

41<sup>st</sup> Edition October 2019

**Improve your Knowledge & Save Money**  
**LLAS training will do both!**  
**Accreditation is good for business**

## Inside this issue

- >> *Foreword by Dave Princep*
- >> *Tessa –Lawyer- 5 points on alternative tenancy deposit products*
- >> *Tony- We choose to do the hard things*
- >> *Why Landlords should avoid Gas installations*
- >> *Landlord ordered to pay £114280 for illegal rental of micro flats*
- >> *Section 21 Process flow*



# Welcome to the latest edition of the PReSs

Recent research for the letting agents trade body - SafeAgent - by London Property Licensing suggested that property licensing schemes introduced by the Housing Act 2004 are failing. The research, carried out using Freedom of Information requests, suggests that 42% of landlords who require a property license to rent out a property have not made an application, leaving 130,000 landlords acting illegally.

When it comes to houses in multiple occupation (HMO) the figures are even worse. It suggests that only 25% of the HMO premises which require Mandatory or Additional Licenses have made an application. Landlords who fail to apply for a license are liable to severe penalties including an unlimited fine and a criminal record or up to £30,000 Fixed Penalty Fine, plus the risk that they will be required to pay up to 12 months' rent back to the tenant.

It states, London Boroughs are struggling to process over 24,000 license applications - a huge administrative burden that can lead to long delays in processing license applications with about 40% of boroughs still rely on paper applications. Compliance rates vary significantly between Councils with several having a compliance rate percentage in the low teens. With HMO license applications falling so far below expectations, fee income is significantly reduced leaving many councils struggling to effectively resource enforcement of their licensing schemes.

Issues affecting the whole licensing process is exacerbated by the complexity of the law. What constitutes an HMO for example can tax the most experienced officials as the definition is so complex and difficult to prove. There is no central register where landlords can go to check whether their premises require a license (although in London the London Property Licensing website compiles all London schemes, but outside London it requires a trawl through each councils website, or trying to contact the correct licensing team); the application process, information required and licensing procedures vary widely between councils; there are wide variations in licensing terms attached to individual licensees; fees vary wildly etc.

SafeAgent is calling for a simple, streamlined licensing process which would make it more cost effective for the public purse, easier for councils to enforce, and clearer for landlords and agents to understand whether a property should be licensed. I concur with their demands and would also like to see more standardisation in procedures, requirements and licensing processes.

I nostalgically look back to the 2008 Rugg Review into the private rented sector which, although mainly dismissed by the then Government, made many excellent recommendations including a "light touch registration scheme" for landlords which may well have removed the need for so many complex and bureaucratic local schemes.

Hope you enjoy this edition

**Dave Princep (Chair of LLAS & ATLAS)**

**Online CPD Courses: Book online at [www.londonlandlords.org.uk](http://www.londonlandlords.org.uk)**

**Keeping it Safe\* Letting and Managing Agent Course**  
**Introducing Repairing Obligations\* Legionella-What is it?**  
**HHSRS (Housing Health and Safety Rating System) \* Inventories**  
**TDP and Deposit Disputes\* Tenancy Agreements- Setting them up**  
**Tenancy Deposit Protection**  
**Immigration Act 2014**

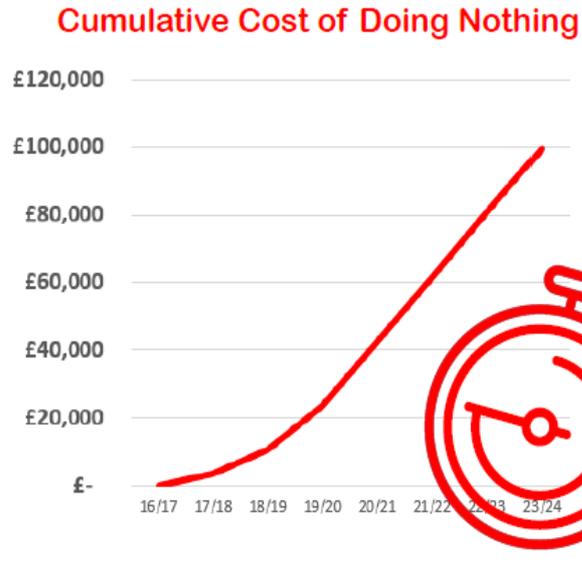
# Own More than 4 Rental Properties?

## Earning Over £80,000\*?

# What have you done to mitigate S24?



Based on a Gross Rental Income of £160,000, Allowable Expenses of £30,000 and Finance Costs Disallowed by 2021 of £70,000, one person, no other income.



## Time is running out...

## Don't Let the Tax Changes 'Accidentally' Bankrupt You

Take joined up advice from fully indemnified sector specialists with a 100% record with HMRC to maximise the commercial benefits of building, running, and growing a professional property business.

By doing so, you can enjoy:

- No need to remortgage or change title (thus no CGT or Stamp Duty)
- Lender friendly business structure
- Seamless succession planning and Inheritance Tax typically mitigated within two years
- Maximum Tax Rate of 20% payable on your property income

Can we help you?

**FREE**  
Assessment:

[LessTaxforLandlords.co.uk/s24](https://www.LessTaxforLandlords.co.uk/s24)

visit [lesstaxforlandlords.co.uk](https://www.lesstaxforlandlords.co.uk)  
email [info@lesstaxforlandlords.co.uk](mailto:info@lesstaxforlandlords.co.uk)  
call 0203 735 2940

\*If you own rental property in personal names, are a portfolio landlord and are a higher/advanced rate tax payer, then you're almost certainly paying too much tax on your property income. Take our initial assessment to see if we can help you benefit financially from running a recognised property business.



# Specialist landlord & tenant lawyer -Tessa Shepperson

## Answers landlords' FAQ: Five points on alternative tenancy deposit products

There has been quite a lot of publicity about alternative deposit products and perhaps you have been wondering if they are something you should offer to your tenants. Or maybe your letting agent is urging you to let them sell their product to your tenants.

Alternative deposit products can be good. But you need to be careful. Here are some points to bear in mind

### 1 They are not an insurance product. They are a guarantee.

This is a common misconception. What most of the policies actually do, is guarantee that if the landlord has a claim which the tenant fails to satisfy at the end of the tenancy, the company providing the product will pay out to a maximum of a specified sum.

### 2 The provider may not be regulated

There are a number of different providers. Most of them are not formally regulated for example by the Financial Conduct Authority. Look to see who the scheme owner is, and whether or not they are working in partnership with an insurance company (who will be properly regulated) or similar organisation. If they are not – be careful about using them.

### 3. There may be little or no protection for you

You should specifically check this before signing up to any scheme or authorising your agents to sell it to your tenants. For example Zero Deposits <https://www.zerodeposit.com/landlords/> tell us that that landlords will be covered by the Financial Services Compensation Scheme and that all customers have access to the Financial Ombudsman Service. Which is fine.

But what about the scheme YOU are being sold? Tip – if protection is not mentioned on the scheme website, there probably won't be any. In which case, if the company running your scheme has gone out of business in ten years' time when your tenant vacates your property leaving substantial damage – their guarantee will be worthless.

You need to check this point very carefully before agreeing to anything

### 4. How is the scheme being sold to your tenants by your agents?

This is another thing you need to be very careful about. Under the Tenant Fees Act 2019 you can ONLY offer an alternative deposit product to tenants if this is as given as a genuine alternative to a traditional deposit.

But how are your agents dealing with this? Remember, if they are acting as your agents you are legally liable for everything they do on your behalf – whether you have authorised it or not.

So if, for example, the alternative deposit scheme is the agents' own scheme and they are pressurising the tenants to sign up to this rather than offering them a genuine choice – you will be held liable to the tenants if they later complain about this AND you could be prosecuted by the authorities. The penalties under the tenant fees legislation are quite fierce. So be careful.

### 5. Are there any hidden charges?

For example, you will normally be expected to pay for adjudication if this proves necessary. Unlike traditional deposit schemes where the adjudication is free.

You need to watch out for this and check to see if there are any other charges involved.

### And finally

Alternative deposit products can be good and there is evidence to show that they do sometimes result in shorter void periods.

However, you need to be very careful indeed and do proper checks before using them or authorising your letting agents to offer them to tenants on your behalf.

### Tessa Shepperson.

Tessa is a specialist landlord and tenant lawyer and runs the Landlord Law online information service at <https://landlordlawservices.co.uk>



## **LandlordsBase** Management Software for Landlords

**LandlordsBase** is the comprehensive system designed for landlords, property managers, etc to manage their properties. Tenants can also log in to view their accounts, print statements, etc. LandlordsBase is completely web based and hosted on secure servers. Users can access their data anytime, anywhere from any computer connected to the internet.

LandlordsBase is very easy to use and requires little training. The following are the modules available in LandlordsBase:

Tenants Database  
Rent Collection and Management  
Repairs and Maintenance  
Properties  
Waiting Lists  
Tasks Reminder  
Notice Board

For more information please visit [www.landlordsbase.com](http://www.landlordsbase.com) or call 07432 649734 or to arrange a demonstration,

## **New licensing scheme in Thurrock**

Landlords in Thurrock are being reminded to apply for a license ahead of the launch of a new scheme to improve the conditions and management of shared homes.

Thurrock Council's additional licensing scheme starts on 1 June and will require private landlords and managing agents renting shared houses or flats to three or four unrelated people (houses in multiple occupation) to be licensed in certain parts of Thurrock.

Under the new regulations, landlords will have to comply with national health and safety standards and local criteria before a five-year licence is granted. Those who are not licensed could be prosecuted and receive an unlimited fine or be served with a civil penalty notice of up to £30,000.

The new scheme will complement existing UK-wide mandatory licensing, which applies to homes rented to five unrelated people or more. Thurrock Council this month became the first local authority in the Essex area to serve a civil penalty notice to landlords for failure to licence under the mandatory scheme, with three landlords fined a total of £16,000.

It is estimated there are currently about 700 homes in multiple occupation in Thurrock.

Cllr Barry Johnson, portfolio holder for Housing, said: "We support responsible landlords in supplying good quality and safe homes to residents, but sadly there are those who fail to provide acceptable living conditions and don't have adequate protection in place for their tenants or neighboring homes.

"We believe everyone should have a good quality place to live and tightening the regulations around more shared houses and flats will assist us in ensuring privately rented homes are safe and well managed."

To find out more and apply for a license, visit [www.thurrock.gov.uk/HMO](http://www.thurrock.gov.uk/HMO)

# AZAD AYUB

Azad Ayub started as a property management company in 1980 and it was incorporated in 1995, providing continuity to our clients both landlords and tenants for over 35 years.



We manage properties in North London and other areas within the M25. Most properties are owned by the directors of the company and a small number by our clients, who use the management services that we provide to Landlords.

**36 Wightman Road, London N4 1RU**

**Tel: +4420 8348 3135**

**Fax: +4420 8348 3298**

**Mob: +447956 131310**

**azad@azadayub.co.uk**

**www.azadayub.co.uk**



**Investor in People**



# “We Choose to do the hard thing”

In May 1961 John F Kennedy gave a speech that changed humanity’s outlook forever, moving us from an inward looking and belligerent earthbound irrelevance to an outward facing selfless species whose ability to collaborate for the common good far outweighed the differences that so often hold us back.

If only the same thinking was applied to solving the problems caused by poor government planning which failed to foresee (or conveniently ignored) the fact that people living longer coupled with falling birth rates - both a direct result of the introduction of the Welfare State in 1906 - would mean fewer and fewer people of working age having to support a larger population in the form of increasing amounts of health care and pensions.

That is not to belittle the introduction of the Welfare State of course - the aim of which was to improve health, education and employment; which, in my view, after the abolition of slavery was the greatest of all British social reforms...bar cricket!

However, add to the shrinking working population the chronic under-investment in both infrastructure and the public sector as a whole, plus the seemingly inevitable political pendulum swinging too far in the opposite direction for nothing better than outdated dogma each time the Left or Right finds itself in No 10, then it’s no wonder that governments of all persuasions find it easy to blame the Private Rental Sector (PRS) when it comes to their own short-sightedness and failed housing policies.

## A Taxing time for Landlords

In his Summer 2015 Budget, the then Chancellor, George Osborne, announced proposals to restrict the amount of tax relief that buy-to-let (BTL) landlords could claim on their mortgage interest payments, using the thinly veiled excuse that he wanted to ‘professionalise’ the sector as ‘accidental’ landlords were inflating house prices and thus preventing first-time buyers getting on the property ladder.

And when he commended his Autumn 2015 Budget to the House, a 3% additional rate of Stamp Duty Land Tax (SDLT) on purchases such as buy to lets and second homes had been added to landlords’ cash flow woes.

It gets even worse!

For landlords who decide to sell their BTL property, there’s no concession on the capital gains tax (CGT) payable, being 18% (for gains falling into the basic rate) or 28% (for those in the higher/additional rate bands).

So what happens to highly geared landlords if the tax relief restriction and other measures push them into the 40%, 45% or 60% tax bands and turn their business into a loss-making venture, thus forcing them to sell, only to discover that due to high gearing they may not have enough free cash after the sale to pay the CGT.

And to make matters *even* worse, for sales happening after April 2020, the CGT bill could be payable within 30 days of the disposal leaving no time to release funds from elsewhere, assuming there are any of course. Sure, you could always remortgage the family home, but as your income has now dropped like a stone no prudent lender will let you!

By the way, the first monetary impact of S24 hit BTL landlords in their 2017/18 self-assessment with the tax paid at the end of last January; and with the second year fast approaching and the tax due by January 31<sup>st</sup> 2020 the pain will soon get acute, especially for higher-rate taxpayers making payments on account and the effect it will have on their ability to borrow.

If you’re calculating how you’ll be affected, then don’t forget that once you cross into the higher and advance tax bands (S24 alone will do that with its eyes closed and both hands tied behind its back!), you’ll lose child benefit, your personal savings allowance goes and the amount you can contribute to a pension is reduced.

And lastly on the tax side, remember that non-mortgage interest expenses and the like are now only allowable in the tax year in which the money was actually spent regardless of whether that was a loss-making year or not, and thus cannot be carried forward.

## Higher Rate Taxpayer becomes Advanced Rate Taxpayer – Tax exceeds Net Income!

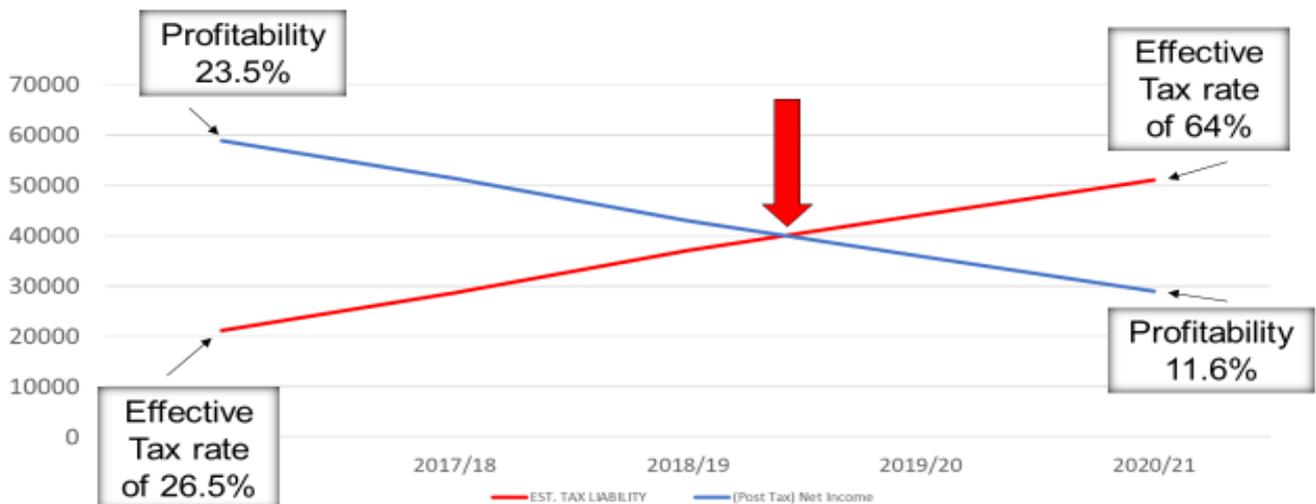


Figure 1 - based on a property portfolio with £250,000 GRI, £120,000 finance expenses and £50,000 allowable expenses.

Of course this is all before: -

- the tougher (but sensible) Prudential Regulation Authority (PRA) regulations insisting that BTL mortgage providers take a much more considered/tougher view before lending money to the sector, and
- the proposed abolition of S21 which, if enacted, will make it significantly harder to end a tenancy

Worst of all, when the landlord defaults as a result of all the above and the lender can't gain possession, the whole thing gets held up in court!

Ultimately, the net effect of political ignorance, continuing knee-jerk reactions and the poorly thought through unintended consequences is that the State will have created an even bigger problem when it has to bear the massive financial burden of private landlords being forced out of the market and throwing those who benefit the most on to the streets or having to rely on cash starved local authorities who simply do not have the means to cope.

No wonder that David Miles (a former member of the Bank of England's Monetary Policy Committee) said in a recent article for the RLA that; *"The government's approach to the private rented sector is incoherent"*.

A different approach is sorely needed.

### A force for good

Private Rental Sector landlords are rapidly taking over from public sector ones as the biggest supplier of social housing, and helping the former to build, run, and grow professional property businesses that sustain and nurture the communities they serve, which include halfway houses with pastoral care, student accommodation, regularly decorated and maintained family housing for life in the same way that local authorities used to do, through to those who can afford to buy but prefer to rent, is very much the way forward.

Putting that into context, the number of households in the rental sector rose by 25% to 4.5m, making it the second largest tenure in England, and is home to a fifth of all households. It's also one of the most diverse, serving a wide range of different types of households across all incomes, including an increasing number of families, with some 35% having dependent children.

## Divided we stand united we fall

So rather than demonising an entire sector and using the blunt instrument of taxation for the sake of vote winning political expediency, far better that we widen the discussion and start to work together in order to address the big issues in UK society, e.g. the NHS, education, racism, homelessness, etc., and how the PRS and Government could jointly use property to address them by working with local authorities and the like to stop them wasting their budgets on short term accommodation and use the savings to fund social care in a way that the founders of the Welfare State would most assuredly applaud as the progress and social good they had in mind in the first place.

Thus to paraphrase John F Kennedy's words but not his sentiment and commitment to doing the right thing for right reasons; *"We choose to work with landlords as professional property businesses in this and the coming decade and do the other things, not because they are easy, but because they are hard; because that goal will serve to organise and measure the best of our energies and skills, because that challenge is one that we and the PRS are willing to accept, are unwilling to postpone, and one we and the wider landlord community intend to win too"*.

Tony Gimple

Founding Director at Less Tax for Landlords

If you've been affected by the tax changes raised in this article, please visit [www.lesstaxforlandlords.co.uk](http://www.lesstaxforlandlords.co.uk) for more information on running a tax-efficient professional property business.



# Calling all landlords

## Do you have a property to let?

Then why not contact us immediately? We offer:

- cash incentives
- housing benefit fast tracked and paid directly to you for properties in Brent
- advice on tenancy issues
- competitive rents.

**We currently have a high demand for all sized properties in and out of Brent**

To find out more about our schemes and incentives, call us now on **020 8937 2777** email **landlords@brent.gov.uk**

[www.brent.gov.uk/rwb](http://www.brent.gov.uk/rwb)



# Why Landlords should avoid gas installations



Gas is very popular in domestic properties including those which are rented out by landlords. Indeed it is often recommended in landlords Energy Performance Certificates as a way to improve the energy efficiency of a property. However gas is a fossil fuel. It may be a cleaner fossil fuel but it is a fossil fuel nonetheless. If we are to fight climate change we need to move away completely from all fossil fuels and use (insofar as is possible) only renewable energy appliances. This means electricity.

There are other reasons, unconnected with climate change issues, why gas is to be avoided:

## Other reasons to avoid gas:

### Gas is very dangerous

In fact, it's often described as a silent killer. You cannot smell or see it, but if you breathe in too much of it you can suffer carbon monoxide poisoning which can cause death.

Gas leaks from faulty appliances or pipework can be accidentally ignited and can cause fires or explosions with sometimes devastating effect.

### The Gas Regulations

Because of the dangers of gas, we have had gas regulations which apply to all rented properties since the 1990s. These are very strict and require landlords to obtain a gas safe certificate and serve in on tenants before they move into the property. The property then has to be reinspected every year and a fresh certificate obtained and served on tenants.

As the law stands at the time of writing, if landlords serve their gas safe certificates on tenants AFTER they have moved into the property, they will lose their right to evict tenants under the no-fault section 21 procedure. This was first held in a case called [Caridon Property Ltd v Monty Shooltz](#).

It is arguable that if a landlord has failed to serve a gas safety certificate properly on tenants, but then removes all gas pipework and appliances from the property – this could negate the rule from the Caridon Property case. There have been no cases on this point though and so this is speculative.

### Obstructive tenants

Amazingly some tenants are obstructive and refuse to allow landlords access to the property to carry out the annual gas check. This is more likely to happen in social housing but is not unknown in the private rented sector. When this happens it puts the landlord in a difficult position. They cannot enter the property against the tenant's will to carry out the check. However, if the gas safety certificate is not obtained and served on the tenants, the landlord will be in breach of the law. Plus there is always the possibility that the appliances have been damaged and are unsafe – which could result in injury to the tenants and damage to the property.

The general rule is that if landlords have at least three documented attempts to gain entry to carry out the test then they will have a defence to any prosecution. I provide guidance on this in my [Landlord Law service](#). However, it is still a problem for landlords who may have concerns about the safety of their property

### Changes are likely to come

It is likely that at some stage in the future, new gas installations will be outlawed by new climate change regulations. If we are to properly fight climate change this is a necessity. The EPC standards will also need to change.

Landlords are therefore advised to fit electrical heating and other appliances in their properties from now on. If this is combined with the use of a green energy company (such as [Ecotricity](#)) then this will go towards reducing the properties all over carbon footprint. Which is all to the good. It will also mean that you no longer have the bother and expense of obtaining annual gas safe certificates and are spared the other worries discussed above.

Source: <https://landlordlawservices.co.uk/>

# Do you have a property to let in Lewisham?

Lewisham Council runs two schemes to meet your needs.



## Lewisham Landlord Letting Scheme

With this scheme you manage your property yourself on an Assured Shorthold Tenancy. Benefits include:

- ▶ one-off cash payment for new landlords
- ▶ continuous supply of tenants
- ▶ four-week deposit bond
- ▶ free professional inventory
- ▶ fast-track payments from tenants on housing benefit.

## Private Sector Leasing Scheme (PSL)

With the PSL scheme, we manage your property for you. Benefits include:

- ▶ guaranteed rent 52 weeks a year
- ▶ protection from LHA changes
- ▶ no void or bad debts
- ▶ professional housing management services
- ▶ property inspections.

**Find out more – with no obligation.**

[www.lewisham.gov.uk/landlords](http://www.lewisham.gov.uk/landlords) • 020 8314 7086 / 9772 / 6753



## Do you have a property available to rent in Medway? Join our private Rented Scheme

**Medway Council is actively looking for affordable rental accommodation of various sizes to meet the needs of a wide variety of tenants.**

The council provides landlords with an introduction to prospective tenants. Where a letting is agreed, landlords will be able to access a number of incentives (dependent on property size, area, rent charged).

Some benefits of joining the Private Rented Scheme (PRS):

- There are no fees or commission payable for this service
- For new landlords there is help and assistance with accessing the lettings market
- There is assistance with completing housing benefit forms
- It saves landlords time and money, as there is no advertising and can reduce the amount of time a property is left vacant
- Ongoing tenancy support assistance

If you are a managing agent or if you own a property which you wish to offer a client from the council, please contact us. One of our officers will be in touch with you to discuss the scheme in further detail.

For more information about the PRS phone: **01634 333053** or email: [lenka.trent@medway.gov.uk](mailto:lenka.trent@medway.gov.uk)



## PUBLIC NOTICE

### Notice of Designation of an Area for Additional Licensing of Houses in Multiple Occupation (HMOs)

**This notice is published in accordance with Sections 56 to 60 of the Housing Act 2004 and Regulation 9 of the Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006.**

The London Borough of Brent Council in exercise of their powers under section 56 of the Housing Act 2004 ("the Act") gives notice that it has designated for additional licensing of Houses in Multiple Occupation ("HMOs") the area described in paragraph 4.

1. The designation may be cited as the London Borough of Brent Council Designation for an Area for Additional Licensing of Houses in Multiple Occupation 2019, No 1 ("the Designation").
2. The Designation was made on 14<sup>th</sup> October 2019 and shall come into force on 1st February 2020.
3. The Designation shall cease to have effect on 31st January 2025 or earlier if the Council revokes the scheme under section 60 of the Act.
4. The Designation shall apply to the whole area of the district of the London Borough of Brent as delineated and edged red on the map at Annex A.
5. The Designation applies to all Houses in Multiple Occupation within the area described in paragraph 4 unless –
  - (a) the building is of a description specified in Schedule 14 of the Act (Annex C of the Designation – i.e. Buildings that are not HMOs for the purpose of the Act - other than Part 1 of the Act);
  - (b) the HMO is subject to an Interim or Final Management Order under Part 4 of the Act;
  - (c) the HMO is subject to a temporary exemption under section 62 of the Act; or
  - (d) the HMO is required to be licensed under section 55 (2) (a) of the Act (mandatory licensing).
6. Subject to sub paragraphs 5(a) to (d) above, every HMO of the description specified in section 254 of the Act (Annex B of the Designation) that is in the area specified in paragraph 4 shall be required to be licensed under section 61 of the Act.
7. The London Borough of Brent Council will comply with the notification requirements contained in section 59 of the Act and shall maintain a register of all houses registered under the Designation, as required under section 232 of the Act.

The Designation was given general approval by the Cabinet of the London Borough of Brent Council

The Designation falls within a description of designations in relation to which the Secretary of State has given a general approval under section 58 of the Housing Act 2004, namely: The Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2015 which came into force on the 1 April 2015.

A person having control of or managing a prescribed HMO must apply to the London Borough of Brent for a licence. Failure to apply for a licence in the designated area is an offence under Section 72(1) of the Housing Act 2004, punishable on conviction by payment of an unlimited fine. In addition, they may be required to repay up to 12 months' rent if the tenant or the Council, in the case of housing benefit payments, apply to the Residential Property Tribunal under the provisions of section 73 and section 74 of the Housing Act 2004 for a rent repayment order. The Council may, as an alternative to initiating a prosecution, pursue one or more of a range of other enforcement actions including the imposition of a financial penalty of up to £30,000 per offence.

Any landlord, managing agent or other person managing an HMO or any tenant within the Borough may seek advice as to whether their property is affected by the designation during normal office hours, which are: 9am to 5pm, Monday to Friday.

An application form and general advice may be obtained from Private Housing Services, London Borough of Brent at Brent Civic Centre, Engineers Way, Wembley, Middlesex HA9 0FJ; (telephone number: **020 8937 2384/5** and **PRSlicensing@brent.gov.uk**). The Designation in respect of additional licensing of HMOs in the London Borough of Brent may be inspected at this address and a copy of the Designation can be obtained from Brent Council's website.

#### **ANNEX A – Paragraph 4: Map of Designated Area for Additional HMO Licensing**



## **LB of Haringey Landlords & Managers**

Please note that the Council will no longer be accepting paper application for HMO Licenses. You can now apply for and manage an HMO Licence as well as pay for your license fee using our new online application portal. This can be accessed using the following link.

<https://propertylicensing.haringey.gov.uk>

May I take this opportunity to remind you that it is now a legal requirement to license any type of House in Multiple Occupation in Haringey with the council, It is an offence to be operating a licensable HMO without a license. As of February 2019 the Council can now issue civil penalties to owners who have failed to license a property or take a prosecution. Should you be found to be operating without a license this formal action will be taken against you or your clients.

I strongly advise that you take this opportunity to make any delayed application using the portal and or communicate your intentions to license with us. Portfolio applications can be made easily using the shopping cart function within the new system.

If you require any advice or help applying, please do not hesitate to get in touch, please contact **020 8489 5521/2615**

**Alex Fyson (Housing Improvement Team Manager)**

# Calling all landlords!

Looking for a hassle-free,  
low cost way to let your property?

## Try Ealing Council's direct let scheme

This quick and easy service takes the hard work out of finding tenants without asking you to surrender control of your property. We pair you with tenants who are looking for a new home and leave you to self-manage your property.

- **No commission or finder's fees**
- **Generous financial incentives**
- **Simple and easy to use**

Want to find out more?  
Get in touch today on  
020 8825 8765 or  
[landlords@ealing.gov.uk](mailto:landlords@ealing.gov.uk)



# Ban for solicitor who enabled £62k Overpayment on property sale

A solicitor who showed 'flagrant disregard' for his client's interests by allowing him to overpay for a property has been struck off by the Solicitors Disciplinary Tribunal.

Milan Patel, admitted in December 2005, was sole director of ALD Legal Solicitors in Harrow when he was instructed by a resident of Saudi Arabia to purchase a UK property on his behalf.

According to the judgment, a sub-sale transaction took place on the day of completion whereby the property was transferred from the seller to a firm called HB Consultants Ltd for £438,000. The client, who was not aware of this, bought the property from HB Consultants for £500,000.

The tribunal found that Patel's 'state of knowledge of the facts at the material time was that he was well aware that HB Consultants Limited purchased the property for £438,000 then immediately resold it to [his client] for £500,000'.

It added that Patel had 'deceived' his client and that 'ordinary, decent people would conclude that his conduct was dishonest'

The tribunal also noted that the respondent had a commercial relationship with HB, who was Patel's business partner and a client of the law firm. It stated that Patel had 'plainly allowed his independence to have been compromised' and that he had shown a 'flagrant disregard' for his client's best interests. It again found his conduct to have been dishonest.

Regarding separate allegations, the tribunal found that Patel misappropriated client money by way of 13 improper payments amounting to £277,000, causing a shortfall in the client account.

It also found that Patel failed to have sufficient regard to money laundering regulations when dealing with his Saudi client, whose place of residence 'cried out for enhanced due diligence,' according to the SDT. The judgment states that the client did not supply any identification documents until four days before the completion of the property sale.

Patel, who did not attend the tribunal and was not represented, was struck off and ordered to pay costs of £27,412. The tribunal said his 'dishonest conduct' was driven by 'personal financial gain' and was 'planned, premeditated and concealed over a protracted period of time'.

Source: <https://www.lawgazette.co.uk/news/ban-for-solicitor-who-enabled-62k-overpayment-on-property/5101799.article>

## How to join LLAS & ATLAS

Join thousands of landlords and agents from London and across the UK. All you need to do is attend a one-day training course, agree to follow the LLAS & ATLAS Code of Conduct and be a fit and proper person.

LLAS training covers everything you need to know, including landlord and tenancy rules, Landlords responsibilities and liabilities, **start of tenancy, during tenancy and how to end tenancies**, health and safety, contracts and property management etc.

The training course costs £199.90 for 5yrs accreditation & £99.90 for 2yrs accreditation

Register and book your one-day training at [www.londonlandlords.org.uk](http://www.londonlandlords.org.uk)  
Call **020 7974 2834** if you need assistance or email [llas@camden.co.uk](mailto:llas@camden.co.uk)

# Do You Have A Property To Rent In South London?



## Incentive Scheme

- Up to **£4,500 non-refundable incentive** at the start of your tenancy.
- A **competitive weekly rent** at or near the Local Housing Allowance
- Carefully selected tenants to suit your property
- A dedicated lettings officer to guide you through the lettings process
- A Benefit **sign up service** to ensure all claims are made
- A dedicated **Tenancy Support Service** to advise you on any problems which may occur during the tenancy
- **Viewings arranged within 24hrs** of being advertised

**Contact our team of highly trained Lettings Negotiators to arrange viewings for your property.**

## Leasing Scheme

- Safe in the knowledge that your rent will be **guaranteed for up to 5 years.**
- We will offer you a **bond** to claim off in the event of any damages to your property.
- Carefully selected tenants suitable for your property

## Why not try our new landlord insurance cover?

- We can provide you **rent guarantee insurance** that will also cover you for up to **£20,000 contents insurance** and **£5,000** damage cover.

Tel : 020 7926 9105

Email: [lettings@Lambeth.gov.uk](mailto:lettings@Lambeth.gov.uk)

## **Benefits of Accreditation**

- Be recognized as a good landlord or agent
- Learn about your rights and responsibilities under the new and existing legislation
- You will be recognized as a Fit and Proper Person
- Rent your property to Councils through their leasing or letting schemes
- Learn about key issues of property management and managing a tenancy
- Have access to the latest, up-to-date information via our website, newsletters and further development courses.
- Receive a comprehensive reference manual on a USB
- No membership fees
- Business advantages as tenants seek out accredited landlords and agents
- Use of the LLAS & ATLAS logos for advertising, on your letterheads, website, property adverts etc.
- \* Reduced HMO licensing fees
- \* **Grant money** to improve your premises
- \* **Grants** to bringing empty properties back into use
- Preferential treatment by landlord organisations and universities
- Discount and preferential consideration opportunities with suppliers including insurance companies, materials supplies etc
- Improved access to local authority services for housing advice, housing benefit advice, etc.

# Landlords who rented out illegal micro flats in West Hampstead ordered to repay £114,280 housing benefit

As reported earlier this year, investigations by Camden Council uncovered an unlicensed house in multiple occupation in Pandora Road, West Hampstead following complaints about rubbish outside the property. The property had been badly converted into 16 flats

On 4 July 2019, Grosvenor Property Investment London Ltd, Knightsbridge Properties London Ltd, Business Home Ltd and their directors were fined a total of £130,000 and ordered to pay Camden Council's legal costs for a number of housing offences.

At that time, Camden Council reported that a large amount of housing benefit had been paid to the tenants, who then paid it to the landlord. The council said they were making Rent Repayment Order (RRO) applications to reclaim the housing benefit (universal credit) under the Housing and Planning Act 2016.

The Tribunal RRO hearing took place on 19 August 2019. The landlords failed to attend the hearing and so the case was heard in their absence.

In situations where the landlord has been convicted of a relevant offence, the Tribunal acknowledged the requirement to award the maximum amount allowable unless there were exceptional circumstances. As no exceptional circumstances had been raised by the landlords, Orders were made for the full amount.

On 28 August 2019 the First-tier Tribunal made an Order of £76,893.89 against Knightsbridge Properties London Ltd and an Order of £37,386.89 against Grosvenor Property Investment London Ltd – a total of £114,280.78.

This sum is on top of the £130,000 fines imposed by the Court in July 2019 and demonstrates the huge compliance risk from renting out properties without the correct licence in place.

If the amount is not paid, the council can reclaim the debt through the county court. The money recovered can then be reinvested to support the council's housing enforcement activity.

A free guide containing more detailed information about property licensing in the **London Borough of Camden** is available [here](#).

Source: <https://www.londonpropertylicensing.co.uk/renting-out-illegal-micro-flats-unlicensed-west-hampstead-hmo-results-fines-totalling-%C2%A3130000>

## HOW TO UPLOAD CPD INFO ONLINE

To access the links to upload your CPD points, you will need to login into your online account at

[www.londonlandlords.org.uk](http://www.londonlandlords.org.uk) (if you cannot recall your login details, login with your email and then click on forgotten password to reset your online account) and when you have successfully logged into your account, do the following:

- Under **Completed Courses**, you will find a link,
- Click on the link and this opens up the facility for you to upload your CPD info,

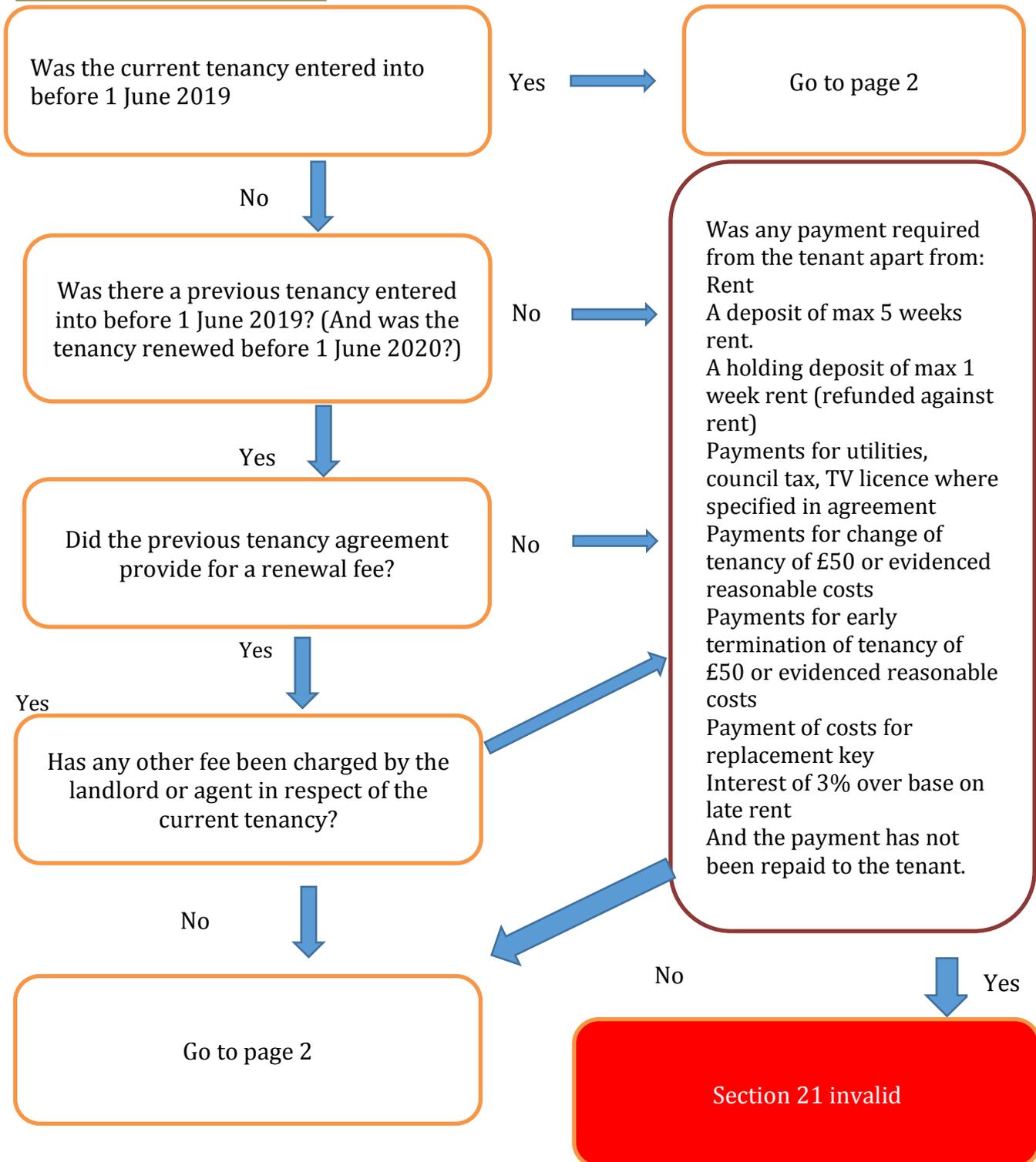
### The facility allows you to:

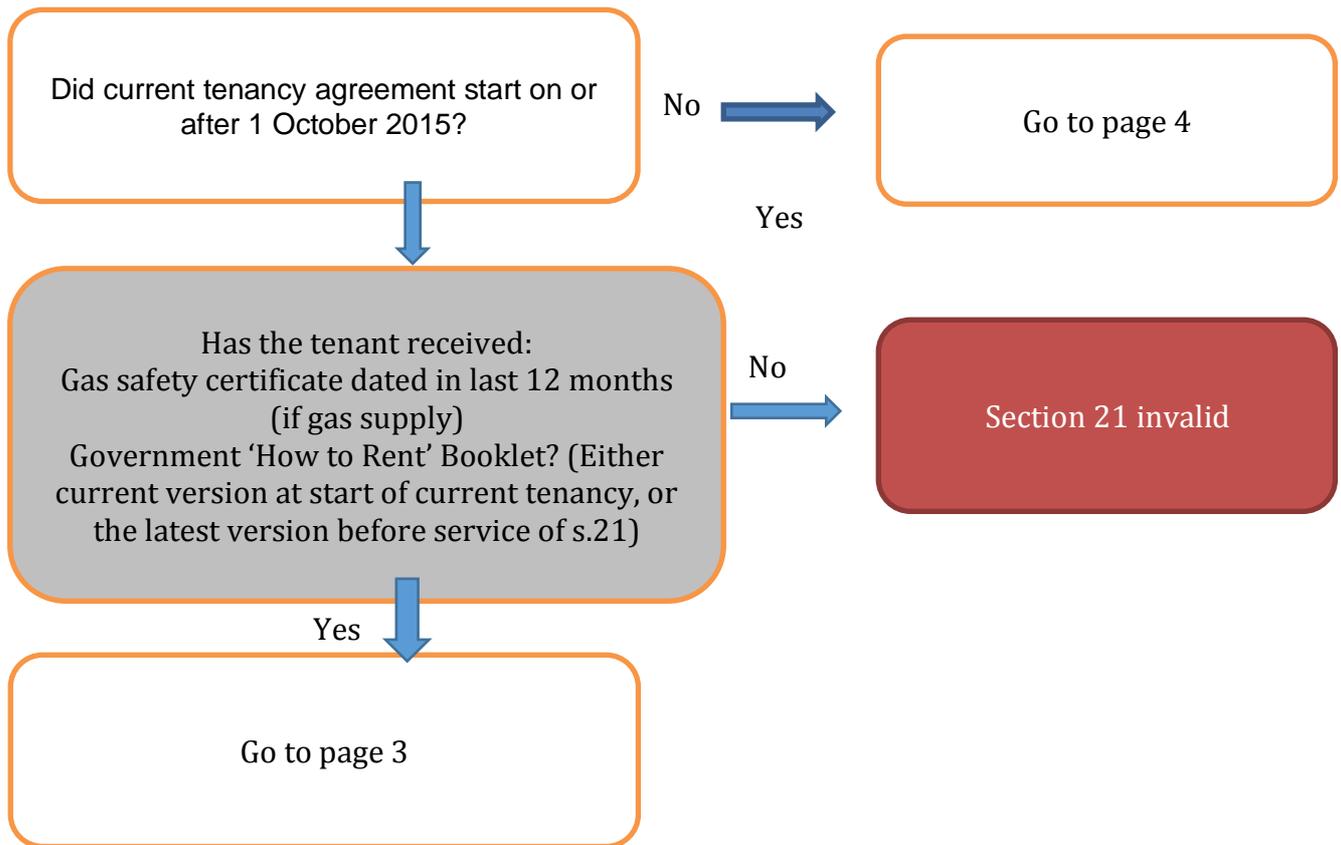
- Add your CPD activities online
- Upload certificates gained from your training
- Upload evidence of attendance at various forums, conferences, exhibitions etc.
- Add details of external courses attended
- You can add activities that you have participated in and that are not already on the list of CPD activities
- Add details about your membership with a recognised landlord or agent organisation. (This should be uploaded separately from any other activity and mark a/n in areas not applicable until you get to the section that is applicable, please complete and submit the form)
- Explain other activities that you may have participated in, but not sure if they are CPD certified

**On receipt of your CPD information, LLAS/ATLAS staff will review the content and award CPD points accordingly.**

# Flow chart for checking statutory validity of section 21 notices

AnthonyGold



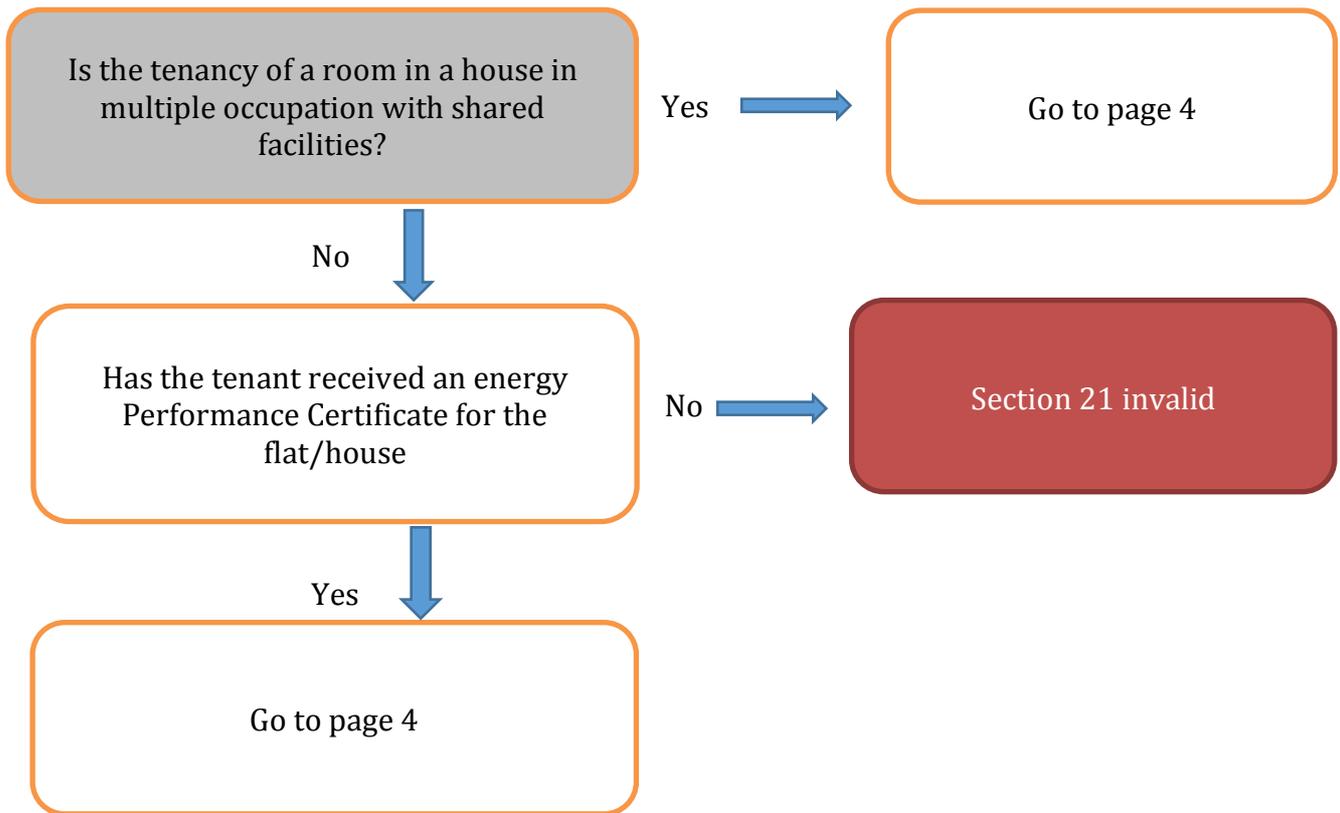


Grey Area – Gas Safety Certificates. In *Caridon Property Ltd v Monty Shooltz*. Central London County Court. 2 February 2018, it was held that the effect of the Assured Shorthold Tenancy Notices and Prescribed Requirements (England) Regulations 2015 was that the current gas safety certificate had to be provided to the tenant prior to their occupation. A failure to do so could not be remedied by providing it later. No section 21 could be served. This was a County Court appeal judgment by HHJ Luba QC. It is therefore not binding but is persuasive.

If this the case, it is also not clear whether provision of the gas safety certificate before the commencement of any replacement/subsequent tenancy term can remedy the breach and enable a s.21 to be served in the future.

See <https://nearlylegal.co.uk/2018/02/i-can-serve-gas-safety-certificate>

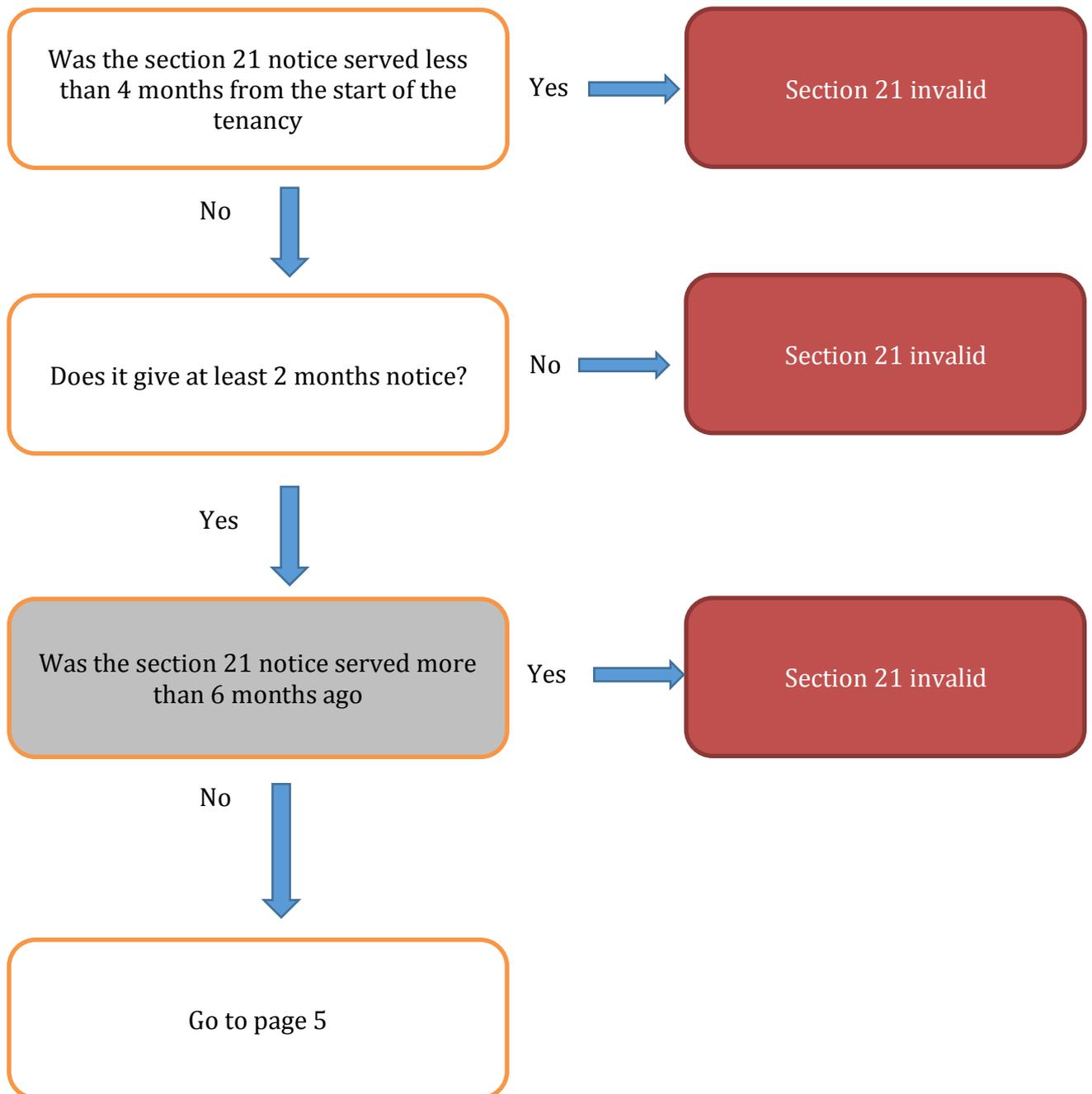
The related case of *Trecarrell House Limited v Rouncefield* on the same issue is due to be heard by the Court of Appeal in January 2020.



Grey Area:

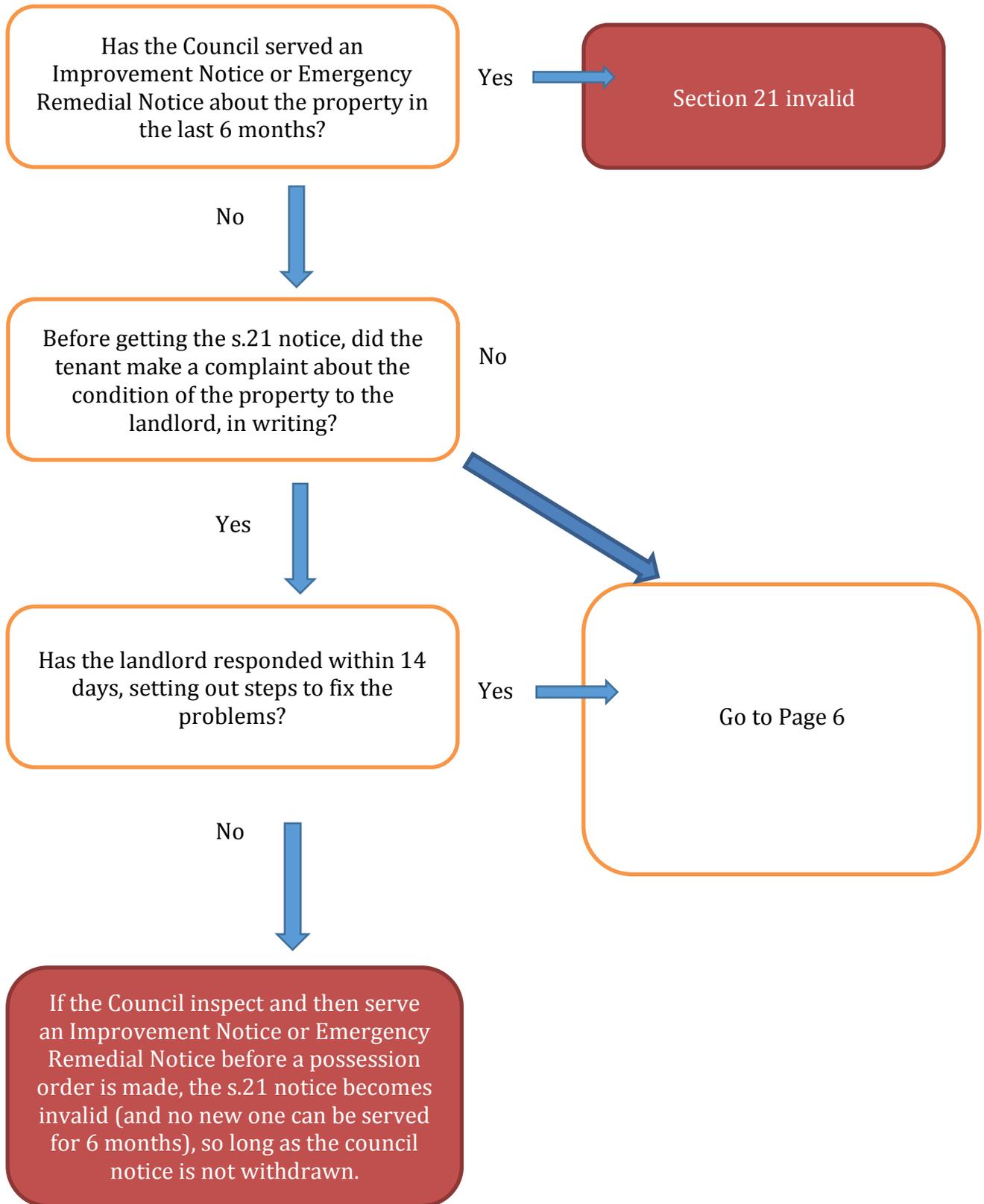
It is not clear whether Section 6 of The Energy Performance of Buildings (England and Wales) Regulations 2012 applies where the tenancy is of a room in an HMO with shared facilities. I understand that this is being tested in various cases. This box represents the general view at this point, but case law may hold that an EPC is required for the tenancy of a room in an HMO in the future. There is a county court judgment that the EPC is not required, *Home Group Ltd v Henry*. County Court at Newcastle. 21 May 2018

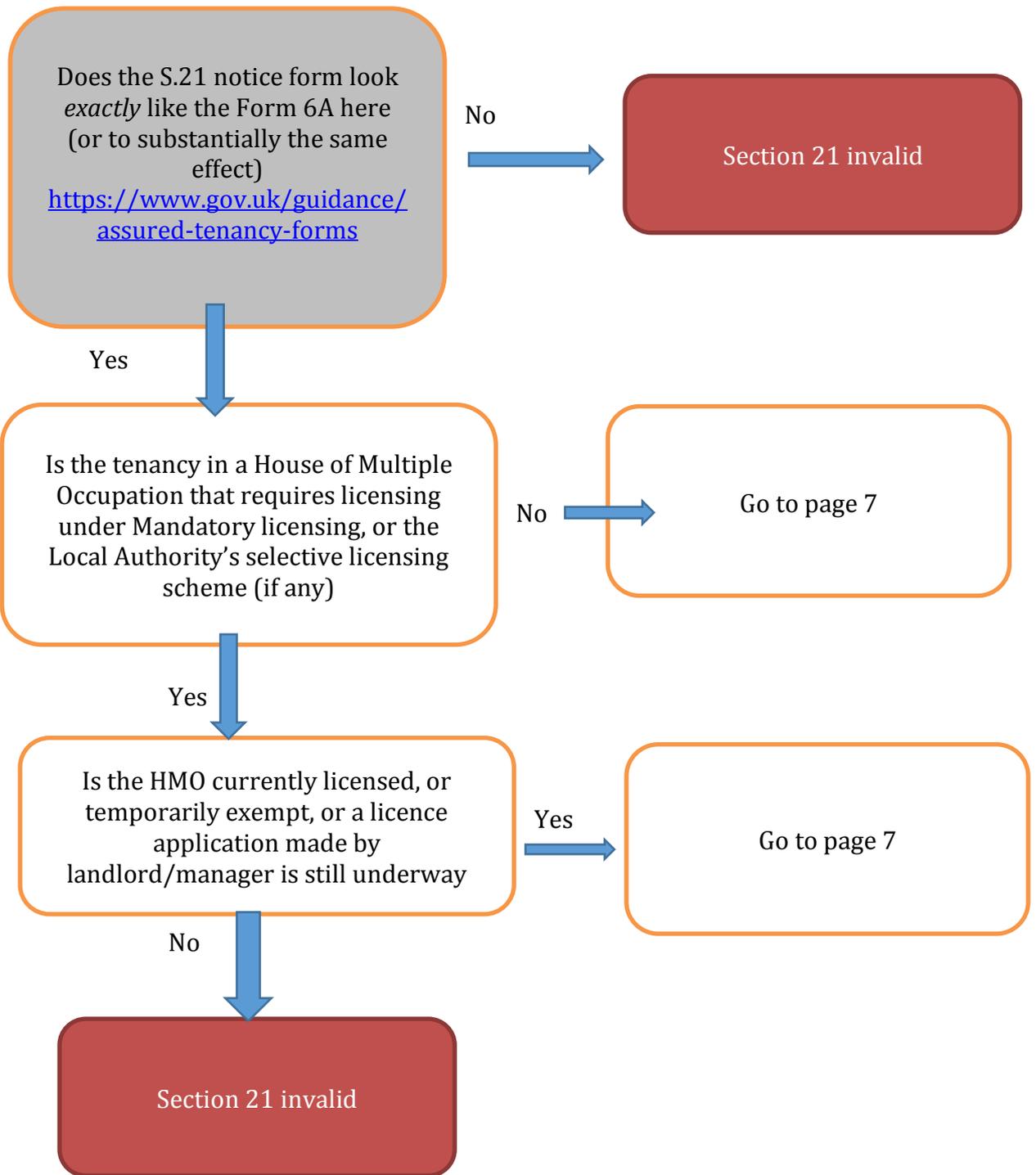
– see <https://nearlylegal.co.uk/2019/05/troubles-with-tlcs-hmos-and-epcs/>



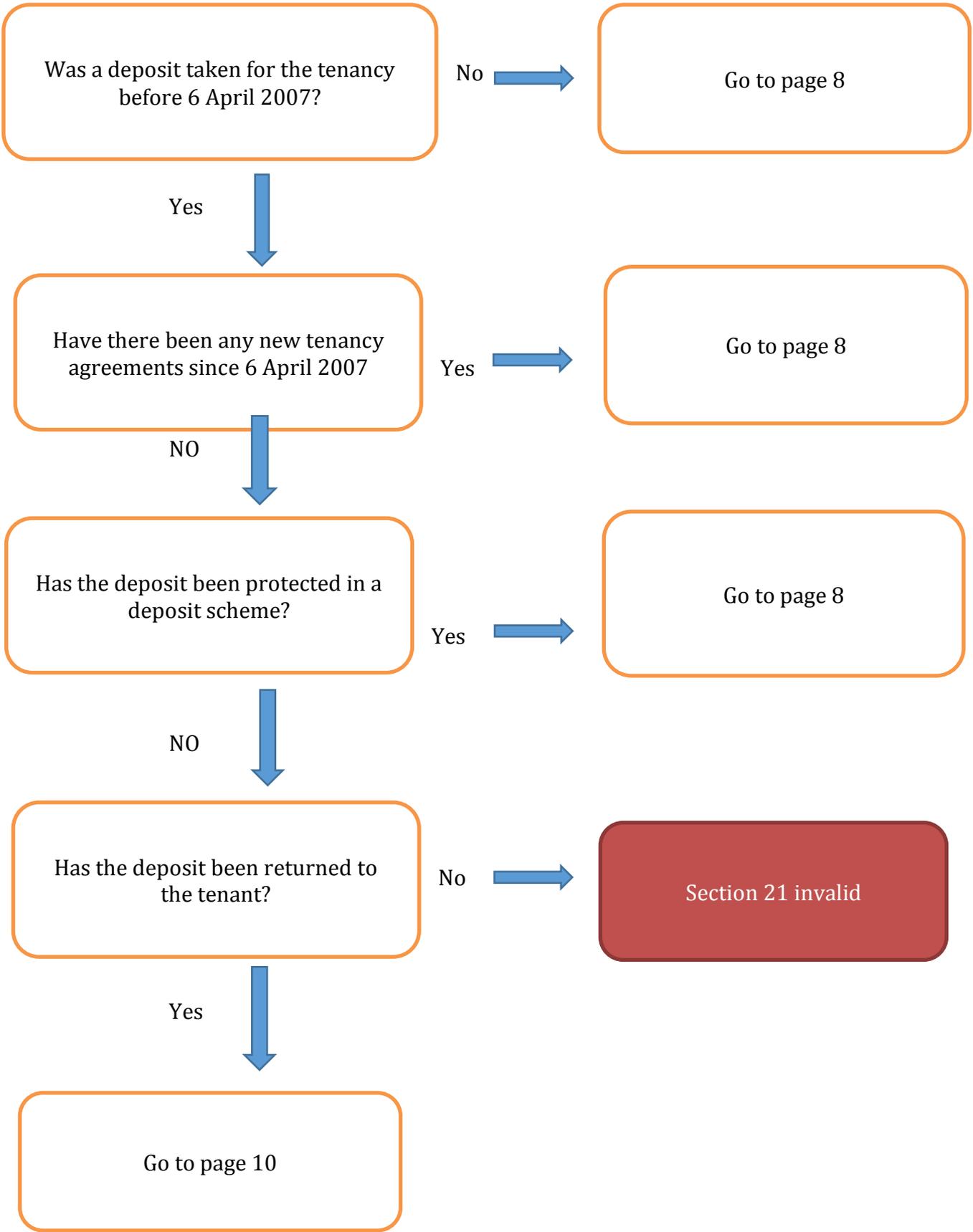
Grey area:

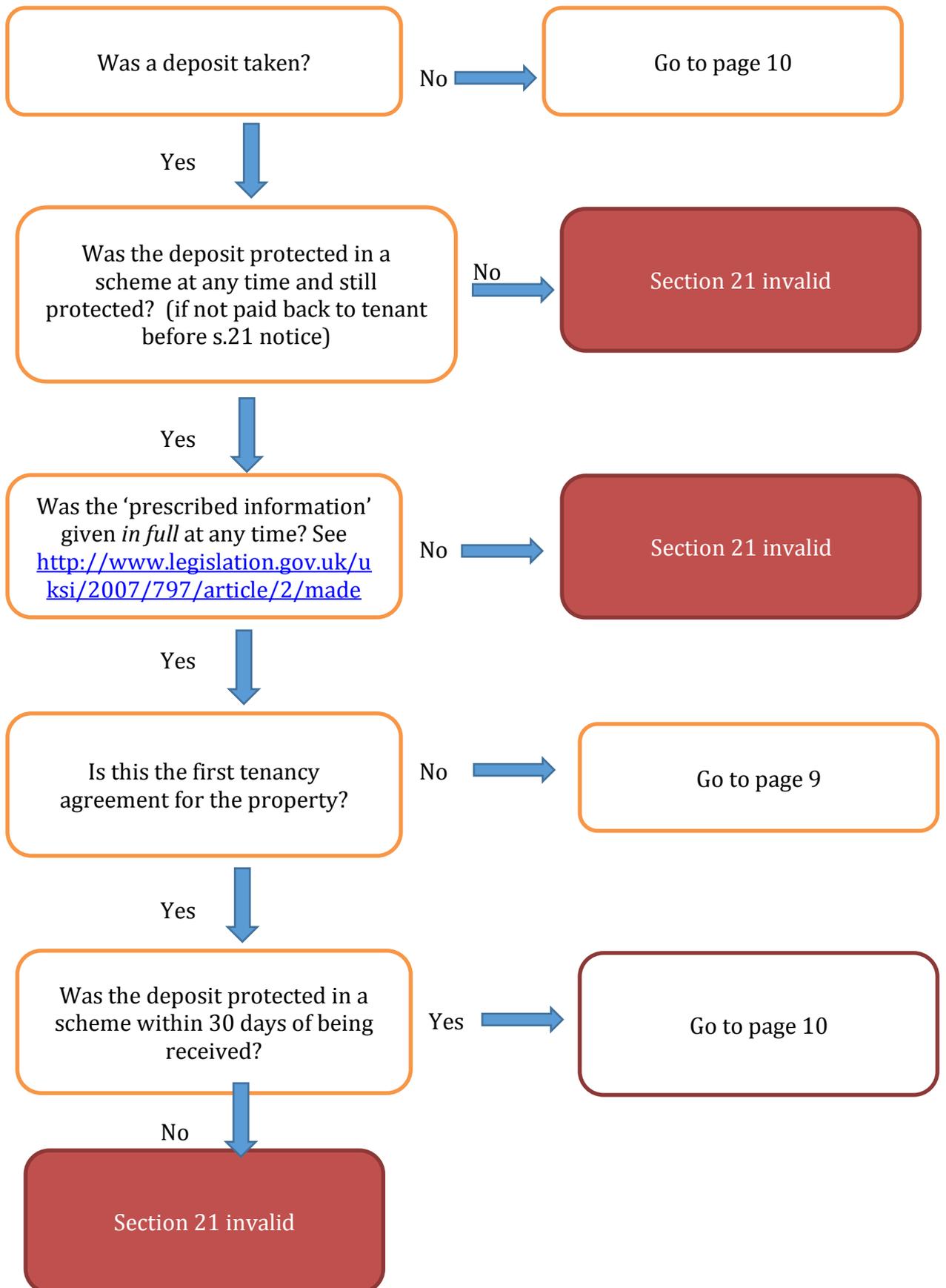
While s.21(4)(a) notices no longer have to expire on the last day of a period of the tenancy, and s.21(4)(a) only really applies to tenancies that have been periodic from the very start (or a contractual periodic), where the period of a tenancy is such as to require more than 2 months' notice (eg quarterly, or annual), the question here is did the s.21(4)(a) notice period expire more than 4 months ago

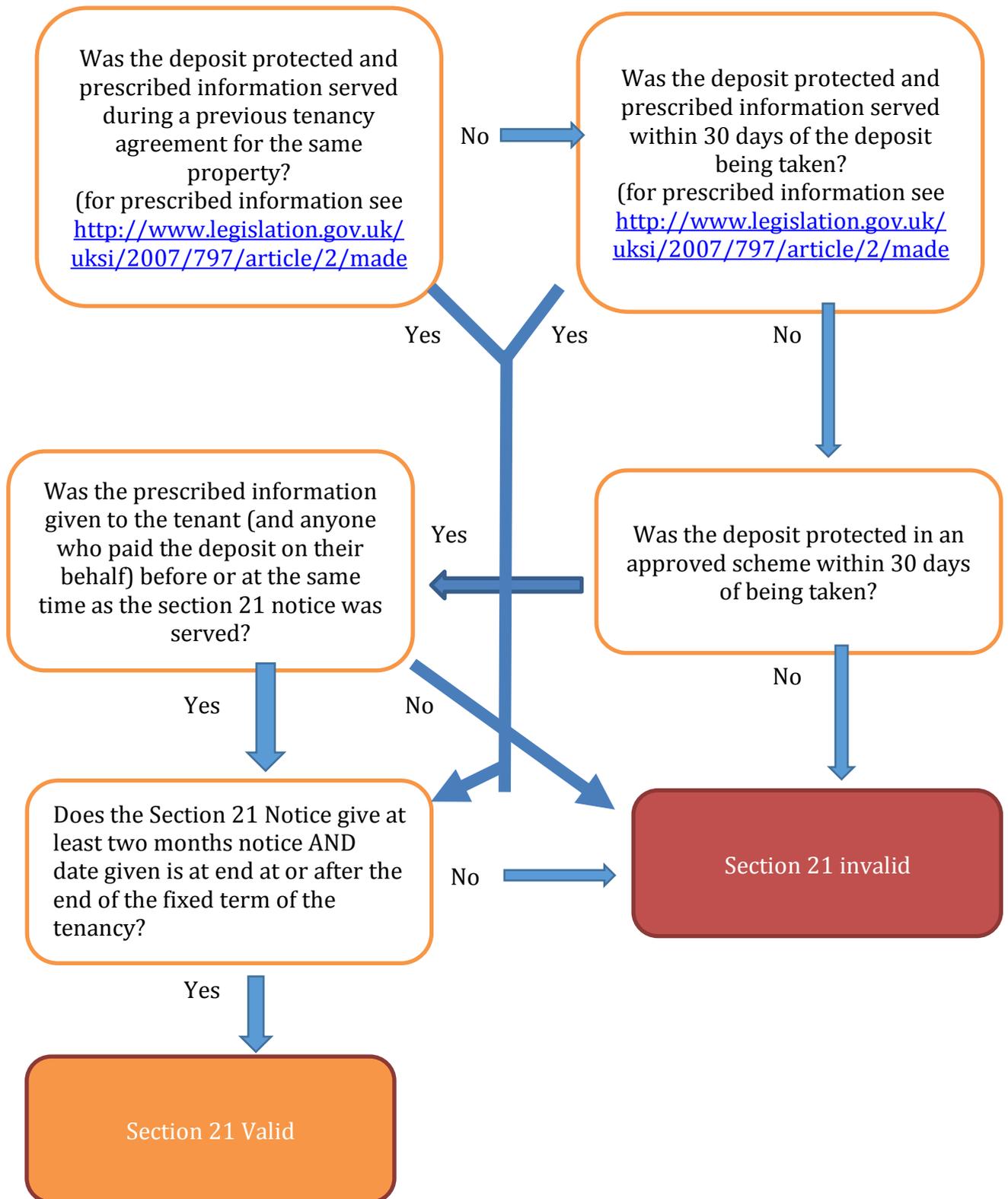




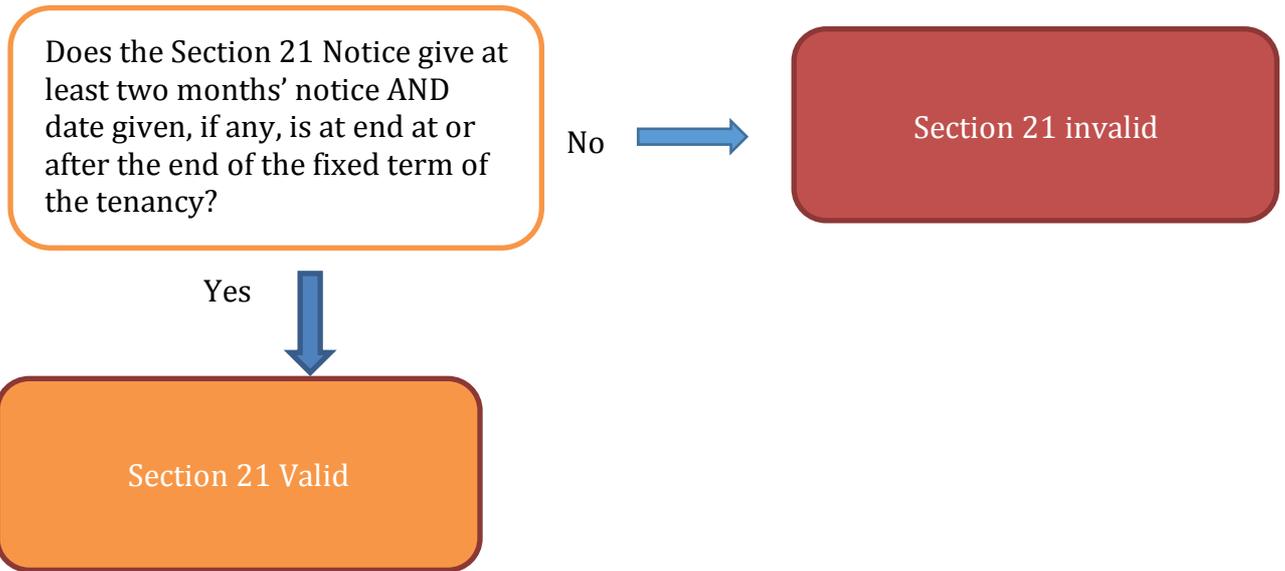
Grey area: Pre 1 October 2015 tenancies. There are different views on whether s.37 Deregulation Act 2015 made the use of Form 6A prescribed as of 1 October 2018, or whether further regulations are required. This may be an issue for case law if there are no new regulations.







Subject to court decisions, See <http://nearlylegal.co.uk/category/housing-law-all/deposits/>



(Possibly, subject to details of notice being right, service being made on all tenants and so on)

Grey boxes are 'grey areas' and notes are provided in grey on the same page.

S.21(4)(a) notices are no longer required, except for tenancies that were periodic from the very start, or became periodic contractually rather than as a statutory periodic, and even then, they no longer have to specify an expiry date that is the end day of a period of the tenancy.

**All the requirements of the chart above must be met.**



## Landlord Law

Online legal services at from specialist landlord & tenant lawyer  
Tessa Shepperson

### Services include

- Unlimited use of our 25+ tenancy agreement templates
- Answers to frequent questions - written in plain English so you can understand them!
- Support for members from Tessa in the members discussion forum
- Save money with our DIY eviction kit (+Plus members only)

Standard membership £20 pm +Plus membership £96 for six months or £180 pa (VAT included)

[www.landlordlaw.co.uk](http://www.landlordlaw.co.uk)

*"Landlord Law's great documents, information and customer support have been a God send and helped put me on the right path when I started out as a novice landlord. Thank you Landlord Law!" John Meades, Landlord*



# AZAD AYUB



Some of our clients have been with us since we started our business in 1980. More importantly, we maintain costs at a reasonable practical level for good practice and there is no wasteful expenditure.

As a result of this long period of service, we have been able to provide continuous support to our clients both landlords and tenants.

We own and manage properties in North London and other areas within the M25. Recently we have expanded our business in Spain, USA and Pakistan.



36 Wightman Road,  
London N4 1RU  
Tel: +4420 8348 3135  
Fax: +4420 8348 3298  
Mob: +447956 131310  
azad@azadayub.co.uk  
www.azadayub.co.uk

If you would like your property managed by a long established award winning company, please contact Azad or Elena.



Investor in People



Best Green Landlord  
UK Landlord Accreditation Partnership Awards 2016 Winner