in lieu of the four weeks' notice he/she is required to give to the landlord - but in order to obtain this dual payment the tenant has to take up occupation of the new property on the date the agreement is signed.

What this means, in effect, is that the council tax free period of, say, one month is taken by the tenant and when the tenancy comes to an end the council tax free period has already expired and the council will then demand council tax from the landlord from the date the tenancy ended. This is done on the assumption that the tenant actually moved out of his/her old accommodation on the day that the new accommodation agreement was signed and that occupation of the new premises took place on that date, which is a requirement if a dual payment is to be made.

What invariably happens is that the tenant takes the month when the dual payment is being made to move into the new accommodation gradually, only completing that move at the time his/her old tenancy comes to an end. That is the reality of the situation, and what then happens is that the landlord receives a council tax demand immediately the tenancy is ended, when that landlord believes they are going to get one month's council tax free period whilst they redecorate/re-let the accommodation. The local authority, under the rules, will then not allow the landlord the free month, on the basis that the tenant has already had the benefit of it. In reality, until the tenant has actually vacated his/her current premises removing all their possessions, he/she is liable for payment of council tax. However, under the conditions of them receiving a dual payment, the tenant has to move into the new property and the councils are citing this as the reason for not allowing the landlord the council tax free period but rather the tenant.

The purpose of bringing this to the attention of members is that if a tenant takes up accommodation, particularly with a local authority or a housing association, landlords should keep a record (ideally with photographs) of the date the tenant actually removed all possessions from the current property, otherwise the landlord will be in difficulty if he/she expects the benefit of the council tax free period once the tenancy has ended.

ARTICLE 4

Members will be aware that some local authorities have introduced Article 4 restrictions within their local authority areas. One such local authority is Brighton and Hove City Council who introduced Article 4 on 6th April 2013. Any property occupied on that date as a small shared house would have the right to continue with that use, provided it was not subsequently let to a family. Any property not let as a small shared house on that date would require planning permission for that use, and in many areas where Article 4 has been implemented permission will be refused if over a certain number of houses in the area are already used as small shared houses.

A member of our association purchased an unoccupied property in March 2013 in one of the areas where Article 4 was to be implemented in April 2013. The member was perfectly aware of the legal requirements and after making the purchase early in March instructed his agents to let the property as a shared house, and tenants were found who signed agreements, paid deposits and the first month's rent during March 2013.

The next-door property to the one purchased by our member was also for sale and was purchased by a lady who occupied it as a family home. She subsequently complained to the Local Authority that our member's property was being used as a small shared house without planning permission. The landlord provided statements to the effect that the property was let as a small

HMO to three sharers in March 2013 and was therefore a small HMO on 6th April 2013 and did not therefore require planning permission. The next-door neighbour then ascertained that one of the tenants had not physically moved into the property by 6th April, although he had signed the agreement, paid the rent and brought some of his possessions into the property prior to that date. The Local Authority concluded, as a result of the further complaint, that the property was not a small shared house, as only two tenants actually occupied it on 6th April 2013 and currently are considering enforcement action against the landlord for letting an HMO without relevant planning permission.

We have been provided with the letters from the Local Authority and it seems that a "planning lawyer" has been corresponding with the landlord, rather than a housing solicitor. It is the view of our association's committee that the landlord has every right to small shared house (C4) status and that the Local Authority has no right to serve enforcement notices, as the tenancy was properly set up and rents paid, and it is not a matter for the landlord that one of the tenants did not physically move into the property by 6th April 2013.

Mike Stimpson comments: One wonders how local authorities such as Brighton and Hove, who claim that they cannot survive without substantially increasing the council tax, have the time to devote to challenging landlords on such minor matters. It is clear that the Local Authority representatives do not understand housing law or what a tenancy contract means. It is suggested that the landlord should have checked to ensure that all tenants actually occupied the property and were living there on 6th April. Nowhere in housing law is there a requirement for landlords to take such action and it certainly would be an infringement of the tenant's right to peaceful occupation if a landlord so tried.

Once again, we are looking at local authorities that believe they can dictate to landlords and not work within the law. Brighton and Hove City Council should be ashamed of the way they are treating this particular landlord, and we look forward to challenging any enforcement notice served.

COUNCIL TAX ON NON SELF-CONTAINED PROPERTIES

Members will be aware that a number of local authorities are notifying Valuation Offices and seeking reassessment of large HMO properties let on individual agreements. The invariable result is that each room is banded at council tax band 'A', which means that occupants who are working are required to pay up to £21 per week council tax if the accommodation is occupied by more than one person, or over £15 per week if singly occupied.

Not only is the council tax at that level on what is in effect a "room" extortionate, it affects those people who are often in the lowest paid jobs with a disproportionate level of council tax, and makes a mockery of Iain Duncan Smith's assumption that it is always better to be in work rather than on benefits. In these cases the council tax payment by a person on benefits will be minimal, whereas the council tax payment by a person in low paid employment will be extortionate and will, in effect, take away any benefit of working as compared with living on benefits.

The council tax regulations of 1993 allow Valuation Officers to "individually band" non self-contained accommodation let on individual agreements. Many landlords have appealed against such valuations but none has succeeded in overturning the Valuation Officer's decision. What, in effect, is the problem is the council tax rules, and the unfairness will continue whilst councils seek to maximise their income and unless Government takes steps to amend the regulations.

Your association's representatives have been at the forefront of trying to get Government to look into this matter, with a view to reducing the council tax liability for such accommodation. It is no good the Government stating that anybody working will be better off than the equivalent person on benefits when it simply is not the case and the Government is not prepared to make sure that any anomalies causing problems are properly and promptly dealt with.

It is with some relief therefore that a letter to Mike Weatherley MP for Hove and Portslade, pointing out these anomalies, has been forwarded to Brandon Lewis MP, Parliamentary Under-Secretary of State in the Department for Communities and Local Government, who has stated in a reply dated January 2014 that Government is now prepared to consider the technicalities around the issue and we therefore look forward to a successful conclusion to this matter.

Mike Stimpson comments: What we would expect to see is that such accommodation be given a 50% 'A' level banding or, hopefully, even lower, to ensure that the payments made by such tenants are not disproportionate in respect of the accommodation they occupy.

What has also been established is that when such a property comes vacant, i.e. a single room, once the council tax free period has expired (normally one month) the landlord is then required to pay 100% of the 'A' band council tax on that accommodation, even if under the licence of the property it can only be occupied by one person (who would receive a 25% discount). How bizarre is that, and how unfair?

We trust that Government will have the sense to make suitable alterations to the bandings and regulations governing non self-contained accommodation.

LOCAL HOUSING ALLOWANCE

Members may well be aware that the Government has indicated that it would not wish to see the Local Housing Allowance levels increased by more than 1% unless there is a good case for higher percentage increases. The Valuation Office has the responsibility for monitoring rents and recommending to Government the levels of increases. In Brighton and Hove, for example, it is anticipated that all Local Housing Allowances will be increased by 1%, with the exception of three-bedroom properties which will increase by 4%.

The Valuation Office publicises the increases in LHA rates and if you wish to know what those increases are please go to the Valuation Office website: http://www.voa.gov.uk/Corporate/RentOfficers/LHA Rates/april2014lha.html and look in your particular area for the specific property type.

In most areas rents payable by working people are considerably higher than levels of Local Housing Allowance. One wonders whether the Valuation Offices are obtaining sufficient evidence of rents of properties let to working people from landlords, in order that it is ensured that the correct level of Local Housing Allowance is produced from those figures. It is most important therefore that landlords continue to notify Valuation Offices of the rents achieved from working tenants in any type of property.

DEPOSIT PROTECTION

Members will be aware of the views of our association on the utter mess of the deposit protection regulations. Government needs to simplify the regulations and stop lawyers making money as a result of the failure of Government to regulate in an efficient manner.

The problem at present is that any amendments to the deposit regulations require primary legislation and currently there is no opportunity during the present parliament to introduce such amendments. In the meantime, landlords can easily leave themselves exposed to action by those solicitors who have nothing better to do than to make money through loopholes left by the inefficiency of the parliamentary draftsmen.

Members must therefore understand that, under the present regulations, when a fixed term comes to an end and a statutory periodic tenancy is created, the deposit must be re-protected. It has been drawn to our association's attention that My Deposits is automatically un-protecting any deposit that converts from a fixed term to a statutory periodic tenancy after 30 days.

Our association's representatives cannot emphasise enough the need to re-protect all deposits within 30 days once the fixed term has ended, otherwise the landlord will be open to challenge through the courts, with a possible penalty of up to three times the value of the deposit. It is important for all members to understand this unreasonable but necessary requirement.

AUTUMN STATEMENT 2013

Members will wish to know that if they let a property which was previously their home, there was a period of 36 months when no Capital Gains Tax (CGT) was payable if the property was sold during that period. As from April 2014, that period will be capped at 18 months. What this means is that any member who lets their own home and then sells it only has 18 months from the date of letting to the date of sale in which the property will be free of Capital Gains.

Mike Stimpson comments: Yet another blow for landlords, especially "accidental" landlords who perhaps are unable to sell their properties and let them whilst trying to obtain a sale.

LANDLORD AND LETTING AWARDS

Members will be pleased to know that the Alan Boswell Group, whom we have worked in partnership with for many years, has been awarded the winner of Supplier Services at the Landlord and Letting Awards. As a landlord who has used the services of Boswells for very many years, I would like to congratulate them on this award. It goes to show that our association is only prepared to work with organisations that provide good service for our members. We commend them to you.

Mike Stimpson

MIKE STIMPSON'S COLUMN

Firstly, may I wish all members and their families a happy and prosperous 2014. The signs for the economy appear good and the property rental business in London and the south of England is especially good. I note from correspondence I read that people are withdrawing from stocks and shares and investing the money in property. That gives an indication of the real sustainability of property in the economy.

From talking to members and dealing with Helpline enquiries, I find that local authorities are keen to extract from landlords as much money as possible, be it through licensing or by reducing exemptions when properties are vacant for the council tax free periods. I believe that eventually the council tax free periods will disappear, and as members will see from an article within these pages, councils tend to favour the tenant who says that they left the property on a particular date, rather than the landlord who knows they didn't. Landlords must be aware, therefore, that often the exempt period for non-payment of council tax when a property becomes vacant may already have been used by the tenant, and the local authority requires full payment once the tenancy expires.

This is a matter that I am sure our association will come up against time and time again as councils seek to claim as much council tax as possible from landlords. In my case, I am currently paying over £800 a month council tax on unoccupied properties that are either being renovated or are available for re-let. I have therefore decided to add a proportionate increase to my rents generally, to ensure that such periods are not a loss to my income. Members should also consider, when doing rent increases, making an allowance for the amount they will be paying for council tax on unoccupied properties, in the same way as businesses make a provision within their prices for goods stolen by shoplifters, etc.

It is most pleasing to find that three Appeal Court judges took the time to examine the original regulations concerning Section 21 notices and came to the sensible conclusion that since 1988 it was the intention of parliament to allow landlords to give two months' notice without having to worry about a specific date, and this is very good news indeed for all landlords, who can now simply, following a fixed term, give two calendar months' notice to end a tenancy on any date.

One wonders whether the County Court judges have even bothered to make note of these new regulations. However, landlords should make use of this changed regulation straight away. Any members who fall foul of County Court judges who will not accept the new regulations should contact our association for advice/assistance.

Whilst writing my column, I would like to mention our Helpline, which is operated by a small number of volunteers, together with two firms of solicitors. The Helpline is one of the most valuable benefits of membership. Members must have Gold membership to access the Helpline. However, we are beginning to receive numbers of calls from landlords who are not members who have been told by members that they can ring the SLA and obtain information. The number of calls from non-members is increasing and we do not wish to disappoint landlords who ring our Helpline but we must make it clear that prior to expecting help from our Helpline advisors it is a requirement to be a Gold member of our association.

I would respectfully request that any member who speaks to a landlord and tells them that they can seek advice from our association and gives them our number must tell that person that in order to seek any assistance from our association, it is a requirement to be a Gold member. It would be most helpful therefore if any member who is asked for advice by a non-member would recommend our association and that that person joins it and not simply rings on the basis that a member gave him/her our number, because that landlord will not get advice unless they join. We are not going to give advice on the basis that that landlord might join our association, only if he/she is a Gold member. Please therefore when landlords ask if they can have advice, encourage them to join the association, as if they do they can get free advice but if they don't they may have to go to a solicitor who will charge many times our annual fee for the same advice and may possibly not give the correct advice in any event. We do need to strengthen our association by numbers and we will not do that if landlords think they can use our Helpline free of charge.

Before I close my column, I would just like to relate an incident that happened to me very recently. In 2011, I let a flatlet to a tenant who had a full time job but during the last six months retired from that employment. He did not pay his rent in September and other occupants of the property informed me that he had gone for a two-month holiday to Thailand. When he returned, of course, he had spent the money in Thailand that was for his rent and offered to pay it at a rate of approximately £100 a week, which he did until the end of November, but he did not pay December's rent, and when chased we found that he was not there and again the other residents in the property informed us that he had gone back to Thailand for six months but that there was somebody occupying his accommodation.

Upon further enquiries, we found a very nice gentleman in the accommodation, who had been told by our tenant that he was going back to Thailand for six months and that he had the landlord's permission to sub-let his property during that time. The tenant was therefore sending money to Thailand in respect of rent whilst my tenant was not paying any rent at all.

I can assure you that we did not issue Section 8s or Section 21s, we simply interviewed the occupier, took him on as a tenant and are waiting for the ex-tenant to come back and face the consequences of his actions. There we are. There is a first time for everything.

Mike Stimpson

IMMIGRATION

As has been mentioned in this newsletter, the Government are bringing in tighter controls on illegal immigrants, and as part of this are expecting all landlords to ensure their tenants have the right to reside in the UK, and that this right remains during the whole period they are in rental property.

It is the second point that caught out the (now ex) Immigration Minister - Mark Harper. He quite legally employed a cleaner, whose right to remain in this country altered, and he didn't bother to continue checking - even though he had the might of the Home Office to check for him.

I can do no better than to quote from Shami Chakrabarti, director of Liberty, when she said it was a "*bitter irony that Harper should fall foul of a mad and toxic immigration debate authored by his own government. The vile immigration bill would turn landlords and vicars into border police, checking people's status before offering them shelter or marriage services,*" she said. *"It's the nasty immigration politics and not the politician that should go."*

Think that sums it up!

Be that as it may, it looks like you are going to have to act as 'Border Police', and most importantly, if you get it wrong there might be a £3,000 fine.

FLS, the company that carries out the referencing checks for Boswells, which members can get at a discount, tell me that they will be working on a scheme SLA members can use. Strongly recommend you use it when it becomes available - please don't ring Boswells yet, as the scheme won't be available until the legislation is passed.

If you choose to do it yourself, you will have to establish a prospective tenant's right to reside here, and then check again if they believe that right has altered. It is critical that you see original documents, and take copies of them - quite how you prove you have seen original is not explained. It is interesting to note that in the EU alone there are 404 legitimate means of personal identification! I would recognise a British passport, beyond that I might struggle.

The UK Borders Agency will be offering a help line for this.

The Home Office have produced two draft documents:-

- An Anti-Discrimination Code - 14 pages
- A Statutory Code of Practice - 35 pages

both can be found on our web site.

ACCESS FOR THE GAS ENGINEER

A question I frequently get asked is - who is liable if the tenant won't give access to the gas engineer to carry out the legally required annual gas certificate.

Interestingly enough, I am yet to meet anyone who has actually suffered complete lack of access, although frequently have to make several attempts to arrange it.

The answer is:-

- Write to the tenant with at least 24 clear hours, stating that you (the landlord) will be attending on date/time with a gas engineer to arrange a new gas certificate. They (the tenant) are very welcome to be there, but they don't have to be. Lack of response can be taken as permission to enter. This will cover the vast majority of cases;
- if you still can't get access; repeat the above twice more;

if you still fail, you will have to do two things:-

- write to the tenant informing them they have stopped you carrying out a legal obligation, and that hereafter liability for problems arising from a lack of gas certificate is theirs;
- write to the Trading Standards' Office covering that property informing them of your failed attempts, and that you have informed the tenant(s) it is their responsibility to allow a certificate.

I would also strongly suggest you evict them.

AST CHANGES

Most landlords issue an AST for a fixed term - normally 6 months.

At the end of the term the AST remains in place, but becomes a Statutory Periodic - unless the AST is renewed. This has never been an issue, but as a result of two separate court cases last year, this now means:-

- If a deposit has been taken, and correctly protected, this protection has to be renewed at change from Fixed term to Statutory Periodic. Check with your scheme provider how to do this. The reason for this is that the 1988 Housing Act states that when an AST changes from Fixed Term to Statutory Periodic it is a new agreement. Under the Deposit legislation a new agreement has to have a deposit protected again. (Superstrike v Rodrigues)

As already mentioned, another court examined the section of the act dealing with a Section 21 eviction, and found:-

- S.21(2) of the 1988 Act provides that a notice under s.21(1)(b) "may be given before or on the day on which the tenancy comes to an end"
- i.e. a S21 (1)(b) applies at any time in the life of a Fixed term AST, even if it has become Statutory Periodic. (Spencer v Taylor)

It is worth noting that you do not need to issue a Fixed Term agreement, it is possible to issue an AST without a term stated. This would then be a Contractual Periodic AST, and a Section 21 (4)(a) would then have to be used.

Contractual Periodic makes the deposit protection slightly easier, but the S21 eviction notice far more complicated - swings and roundabouts - your choice.

BOOST FOR BUY-TO-LET LANDLORDS

There is now competition between banks to attract landlords by offering competitive mortgages only requiring small deposits.

Whereas a year ago there were 20 products aimed at landlords only having a 20% deposit, there are now 44*, and the number of loans requiring 40% has gone from 88 to 94*.
* source moneyfacts.co.uk

ENGLISH HOUSING SURVEY

The annual English Housing Survey was published February 2014, covering the period 2012/13. The full report can be found at
www.gov.uk/government/collections/english-housingsurvey, but in summary is:-

- during this period the Private Rented Sector (PRS) became larger than the Social rented sector:-
- 65% or 14.3 million were owner occupiers;
- 18% (4.0 million) were private renters;
- 17% (3.7 million) were social renters.
- apart from a small reduction in the social renting sector, overcrowding and under-occupation have not changed;
- there was a rise in the number of renters in receipt of benefits;
- in 1996 the average EPC rating was 45 (E); by 2012 it had improved to 59 (D);
- in 2006 35% of homes failed to meet the Decent Home Standard; in 2012 this had become 22% (4.9 million dwellings).

LETTING AGENTS REDRESS SCHEME

Amendments are going through Parliament which will mean that all Letting Agents will have to belong to a Redress Scheme, whereby if an agent goes bust, or runs off with your money you will be able to claim.

Until this becomes law the SLA still strongly recommend only using an agent covered by ARLA; NALS; RICS or The Property Ombudsman (TPO). If you use a non-registered agent they will (probably) be cheaper - but you are risking losing any monies they owe you.

We will keep you informed of the passage of this bill.

AN EFFECT OF LICENSING

An interesting anecdote from one of our members. As a result of the licensing scheme introduced in a local authority area last year a large overseas investor went to another area, stating "they weren't interested in investing in an area where the Local Authority 'penalised' the landlord".

This was compounded by the Local Authority's decision to reduce the period allowed for payment of Council Tax on empty properties to zero - i.e. not allowing any time to carry out maintenance between lets.

Not only a loss for the rental market, but also for the trades associated with renovations.

Interestingly enough, this is the same Local Authority that when a large international car company were interested in investing in the area many years ago and came to visit, they were treated with so much disdain they decided to set up in Bracknell instead, and are still there.
Bracknell is doing well these days!

FLOOD INSURANCE

Following the recent floods check if you will have problems with your forthcoming insurance.
For owner occupiers, the ABI (Association of British Insurers) and the Government are developing a not-for-profit scheme - Flood Re - that would ensure flood insurance remains widely affordable and available. Started last June the scheme is due to commence 2015 - but currently will not cover rental property.

Any properties not covered by this scheme could become un-insurable. Check the Environment Agency's

website
http://watermaps.environment-agency.gov.uk
for the areas of risk.

LEGIONNAIRES' DISEASE

Following recent changes to the rules, all rental properties are legally obliged to carry out a risk assessment for Legionnaires' disease.

Whilst there is a suggested checklist on our web site, members section, it is recommended that you seek professional advice where necessary.

Note that this law comes under the same legislation as the gas safety certificate, and should be taken seriously.

LEGIONELLA RISK ASSESSMENTS - DISCOUNT FOR LANDLORDS

We have been able to negotiate a discount for Legionella Risk Assessments - normally £235+VAT, discounted to £99 inc VAT.

See the web site for further details.

SOCIAL MEETINGS

To remind you that, by popular demand, the London Socials have returned upstairs at the Constitution - 42 Churton Street, SW1V 2LP. But because of their prior commitments the social has been moved to the second Tuesday of every month starting at 7.00 pm.

Thanet have now also started monthly socials.
They are on the first Wednesday of every month, on the mezzanine floor of the Wheatsheaf, Northdown Park Road, Margate, CT9 3LN (near rear entrance), commencing 7.00 pm.

MEETINGS/EXHIBITIONS

Make a note in your diary, details on the web:-

- Thurs March 20th - Property Investor Show - Ashford;
- Friday March 28th - Llas Awards Ceremony and dinner;
- Wed April 2nd - Thanet social;
- Mon April 7th - Southampton branch meeting - note the new venue Highfield House, 119 Highfield Lane, Southampton, SO17 1AQ.
- Tues April 8th - London Social;
- Mon April 28th - Brighton and Hove branch meeting;
- Wed May 7th - Thanet social;
- Thurs May 8th - Property Investor Show - Battersea;
- Tues May 13th - London Social;
- Wed June 4th - Thanet social;
- Tues June 11th - London Social;
- Thurs/Fri June 26th/27th - Property Investor Show - Brighton;
- Thurs June 26th - Property Investor Awards ceremony, in association with the SLA.

LANDLORD INVESTMENT SHOWS

The SLA have been co-sponsors of many of the Landlord Investment Shows since their inception last year, and will continue to support them during 2014.
The reason why we are able to support them is because they are ideally suited to giving information about pressing matters. They are small, so easy to get round. Additionally, because they are peripatetic, they are able to be seen in many of the SLA areas:-

- Ashford Kent - March 20th;
- Olympia, London - May 8th;
- Brighton - June 26th/27th - incorporating the awards dinner;
- Southampton - Sept 25th;
- Central London - Nov 6th.
- Norwich on Oct 16th
- Milton Keynes Nov 20th.
- *And there's a rumour of one in Croydon.*

Unfortunately you might have missed the one in Woking - but worry not, the first one of 2015 is planned to be back there.

We plan to be at as many as we can; and will also be helping with the newly featured expert panel - come and ask us anything on rental matters.
See you at one of them.

WE'RE 40!!

The SLA can trace their root back to 1974, to an inaugural meeting of landlords in the Marlborough Pub in Princess Street, Brighton - and it's still there!
To that end, we will be celebrating at the awards dinner on Thursday June 27th, at the Metropole in Brighton, organised as part of the two day Sussex Landlord Investment Show - see details above.

Renting in Brighton has seen many changes in the last 40 years, and to that end one of the landlords present at that inaugural meeting, Mike Stimpson ,will give a reflective talk on the many changes he has seen since that time.

Many of you know Mike, and will realise that this talk alone is a reason to be there. But in case you need more, there will be an opportunity to network, watch the awards ceremony and enjoy the food and company at this black tie event.

Details will be on the web site.

www.southernlandlords.org

TENANT'S DEPOSIT PROTECTION - WHAT YOU MUST GIVE THE TENANT

Information landlords must give tenants

From the Government web site:

Within 30 days of getting your deposit, your landlord must tell you:

- the address of the rented property
- how much deposit you've paid
- how the deposit is protected
- the name and contact details of the TDP scheme and its dispute resolution service
- their (or the letting agency's) name and contact details
- the name and contact details of any third party that's paid the deposit
- why they would keep some or all of the deposit
- how to apply to get the deposit back
- what to do if you can't get hold of the landlord at the end of the tenancy
- what to do if there's a dispute over the deposit

THE GOVERNMENT WEB SITE:

www.gov.uk/tenancy-deposit-protection

is very informative

It is essential that you fully and exactly meet the above requirements as the penalties for failure are severe!

MEMBER'S ADVERTS

Member has 2 flats for sale in Dean Street, Brighton, BN1 3EG. 3-bed maisonette, rental income £1200.00 pcm. Ground floor one-bed flat with patio, rental income £800.00 pcm. Contact Deborah Morley on Tel: 01273 729872 or Email: morleydvrh@gmail.com.

If you would like to place an advert in our next edition please email to: editor@southernlandlords.org

MEMBERSHIP OPTIONS:

	Affiliate Free (on-line only)	Full member - £75 pa	Corporate member £195 pa
email notification of meetings, etc, in your area;	SLA	SLA	SLA
all member trade discounts;	SLA	SLA	SLA
on-line newsletter;		SLA	SLA
all documents (AST's/notices, etc);		SLA	SLA
insurance cover for HMRC investigation		SLA	
fact-sheets;		SLA	
posted newsletter;		SLA	SLA
unlimited use of advice line;		SLA	
Classified advert and company details and information on our web site			SLA
1/8 page advert in each newsletter			SLA

If you have any contributions, ideas or wish to communicate please contact:

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