

ACCESS  
ADVICE WHEN  
YOU NEED IT

GET TO  
KNOW  
YOUR RIGHTS

GAIN  
AN EDGE ON  
THE MARKET

NETWORK  
WITH FELLOW  
LANDLORDS

SAVE MONEY  
ON  
SERVICES

# News & Legislative Update

London - March 2018

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# Draft Tenant Fees Bill Published

## The main measures contained in the draft Tenant Fees Bill will:

- Ban all fees to tenants from letting agents *and* landlords
- An exemption for in-tenancy management charges arising because of the action of the tenant
- Impose a cap on security deposits of **6 weeks' rent** and a cap on holding deposits of **1 weeks' rent**
- Create a civil offence with a fine of **£5,000** for an initial breach of the ban on letting agent fees and create a criminal offence for repeat offenders
- Allow civil penalties of up to **£30,000** to be issued as an alternative to prosecution for repeat offenders
- Not to come into force until **Spring 2019** at the earliest

# HMO Licensing Extension

**Government confirmed HMO Licensing expansion comes into force from 1<sup>st</sup> October, with no grace period for compliance:**

- Removal of the storey rule so all houses with 5 or more people from 2 or more households are in scope,
- Extend to cover purpose built flats where there are up to two flats in the block and one or both are occupied,
- Set a minimum room size of 6.52sq-m in line with existing overcrowding standard (Housing Act 1985),
- Under-sized rooms currently let out will then have 18 months to comply, so tenants are not immediately removed,
- Introduce mandatory licence condition requiring holder to provide adequate waste facilities,
- Properties in scope of new HMO definition that are currently licensed under additional or selective scheme will be passported automatically at no cost to the landlord.

# Another Housing Minister After Reshuffle



## Minister of State for Housing & Planning– Dominic Raab

- Alok Sharma MP is moved to DWP after a short 7 month tenure.
- Responsibilities include Building safety and regulations, housing supply and supporting home ownership policies



## Minister for Housing & Homelessness– Heather Wheeler

- A newly created junior Minister position
- Responsibilities include private rented sector policy, leasehold reform, homelessness, Housing Ombudsman & redress, reform of home buying process.

## New Years, New Laws

**With the new Housing Minister in place, we expect a lot of new policy developments this year:**

- Consultation on incentivising longer tenancies
- Tightening-up of Smoke & Carbon Monoxide Alarm Regs
- Introduction of electrical safety check requirements\*
- Regulation of agents and mandating of CMP
- Introducing mandatory landlord redress scheme\*
- A new, streamlined abandonment procedure

**\*Consultations currently ongoing**

# Fitness for Human Habitation Bill

## The Fitness for Human Habitation Bill ensures:

- that all landlords (both social and private sector) must ensure that their property is fit for human habitation at the beginning of the tenancy and throughout,
- the tenant has the right to take legal action in the courts for breach of contract on the grounds that the property is unfit for human habitation,
- that landlords are exempt where the damage is due to the tenant's actions.

**Introduced by Labour MP Karen Buck, the Bill has support of Government, the NLA and various other bodies.**

**Will not introduce new standards for landlords, but help tenants enforce existing standards where local authorities fail to do so.**

# Minimum Energy Efficiency Standards

**Minimum Energy Efficiency Standards (MEES) will soon be coming into force, requiring a minimum EPC rating of E, otherwise a maximum fine of £5,000:**

- From 1 April 2018 – Ban on new tenancies (including renewals and rolling over to periodic)\*
- 1 April 2020 – Ban on all tenancies (e.g. existing tenancies)
- Will be some applicable exemptions, such as lack of tenant consent, and “no upfront cost”.

**Estimated to impact 280,000 properties in England & Wales**

**Detailed guidance has now been published, and available here along with our FAQs: [landlords.org.uk/MEES](http://landlords.org.uk/MEES)**

# New “Cost Cap” for MEEES from 2019

## Consultation currently underway to

- Government to amend regulations so that from April 2019 landlords can no longer claim “no upfront cost” exemption
- Instead, landlords will have to install all measures up to a “cost cap” of £2,500
- Consultation currently underway but the Government has said it will definitely be happening
- EPC methodology also recently updated which could benefit solid-walled properties.

**Government will also soon consult on long-term plans to increase minimum to D rating by 2025 and C rating by 2030**

# Gas Safety Certificate Flexibilities

**From April 6th 2018 new MOT-style flexibility will be introduced to landlord annual gas safety checks that will:**

- Allow landlords to undertake gas safety checks within the 2 months leading up to the deadline date and keep the original deadline date (MoT-style flexibility), and
- Allow for landlords to undertake check of an appliance in the 2 months following the deadline date on the conditions:
  - It can only be done once in relation to each appliance/flue in the premises, and
  - It can only be done in order to align the deadline date in relation to the next safety check of that appliance/flue with the deadline date of any other appliances/flue in that premises.

# Draft London Housing Strategy

**Sadiq's Draft London Housing Strategy outlined his vision of the Private Rented Sector in London and policy priorities:**



- Support councils to introduce licensing schemes
- Support calls for a “light-touch” registration scheme
- Introduce a public London Rogue Landlord database
- Support employers introducing Tenancy Deposit Loans
- Lobby Government for more powers over PRS
- Opposing “discriminatory” Right to Rent policy

# London's Rogue Landlord Checker

## Sadiq Khan has launched his Rogue Landlord & Agent Checker:

- London's first online 'name and shame' database to help crack down on unscrupulous landlords and agents in the Capital.
- Records from 10 London boroughs and the London Fire Brigade have been published on the database
- Available on the City Hall website, it includes a reporting tool for tenants to report "rogue" landlord and agent activity more easily.

## Section 24 Tax Changes Now in Force

**Restriction on the relief on finance costs to basic rate e.g. 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.

**The restriction will be phased in over 4 years, having started from 6 April 2017.**

**NLA has published new research showing the damage this will do**  
**[www.taxinghomes.co.uk](http://www.taxinghomes.co.uk)**

# Universal Credit Changes

## Changes are being made to Universal Credit as it continues to roll-out:

- As of February, no more 7 day wait at start of UC claim
- DWP policy of having to gain tenant's "explicit consent" to put in place a Managed Payment to Landlord (MPtL) has ended
- Now, tenants have 7 days to prove the basis of the application is wrong
- Evidence will be proof of payment or correspondence with local authority/CAB about repair issues (to prove landlord/tenant dispute)
- As announced in the Autumn Budget, claimants in receipt of housing benefit will receive an extra 2 weeks' housing benefit when they migrate on to Universal Credit from April 2018

# Housing & Planning Act

**Various elements of the Housing and Planning Act, aimed at tackling “rogue landlords”, came into force last year:**

- Civil penalties of up to £30,000
- Extension of Rent Repayment Orders
- Wider availability of tenancy deposit data

**Other elements due to come into force this April:**

- A Rogue Landlord & Agent database
- Banning orders & Banning order offences

**Still awaiting confirmation of when the new and streamlined abandonment procedure will come into force.**

# Thank You

I'll take your questions now.

## National Landlords Association

2nd Floor, 200 Union Street  
London SE1 0LX

Tel: 020 7840 8900

Email: [info@landlords.org.uk](mailto:info@landlords.org.uk)

Web: [www.landlords.org.uk](http://www.landlords.org.uk)