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SOUTHERN LANDLORDS ASSOCIATION

This edition's featured Corporate Member

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ARE LANDLORDS SEEN BY GOVERNMENT AS THE MAJOR PROVIDERS OF RENTED ACCOMMODATION IN THE BRITISH ISLES OR THE UNACCEPTABLE FACE OF THE RENTED SECTOR, WHERE GOVERNMENT AND LOCAL AUTHORITIES SEEK TO EXPLOIT LANDLORDS BY CHARGING UNREASONABLE PENALTIES AND CHARGES AT EVERY OPPORTUNITY?

In reviewing what is happening in the private rented sector one is drawn to the conclusion that Government does not understand the part it plays in providing accommodation. On the one hand it accepts the need for private rented accommodation but on the other it seems to expect landlords to provide accommodation at "affordable" rents and appears not to consider that landlords are entitled to make reasonable returns from their property investments.

It is Government's failure to provide sufficient social housing that is causing many of the problems it blames on others, particularly private landlords. The selling off of council accommodation at unrealistically low prices was the start of the reduction in social housing, coupled with local authorities' failure to build new properties or replace those sold, leaving, in many cases, private landlords to house people that would normally expect to occupy social housing.

The current scheme by Government to assist first time buyers to be able to enter property ownership has, no doubt, fuelled in part the increase in property prices, particularly in London and the south-east of England, where demand for rented accommodation is highest. The Governor of the Bank of England has already indicated that there is a housing bubble which could cause problems for the future. It also follows that landlords wishing to purchase properties are having to pay higher prices in the markets where prices have escalated. This reflects in the rents having to be charged by landlords in order to obtain a reasonable return on their investments.

Other factors that are adding to the rental burden of tenants are, for example, the absolutely unrealistic increases in court fees. An online possession claim for rent arrears, etc has risen from £100 to £250 and an accelerated possession claim has been increased from £175 to £280 without any explanation or publicity. It seems that when Government departments decide to raise charges astronomically they can do so, but when a landlord increases his/her rents by an amount higher than inflation, there is an outcry of "unfairness".

Local authorities in many areas of the country do not give a period free from council tax when a property is vacated. Others have reduced the period, which was six months, to a maximum of one month. This gives little time for landlords to upgrade/redecorate their properties without being caught under the new local council tax regulations.

In a similar vein, landlords letting unfurnished property and supplying white goods, e.g. free-standing refrigerators, washing machines, etc, cannot now claim tax relief if those items are replaced. What this all appears to add up to is that landlords will leave items that would normally be replaced for a much longer period than they otherwise would. Similarly, properties will be re-let rather than refurbished as a result of the new council tax regulations set by local authorities.

In addition, if the requirement to inspect the documents giving the right to be in the country is imposed on private landlords and the landlord makes a simple mistake, then an automatic fine of £1,000 can be imposed. This compares with benefit fraudsters stealing many thousands of pounds of public money and not being required to pay but a token of that stolen.

Landlords are seen, it seems, as a business that can be exploited by both Government and local authorities and are then criticised for compensating for the costs by charging rents that give appropriate returns. Landlords' associations should get organised to fight these unfair penalties being imposed by Government. It is most unfortunate that many landlords / property investors take little or no interest in what is happening within the industry in which they have made investments. Landlords should understand that Governments (of whatever colour) need to be made to realise that without the private rented sector many economically poor tenants would not be housed. It should encourage private renting and ensure that it is a viable business, not simply an "activity" as it has always claimed.

Landlords should understand that sitting on the side-lines expecting others to act for them when problems arise is simply not good enough. Unless landlords join associations and pay subscriptions that properly reflect the cost of what needs to be done, using professional staff, landlords will not achieve either the recognition they deserve or the ability to put right the continual mass of legislation set up to control/restrict their activities.

In conclusion, one could use the saying that you cannot do too much for a good governor and never enough for a bad one.

COUNCIL TAX ON NON SELF-CONTAINED ACCOMMODATION

Members having large houses in multiple occupation (HMOs) where those properties are let with individual agreements on each room could be subject to a revaluation of the council tax on the property, whereby all individual rooms become set at council tax 'Band A'. This means that full council tax is payable either by the tenant or by the landlord if the property is vacant following any concessionary period. If, however, one person occupies the accommodation, a 25% reduction is applied. That does not, however, apply to empty rooms, and the landlord will be required to pay the **full 100%** 'Band A' council tax, even though the "room" can only be legally occupied by **one** person.

Members have asked in the past whether this is challengeable. Of course, all landlords have the right to appeal against such revaluations at a First-tier Tribunal. However, the council tax regulations are written in such a way that non self-contained accommodation occupied as a person's permanent home can be individually banded, even though the accommodation itself is not self-contained and has no individual marketable value. Many landlords have appealed against such revaluations and, to our association's knowledge, no one has won and therefore it is most difficult for any landlord seeking to overturn valuation officers' decisions to be able to do so.

Our association, **uniquely**, has written to the Department for Communities and Local Government (DCLG) pointing out the unfairness of these regulations and that the poorest in society are being subjected to disproportionate costs, which in many cases represent approximately 25% of the rental charged by the landlord. DCLG has stated that it is looking into this anomaly, with a view to making changes but, to date, nothing has happened. We shall keep up the pressure and trust that a sensible compromise can be achieved.

IMMIGRATION CHECKS

Members will be aware from previous articles in the SLA Newsletter that we have made representations in respect of both having to carry out such checks, should they be introduced, and, secondly, in respect of the ludicrous fines to be imposed should genuine mistakes be made.

We have received a response to the effect that the duties of landlords will be, to some extent, simplified but no comments whatsoever regarding the level of fines imposed, and it is assumed that once again Government considers that a mistake by a landlord is far more serious than more serious crimes and that landlords can be penalised accordingly.

There is to be a single trial in the summer at a location yet to be announced, followed by an evaluation and then the usual vote by MPs. We shall keep up pressure on Government in respect of penalties, etc and will report later the outcome of the trial.

UNIVERSAL CREDIT

Members who take tenants subject to Local Housing Allowance will be interested to note that the Department for Work and Pensions (DWP) has introduced a "frequently asked questions" document for "Universal Credit and rented housing". It assists landlords in understanding what to do to help tenants prepare for the change and explains how it will ensure protections and safeguards. The document can be accessed at www.gov.uk/government/publications/universal-credit-and-rented-housing.

It is noticed that in a recent survey by the British Property Federation (BPF) it established that some 40% of landlords with ten or more properties are letting to fewer welfare recipients as a result of confusion and uncertainty over Universal Credit. The BPF is requesting that DWP sets out clearly how it intends to inform landlords when there is a change in the tenant's benefits.

BUY-TO-LET INVESTMENTS

Members may well be aware that the buy-to-let market is unregulated and, because of this, buyers are not subject to the same income and affordability rules that they have to comply with for residential mortgages, which, as members may well know, have been significantly changed over the past few months, with lifestyle expenses, etc now being taken into consideration.

What this has resulted in is that many buying on a buy-to-let basis are then living in the property. The mortgage market review, which is seeking to match actual spending habits more closely to mortgage repayments, is now taking effect and there could well be an increase in buy-to-let mortgage applications where the applicant has no intention whatsoever of letting the property.

An interesting thought, which no doubt will result in various restrictions/conditions being placed on buy-to-let mortgage applicants in the future.

DEPOSIT PROTECTION: MY DEPOSITS

Members may be aware that My Deposits accepted as a client an agent that did not have "monetary protection" and as such did not belong to any of the recognised organisations, such as ARLA, RICS, etc, that as a condition of membership must have monetary protection.

The agent concerned has not only ceased trading but has opened up another letting agency in the east of England. My Deposits offers no protection to the landlords and they have been informed, we believe, by My Deposits that within three months the deposit will be unsecured and will need re-regulating. In the process, the agent will only be prosecuted if those landlords who entrusted him to hold their deposits get together to ensure that he is prosecuted for what is blatant misuse of client monies, i.e. theft.

In the meantime, My Deposits claims that it has no financial liability in this matter, nor does it have any legal responsibility towards those landlords. What My Deposits does not make clear is that it will accept deposits from unregulated agents, whereas other scheme providers do not. When the deposit regulations were being set up, our association's representative requested that DCLG include a clause whereby no deposit provider could accept applications from agents unless those agents had monetary protection. The Government response was quite simply that landlords should only use agents that have monetary protection and that they should decide themselves and therefore there was no need to place such conditions within the regulations.

This is yet another example of landlords being caught out by an unregulated agent who has made off with hundreds of thousands of pounds of tenants' deposits, which will now be the responsibility of landlords to repay. It is not for us to comment on the commercial activities of My Deposits but it is worth members making note that My Deposits will accept unregulated agents as deposit holders. However, we cannot make it more clear that any member using an unregulated agent (which we strongly recommend them not to use) should ensure that the deposit is handed to them as landlords and that they themselves ensure that it is properly regulated. We cannot emphasise strongly enough the need for landlords to ensure that deposits taken from tenants are properly regulated and that they are regulated either by the landlord or by a money protected agent.

DEPOSITS (YET MORE LECTURING)

Members should be well aware by now that as a result of a recent Court of Appeal judgment, when a deposit moves from a fixed term to a periodic, that deposit must be re-regulated within 30 days of the tenancy becoming a periodic tenancy. Full specified information must again be provided to the tenant in the same way as if it was a new tenancy.

Please ensure that you are well aware of these requirements, for if any member fails to re-regulate when a tenancy moves from a fixed term to a periodic they could be liable to a fine of up to three times the value of the deposit for simply not complying with these revised requirements. Government understands that it has failed to provide sensible regulation and that a number of court cases have resulted in changes being made to the original requirements. It is looking at changes that need to be made to ensure deposit regulation is sensible, but unfortunately all legislation in this area is "primary legislation" and our association has been informed that there is no space in the parliamentary calendar to introduce such amendments prior to the election in 2015.

Our association (again, uniquely) is corresponding with the Department for Communities and Local Government (DCLG) to request that their department be responsible for any fines imposed on any of our members as a result of the changes made by the Court of Appeal case and where landlords have fallen foul of that decision, as it was a retrospective judgment. Your association awaits a reply.

40 YEARS AND STILL GOING

Members may not be aware but this is our 40th year as a landlords' association. We intend, subject to members' approval, to hold an informal get-together where there will be the odd speech followed by a buffet. This should be soon, and notification will be sent once the venue, etc is decided. We hope that as many members as possible will attend, and look forward to meeting you at that time.

BRANCH MEETINGS

Members will be aware that regular branch meetings are held in Brighton and Southampton, with informal meetings in London, Kent and Surrey. Members have requested, however, that a formal members' meeting be held at a central point in Kent accessible by our many Kent members. It is considered that venues such as Canterbury, Ashford or Maidstone may be appropriate, but it would be very helpful if members in Kent would let us know where they would like meetings to be held on a, say, three to four times a year basis.

Your Board will be making decisions within the next couple of months and your input will be appreciated. Please direct your ideas to Email: info@southernlandlords.org or to Mike Stimpson at 162 Milner Road, Brighton, BN2 4BQ.

AROUND THE BRANCHES

BRIGHTON AND HOVE

Brighton and Hove City Council, in an article appearing in the local Argus newspaper, claims that more landlords are letting shared houses in certain areas of Brighton and Hove. This claim is directly as a result of over 1500 properties having to be licensed under an additional licensing scheme affecting five wards in the city, but of course all these properties were already houses in multiple occupation (HMOs) before the scheme was introduced.

The fact that it has cost approximately £750,000 to landlords for having to obtain a licence, plus in many cases very high costs in often unnecessary work, was not mentioned. Nor was the fact that in the same areas Article 4 legislation has been applied, restricting any increase, without planning permission, of further houses in multiple occupation. In fact, contrary to what Brighton and Hove City Council alleges, landlords who now have licensed properties cannot let them to families, otherwise they will lose their right to let to sharers in the future, unless they can obtain planning permission, which, judging by the present arrangements, will be refused!

In summary, Brighton and Hove City Council publicises information without telling the actual effect of what it has done, which is charge landlords £750,000 and require those same landlords to undertake masses of work, much of which is unnecessary, and then alleges that it has increased the number of small shared houses in the area, when in fact it is doing everything in its power to reduce them.

Members may have been along the London Road in Brighton and seen the transformation of the old Co-Op site into a significant quantity of student accommodation. There are other similar projects in hand and it seems that the developers are all seeking to provide student accommodation in the area, as it is the most profitable form of accommodation, without developers having the requirement to pay for infrastructure or other charges.

It is assumed that the Local Authority believes that with the massive increase in student accommodation provided by national organisations such as Unite, landlords will be forced to return their small shared houses to family houses. What the Council appears not to understand in this city is that because of its requirements under additional licensing many houses that are let as shared houses are unrecognisable from their previous family house use. Many are totally unsuitable for family occupation in view of the requirements that have been imposed, and if landlords cannot let to students, they will then let to the many economically poor who have to occupy shared houses as a means of obtaining any form of accommodation at a reasonable price.

Mike Stimpson

MIKE STIMPSON'S COLUMN

As a landlord myself, I like to occasionally reflect on what is happening in the letting market. Firstly, in the area in which I operate (the south-east of England), property prices are increasing at an alarming rate. That may seem very good news for those who own properties but for new investors it means the higher costs must result in higher rents. Any property owner who holds a portfolio of properties purchased many years ago, if wishing to sell, will now be subject to capital gains tax based on the original purchase price, with possibly some rebasing if purchased before 1982 but no indexation or tapering directly as a result of a change in the regulations imposed by this coalition Government.

What that, in effect, means is that any landlord wishing to sell properties held for a number of years will be paying 28% capital gains tax on any increase from the original purchase price to the current value. That is not fair and needs to be changed. However, I did learn only a few weeks ago that if a property is purchased in a company, then indexation applies, but of course one cannot then claim the personal capital gains allowance.

Although it may seem that property investment is a good option, there is no doubt that Government is doing its best to limit rent increases and provide longer term tenancies by legislation, with even more legislation to make it difficult to obtain possession. In this respect, I cannot believe the number of cases that I hear of where County Court judges have clearly not understood landlord and tenant Acts and have given incorrect decisions, as a result causing distress to landlords having to retain tenants when possession should have been given.

I should also point out to members that when an application is made under the accelerated possession procedure, the person seeking possession should be that landlord, and it is his/her signature that should appear on the accelerated possession papers, not that of an agent.

I am also most concerned about the increases in court fees implemented, it seems, without any consultation or regard to the real world situation. Government, on the one hand, expects landlords to contain rents to a reasonable level but, on the other hand, expects landlords to be subjected to unimaginable increases in costs, imposed by the very Government that asks landlords to be considerate.

It is clear from the European elections that this Government, and for that matter the opposition as well, is not prepared to accept that the public are absolutely sick of uncontrolled immigration and housing problems, partly as a result of the increases in population in areas where there is already pressure in the local housing market. It seems also that Government does not appreciate the role that private landlords play in providing accommodation, particularly where social housing providers do not.

Finally, I would like to give an example of the real situation applying in Brighton, where as a landlord for over 50 years I have never known so many applications for accommodation from people actually sleeping on the streets. The example I wish to give is that I received a telephone call from a 40-year-old male, informing me that he had lost his job, was on Jobseekers Allowance and at that time living in a shared house, for which his contribution was £110 per week. He said that as a result of losing his job and going on Jobseekers Allowance he could not afford to pay that sort of rent, with his Local Housing Allowance at under £80 per week. He also informed me that he had now obtained employment but still could not obtain any form of accommodation, as he had no deposit / rent in advance.

This person was not the sort of person you would expect to be living on the street. However, this is not the first instance that I have personally experienced. In fact, I have housed a small number of homeless people within the last twelve months, and all have proved to be reliable, decent tenants. There is no doubt that there is a substantial need for shared accommodation in this city, ignored by the Council, and private landlords are left to pick up these people, as housing associations and local authorities appear to have no responsibilities in this area.

As landlords, we will continue to make provision for a number of such people. We trust that the Local Authority will appreciate what we are doing and not place demands on us that make it impossible for us to house such people.

There is an expression I would like to finish with, namely "There but for the grace of God, go I".

Mike Stimpson

THE SAGA OF THE GREEN DEAL CONTINUES

Following many complaints about the Green Deal, Ministers have re-launched it with a series of financial 'sweetener' cash-backs.

There are two main sources of cash-back:-

1. £1,000 if you fit any combination of two improvements from a list of 12. This includes double glazing, cavity wall insulation, replacement doors or flat roof insulation and, the most likely, a gas condensing boiler;
2. an additional £500 for any energy-efficient matter carried out within 12 months of purchase.

Those with older homes who undertake the much more expensive process of solid wall insulation will also be able to claim 75% of the cost, up to a maximum of £6,000. There have been few installations because of the cost and it can take many years to provide a payback.

Now, and on top of the cash-back, householders will be able to reclaim the first £100 they previously had to pay for their green deal assessment. The typical upfront £120 was repeatedly cited by critics as a barrier to take-up.

Owners can find out more by calling the Energy Saving Advice Service on 0300 123 1234. Extra information is also available on the green deal website - www.gov.uk/green-deal-energy-saving-measures.

The scheme is only open in England and Wales - the Scottish government runs its own. You do not have to take out green deal finance to get the cash-back.

AND ANOTHER SAGA CONTINUES - TENANCY DEPOSITS

We don't want members to think that we can only write about Tenancy Deposits, but there are further changes looming.

The whole saga of Tenancy Deposit protection started because the legislation as enshrined in the 2004 Housing Act was badly drafted. Subsequent court cases and an attempt to 'tidy' it up in the 2011 Localism Act have resulted in legislation with many patches.

And another 'patch' is on its way! This time in the De-Regulation Bill.

The summary of this bill states:-

A bill to make provision for the reduction of burdens resulting from legislation for businesses or other organisations or for individuals; make provision for the repeal of legislation which no longer has practical use; make provision about the exercise of regulatory functions; and for connected purposes.

A late amendment tries to unravel recent court cases, especially the infamous Superstrike case.

Under the amendment it is proposed that an AST going from Fixed Term to Statutory Periodic will no longer have to re-protect any deposit - i.e. rolling back the clock to prior to the Superstrike case.

It doesn't remedy the need to protect any deposits taken prior to April 6th 2007, accidentally included in the Localism Act. However it proposes a 90 day moratorium during which any unprotected deposit can be protected without fear of recrimination.

So, presuming the Bill becomes an Act with no further changes, the situation (after it becomes an Act) in summary will be:-

- a deposit will have to be protected, and the Prescribed Information issued within 30 days of receiving the deposit;
- the only time it will have to be re-protected is if a new AST is issued;
- there will be 90 days from a date to be announced under which any unprotected deposit can be dealt with - including old deposits. Don't miss this moratorium - it will probably be your FINAL chance.

Note that any landlords who have not correctly protected their deposits will remain vulnerable to a fine until the De-regulation Act comes into force (expected to be October).

One problem remains. If a landlord is expelled from an insurance scheme for any reason, the deposit is unprotected, and the tenant has no redress.

LICENSING SCHEMES START TO BITE

A landlord based in Bayswater was fined £12,000, with £120 costs for failing to apply for a licence for their property in Thanet; a Newham landlord was fined £9,000 with £3,000 costs, two landlords in Swansea were fined £9,000 with over £2,000 costs.

All could have rent repayment orders levied, ordering the landlords to repay rents for up to 5 years

Brighton and Hove City Council believe there to be several hundred landlords who have not applied, and they will also be pursuing them.

So even if you disagree with the ethos of licensing ensure you apply where necessary. If you are asked to license and believe it's not required, apply to the Property Tribunal Service - now renamed The First-tier tribunal - Property Chamber (Residential Property). But most of all, don't ignore it.

IMMIGRATION CHECKS

The Immigration Bill has received Royal Assent in May 2014 meaning that landlords will have to check the eligibility of their tenants to be in the country.

It is to be trialled in a large area later this year (rumoured to be Manchester), and will then be rolled out over the whole country. The actual schedule is still to be announced.

The measures will apply to all new tenancies from the start of the scheme. Landlords must check and copy one or two documents. UK residents must show a passport or a birth certificate and NI card or Driving License. EU Residents must show a passport, ID card or evidence of entitlement to UK benefits. People from other countries must show a current Biometric Residence Permit plus a passport with a UK Immigration stamp showing the time limit of their stay. In all there will be a list of 74 approved documents. The check will last for one year or the tenant's length of 'right to remain' whichever is the longest. So if a tenant has the right to remain for 3 months, the check will still last for one year.

If a tenancy is renewed a year later, then a further check must be made unless the tenant had the right to remain for longer than one year. So if the tenant had the right to remain for 3 years, then you wouldn't have to make the check again for 3 years.

If you issue a new tenancy then you would have to carry out a new check.

If the prospective tenant has no documentation, the Home Office will provide a checking service - but only for foreign nationals. It has no way of checking UK nationals. The check can be carried out by phone or online. You must provide the name, date of birth and home office application number of the applicant. The home office will issue a yes or no email within 48 hours. If it fails to issue the notice within 48 hours, automatic permission for one year is granted.

A YES notice will last for one year. It will not be transferable between landlords, but the tenant can change property with the same landlord. If a NO notice is issued, there is no right of appeal. Landlords may not let to the applicant unless they have valid evidence that they have the right to live in the UK. Otherwise the landlord will face a fine of £3,000 per illegal migrant that they house. They will also not be able to get an HMO, or other licence..

The landlord must keep records of the check for one year after the tenancy.

These measures apply to lodgers, although lower fines of between £80 and £500 would be applied per illegal immigrant. This reflects the fact that such householders may be less aware of the responsibilities of landlords. The government is however keen to prevent displacement of illegal migrants from the PRS into becoming lodgers. If the local authority refers a tenant to a landlord, they can assume that the immigration status has been checked, though I would recommend getting confirmation in writing from the local authority. It is important that landlords carry out the checks properly because if they reject applicants without an objective reason they could be liable to redress under the 2010 Equality Act. This protects tenants and applicants from less favourable treatment on the grounds of race, colour, nationality and religion plus seven other protected characteristics like sex, sexuality, age and disability.

Some accommodation providers will be exempt. Hotels, guest houses and holiday lets will only have to apply these measures if they house residents for three months or longer. Hostels and refuges will be exempt as will hospitals, university halls and employer provided accommodation.

The SLA Referencing carried out by Boswells will be able to make the Immigration checks for you, or there will be a Home Office help line for those wanting to go it alone.

WILL BORIS JOHNSON'S "LONDON RENTAL STANDARD" ACTUALLY BENEFIT LANDLORDS?

On Wednesday 28th of May, I attended the launch of the Mayor's new initiative to improve the quality of the rental market in London.

We were invited by Upad Landlord Rob Hunter (above, with Boris Johnson) of Place Group UK. Rob became the first Landlord in London to be awarded the London Rental Standard badge of accreditation. Rob is an experienced landlord who believes that focusing on the quality of your properties and maintaining excellent tenant relationships is at the heart of a successful property business.

Anyone who has worked with Upad will know we share Rob's ethos. Our ARLA-qualified team help Landlords to take more control of their lettings and develop professional relationships with their customers; the tenant.

The Mayor's project is effectively an umbrella badge for the existing accreditation schemes and associations. For a landlord (or letting agent) to qualify for the London Rental Standard they need to be a member of one of the 7 qualifying schemes.

So, will the London Rental Standard allow responsible landlords with high quality properties to attract quality tenants?

This largely depends on it carrying any meaning for the tenant. By combining so many organisations under a single banner it certainly makes the job of creating awareness simpler. However, the badge and its message will still need to be promoted at every stage of the letting process and in particular where over 90% of tenants look for property; the major property websites. It will also benefit from the support of tenant groups which have given it a decidedly lukewarm reception so far.

Additionally, although the London market is relatively stable at the moment, an increase in interest rates will apply more upward pressure on rental stock as first-time buyers dry up and BTL lending becomes more expensive. In this scenario will there be time for a tenant to consider which properties (and Landlords) have a badge of quality and which don't?

Nevertheless, we do feel this is an important step towards a UK Rental Standard and one which can only help to reward Landlords such as Rob for their efforts to professionalise the sector. What happens next will decide if this is the start of a real shift in the market.

Here are the requirements for Landlords laid out by the London Rental Standard:

- Rental agreement: this must always be provided and should include the rent terms, frequency of payment, and the period of tenancy or licence.
- Deposit: must be protected, the amount must be specified and a copy of how the deposit is protected must be provided to the tenant.
- Contact details: providing the tenant with their contact details including their address and two contact telephone numbers (mobile and landline) and an email address. Landlords should endeavour to respond to tenant communication in a prompt manner.
- Availability: landlords should always be contactable and must respond within a reasonable period of time. If unavailable, tenants should be informed and given alternative contact details.
- Reasonable notice of access: except in case of an emergency, landlords should give the tenant at least 24 hours notice, in writing and stating reasons, when access to the property is required by the landlord, contractor or agent.
- Emergency repairs: these should be dealt with or made safe as soon as practically possible and normally on the same day that a landlord is notified. Emergency repairs are defined as any defect where there is a risk of danger to the health, safety and security of the tenant or a third party on the premises, or that affects the structure of the building adversely.

- Urgent repairs: wherever possible these should be dealt with within three working days of a landlord being notified.
- Property conditions: landlords must ensure that properties comply with legal requirements, including having no category 1 hazards or significant/multiple category 2 hazards. Where relevant, properties must also comply with licensing schemes and landlords will always comply with statutory notices served by a local authority.
- Energy efficiency: landlords must work towards compliance with duties imposed upon them by the Energy Act 2011, especially related to requests for energy efficiency improvements by tenants and in relation to low ratings in energy performance.
- End of tenancy: the deposit should be returned promptly and in full, minus verified costs that are chargeable to the tenant's deposit. Landlords should provide tenant references if requested.
- Complaints: landlords must respond to tenant complaints promptly and accreditation schemes must have their own complaints process in place if complaints are escalated.
- Dealing with tenants: landlords must always act in a fair, reasonable and professional manner in their dealings with tenants, and must not discriminate in their dealings with prospective and/or existing tenants or treat them less favorably than others because of their colour, creed, ethnic or national origin, disability, age, sex, marital status, sexuality, politics, or their responsibility for dependents.

UNRAVELLING SECTION 21s

We often ask ourselves this question when it comes to tenancy agreements, don't we? "Why is simple legislation turned into something so astoundingly complicated?"

In this context, Section 21s spring to mind immediately, often followed by a groan as we struggle to make sense of the finer points of court judgements and legalese.

Here is a deconstructed version, designed to take away some of the pain. A bit of background:

- Most agreements used in England and Wales are Assured Shorthold Tenancies (ASTs) as set out in the 1988 Housing Act.
- Tenants were assured that they would be able to stay in a property until given a minimum of 2 months notice in the correct format, known as a Section 21 (S21) notice. The Housing Act 1996 amended S21 of the 1988 Act by requiring this notice to be given in writing.
- Landlords were assured that, with a Section 21, they would be able to reclaim their property after the given notice period without needing a reason. (A Section 8 notice, on the other hand, was to be used to require a tenant to leave if they hadn't fulfilled one or more of the legal obligations set out in the AST. For a Section 8, reasons must be specified).

ASSURED SHORTHOLD TENANCIES

There are two types of ASTs:

1. Fixed Term AST - a tenancy agreement for a set length of time, generally starting at six months, but it could be from one month to seven years.

2. Periodic Tenancy

" Statutory Periodic Tenancy - when a Fixed Term agreement ends but the landlord continues the tenancy on a rolling basis, with the same terms and agreements

" Contractual Periodic Tenancy - when there is an AST agreed between landlord and tenant which commences on a set date but has no Fixed Term

Section 21s

There are two types of Section 21s:

1. Section 21 (1)(b) - for Fixed Term ASTs. It can be issued at any time to expire in two months, after which time, recovery of the property could be sought in court if necessary, once the Fixed Term period has ended.

2. Section 21 (4)(a) - for Periodic Tenancies. At least two months' notice is required and the day on which the notice expires must be the last day of a period of the tenancy.

The precise definition of 'last day' has given rise to confusion, with claims being thrown out of court because a landlord asked for possession on the wrong date, or 'on' a date, rather than 'after'.

In brief, a Periodic Tenancy begins immediately after a Fixed Term expires. In the case of rent being paid per calendar month, if the Periodic Tenancy starts on, say, the 15th of the month, the last day is after the 14th of the next month.

At one time, the Section 21 (4)(a) notice was to be used in every case of Periodic Tenancy, even if the AST had started as a Fixed Term.

Court Case Ruling

In the Spencer v Taylor case last year, the tenant was on a weekly Statutory Periodic Tenancy following on from a Fixed Term agreement. She was served with a standard Section 21 (4)(a) notice to quit but argued that the given date of expiry of the notice was not the last day of a period of her tenancy - and won. The landlord appealed successfully in the High Court but the tenant then took the case to the Court of Appeal. There, the judge looked at the case in the context of Section 21 as a whole and deemed that the landlord had satisfied all the conditions necessary to regain possession of his property. This judgement has just been upheld in the Supreme Court, which is, of course, binding.

What does this mean for landlords?

Now, a landlord wishing to recover a property let on an AST which was Fixed Term but has become Periodic simply needs to issue the two months notice as set down in Section 21 (1)(b) and does not have to concern him/herself with the intricacies of rental periods.

Before you consign Section 21(4) (a) to the dustbins of time with a sigh of relief, please note that it will still apply to Contractual Periodic tenancies, whether or not there was an initial Fixed Term agreement.

The law serves to protect all of us - but isn't it great when it's untangled and becomes straightforward to apply?
This new level of clarity will surely benefit landlords and tenants alike.

Landlord Investment Show

The Southern Landlords Association continue to support the Landlord Investment Show (http://www.landlordinvestmentshow.co.uk) and took a stand at the show in Olympia on 8th May 2014. We will have a stand at the Croydon show, Fairfield Halls, Croydon on the 12th June 2014. Gary Waller, Chairman of the Brighton and Hove Branch will be joining the panel of experts.

The next local show will be in at the Brighton Centre on the 26th and 27th June. For tickets please register on http://www.landlordinvestmentshow.co.uk/Sussex

Home Sweet Hove Campaign

The SLA are proud to support Brighton and Sussex University students in their campaign to improve the quality of rental housing in Brighton and Hove, we recently spoke at the campaign's launch. The campaign in Brighton and Hove follows on from campaigns in other cities in the Uk.
(http://southeast.movementforchange.org.uk/home_sweet_home)

MEETINGS/EXHIBITIONS

Social meetings

To remind you that, by popular demand, the **London Social** 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:-

- Wed September 3rd - Thanet Social;
- Tues Sept 9th - London Social;
- Wed/Thurs Sept 10/11th - The Landlord and Letting Show, the Barbican;
- Monday Sept 15th - Southampton branch meeting;
- Tuesday Sept 16th - Swale landlords forum;
- Wed Oct 1st - Thanet social;

- Thursday Oct 2nd - Landlord Investment Show - Southampton;
- Tuesday Oct 7th - London Social;
- Monday Oct 13th - Brighton & Hove Meeting
- Wed November 5th - Thanet Social;
- Tues November 11th - London Social;
- Thursday November 13th - Landlord Investment Show - Olympia, London
- Friday Nov 14th - Hounslow landlords forum
- Monday Nov 17th - Southampton branch meeting

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

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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Help-line	**0845 475 2483**
Accounts	**0845 475 5583**
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