

National Landlords Association

NLA News & Update

Richard Blanco, NLA Representative

www.landlords.org.uk



KNOW
your rights



MEET
fellow landlords



GAIN
a competitive edge



SAVE
on services



STRENGTHEN
our voice

■ **Current Issues in the PRS**

- Tax Changes & Their Impact
- Regulation of Buy To Let Mortgages
- Right To Rent & Immigration Bill
- Housing & Planning Bill
- Changes in Scotland & Wales
- London Mayoral Election

■ Summary Of Tax Changes

- Relief On Mortgage Interest Restricted to 20%
 - Phased in over four years to 2021
 - Change in calculation method
- End of 10% Wear & Tear Allowance
- Introduction of Tax On Dividends Over £5,000
- 3% Stamp Duty Surcharge
- Changes to Commercial Stamp Duty
- 8% CGT Surcharge
- ISA Allowance Rising to £20,000

■ Landlord Response To Tax Changes

- More landlords to sell rather than buy over next 12 months
 - 19% intend to sell
- 43% of landlords will reduce portfolio or not buy more
- 53% of landlords with 20+ properties will reduce portfolio or not buy more
- 4 in 10 landlords are either moving or considering moving to a Limited Company

■ Tax Changes: Landlord Sentiment

- Confidence in PRS & in their own letting business fallen to lower than before 2007/8 crash
- Perceived tenant demand remains strong
- PRS has peaked at 19.9%, likely to fall to 18% by 2021 (was predicted to rise to 23%)
- Impact on house prices?
- Impact on homelessness?
- What is the government's strategy?

■ Regulation of Buy To Let Mortgages

- Introduction of ‘Consumer Landlord’
 - Accidental landlords, family occupation etc
- Consultation on Bank of England Regulation
 - Interest rate stress test
 - Affordability criteria
 - Specialised underwriting for portfolio landlords
- 75% of lenders apply these rules anyway
- Sell off could cause ‘economic instability’

■ Housing & Planning Bill

- Database of criminal landlords & letting agents
 - Banning orders
- Civil Penalty Notices for housing condition
 - Alternative to HHSRS prosecution
- Greater use of rent repayment orders
- New procedure for abandoned properties
- Local Authority access Deposit Protection Data
- Revised fit and proper person test

■ Can't Use Section 21 unless....

- The following are provided at start of tenancy
 - Energy Performance Certificate
 - Deposit Protection Certificate & Prescribed Information within 30 days
 - How To Rent booklet (most up to date version)
 - Gas Safety Certificate
 - (and remember smoke alarm tests)

■ Changes In Scotland & Wales

- Scotland Private Housing (Tenancies) Bill
 - One rent increase per annum, 12 weeks notice
 - Rent Pressure Zones
 - End of no fault termination of contract, restricted to certain grounds
- Smart Rent Wales
 - All landlords & agents must be registered
 - Must be licensed to manage property

■ Right To Rent Immigration Checks

- UK rollout from 1 February 2016
- Landlords or agents (or tenants if sublet)
- Establish continuous or time limited statutory excuse, acceptable documents in List A or B
- Valid for 1 year, keep copy for 1 year after
- Follow up checks for time limited cases
- Some exemptions
- Fines of £80/£1000 to £500/£3000

Tenants' Energy Efficiency Improvements Provision

- Tenants right to request from 1 April 2016
 - Must be funded by scheme or the tenant
 - Compile evidence & make a written request
- Landlord has a statutory duty not to reasonably refuse the request
 - Decide whether there are grounds to refuse
 - Decide if advice or third party consent needed
 - Can make a counter proposal
- See DECC Guidance for more information

■ Zac Goldsmith, Sadiq Khan, Caroline Pidgeon, Sian Berry, Peter Whittle



■ Housing Policies – Sadiq Khan

- City hall team to fast track affordable homes
- 50% affordable target
- Prioritise FTB and London tenants
- 80,000 per year
- Free up TfL land
- London Living Rent
- London wide lettings agency
- Promote licensing
- Name & shame bad landlords

■ Housing Policies – Zac Goldsmith

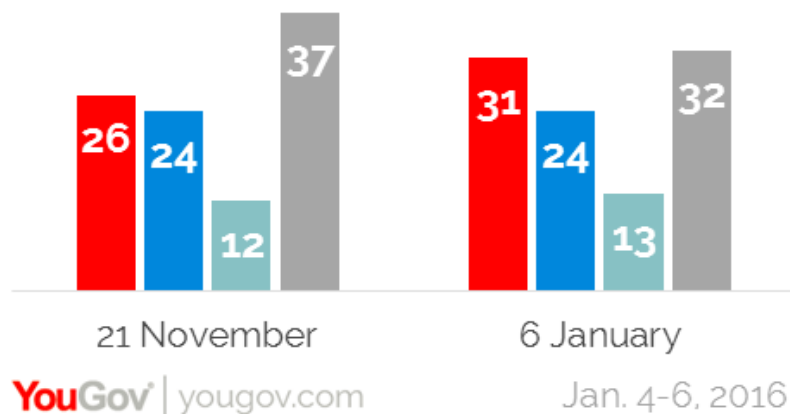
- Homes on Mayoral land for Londoners
- 50,000 per year
- Transport to unblock brownfield sites
- Prioritise build to rent
- LRS to require 3-5 year tenancies
- Invest in Apps to cut out agents
- LRS compulsory for letting agents
 - All properties must meet standard
 - Fees to be cost reflective
- Employers offer interest free deposits loans

■ State Of The Polls

London Mayoral election

If there were an election tomorrow for Mayor of London, how would you vote? % of Londoners excluding certain not to vote

- Sadiq Khan
- Zac Goldsmith
- Other candidates
- Don't know/wouldn't vote



- Evening Standard Poll on **8 March**
 - 31% Zac Goldsmith
 - 26% Sadiq Khan
 - 2% or less for all other candidates
- Election on **5 May**

■ Other issues

- Impact of EU Referendum
 - Falling pound makes London more attractive to international investors
- Leigh Day case against Foxtons
 - Leading action on behalf of 55 landlords
 - £412 repair became £550 including Foxton's commission
- Clause 24 Judicial Review
 - State aid for corporate investors & human rights issues

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- Discounts on mortgages, insurance and other services
- Your voice
- Be a professional



■ What do you think?

Time For Questions

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