

43rd Edition June 2020

Training, Networking & BBQ event this July in London!
Is Postponed to Thursday 8 July 2021

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Welcome to the latest edition of the PReSs

Welcome to this edition of The PreSs. To say that things have changed since the last edition would be an understatement, not only because of Covid19 and the lock-down, but also because even in this unprecedented situation additional legislation has been applied to the rented sector.

On 28 March 2020, since updated, the Government issued COVID-19 "Guidance for Landlord and tenants". The guidance deals with the moratorium on evictions, which are now to be extended until the end of August, and issues around repairs, visits and inspections. It is very important that landlords read the guidance and always keep a record of the steps taken to deal with repairs, visits and inspections, in case any issues arise in the future.

From 1 April 2020 the rented energy efficiency regulations extends the requirement for a rented property to have a minimum energy certificate rating (**EPC**) of **E** to existing tenancies. Any landlord with an **F** or **G** **EPC** ratings will no longer be able to legally let them out unless one of the exemption applies.

Landlords are expected to pay up to £3,500 towards energy efficiency improvement works. Once they have done this, or the singular piece of work will cost more than £3,500 to do, they can apply for an exemption if their property is still not at an E rating. This exemption does not prevent legal action being taken under the HHSRS if the tenants are considered at risk from the excess cold hazard.

Government data shows that between 2007 and 2017, the percentage of private rented homes with an energy performance rating of F or G fell from 22% to 6%. A significant improvement even before the regulations.

Since 1 June 2020 the tenant fee ban for landlords and letting agents letting residential property in England has been extended to cover most existing tenancies. The "fees" that can now be charged to tenants are very limited and include the rent, security deposit of up to 5 weeks (6 weeks if annual rent £50,000+), holding deposit of 1 weeks rent etc. To be safe you should return the excess deposit, but do liaise with your deposit scheme provider.

From 1 June 2020 The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 commenced but do not apply to new tenancies or renewals until 1 July 2020. They require the electrical installations in rented properties are inspected and tested by a qualified and competent person at least every 5 years, provide copies of the report to existing tenants within 28 days and new tenants before they occupy, keep and provide a copy to give to inspector carrying out next inspection and provide copy to the Council within 7 days if requested.

The Regulations require that rental premises meet **British Standard 7671:2018** (18th Edition of IET Wiring Regulations) and carry out any works identified within 28 days. The Government has provided guidance on the Regulations which fortunately states if works identified are "**Code 3 (C3): Improvements recommended**" then the installation is satisfactory and remedial works are not required. This is welcomed guidance but does not have the force of law.

The regulations also allow the inspector to require more frequent inspections than every 5 years (annual?) which would be to their financial benefit and the Health and Safety Executive have previously criticised this type of arrangement. Make sure you are up to date with this new requirement.

Hope you enjoy this edition and we can all meet in person in the near future

Dave Princep (Chair of LLAS & ATLAS)

Online CPD Courses: Book online at 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**

Online Accreditation Training Launched

This course allows you to get accredited while maintaining social distancing & when social distancing eventually ends, and we return to facilitating face to face training, the online course will enable those that cannot get away from work, or who live abroad, to access PRS training to become accredited landlords and agents.

This course is split into 6 sections and matches the face-to-face training which is provided as pre-recorded webinars, with the slides showing on the screen and the audio playing. The approximate time to complete each section is 10-15mins. At the end of each section, there is a short test of 8 Questions to check your understanding of the training.

The online course covers all the main areas that landlords & agents should know in order to operate a successful business; -

- The preliminary requirement,
- Responsibilities and Liabilities
- How to set up a tenancy,
- How to prevent problems occurring during a tenancy?
- What to do if things go wrong and
- What to do at the end of the tenancy?

You will need to be able to play sound from the device you are using to take the online training. You are required to listen to each recording in turn before you progress to the next subsection recording or to the test. The Pass mark for the online training is 60% on each section and you will only be able to proceed if you pass the section. If you fail the section, you will have to go back through the learning of that section in order to retake the test, only 2 attempts at each section is allowed before you will be required to repurchase the course. All 6 sections of the course must be completed within 30 days. If you fail to complete the course within this period, you will have to purchase the course again. There will be no refunds for those who fail repeatedly or fail to complete the course within the permitted time. The online training is available at www.londonlandlords.org.uk

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 **(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 in areas not applicable N/A 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 and on receipt of your CPD information, LLAS/ATLAS staff will review the content and award CPD points accordingly

Still worried about Section 24?

As a Landlord facing the removal of financing costs as a legitimate business expense, apart from putting up rents and compounding the tax problem, you have four options: -

Option 1 - Sell Up

Take the CGT hit and mortgage penalties, and either spend the lot or invest the money elsewhere.

Option 2 - Do Nothing

Accept the changes and put up with less cash in your pocket.

Option 3 - Incorporate

Jump on the band wagon and incorporate, ending your section 24 concerns, but opening up further difficulties as laid out in our guide: LT4L.UK/guide

Option 4 - Run a Highly Tax-Efficient Professional Property Business

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- Peace of mind and more money in your pocket!

Now is the time to chose, but whatever you do, don't simply bury your head in the sand!

Visit LT4L.UK/LLAS to request a free assessment.

Specialist landlord & tenant lawyer -Tessa Shepperson Answers landlords' FAQ: Seven Tips for Choosing New Tenants

Landlords are rightly concerned about their current inability to process eviction claims through the courts, particularly as the stay on possession proceedings has now been extended to 23 August. Making the pain of landlords stuck with non-paying or anti-social tenants even worse. However, the majority of tenants are paying their rent and behaving responsibly. Many of those in financial difficulties have been able to reach agreement with landlords. The majority of tenants are good tenants – but don't count on it!

Selection of tenant has always been important but at this time it is critical. I suspect that many of those landlords stuck with problematic tenants failed to carry out proper checking and referencing before they were allowed into occupation. So here are some tips to follow if you are seeking new tenants for your property – to ensure (so far as is possible) that you avoid those bad tenants.

1. Make sure you get full details from prospective tenants

Ideally you should have a standard form for them to complete. This should include:

- Basic information such as their name, current address, phone number, email etc
- Details of referees (see below)
- Bank account details
- Whether they have any unspent convictions (your insurers will almost certainly require you to ask them this)

Over time you will find other questions that you want to ask them. Make sure they are all on the form.

2. Double check the information provided

Bear in mind that if your applicant is dishonest, they will almost certainly have lied in the form. It sounds harsh but it is best to assume that everything is false until you have independently verified it. So, if a phone number is given for their employer – check to see if that is correct. It could be the applicant's friend, primed to give a glowing reference! So, you should:

- Do a search on the internet
- Look any employer up in Companies House (if they are a limited company)
- Look them up in relevant directories
- Ask around

Tip – put phone numbers into a Google search to find out more about them.

3. Follow up references

This will normally be done via letter but you may also want to ring them up – people may be willing to say more on the phone than they would in writing and you will be able to ask follow up questions. These are the normal references taken:

- **Employer** – this is really important as the employer will effectively be paying your rent
- **Bank** – these are normally pretty uninformative, but they do confirm that the application actually has a bank account
- **Landlord** – contact both the most current landlord and the one before. Remember the current landlord may be desperate to get rid of them!
- **Personal** – the value of this depends on the person giving the reference. Be wary of referees who are actually friends of the applicant. However, a reference from someone truly independent can be valuable.

4. Further online checks

It's amazing what you can find out about people online – this is permitted so long as you do not hack protected information!

For example, check out:

- Facebook
- LinkedIn, and
- Their twitter account

Make sure though that the account is actually the applicants and not someone with the same name.

5. Obtain a professional credit reference report

It's worth paying for a decent report – for example they will pick up whether your applicant has a string of CCJs following them around. Which is not something you will want! However, do not JUST rely on your reference report as they are not always 100% reliable. Do the other checks as well.

6. Take 3 months' worth of bank statements

This will allow you to check to see if your applicant can actually afford your property. Note that this is not a 'breach of data protection' – provided you keep the information safe, destroy it once you no longer need it and do not show it to unauthorized persons. Tenants often object to this considering it to be a breach of their rights. However, you also have a right to check that the tenants in your property can afford your rent. So, if they are unwilling to provide the statements, you will be unwilling to rent to them!

7. Warning signs

Offers to pay large sums in cash is something to watch out for. This is a classic sign of a criminal looking to use your property for illegal purposes – such as a cannabis farm. Be aware also of 'desperate' tenants who ask you to take them in immediately without carrying out checks. These generally turn out to be nightmare tenants. Always insist on completing all your checks and referencing in full before handing over the keys. Take note also of your own 'gut feeling'. If you feel uneasy about an applicant there is probably a reason for this.

And finally

If you follow the guidance in this article carefully you are unlikely to find that you have inadvertently let to a problem tenant. If you have delegated the finding of a tenant to someone else, such as your agent, you should also check to make sure that their selection process is equally rigorous.

Remember – it is worth taking care at this stage. It is very easy to let a tenant in. It is however very difficult to get them out (and it could take many months) if they are unwilling to leave.

Tessa Shepperson

Tessa is a specialist landlord and tenant lawyer and runs the Landlord Law online information service at www.landlordlaw.co.uk

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Investor in People



The Impact of the Covid-19 Crisis on Landlords' Tax Bills

From a purely financial perspective, the government has ruled out rent holidays during the Covid-19 epidemic. At the same time, landlords are being called upon not to evict tenants and the eviction ban is being extended for another 2 months.

Rent should still be paid, and where there are difficulties, most landlords are being supportive and understanding with their tenants as we look towards an easing of lockdown measures.

That said, the reality is many landlords are seeing a reduction in rental income, and just like other businesses – landlords need to batten down the hatches too.

With all this going on, sorting out your taxes may seem like an afterthought.

If you make no money – you pay no tax. At least that is how it used to be before Section 24.

Fortunately, the government are allowing all landlords who made a tax Payment on Account in January 2020 to kick the can down the road, with the option for an interest free deferral for your second 19/20 tax year payment. The payment due by July 31st, 2020 can be pushed back until January 31st 2021. This is an especially welcomed move by the government whilst cash-flow is tight, but it does mean landlords may need to plan further into the future than they might normally do.

There have also been calls – although so far these have fallen on deaf ears – for the chancellor to delay the final stage of Section 24 which came into force from April 6th, 2020. Such news would be welcome but has not yet been forthcoming and does not seem likely.

Those that currently have a Section 24 issue then will still see this compounded in their January 2021 tax bills as the payment on account tax escalator effect continues to build.

As an example, let us look at a landlord taking advantage of the payment deferral, with £160,000 Gross Rental Income, £30,000 Expenses and £70,000 in disallowed Finance Payments and no other income. This landlord will need to find £27,070 in January 2021, and £12,250 in July 2021. A total of £39,320 which is almost double the £19,200 paid in 2019

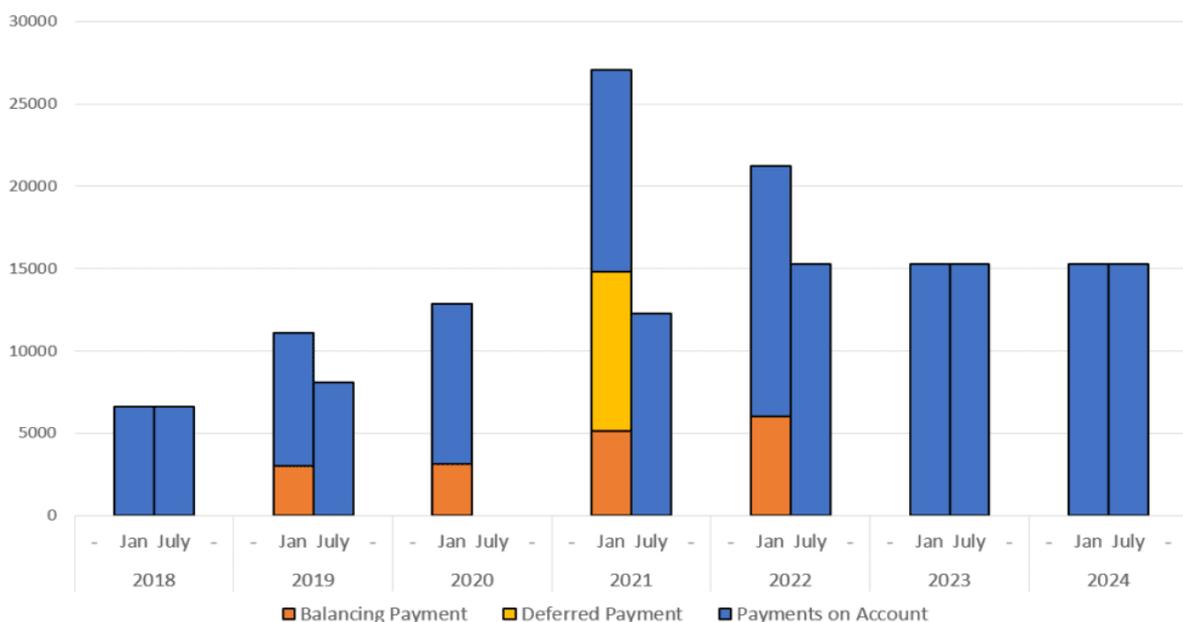


Figure 1 Illustration of Payment on Account Deferral

A reduction in rent receipts will mean less tax due of course, but mortgage payments still represent 'profit' without income. Some BTL lenders are offering 3-month payment holidays, and landlords should investigate all possibilities to improve cash flow though be aware the knock-on effects could see an increase in tax owed for January 2022.

Businesses across the world right now are being painfully reminded that cashflow is king, and of course taxes are a critical part of your finances. For many landlords, accounting for tax on property profits in personal names is no longer an option and putting off a decision on restructuring your business for too long could prove costly in the long term.

Portfolio landlords, in particular, should still seek advice. Becoming tax-efficient now could lead to a significant reduction in payments due in January. Such advice should also be tax deductible.

In a black swan event like this, the government are rightly backing British business. Unfortunately, much of this support does not apply to landlords.

Chris Bailey
Co-Founder and Group Director of Less Tax 4 Landlords

If you have been affected by the tax changes raised in this article or would like to learn more about Section 24 and how you can run a tax-efficient professional property business, register for exclusive video content at www.lesstaxforlandlords.co.uk/video-vault



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iHowz market update

June 1st 2019 was an important date for you:

1. The Tenant Fee Ban became absolute. The only fees that can be charged after that date are:-

- **Rent.**
- **Utilities and council tax** if included within the tenancy.
- **A refundable deposit** capped at five weeks' rent if your annual rent is less than £50,000, or six weeks' rent if annual rent is more than this. Note that you don't have to pay it back to the maximum after this date, provided the agreement goes to Contractual Periodic.
- **A refundable holding deposit** to reserve the property, capped at one week's rent.
- **Changes to the tenancy requested by the tenant**, capped at £50 (or "reasonable costs", backed up by written evidence from the landlord or agent).
- **Early termination of the tenancy requested by the tenant.**
- **Defaults by the tenant**, such as fines for late rent payments or lost keys. Fines for lost keys must be "reasonable costs", with evidence given in writing by the landlord or agent (you don't have to pay the fee until you've received this evidence).

2. Electrical Certificates became mandatory for new lets.

All **new lets** will require a 5 year Electrical Installation Condition Report (EICR). Then as from April 1st next year **all exiting lets** will require an EICR.

So if you are carrying out a new let before June 1st this year you won't need one until April 1st next year.

Please be careful of the definition of a new let. If you let 6 month Fixed Term today, you won't need a EICR; if you have stated in the AST that it will change to a Periodic at the end of the Fixed Term it will become a **Contractual Periodic Tenancy** and still won't need one until next April - this is because a Contractual Periodic Tenancy is considered as an extension of the original tenancy.

If however you say nothing in the AST as to what happens at the end of the Fixed Term it will become a **Statutory Periodic Tenancy**, and this is considered a new tenancy, and will require an EICR.

All of these are covered in videos on **iHowz.tv**.

The different types of an AST

Most tenancies will initially be for a Fixed Term - achieved either by stating the tenancy commences on *date*, for a period of 6 months, 12 months (or whatever); or by stating the tenancy commences on *date* until *new date*. Either of these wordings will achieve a Fixed Term.

Note that there is no legal requirement to have a Fixed Term at all, although it highly advisable for the reasons given below. Note also there is no legal requirement to renew the AST when the Fixed Term ends; the AST does not end, it continues as a Periodic.

if you have stated in the AST that it will change to a Periodic at the end of the Fixed Term it will become a Contractual Periodic Tenancy - a Contractual Periodic Tenancy is considered as an extension of the original tenancy.

If however you say nothing in the AST as to what happens at the end of the Fixed Term it will become a Statutory Periodic Tenancy, and this is considered a new tenancy at the beginning of each rental period (normally monthly).

A few years ago it was considered there was no difference between the two tenancies, but all that changed with the *Superstrike* case in 2017 where the (in brief) the Judge ruled that a Statutory Periodic Tenancy

constituted a new tenancy, and therefore any legislation/rules applying to a new tenancy applied each time it became Statutory – in this case deposit protection.

Therefore, if you allow a tenancy to go to Statutory Periodic the potential for an EPC will apply, as will the need for an EICR q.v. etc. Additionally, it also means the landlord might be liable for the Council Tax in the event of the tenant defaulting. This is because the tenant will only be liable for the Council Tax as long as: -

- they have been told they are liable, normally in the AST;
 - the AST commences as Fixed Term of 6 months, or more;
 - it goes to a Contractual Periodic Tenancy after the Fixed Term expires
- else the owner of the property will become liable.

Note the iHowz AST allows for this.



Peter Littlewood, iHowz Director
For more info on iHowz Landlord Association, visit <http://ihowz.co.uk/>



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 **Brent**

Electrical safety guidance for landlords.

New guidance on the [Electrical Safety Standards in the Private Rented Sector \(England\) Regulations 2020](#).

The new rules mean that landlords must ensure every electrical installation at the property is inspected and tested at least every five years by a qualified and competent person. Landlords have to provide a copy of the electrical safety report to their tenants,

and to their local authority if requested. More on what to with the EICR can be read further down in this article.

The regulations apply in England to:

- All new tenancies from July 1st 2020
- All existing tenancies from 1st April 2021

If you have a lodger or you are letting out the property on a long lease (7 years or more) you are not required to have an EICR performed.

What about HMOs?

With HMOs, the guidance makes it clear that if an HMO is a tenant's only or main residence and they pay rent, then these Regulations apply to the HMO. HMOs with 5 or more tenants are licensable. The Housing Act 2004 has been amended by these Regulations to require a new mandatory condition in HMO licenses ensuring that every electrical installation in the HMO is in proper working order and safe for continued use. See [guidance on HMO licences](#).

Who do I need to give copies of the EICR to?

The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 set out a number of different requirements around providing copies of the EICR to relevant people:

1. The EICR must be given to all of the tenants before they occupy the property.
2. When you replace the EICR you must provide them with a copy of the new report within 28 days of the inspection.
3. If a tenant requests a copy of the EICR in writing, you must also provide them with one within 28 days.
4. Where the local authority requests the EICR you must provide them with a copy of it within seven days or face potential penalties.
5. Any prospective tenants who request a copy in writing must be provided one within 28 days.

If an inspection took place and a satisfactory report was issued before the 18th edition of the Wiring Regulations came into force, but less than 5 years ago, will a landlord always need to have the property inspected again as soon as the Electrical Safety Regulations come into force?

The guidance clarifies this matter, and also whether all installations have to comply with the 18th edition, even if they were installed before this edition was in force. [Read more](#) here.

The government [guidance also clearly sets out](#) what landlords should do if a tenant will not allow access to the property (so that an inspection can take place) or if landlords are struggling to find an electrician to arrange the work.

Enforcement

Local Authorities will be responsible for enforcing the new Regulations and can impose a financial penalty of up to £30,000 (per breach of these regulations) if they find a landlord is in breach of their duty.

Secondly, where they have identified non-urgent work they must serve the landlord a notice detailing the work required and giving them 28 days to perform the work. The landlord may make representations to this within 21 days of the notice being served. If they do then the local authority must respond to these representations within 7 days. Until they respond the requirement to perform the work is suspended.

The new government guidance for landlords about these regulations can be read [online here](#).

The full guidance is available at <https://www.gov.uk/government/publications/electrical-safety-standards-in-the-private-rented-sector-guidance-for-landlords-tenants-and-local-authorities>



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The End of Section 21- Is it as bad as we think?

The news about the abolition of section 21 has caused controversy in the private rented sector. The immediate reaction is one of disbelief and frustration, but will the proposed ban be as bad as we think?

Training for Professionals *investigates the contrary views that may exist.*

Consultation

In the October 2018 issue of *Letting Update Journal*, we wrote that the Government was consulting on longer tenancies.¹ The main idea was that tenants should have a six-month probationary period followed by a three-year fixed-term tenancy.

Whilst there was support for three-year tenancies from a number of tenants and consumer groups, others wanted longer terms. Quite a large number of respondents did not want three years at all because it would hamper flexibility. The latter was a particular concern for those involved with student lets. The lack of consensus meant that the Government cancelled the idea of longer fixed terms and instead, in its consultation response² in April this year, proposed to remove the landlord's right to serve a section 21. This would allow tenants to remain for as long or as short a time they wanted, with restricted rights for the landlord to repossess

New grounds for possession

In addition to abolishing section 21, the Government also suggested that it would amend the section 8 eviction process by adding two new grounds:

- if the landlord wishes to sell; or
- move into the property themselves

There is already a ground 1 in existence which allows landlords to repossess if they want to move into a house in the future. Currently, this requires that notice is given to the tenant before the tenancy starts, as a pre-notification or warning that the ground might be used later

Support for section 21

There is widespread support in the industry for keeping section 21 and there may be some valid reasons for it which the consultation fails to recognise. Remember that the consultation was about longer tenancies, not banning section 21 notices, so the process and the questions asked were not drafted with section 21 in mind



Politics

The Conservatives will ban section 21 and Labour has previously said it will ban section 21 notices as soon as the party is in power so, clearly, abolishing this form of notice has wide political support.

As a market, should landlords and agents fight against what seems to be inevitable or should they seek to influence the policy making?

would it be better to have a ban now, with reasonably alternative grounds, or keep section 21 for a few more years and then have it abolished including potentially more stringent regulations under a future government?

If the individuals and organisations accept that this notice will disappear at some stage, it may be better to get actively involved in the decision and shape the plans.

The homelessness issue

Currently, landlords have confidence and certainty that when letting to tenants, they can repossess under section 21. Without that certainty, local authorities may find it harder to place people in the private rented sector

Section 21 survey

In a recent survey of 46,815 managed properties, the data received so far shows that in the last 12 months, around 2,500 section 21 notices were served by landlords and letting agents. This equates to 5.3% of the total amount of properties managed. The reasons were:

- Landlord wants to sell: 839
- Landlord wants to move into the property: 524
- Rent arrears: 352
- Relationship breakdown: 296
- Renovation: 103
- Change of landlord: 82
- Anti-social behaviour: 79
- Tenant not looking after the property or other breach of tenancy: 75

This totals 2,350 and indicates that losing section 21 will not therefore significantly reduce the number of evictions; it will just change the notice used.

Source: Training for Professionals

Landlords always have a reason for serving notice. If section 21 is banned, will we find that the number of notices being served remains the same but landlords will, for example, start using section 8 (arrears and anti-social behaviour) instead? It is often claimed that section 21 is the single most common reason for tenants reporting homeless. If the Government bans this notice, is there a possibility that the 'new reason' why people report homeless will be because they have been served a section 8 notice?

Currently, if a landlord serves a section 21, a tenant can get help from the local authority because they find themselves threatened with homelessness. If a landlord serves a section 8 notice, can the tenant then be considered as making themselves intentionally homeless and therefore not eligible for support from the council?

We recently heard of a solicitor who explained how they had cases whereby they served section 21 notices on tenants with mental health problems. This was because the tenants needed to live in accommodation that could provide them with the support they needed, rather than being left alone in the private rented sector. Will the suggested two new grounds for possession really cure the 'problem' of the number of people reporting themselves as homeless?

Why tenants leave

Evidence and surveys show that the vast majority of tenants leave their rented properties because they choose to. Data from the last few English Housing Surveys,

carried out over the past couple of years, shows that about 80% of tenancies end because the tenant wants to leave, move job, wants a bigger house, moves area etc. Therefore, in the heated discussion around losing the section 21 notice,

it should be remembered that it will not affect the ending of over 80% of tenancies. Of the remaining tenancies, the landlord will in most cases have a perfectly good reason to serve notice and can use some of the grounds that already exist (or new ones).

Confidence

The vast majority of landlords who use a section 21, often do so because of a lack of confidence in the section 8 notice and possession route.

Though the evidence might show that the market does not want to lose section 21, the biggest impact may yet be on confidence.

Mortgage lenders

If mortgage lenders are not confident their interests are protected, they may withdraw from lending to the buy-to-let market. This could lead to a collapse in the rental market through lack of finance.

At present, ground 2 allows mortgage lenders to repossess a property, but this ground has two disadvantages.

Firstly, the mortgage has to be granted before the tenancy commences and secondly, ground 2 is dependent on the landlord being allowed and actually serving a ground 1 notice.

Ground 1 is the owner occupier ground, warning that the landlord used to live in the house or wants to move in later. This ground will not really work for the average buy-to-let landlord with a portfolio.

The effect is that once a property is let the landlord will not be able to re-mortgage it under the current rules. Now, the mortgage lender can always rely on the section 21 notice even without ground 2, but if section 21 is removed it could present a problem.

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Source: 1.Recent Housing Reports' section, page 9 and 12. 2. Page 5: 'Overcoming the Barriers to Longer Tenancies in the Private Rented Sector', Government response. bit.ly/Consult_3year_TAs

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Ban on evictions extended by 2 months to further protect renters

Renters across England and Wales will receive greater protection after the government extended the suspension of new evictions until 23 August

- Suspension of evictions from social or private rented accommodation extended by 2 months
- New court rules will ensure vulnerable renters will be protected when the suspension of evictions ends
- Government committed to ensuring that no one is evicted from their home this summer due to coronavirus.

The extension announced by the Housing Secretary today (5 June 2020) takes the moratorium on evictions to a total of 5 months to ensure that renters continue to have certainty and security.

Ministers are also working with the judiciary, legal representatives and the advice sector on arrangements, including new rules, which will mean that courts are better able to address the need for appropriate protection of all parties, including those shielding from coronavirus. This is to ensure that judges have all the information necessary to make just decisions and that the most vulnerable tenants can get the help they need. Where tenants do experience financial difficulties as a result of the pandemic, the government is clear that landlords and tenants should work together and exhaust all possible options – such as flexible payment plans which take into account a tenant's individual circumstances – to ensure cases only end up in court as an absolute last resort.

Over the coming weeks, the government is taking careful steps to ease lockdown measures, alongside decisive steps already taken to unlock the housing market so people can move if they need to – for example where they may need to move for work or for family reasons. While the government is taking unprecedented action to protect tenants and landlords during these times, the ultimate ambition is to transition out of these measures at the end of August to allow the market to operate while ensuring people have appropriate access to justice.

Housing Secretary Rt Hon Robert Jenrick MP said:

We have provided an unprecedented package of support for renters during this pandemic. Today, I am announcing that the government's ban on evictions will be extended for another 2 months. That takes the moratorium on evictions to a total of 5 months.

Eviction hearings will not be heard in courts until the end of August and no-one will be evicted from their home this summer due to coronavirus. We are also working with the judiciary on proposals to ensure that when evictions proceedings do recommence, arrangements, including rules, are in place to assist the court in giving appropriate protections for those who have been particularly affected by coronavirus – including those tenants who have been shielding.

Lord Chancellor and Secretary of State for Justice, Robert Buckland QC MP, said:

Protecting vulnerable people has been our priority throughout this pandemic. Extending this ban will give people invaluable security in these turbulent times and work continues at pace to ensure vulnerable renters remain protected long after the ban ends.

Today's announcement builds on the radical package of measures taken during these difficult times to protect both renters and landlords affected by coronavirus, including:

- The introduction of emergency legislation so landlords won't be able to start proceedings to evict tenants for at least a 3-month period which will remain in place until at least September.
- Extending mortgage payment holidays to include landlords whose tenants are experiencing financial difficulties due to the pandemic.
- Supporting businesses to continue to pay their staff through the furlough scheme, as well as strengthening the welfare safety net with a nearly £7 billion boost to the welfare system and increasing Local Housing Allowance.
- Delivering £180 million in Discretionary Housing Payments to councils across the country to support renters with housing costs in the private and social rented sectors.
- Guidance which helps landlords and tenants to work together to resolve issues at the earliest opportunity.

Further information

On request of the Lord Chancellor the Civil Procedure Rule Committee has agreed to extend the ban on eviction proceedings by a further 2 months. The CPRC is an advisory non-departmental public body, made up of judges, barristers, solicitors and lay advice members,

which makes rules to set out the practice and procedure to be followed in the Civil Division of the Court of Appeal, the High Court and the County Court.

The **2-month extension will come into force on 25 June**, ensuring there's no gap between the existing ban and the extension, and also applies to home owners, commercial and leasehold.

The Master of the Rolls, as head of civil justice, has convened a judiciary-led, cross-sector, task-and-finish working group to consider and to address so far as practicable matters affecting litigants and the courts when the present stay on possession proceedings is lifted. This group has the support of the Lord Chancellor and Secretary of State for Housing, Communities and Local Government.

The focus of the group is on preparing the courts for the lifting of the suspension including how best to support parties, including vulnerable renters. The group will also include rules, guidance (including to private landlords as well as social landlords), the provision of information and the sharing of best practice.

Membership includes representatives from the judiciary, government, advice sectors, legal profession, Legal Aid agency, charities and pro bono organisations. These changes apply to England and Wales.

Guidance for landlords and renters is in the process of being updated to reflect these changes

Source: <https://www.gov.uk/government/news/ban-on-evictions-extended-by-2-months-to-further-protect-renters>



Have your say on landlord licensing in Croydon

A BETTER PLACE TO RENT

Our landlord licensing scheme is coming up for renewal. Should we continue to license private rented properties in Croydon?

www.croydon.gov.uk/betterplacetorent

Consultation closes 9 March 2020

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Joint owners successfully prosecuted for substandard flats in Camden

On 16 June 2020, joint owners of a Camden property were found guilty of illegally subdividing the building into seven substandard flats.

Following a long running case, that originally saw Camden Council issuing a planning enforcement notice in 2011, Joel Salem, 61 of Highview Gardens, Finchley and Judith Robinson-Dadoun, 53 of Brampton Grove, Hendon were both found guilty by a judge at Highbury Corner Magistrates' Court, under section 179(2) of the Town and Country Planning Act 1990, for their failure to comply with an Enforcement Notice for the property at 52 Fortune Green Road.

Councillor Danny Beales, Cabinet Member for Investing in Communities and an Inclusive Economy said:

"I am delighted by this verdict as it demonstrates to landlords in no uncertain terms that we will not accept the provision of substandard accommodation with all the associated harm that this can cause for our residents.

"I welcome the fact that the matter has now been committed for sentencing and Confiscation Proceedings to the Crown Court."

During the course of the prosecution, the defendants repeatedly altered the basis of their defence. District Judge G. Allison, in her judgement stated: "...the defence has consistently failed in its duty under the Criminal Procedure Rules to assist the court in identifying the real issues in the case; this matter has been a true case of shifting sands..."

The judge was satisfied that both the defendants were the freehold owners of the land throughout the period in question, that the council's Enforcement Notice was lawfully issued and served and that there was a continuing and long standing failure by the defendants to comply with its requirements.

The matter has now been committed by the District Judge to Wood Green Crown Court for sentencing and for confiscation proceedings to take place under the Proceeds of Crime Act 2002 (POCA).

Despite the ongoing enforcement investigation and successful prosecution, the owners are yet to comply with the Enforcement Notice which states that they cease the use of the seven flats by removing bathrooms and kitchens.

Further information

Following an investigation by the Council's Planning Department between 2009 and 2010, an Enforcement Notice was served on 6 October 2010 and this was due to be complied with on 18 May 2011.

Covid-19 JRS-important dates-HMRC Guidance

As part of changes to the Coronavirus Job Retention Scheme (CJRS), HMRC issued the [following guidance](#):

Important dates – what you need to know now

The scheme will close to anyone who hasn't been furloughed for 3 weeks by 30 June, so you will only be able to claim for employees after that if they have been furloughed for a full three-week period at any time before the end of June.

So, if you intend to furlough an employee who hasn't been furloughed before, you will need to agree that with them and start their period of furlough on or before 10 June 2020 – this is the last day on which someone who has never been furloughed before can start a period of furlough and qualify for the scheme – this ensures the minimum three-week period is complete by 30th June 2020.

You will then have until 31st July 2020 to make a claim for any periods of furlough up until 30th June 2020, this applies to both employees furloughed for the first time and those you have previously furloughed and claimed for.

The future of the scheme

The rules of the scheme are changing from 1st July 2020

On 12th June 2020, we'll publish full guidance on all the scheme changes on GOV.UK – search for 'Coronavirus Job Retention Scheme' to find this – webinars offering more support on the changes will also be available to book online from 12 June – please do not call us for more information, as everything you need to know about the scheme changes will be published online on GOV.UK

From 1st July 2020, you'll have the flexibility to bring previously furloughed employees back to work part time, you can decide the hours and shift patterns they work to suit the needs of your business

You will pay their wages for the time they're in work and can apply for a scheme grant to cover any of their normal hours they are still furloughed for.

Also, for periods starting on or after the 1st July 2020, the maximum number of employees you can claim for in any period cannot be higher than the maximum number you have claimed for in a previous period.

For example, if your highest single claim for periods up to 30th June 2020 was for 100 people, you can't claim for more than this number in later periods.

From 1st August 2020, you will need to contribute towards the wage costs of your furloughed employees until the scheme ends on 31st October 2020

Making changes to your claims if you have over-claimed

If you have made an error in a CJRS claim that means you received too much money, you must pay this back to HMRC.

We've updated the application system so you can tell us if you have over-claimed in a previous claim – when you apply you'll be asked if you need to reduce the amount to take account of a previous error.

Your new claim amount will be reduced to reflect this.

You should then keep a record of this adjustment for six years.

If you have made an error in a CJRS claim and do not plan to submit further claims, we are working on a process that will allow you to let us know about your error and pay back any amounts that you have over-claimed

We will update guidance and keep you informed when this is available.

Source: <https://propertyindustryeye.com/coronavirus-job-retention-scheme-important-dates/>

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



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