

# News & Legislative Update November 2018



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# Autumn Budget 2018

- Changes to Private Residence Relief on Capital Gains Tax upon the sale of a property, with changes to lettings relief. (Read notes below for full details)
- A £1 billion support package for Universal Credit over the next five years.
- increasing the Personal Allowance to £12,500 and the 40% tax band salary level to £50,000 in April 2019.
- a commitment of £675 million of co-funding to support local authorities to invigorate their high streets through a 'Future High Streets Fund'. (Read notes for full details)



## New 'How to' Guides Published

- **How to Rent (Compulsory)**
- **How to Let**

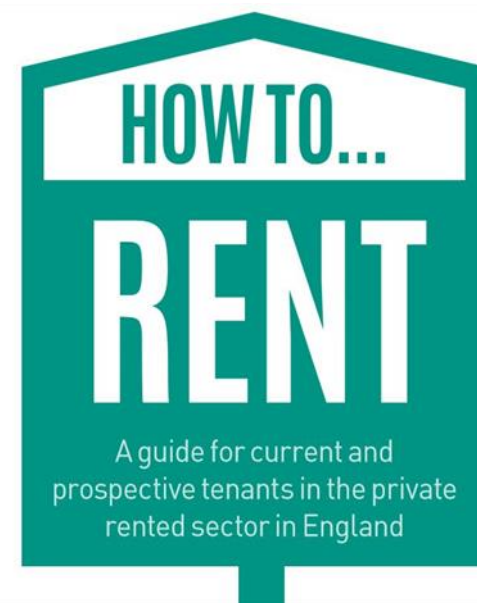
Information and advice about your responsibilities as a landlord.

- **How to Lease**

Information and advice to help leaseholders understand their responsibilities.

- **How to Rent a Safe Home**

Information and details about the main hazards you can find in a rental property, including what to do if you have concerns.



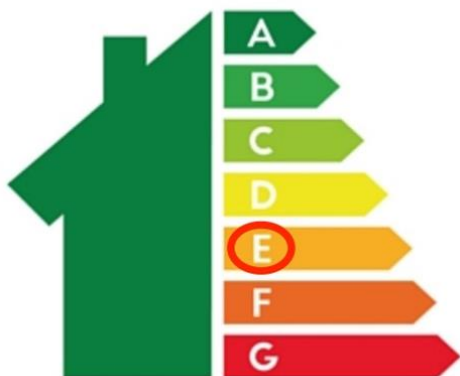
# Mandatory three year tenancies proposed

- Break clause of 6 months to allow landlords and tenants to exit the agreement early.
- No rent caps included.
- Possibility of yearly rent increases
- A call for evidence on court processes will be launched in the autumn.



## Minimum Energy Efficiency Standards (MEES)

- PRS properties now require a minimum EPC rating of E
- From 1 April 2018 – Ban on new tenancies.
- 1 April 2020 – Ban on ALL tenancies.
- Will be exemptions, such as lack of tenant consent, and “no upfront cost, capped at £3,500”.





# GDPR implications for landlords

- GDPR will change the way you obtain and handle data.
- GDPR will carry more robust fines for non-compliance.
- You will become a data controller.
- GDPR will change how you deal with data processors.
- You will need to audit existing data you hold.





## NLA Resources

[NLA Webinar](#)

[NLA Blog Post](#)

[Detailed NLA Guide](#)

[NLA GDPR Checklist](#)

[NLA GDPR FAQ's](#)

[NLA Model Fair Processing Notice](#)

# GDPR Checklist & NLA Resources

- Download the NLA's guide for members and model fair processing notice.
- When collecting new data, adopt a fair processing notice.
- Register with the ICO. It only costs £40 for most landlords.
- Audit existing data.



# HMO mandatory licensing

## Now in force!

- Remove the storey requirement – now applies to all properties with five or more people, comprising two or more households, with shared basic amenities.
- Set a minimum room size of 6.51sq-m in line with existing overcrowding standard (Housing Act 1985).
- Must comply with waste requirements.



# Tenant Fees Bill

- Bans all fees from letting agents *and* landlords to tenants.
- Gives exemptions for payments arising because of the action of the tenant ('in default').
- Will impose a cap on security deposits of **6 weeks' rent** and a cap on holding deposits of **1 week's rent**.
- Creates a civil offence with a fine of **£5,000**.
- Creates a criminal offence for repeat offenders.
- Allows civil penalties of up to **£30,000**.



# Fitness for Human Habitation Bill

- Ensures all rented properties are fit for human habitation.
- Tenant has right to take legal action in court on grounds that the property is unfit.
- Landlords are exempt where the damage is due to the tenant's actions.
- Will not introduce new standards for landlords, but help tenants enforce existing standards.



## Gas Safety Certificate flexibilities

**A new MOT-style flexibility has been introduced to landlord annual gas safety checks.**

- Allows landlords to undertake gas safety checks within the 2 months leading up to the deadline date.



- Allows landlords to undertake check of an appliance in the 2 months following the deadline date. (See notes for all conditions)

## Section 21 – Deregulation Act

- **Timing:** A Section 21 notice cannot validly be served in the first four months of a tenancy.
- **Expiry:** If proceedings do not begin within 6 months of the service of a Section 21 notice then the it will be invalid.
- **Process:** A landlord / agent's failure to provide the required information to tenants during a tenancy can invalidate a Section 21 notice. Form 6a must be used to issue notice.
- **Repairs:** Failure to follow the prescribed and time-limited repairs process can both invalidate a Section 21 notice and prevent one from being served for a further six months.



## Section 21 Changes (2) 6a Form

**Landlords and agents are no longer able to use s.21 (1)(b) and s.21 (4)(a) notices.**

- Landlords who wish to serve a Section 21 Notice to Assured Shorthold Tenants in England must use Form 6a.
- From (01/10/18) 6a form will cover **ALL** ASTs (including pre 1st October 2015 tenancies).
- See notes below for further guidance.

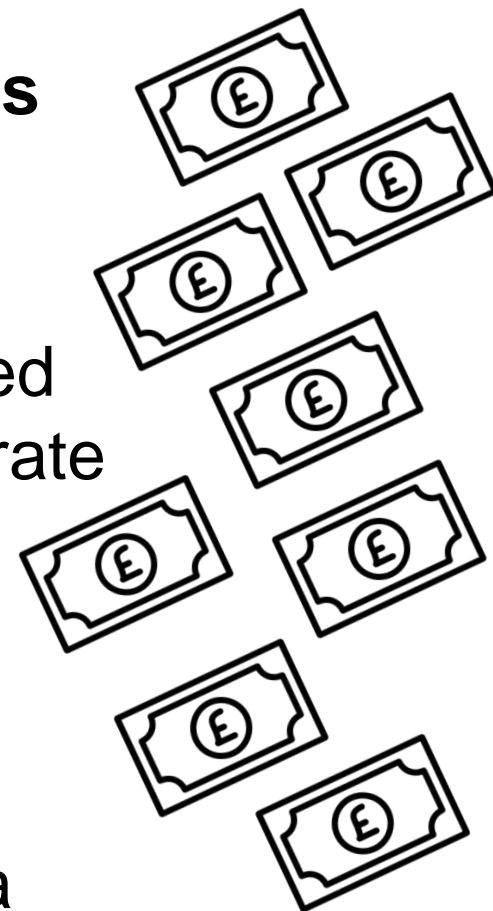




## Section 24 tax changes

**Restriction on the relief on finance costs to basic rate. Higher rate taxpayers will only be able to claim the lower rate.**

- In 2017-18 the deduction will be restricted to 75% at higher rate and 25% at basic rate tax reduction.
- In 2018-19, 50% / 50% split
- In 2019-20, 25% / 75% split
- 2020-21 all financing costs incurred by a landlord will be given as a basic rate tax reduction.



# Why join the NLA?

**Join now and get £14 off using your rep code**



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- ✓ Online library
- ✓ Online members register
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- ✓ UK Landlord Magazine
- ✓ NLA Licensing 365
- ✓ Free tax investigation insurance
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- ✓ Discounts on commercial services:
  - NLA Property Insurance
  - NLA Property Repossession
  - NLA Rent Recovery
  - NLA Tenant Check
  - NLA Rent Protect
  - NLA Inventories
  - NLA Landlord Vision
  - NLA Rent on Time
  - NLA Mortgages
  - myDeposits
  - NLA e-newsletter



# NLA Advice Line

- Get answers to your immediate questions
- Staffed by a team of experienced landlords who offer a wealth of knowledge and experience
- **Savings value: 3 calls £50**
- We average over a million hours of talk-time to members per month.
- Last year we received 44,000 calls, up from 37,000 last year.



# Thank You

## Any questions?

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