The Professional Association for Landlords

Newsletter

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October 2018, iHOWZ Newsletter 35
£5 where sold

Selective licensing

The challenge is on

On 10th September 2018 a letter was sent to Brighton & Hove City Council, signed by Heather Wheeler MP, the Minister for Housing and Homelessness, acting for the Secretary of State and confirming the designation that Brighton & Hove Council had its permission to implement Selective Licensing in 12 wards within the City boundaries. Those wards were detailed in the previous newsletter.

In making his decision, the Secretary of State was not satisfied that Brighton & Hove City Council had produced sufficient evidence in respect of antisocial behaviour, but confirmed the Selective Licensing designation on the single ground of poor property condition. Brighton & Hove City Council have announced that it intends to implement Selective Licensing in those 12 wards from 4th February 2019.

It is intended therefore to licence some 27,000 properties, at a licence fee of £460 per property for a five year licence payable on application and a total a cost to landlords of approximately £12,420,000. The properties to be licensed are either houses or self-contained flats let to families but does not include houses in multiple occupation, as those properties are required to be licensed under additional or mandatory licensing.

Continued on page 4

Fred Knight

It is with great sadness that we have to tell you that Fred Knight died on Saturday September 22nd. The funeral will be held in Southampton on Friday October 26th

Fred was a great stalwart of our Landlord Association right from the days of the SPLA, having been Chairman of the South Hants branch of the SPLA, then it's re-incarnation as the SLA.

Roger Bell, the current chairman of the branch said '*Fred made friends in and out of the industry with people who would normally not be friendly to landlords.*

He was one of thle who reinvented the relationship between private residential landlords and Southampton City Council which led to the great improvement in conditions for all those involved in the Private Residential Industry, landlords and tenants alike.

He represented Southampton at national level in the National Landlords Federation for many years with great skill and pragmatism. This helped Governments of all hues to better understand our industry and make our regulated lives easier and industry more profitable.
He was committed to helping the homeless and those without prospects through his work as a private landlord.
We have a lost a great man and a true ally. Fred will be sorely missed.'

Fred also was instrumental in the running of the SPLA and the SLA (now iHowz) finally retiring after he turned 80 finding the travelling too much.

Mike Stimpson, co-founder of the original association in 1974, and still a director said '*Fred was a great asset to our association, and of the PRS as a whole.*
He was a loyal and sensible person and more than willing to support sensible legislation, as well as opposing irrational, or unreasonable legislation.
He helped Government on the development of the HHSRS.
I am personally grateful to the assistance he has given over the years, and will be missed.'

All this as well as being a landlord and running his own company in the early days. We raise a glass to you Fred, and thank you for your valuable contribution.

Regular updates

Please note that we have been sending monthly email updates to all members to keep them up to date with everything happening.

Hopefully you have been getting them; if you haven't please email us at info@ihowz.uk.

Don't forget that you can always keep up to date with our web site ihowz.uk. Here you can see news items; all the past newsletters and the monthly updates.

Overcoming the barriers to longer tenancies in the private rented sector

The Government held a consultation in respect of proposals to introduce regulation for longer term tenancies of 3 years following the initial 6 months. Your Association sent a detailed response to the consultation in August 2018 and since that date no further comments have been made by Government, except that in respect of social housing the Government do not intend to implement longer term tenancy

It is believed that Government will not proceed with its proposals for longer term tenancies in the private rented sector but to date, as mentioned, no decision to that effect has been announced.

For members' information, the proposal was very much one sided. In summary, it gave the landlord the opportunity to give notice under Section 21 within the first 6 months, if the tenant proved unsatisfactory. However, if the landlord decided to keep the tenant then the tenancy would automatically extend for a total of 3 years. On the other hand, a tenant could give 2 months' notice at any time during the 3 year contractual period to vacate; the landlord could not. This can only be described a contractual term binding on the landlord, but not the tenant. What other business would be required to enter into such an unequal arrangement. It is no wonder that Government has not published made a decision.

New Housing Minister

Kit Malthouse has been made Housing Minister, following Dominic Raabs appointment as Secretary of State for Brexit. This is the fourth Housing Minister in two years, however Kit Malthouse has a C.V. that includes both work with the Greater London Authority and Westminster City Council and so, hopefully, the new Minister is not starting from scratch and will work with the private rented sector to ensure fair regulation and encourage the private rented sector to expand and not impose further unfair costs and regulations that will do just the opposite!

Local Authorities' permission to borrow more for housing

It was announced at the Conservative Party conference that the current limits for Councils in respect of borrowing for housing are to be lifted and that councils will be encouraged to provide more social housing.

It will be interesting to see if local authorities will build housing for the homeless and take such people off the streets into those homes, rather than pay housing charities money for them to find private landlords who will house the homeless.

Prime Minister 'answers' question about 3 year tenancies

There have been rumours of the Treasury and Number 10 killing off the proposed (minimum) 3 year tenancies.

This was raised at PMQ's (Prime Minister Questions) on Oct 5th by Labour MP Helen Hayes – Dulwich and West Norwood, who asked:- "*It has been reported this morning that the Treasury and Number 10 are blocking plans for legally binding 3 year tenancies for private renters. This is of great concern to private renters in my constituency including many families sending their children back to school this week not knowing where they will be living this time next year.*

"*Will the Prime Minister make a clear promise to private tenants that they will be entitled to 3 year tenancies in law.*"
Response from Theresa May:
"*Can I say to the Honorable Lady that we are keen to support tenants to access longer more secure tenancies, whilst also ensuring obviously landlords are able to recover their property when needed.*
"*The consultation on overcoming the barriers to longer tenancies in the private rented sector closed on the 26th August. It considered the various barriers to longer tenancies and how to overcome them, it did propose a new 3 year tenancy model with a 6 month break clause. We asked for views on viability on how that could be implemented, we are now analysing those responses and will provide information on the next steps once we have done that.*"

Universal Credit

Many tenants in receipt of benefits are being transferred to the Universal Credit system. Local authorities who pay Local Housing Allowance direct to landlords, normally only notify that the claim has finished. It does not state that the tenant is moving to Universal Credit. What follows is normally a delay and the landlord is left completely unaware of what is happening unless Universal Credit notify the landlord that the tenant's housing element is to be paid to the landlord, which may or may not happen.

What then normally happens is that the tenant denies receiving Universal Credit in respect of their housing element and the landlord has to complete a form, asking the Universal Credit department to pay the housing element direct to the landlord.

There are two forms, one a is secure document and the other is an non-secure one, and the landlord normally completes the non-secure form, emails it to Universal Credit and hopes to receive a reply. Sometimes Universal Credit simply reply stating that the incorrect form has been used (even if it hasn't) and automatically destroys the application form, so that when a landlord informs the Universal Credit department that the form used is the correct form, it has already been destroyed and causes much delay and requires a further application form to be completed. It has also been noted that when a tenant's housing element is paid direct to the landlord, if there is a suspension of those payments, the landlord is not notified and the payments simply do not arrive.

Correspondence with Universal Credits is usually ignored and the landlord is faced with the situation of issuing a notice to quit against the tenant, who normally will deny receiving the housing element that has not been paid direct to the landlord. If one rings Universal Credit seeking information, then unless your tenant has given you up to date written permission or is with you, the call will not be accepted. If however, you are lucky enough to receive the housing element of a tenant's Universal Credit, it will not contain the name of the tenant but only their National Insurance number.

This is the most inaccessible department and it does not understand how to deal with its customers in a proper businesslike manner, is not fit for purpose and is no doubt responsible for a good number of unavoidable evictions. Radical changes to its procedures and attitude towards private landlords needs to be addressed, otherwise landlords, quite sensibly, will not take tenants in receipt of such benefit.

Landlords do have a choice

Buy-to-let landlords are being driven out of the market by the Government's tax crackdown, as growing numbers struggle to make their sums add up. The tax attack unleashed by former Chancellor, George Osborne, in 2015 claimed it would level the playing field between buy-to-let investors and first time buyers struggling to get on to the market. However, it has done nothing of the sort, it has made life harder for landlords but this will have a knock on effect on their tenants as well.

Modest profits with interest claimable limited to 20% by the year 2020/21. In addition, the 3% surcharge on additional buy-to-let purchases is having the effect of discouraging buy-to-let landlords to expand their portfolios. Retrospective legislation has always been unfair and it is clear that a significant number of landlords will be selling up or increasing rents to an unaffordable level to their tenants as a result of this very unfair Government regulation.

It is now for Government to sort out the mess and provide the accommodation for the people so displaced as a result of its own unfair legislation. A tax on turnover is not a tax on profit.

Selective Licensing, continued from page 1

Having been unsuccessful in its application to licence on the grounds of antisocial behaviour, your Board consider that there is no justification for the Secretary of State giving permission for Selective Licensing under the heading 'poor property condition'.

Representatives from your Board met our legal advisors in London on Wednesday 26th September 2018 to discuss the way forward.

Prior to attending the meeting, further re-examination of the consultants' report to Brighton & Hove City Council, together with the evidence supplied by it to the High Court, the following interesting items came to light.

Firstly, Brighton & Hove City Council evidence made clear that the reason for including poor property condition was that antisocial behaviour such as was alleged to occur could be shown to be a correlation for poor property condition.

That suggestion was the only evidence that the consultants and the local authority put forward as being the reason for including poor property conditions, as a reason for introducing Selective Licensing.

The guidance from the Secretary of State issued in 2015 makes clear that the Local Authority should be able to demonstrate that in the areas where they propose to introduce licensing in respect of poor property condition, then a good proportion of the properties in that area by external appearance, would indicate that the properties could well be in poor condition. In respect of that, those properties of course must be let to families and not privately owned/occupied properties, social housing or small houses in multiple occupation. Neither the consultants or the local authority made any reference to external poor property appearance an used the argument that antisocial behaviour indicated poor property condition.

Having refused Brighton & Hove City Council to bring in licensing on the grounds of antisocial behaviour, it is inconceivable that the Secretary of State then gave permission on the sole ground of poor property condition, when neither the consultants nor the local authority have complied with the guidance for establishing poor property conditions. In fact, Brighton & Hove City Council in a statement by a senior representative, have made clear that poor property condition alone would not be a reason for introducing Selective Licensing in the 12 wards within the city boundaries.

It was decided at the meeting with our legal advisors to take the following action.

To write to the Secretary of State for Housing Communities and local Government, requesting it to withdraw or rescind the confirmation of Brighton & Hove City Council's designation as set out in the letter of 10th September. The letter will also request all correspondence, minutes and internal consultations of meetings between the Secretary of State and Brighton and Hove City Council representatives, be provided within a period of 14 days.

A further letter to be sent to Brighton & Hove City Council, also to send copies of all meetings, conversations, minutes, etc held with the Secretary of State. Again, Brighton & Hove City Council will be given a timescale of 14 days in which to reply and provide the required information.

In the meantime, a stay on the application for a judicial review against Brighton & Hove City Council has been agreed by the High Court until 28th October 2018.

Both letters were sent on 2nd October and therefore the 14 day period for replies has already commenced. Your representatives from the Board will again be meeting with our legal advisors, following the 14 day period for reply and discussing the way forward. It may well be that our

Association will have to decide whether to bring a judicial review against the Secretary of State for, in our opinion, allowing Selective Licensing when the evidence is not there to establish a case for doing so is wrong.

It may also be necessary to continue, the judicial review against Brighton & Hove City Council itself, but the grounds for doing so will have to be substantially amended in view of the antisocial behaviour ground not being allowed by the Secretary of State.

The above brings members fully up to date with the current situation which, in the opinion of your Board, demonstrates quite clearly that the Secretary of State, on the evidence currently before the Board, has given permission for Selective Licensing at a cost of approximately £12,420,000 to landlords, or more probably to tenants, by where possible increases in rent.

As mentioned on a number of occasions, taking action against either the Secretary of State or Brighton & Hove City Council, is only possible through a judicial review. The cost if the case is lost can be extensive and at least £100,000 needs to be available in the event of such a situation happening.

On the basis of the information already available to the Board and our legal advisors, we anticipate that a judicial review, or possibly two, could well be the only way forward and that of course is subject to legal advice, which your Board representatives will take very seriously.

It follows therefore that if you, our members wish for our Association to act in the interests of fairness and justice, we need to have a fund that will be available to pay if the case is lost. Your Board believes that unless associations such as ours take up challenges where clear unfairness has taken place, landlords will continue to be treated as an easy touch by local authorities and Government alike.

For members' information, Brighton & Hove City Council have full authority to inspect any property, in any area, but do not do so, allegedly for lack of funds. It therefore wishes to take millions of pounds from private landlords and/or their tenants to carry out the very duties that they are required to perform as part of their normal functions. Members will no doubt agree that it is most unreasonable of the local authority to suggest that a significant number of the 27,000 properties in the 12 wards suffer from such poor property conditions that warrant millions of pounds of cost to landlords.

It is a requirement of the High Court that judicial reviews are applied for expeditiously, therefore the decisions that need to be made have to be made in the immediate future.

iHowz directors appreciate that members have already contributed towards the fighting fund, but the cost of legal action and of good quality barristers is expensive and we need funds in the event of taking forward this case and losing. Donations, which should be tax deductible, should be sent to iHowz, Riverside Centre, River Lawn Road, Tonbridge TN9 1EP. Cheques should be clearly marked 'fighting fund' with your membership number on the rear of the cheque. Alternatively, donations can be paid direct into our bank account number 55149480, sort code 60-21-28, again clearly marked with your membership number in the reference. We will then be able to issue appropriate receipts.

Comment by Mike Stimpson

Your Association representatives have spent much time in providing the necessary information to the lawyers, all work by those directors is voluntary and the only costs will be the costs of the legal representation, etc. Any member in Brighton & Hove who owns a house or studio or flat in the 12 wards which is not an HMO will be required to pay £460 per property for a licence and that is only the start, for there will be requirements for floor plans, inspections and no doubt other work as well. These costs should be seen, as against the need for our Association to collect upwards of £100,000 which is a small proportion of the costs that our members in Brighton and Hove will incur.

This action is contemplated as an example of what can and should be done by professional landlords associations, when Councils have objectives not connected with property conditions/antisocial behaviour for their licensing agenda.

Deregulation Act 2015

The Deregulation Act 2015 will affect all tenancies as of the 1st October 2018. No matter how long your tenant has been in occupation, you will need to abide by the provisions of the Act.

The Old Section 21 Notice will no longer be acceptable, so remember to download the newer version.

Make sure you give all the required information and documentation to your tenants, each tenant must have their own gas certificate, if applicable, and energy performance certificate. Failure to do so can cause problems if you have to go to Court using a Section 21 Notice.

Section 21 after 1st October 2018

The changes. These are essentially four groups of changes that the Deregulation Act made to Section 21 Notices.

1. New form of Notice (form 6A) and changes to time limits.

2. Prohibitions of service of Notice after local authority enforcement action under the HHSRS (retaliatory eviction).

3. Obligation to serve Energy Performance Certificates (EPCs) and gas safety certificates (GSCs).

4. Obligation to serve the 'How to rent' guide.

Section 21 Notice forms and time limits

The Deregulation Act introduced prescribed Section 1 Notice, also known as form 6A. Previously Section 21 Notices just had to be in writing and had no set style.

The Deregulation Act also introduced restrictions on the timings of serving Section 21 Notices including preventing the landlord from serving a Section 21 Notice within the first 4 months of the original AST. Section 21 Notices now also have an expiry period. If proceedings are not commenced within 6 months from the date the notice was given (the period is slightly longer if more than 2 months notice is required) the notice will expire and the landlord will need to serve a fresh notice if they want to bring a possession claim.

While these rules currently only apply to new tenancies, it seems that from 1st October 2018 the 6 month time limit will operate for all ASTs, including old tenancies, so that even notices served now, before 1st October 2018, will be subject to the 6 month restriction after 1st October 2018.

It is probably safest for landlords to assume that the 'use it or lose it' provision now applies to all Section 21 Notices served. This means that landlords will have to issue possession claims promptly. If they delay then a new Section 1 Notice will need to be served.

How to Rent guide

The '*How to rent*' guide currently only applies to new tenancies that started after October 2015 or which were actively renewed after that date. That situation will not change after October 2018, so the obligation to serve the '*How to rent*' guide will not apply to old tenancies that began before October 2015 and have simply continued as periodic tenancies after that date, without any renewal.

Gas safety and energy performance certificates

This is the provision that appears to have caused landlords the most difficulty since the Deregulation Act came into force. The Deregulation Act amended the Section 21 procedure by stating that a Section 21 Notice may not be given in relation to an AST at any time when the landlord is in breach of a prescribed requirement. The prescribed requirements were then set out in the Assured Shorthold Tenancy notes and prescribed requirements (England) Regulations 2015. These regulations in turn refer to requirements imposed on landlords in other regulations, dealing with the gas safety and energy performance. In summary, the requirement is to give tenants a copy of the latest gas safety record and energy performance certificate for the property.

It is essential that a gas safety certificate is supplied to the tenant before the tenant occupies the property and signs the Agreement. This is a once and for all duty that prospective landlords owe to prospective tenants, which means if the gas safety record has not been given to the tenants before they occupy the premises, it is not possible for the landlord to rectify this breach later. This effectively means landlords who fail to give their tenants the gas safety record at the outset of the tenancy, are prevented from using the Section 21 procedure.

Conclusion

Whilst the majority of the Deregulation Act changes are due to apply to all ASTs from 1st October 2018, it is clear that there are still a number of grey areas in relation to how these rules apply to old tenancies. This is especially true of the provisions relating to gas safety and energy performance certificates.

While 1st October changes should make the Section 21 procedure more straightforward for landlords, Section 21 remains a notoriously complicated area. If you are unsure about how to serve a valid notice, or would like advice on your tenancy, iHowz can assist.

Help Line

We are delighted to be able to tell you that the Help Line will now be answered by a solicitor specialising in Landlord matters on a Wednesday afternoon.

Note that they are willing and able to answer the first 15 minutes free, but if the consultation goes on longer they reserve the right to charge, but will advise you.

Mike Stimpson's column

I am writing my column on one of the less warm days of the summer. It is wonderful to continue to experience extremely good weather conditions as late as October. Let's hope it continues and that we do not have severe weather during the winter months.

The subjects that have been concentrating my mind over the last two months are Selective Licensing in Brighton and Hove and longer term tenancies.

To deal first with longer term tenancies, as mentioned in the main newsletter, our Association replied to the consultation in August that any subsequent announcement as regards the consultation in respect of private landlords has not been forthcoming. Similarly, our reply has not been acknowledged, despite the amount of work required to produce it.

Unequal contracts, giving tenants all advantages and landlords no advantage whatsoever, is typical of the way Government treats the private rented sector.

Antisocial behaviour, which is one of the main causes, other that rent arrears, for evictions would be most difficult to carry out if the tenant had a 3 year fixed term. Proving antisocial behaviour and getting those tenants subject to it to give evidence is a non-starter. Government appears to feel that landlords have all the advantages, whereas in reality tenants have many themselves, although the ultimate sanction for landlords is eviction.

Longer term tenancies do much to restrict the landlords' ability to manage the conduct of their tenants in an effective way. I have no doubt that Government has heard the message and, as mentioned, is not introducing it in the social sector, but makes no comment about the private sector and I doubt whether we will hear much about these proposals.

Turning once again to Licensing. Over a significant number of years our Board has challenged what we consider to be unreasonable actions by local authorities, in introducing either additional or selective licensing schemes.

The best achievement to date has been at Southampton, where the threat of a judicial review brought the local authority and our committee members at Southampton together and as a result an acceptable scheme/compromise was arrived.

In the case of Brighton and Hove, the situation is very much different. The politicians want to licence private landlords. They are not interested in the cost and although they have the responsibility of inspecting any properties they wish to inspect, they have not provided the finance for those inspections to take place. This has resulted in the application for Selective Licensing to make private landlords or their tenants responsible for payment for the inspections that the local authority already have a duty to carry out. We believe that these are political decisions and have not been based on the evidence provided by the consultants. I personally am most surprised that the Secretary of State refused permission on grounds of antisocial behaviour, but approved it on poor property condition, especially as the local authority had not followed the guidance set out by the Secretary of State. This is a good example of how the system does not work.

The only way forward, unless either Brighton & Hove City Council or the Secretary of State does not allow Selective Licensing to proceed, is a judicial review which not only is time consuming on our volunteers, it is also most costly and members, particularly those in the areas where licensing is to be introduced, will save thousands of pounds if we succeed in having the case for Selective Licensing refused.

From correspondence, I see many landlords throughout the country comment that the various landlords' associations do not take on legitimate cases against local authorities or the Government, when clearly it does not have the evidence to justify it being implemented.

Those same landlords, it appears, do not consider the cost and work involved and that it can only be carried out if those very people who complain about the lack of action contribute towards the cost of taking such action, by associations such as ours, to show that we are a professional association and not simply providing services to our members. I urge every member who is able to donate to this action, which as mentioned in the main newsletter has to be decided within days, rather than months, and therefore we need support for our actions by members giving donations to build a significant fighting fund.

Utility accounts

I wonder how many members have experienced receiving a reminder for not paying either a gas or electricity account and find that there is no mention of the property to which the alleged non-payment refers, only an account number and in some instances there is no telephone number or ability to contact the company, without extensive research.

If one then does ring the company, they go through a significant number of questions and often still will not give you the address of the property to which the account refers. As members can imagine, I hold a number of accounts with a number of utility companies and find it most frustrating that those companies cannot be bothered to put the address of the property for which they are seeking a payment.

In the same way, I am surprised that Universal Credit thinks it is good business practice to only supply a National Insurance number when making payments on behalf of tenants. Local authorities pay Local Housing Allowance direct to landlords using the name and address of the tenant. This is good business practice, Universal Credit acts only in its own interests and should take lessons in good business practice and in particular what it can do to resolve enquiries, rather than ignore or compound them. It is a very poor service indeed.

Buy-to-Let purchases down

I note from my conversations with estate agents that there are few buyers for properties at this current time. The buy-to-let purchasers are significantly reducing as a result. Government has achieved its object in calming that sector of the market. What it has not done is produce more properties that are affordable for first time buyers and I note that its scheme for encouraging such buyers is being discontinued when it expires.

Government seem unable to understand that landlords do not need to be in a business that Government only seeks to curtail or, to put more bluntly, destroy. It needs to talk to landlords and landlords' associations in a positive, constructive manner and not simply promote the first time buyer to the detriment of the renting population.

iHowz is now well established, we need members and if you are a landlord and have friends who are landlords, please tell them about our Association, the need for them to become members and, above all, do everything to promote our Association to the benefit of all of us.

May I wish you continued success in a very difficult period of legislation.

Mike Stimpson
Chair iHowz

The Party Political conference's come to an end. The highlights of the conferences were:-

Liberal Democrats 15-18 September in Brighton

1) Build targets & land use.

The conference called for the Government to deliver its commitment to building 300,000 homes a year by, firstly, ensuring the workforce in the construction industry is sufficient to build them, and by encouraging new building techniques to build quality new homes in shorter timescales.

2) Social housing promise

In terms of social housing, the party would see a big expansion in 'Rent to Own'

3) Taxes.

To deter investors from stockpiling property, the party wants a 500% increase in council tax, levied where homes are deliberately bought as investment opportunities and left empty for long periods - with a stamp duty surcharge on overseas residents purchasing such properties.

Labour 23-26 September in Liverpool

1) Renter's Unions

The Labour government would back new unions for renters and fund them in every part of the country

2) Levy on holiday homes

Holiday home owners would face a new £560 million tax to tackle homelessness and address rising wealth inequality under the plans.

3) Homes at one third of local incomes

Labour has pledged to build one million "truly affordable" council and housing association homes.

The Conservatives Party- 1-3 October in Birmingham

1) Foreign Nationals.

The Government wants to make it harder for foreign nationals to buy homes in Britain.

Mrs May announced plans for a stamp duty surcharge of between 1 per cent and 3 per cent to be imposed on sales of property to foreign nationals who do not pay UK tax.

The measure is designed to ease pressure on the housing market and make homes more affordable for Britons.

2) All private landlords will be required to join an official redress organisation.

It will now be mandatory for all private landlords to be part of an ombudsman scheme. Whilst it is already a legal requirement for letting agents to be part of a redress organisation, currently landlords are not bound by the same legislation.

3) All letting agents will now be regulated.

Currently there is no regulation in place for lettings professionals. The government is proposing legislation that would require all letting agents to register with an appropriate organisation. This would mean that agents will be required to satisfy minimum training requirements, and follow an industry wide code of conduct to be able to operate in the UK.

4) The potential introduction of a dedicated housing court.

The government will explore the possibility of introducing a new dedicated housing court that would streamline the current legislative process for both landlords and tenants. Currently landlords and tenants can wait months for a court date, and experience long delays throughout the legal process.

However, the government has stipulated that this change will only come about if it is financially beneficial for all parties, and if it will speed up the current process they have in place.

Local authorities could cover tenant rent and deposits

The Housing Secretary, James Brokenshire, has unveiled a plan to allow Councils to assist tenants who have been made homeless or are at risk.

The Government believes this will support up to 9,000 people at risk of homelessness.
It forms part of a new duty to refer – introduced this month – on public authorities to report those at risk of homelessness so local authorities can intervene at an early stage.

The Government's bidding prospectus says schemes could provide:
* Guaranteed rent or deposit scheme/bonds: Providing full or proportion of tenancy deposit or rent payments, or some form of guarantee to landlords.

* Procurement: Contacting landlords and agents to seek out private rented properties and tenancies.
* Property management: Managing the property on the landlord's behalf for the purposes of placing a person/household into private rented sector accommodation.
* Mediation support and training between landlord and tenant.
* The minimum tenancy or existing tenancy supported by the schemes will be a period of 12 months.

Possible tax breaks for landlords who sell to their (long term) tenants.

According to a paper released by the right wing think tank, Onward, private landlords who sell buy-to-let properties to sitting tenants who have lived in their home for three years or more would not have to pay capital gains tax on the sale, which is currently charged at 28 per cent on second homes for upper rate taxpayers.

The tax relief would then be split equally between landlord and tenant, giving renters thousands of pounds towards a deposit and landlords a substantial tax saving.

Rent in advance

This subject has been aired on a number of occasions in our newsletter but it is important to ensure that members understand the difference between rent in advance and what can be construed as a deposit.

If you take rent in advance, it must be clearly stated within the Agreement the purpose for which that money has been taken. For example, if you take one months rent in advance at the commencement of the tenancy and a further one months rent in advance to be used for the last period of the tenancy, this should be stated within the Agreement. If, for example, the Agreement states that you have taken two months rent in advance then the tenant quite rightly would not have to pay any rent until the third month. If however you then continue to take rent following the first month, a Court could well construe the rent in advance as a deposit. Legal aid agencies and agencies acting for tenants are only too quick to jump on any mistake made by a landlord, particularly when possession is being obtained via the Section 21 procedure. It is most important therefore to make clear, if you take rent in advance, precisely the purpose for it.

Beware of agents not displaying fees

An agent has sent a list of lettings firms which he claims are not displaying their fees to a number of organisations, including Trading Standards and Action Fraud.

The agent, who is based in Middlesex, said he spent no more than ten minutes on Zoopla to find 19 agents whose listings make no mention of fees – not even saying that fees apply.

Most of the agents on the list are in and around London, but there is one in Slough and another in Liverpool. The agent says he is in the middle of putting together a far longer list.

The list has so far been sent to Trading Standards in the London boroughs of Ealing, Hounslow and Hillingdon, where the majority of the agents operate, plus Action Fraud, Watchdog and both ombudsman schemes. EYE was also sent a copy.

The agent, who does not want to be named, said: "It's not that these agents have forgotten to display or disclose their fees to customers.

"They do it on purpose, so that they can charge whatever they want, just depending on how desperate the customer is.

"All these agents should be hit with heavy fines."

He said he had been able to compile the list effortlessly, and said that it is something that Trading Standards should be doing.

He said: "Shame on the organisations turning a blind eye to this."

How to Make your Rental Rooms Larger

Gary Waller

The first question any potential student tenant asks is “has every room got a double bed”. In one of my houses the two rear bedrooms because of the large chimney breasts were a bit awkward to fit in a double bed. The house in question is a three storey terraced house built about 1870 just off the Lewes Road in Brighton. Two bedrooms on the first floor, two on the ground floor and lounge, kitchen and bathroom on the lower ground floor. This article looks a how you go about it.

In January I started planning to remove the said chimney breasts, I booked in my builder and planned to have the house empty for two months. Three of the students were graduating and the fourth was happy to move out for two months.

The first call is to a structural engineer, he looked at the house, put his head in the loft, charged me £250 and said a I needed a steel RSJ (or H beam) of a certain size. The structural engineer confirmed that in the vast majority of properties the chimney breast adds nothing structural to the property and provided that the weight of the chimney that is left above is supported can be removed. I then applied to building control at the council, submitting his structural calculation, standard cost of £169.

Originally I was just going to remove the chimney breasts in the two rear rooms, but as I had asked the structural engineer to calculate for removing the front chimney at a later date decided to push on with removing that as well.

With builder onsite and labourer fired up, they removed all the ceilings in the four bedrooms and some of the internal walls. We had decided on the big mess approach, the big mess seemed to last about a month! The ceilings were all lathe and plaster and following on from my experience in April where a lounge ceiling had come down, as a precaution I will now overboard or remove all lathe and plaster ceilings, a new plaster board ceiling is probably only 5% of the weight of the old lathe and plaster.

With the ceilings down we then inserted 3 acrow props in each chimney stack to take the weight above and removed sufficient bricks to fit in the new beam. We were able to fairly easily man handle the Steel beam into the loft space, we ordered it in two parts that were bolted together with M10 stainless steel bolts. The beam sits on the front roof plate of the house and runs to the rear of the house (6.3m), so it is sitting on the two outer walls.

The beam supports the front of the remaining chimney stack, reinforced concrete lintels are then run at right angles from the beam into the internal wall and with bricks and concrete all stitched together. The chimney stack above is then safe and the props can be removed.

At this stage call the building inspector, they are a great source of knowledge, he suggested supporting the middle of the beam within the rebuilt room dividing wall (pieces of 6”x2” timber and strapping) and also using fire resistant plaster board under the beam.

Then we had a few messy days taking out four chimney breasts, what a lot of bricks, over two skips worth and a cost of over £700 to have taken away. Make sure to remove all the soot from the internal wall as over time it can seep through new plaster. I repaired the gaps in the floor with joist hangers and 3 floor joists on each gap, then boarding with flooring grade chipboard.

Finally it was time to start rebuilding, before starting this stage you get the electrician to do first fix electrics, I have gone for at least 3 double plug sockets in each room, one at desk height and one with a USB charging point. Plaster board on internal walls with acoustic insulation between, plaster board on the ceiling and cement on the internal wall before plastering. Keith the builder then plastered the rooms and the labourer switched back to his usual profession and started decorating.

At this point my wife said, no more Magnolia and insisted on a pale blue colour, with matching grey carpets, new beds (Bensons for Beds, Hove) Ikea furniture and job done.

Apart from hard physical labour in the hottest summer for years, everything went fairly smoothly, yes we over ran in total it took 8+ weeks rather than 6, but we started late and having more labour would not necessarily have helped as in a small terraced house there is not the room to move. The rooms look superb, the tenants are delighted and hopefully I am in a position to compete with the glut of new student property that is coming on the market. Total cost including carpets, beds, Ikea furniture, and with me doing the carpentry, some of the decorating and a fair amount of labouring, well about £18,000

ROUND the Branches
Gary Waller: Brighton & Hove

I am predominantly a student landlord and for the first time in many a year we came to the end of September with a fair number of student properties still to rent. On the 25th September there were 76 Six bedroom properties on Rightmove available for immediate occupation, now with the exception of the very nice property in Hove with a Swimming pool the rest all looked like student properties. The agents that I talk to all speak of a significant drop in students looking for property. Now we have a temporary demographic drop in kids being born 18 years ago so hopefully that should improve but beware going forwards.

On that note, I spent an afternoon with the council Strategic Housing Committee having a tour of some new builds in the City. The first site is on the land that corners Boundary road in Portslade and the sea front road, to the East of the Small Batch Coffee Roaster, it was formerly the Belgrave Day Centre in Clarendon Place, Portslade. A total of 120 1, 2 and 3 bedroom flats are going to be built, this is 50:50 venture between the Council and Hyde Housing, a percentage of which will be offered as affordable housing.

Then on to the massive £150m Preston Barracks regeneration scheme. This includes a 'Central Research Laboratory', commercial building for start-ups and SMEs, 369 new homes, new university academic space and 1,338 student bedrooms and then some retail space. On the opposite side of the road, the car park in front of Mithras House will have an 18-Storey student block built on it with a pedestrian footbridge over the road. U & I Plc are the developers. All the groundwork has been done, so we will soon start to see building going up.

The four cranes that have dominated the skyline of Brighton for the last year are at Circus Street, behind Grand Parade in the centre of town. 142 new homes, 450 student rooms, office building, restaurants and a dance studio. Built on a multiple H pattern the lower rooms look a little dark, but you can see a mock-up of one of the £180 a week student rooms, complete with ensuite bathroom. Overseas students are being offered a three year get a 'degree in the UK' package.

Finally for the first time in 10 years I have gone to arbitration over a deposit. Deposits held with the DPS, two of the tenants then disputed sums for

£30 from a professional cleaning company, "why should we be expected to clean the house". So I submitted all the information to the DPS, check in inventory, check out inventory, tenancy agreement, the bills for the cleaning company etc. We have now been waiting over 3 months for arbitration from the DPS. I initially received emails with dates as to when the case was being heard, now I am just receiving emails saying that there is no date being set. Just be warned you and your ex tenants could be waiting a long time.

Finally we have done few shows, the last one being the Property Investor Show at Excel in October. Hope that you like the new branding, the shows are always a good way of keeping your CPD (Continuing Professional Development) up to date. Yes I know it's only a small stand but it's perfectly formed!

HMO Licensing

Members should be well aware that houses in multiple occupation (HMOs) with five or more tenants are required to be licensed under the mandatory licensing provisions from 1st October 2018.

The mandatory HMO licensing has been extended as from 1st October 2018 to include HMOs which house five people or more, in two or more separate households, who share one or more basic facility (e.g. a bathroom, toilet or cooking facility). The 'storey count criteria' is being removed from the definition of a licensable HMO (previously HMO licensing only apply to properties of three or more storeys in height). Therefore, if you have an HMO meeting these requirements it is essential that it is now licensed.

Those landlords who already hold a licence for such properties under Additional Licensing should make enquiries of the local authority about transition to a mandatory licence.

Fewer landlords

The number of private landlords in the UK has fallen over the last two years despite the number of rented properties rising. This is according to new figures published by Countrywide.

The report shows that the number of landlords peaked in 2015 3.72 million, now there are 3.56 million, some 154,000 fewer. This is despite a rise of 171,000 homes to rent over the same period.

The research shows less smaller landlords with fewer small landlords owning one or two additional properties and more corporate and portfolio landlords.

Countrywide research shows the number of landlords who own 10 or more properties has risen by a third over the last 10 years.

But more agents

But another piece of research shows the number of agents has increased.

Data taken from Companies House shows that between January and this month, October, there was an increase of 547 estate agents – more than offsetting the number going out of business.

Companies House does not publish the names of companies that are dissolved.
This figure can only be found by comparing reports from different months (each report lists roughly 4.2m companies) and comparing them to see who is missing.

This mammoth piece of research has been done by a new company Propdex.co.uk.

It has found that 1,646 firms calling themselves 'estate agents' have disappeared this year. It also found that 1,007 are in official trouble, for example in administration or under notice to strike off.

New firms – companies under three years old – are the most likely to have gone under so far this year, but it is notable that 468 much older firms have also folded in the same period.

iHowz Accreditation Training

We have started a training programme in Brighton to allow local landlords to update their knowledge, and to additionally allow them to claim discounts from their licensing applications.

It covers all aspects of letting, and typical comments were:-

- ***' … fantastic course, completely comprehensive.'***
- ***'… it was a really informative day.'***
- ***'… it was more instructive than I originally expected.'***
- ***'At the end of the day I felt worn out after taking in all the info but pleased that I had attended.'***

The next course will be at the Preston Park Hotel on Thursday November 29th

Email info@ihowz.ik for more details.

Changes for agents ahead

Tenants Fees Bill

This bill is currently going through Parliament which in summary proposes:-

- A ban on all of the upfront fees letting agents currently charge you before you rent a property. These range from so-called 'administrative fees', 'credit check fees', 'tenancy renewal fees' or mysteriously costly 'referencing costs'. Under the new legislation, the only fees renters can be charged are: the rent, a refundable security deposit, a refundable holding deposit and what will be known as 'default fees'.
- It also introduces a cap on deposits and states that landlords and letting agents will only be allowed to charge a maximum of six weeks' rent for security deposits, and one week's rent for holding deposits.

Plans to raise standards for agents

The Housing Minister Heather Wheeler has announced plans to raise standards across the property agent sector.

Lord Best will chair the working group, looking to make recommendations to better support homebuyers, sellers, landlords, leaseholders and tenants.

The options will include regulation and the introduction of mandatory qualifications for all property agents so that "tenants, homebuyers and sellers can be confident they are getting a professional service and are being charged fairly". The group will report their findings to government by summer 2019.

Compulsory Client Money Protection will probably be the law from next April.

From next April, local authorities will have the powers to fine agents up to £30,000 if they do not belong to an approved scheme; and fine agents up to £5,000 if they do not display details of their CMP scheme both in their offices and on their websites.

Homeless Reduction Act 2017

Previously councils have waited until tenants have been evicted and forcibly made homeless following the service of a valid section 21 notice before assisting with rehousing.

Under the new Homeless Reduction Act, councils will have to help people at risk of losing suitable accommodation as soon as they are threatened with homelessness. This means people should get help upon receiving a notice from their landlord if they are struggling to find a new property, rather than being told to come back when they have a bailiff's date.

Meeting venues

Social meetings

The regular London and Thanet socials will be:-

* London, the first TUESDAY of every month, commencing 6.30 pm.
To be held upstairs at the Constitution - 42 Churton Street, SW1V 2LP. Tel: 020 7834 365.
Note the change from the first Monday of the month – the venue remains the same.

* Thanet, the first Thursday of every month.
To be held in the newly re-furbished, and renamed Botany Bay Hotel (formerly the Fayreness), Marine Drive, Kingsgate, Broadstairs, Kent. 01843 868 641.
Commencing 7.00 pm. If using Sat Nav put CT10 3LH.

Branch meetings

The Brighton & Hove meetings are held at The Ralli Hall, 81 Denmark Villas, Hove, BN3 3HT (Easy Parking in Hove Station).

The Southampton meetings are at Eastleigh Rooms, The Concorde, The Old Schoolhouse, Stoneham Lane, Eastleigh, Hampshire, SO50 9HQ.

Meetings/exhibitions.

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

* Thursday November 1st	Thanet social
* Tuesday November 6th	London Social
* Tuesday November 6th	Landlord and Investor Show (Olympia)
* Monday November 12th	Brighton branch meeting – day time meeting 3:30pm start
* Monday November 19th	Southampton branch meeting – evening meeting
* Monday November 19th	Rent Smart conference Brighton 2pm Hove Town Hall Theme "the voice of Renters" to register email: theteam@rentsmartbrightonhove.org
* Tuesday December 4th	London Social
* Thursday December 5th	Thanet social

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