

Residential Lettings

Market Legislation Outlook 2019

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Mandatory HMO Licensing Extended

The New Legislation:

From 1 October 2018 the 'three-storey criteria' was removed for properties that require a HMO licence. All HMOs housing five or more occupants, from at least two unrelated households and providing that it meets either the Standard, Self-Contained or Converted, or Converted Building Test must have a licence.

This previously only applied to large HMOs with at least three storeys, where five or more people shared accommodation and amenities and formed two or more separate households. It now applies to any property irrespective of the number of floors. Minimum room sizes were also introduced as a condition of the licence as was the requirement for adequate waste water storage facilities.

Many councils are now introducing Additional Landlord Licencing Schemes particularly as they can keep the monies they receive from fines imposed on Landlords and Agents. There are new Additional Licencing Schemes being added weekly with the areas and complexity of the Licencing Schemes making it difficult to keep up with.

As a way to keep on top of these changes as both Camden and Westminster are top of the list for imposing fines on non-compliant landlords and agents. RIB have teamed up with a company which monitors all the changes being implemented by Councils and compares this to our Managed Properties Database so that we can advise the Landlords of our Managed Properties should they require registration under Additional Landlord Licencing Schemes.

If you are a Let Only Service Level Landlord and you want us to include you on this database, please contact us as we can do so for an additional fee.

MEES (Minimum Energy Efficiency Standards)

The New Legislation:

1st April 2018 saw this regulation being implemented with the New Letting, Renewal or Extension of a tenancy unable to go ahead where the Energy Performance Certificate (EPC) is below the minimum level of energy efficiency for private rented properties of Band E.

With the changes in how the Energy Performance in properties is measured since EPCs were first introduced over 10 years ago, and with EPC's only being valid for 10 years there have been a lot of landlords and properties which have had to have improvement works carried out.

If your EPC is expiring shortly be sure to check through your property documents for the last 10 years to see what changes you have made to Heating Systems, Heat Retention (Windows, Loft Insulation, Wall Insulation etc), and Lighting as having the information to hand will help the EPC assessor provide a full and correct report.

Where RIB Manage your property we have full records of when a property's EPC expires and we will be in contact with you to arrange for a new Assessment to be carried out.



Tenant Fees Bill

The New Legislation:

This bill is currently going through legislative stages in the House of Lords and it could be coming into force in April 2019. The bill will ban almost all charges made to tenants currently at the start of a tenancy and also the charges and monies paid by a tenant during a tenancy including charges for tenancy agreements and inventory reports. Key Measure of the bill are:

- Security Deposits – this was to be that deposits must not exceed the equivalent of six week's rent but changes in the last month may mean that this will be lowered to five weeks rent.
- Holding Deposits – these are expected to be capped at no more than one weeks rent and the bill will also set out the requirements on landlords and agents to return a holding deposit to a tenant.
- Changes to a Tenancy – the amount that can be charged for a change to a tenancy will be capped at £50 unless it can be demonstrated that greater costs were incurred
- Other Permitted Charges – Alongside Rent and Deposits agents and landlords will only be permitted to charge tenants fees associated with:
 - o A change or early termination of a tenancy when requested by the tenant
 - o Utilities, Communication Services and Council Tax
 - o Payments arising from a default by the tenant such as replacing lost keys (actual cost)

If a Landlord or Agent does not adhere to the legislation they can be given a fine of £5,000 for an initial breach of the ban with a criminal offence where a person has been fined or convicted of the same offence within the last five years. Financial penalties of up to £30,000 can be issued as an alternative to prosecution.

RIB will of course keep up to date with this bill as it progresses.

Changes to Section 21 Notices

The New Legislation:

In October 2018 all remaining Assured Shorthold Tenancies (AST's) were brought into line with the rules for issuing tenants with a Section 21 notice. RIB's tenancy agreements and our issuing of documents at the start of a tenancy does already comply with these changes.

In order for a Section 21 notice to be legally served on a tenant they have to have been provided with the following information:

- The most up to date 'How to rent: The checklist for renting in England' guide
- The property's EPC
- A valid Gas Safety Certificate
- The Prescribed Information relating to the protection of a tenants deposit
- Where the property is Licensed, provide a copy of the license to all tenants

If your property is managed by RIB we will be able to advise you on how best to deal with changes to Section 21 Notices.



Other Legislation Changes 1/2

Five Yearly Mandatory Electrical Installation Safety Checks:

Currently it is not mandatory for Electrical Installation in a property to be Safety Checked, however, under the Landlord and Tenant Act 1985 a landlord has an obligation to ensure that Electrical Installation is safe and realistically the only way for a landlord to know this is to have an electric check carried out at regular intervals. An implementation date has not yet been announced but this is expected to be announced soon and to be during 2019.

If your property is Managed by RIB we will start to contact you to discuss having an Electrical Safety Check carried out.

Deduction from Property Income Restrictions:

The changes to the amount of Interest Tax Relief landlords can claim on mortgage interest began in April 2017 with a 75% restriction. April 2018 saw Stage 2 being implemented with a 50% restriction to come in to force from April 2019 and finally from 2020 landlords with buy-to-let mortgages will no longer be able to deduct mortgage costs from their rental income.

If your property is managed by RIB, we will advise you on how best to deal with the changes to interest tax relief.

Digital VAT Returns:

The Value Added Tax (Amendment) Regulations 2018 will come in to force on 1 April 2019. From this date all business registered for VAT with a taxable turnover above the VAT registration threshold of £85,000 will need to keep their VAT records digitally and file their VAT returns using compatible software.

If your property is managed by RIB we will be able to advise you on how best to do this.

Other Legislation Changes 2/2

Right to Rent Challenge in the High Court:

On 18th & 19th December 2018 the Government's Right to Rent policy will be challenged in the High Court. Right to Rent checks were introduced under the Immigration Act 2014 and these require every landlord or agent to check identification on all prospective adult tenants to determine their immigration status before the start of a tenancy in England. This is something RIB carries out on your behalf as part of the Pre-Tenancy documentation. The JCWI (Joint Council for the Welfare of Immigrants) is putting forwards the challenge in court arguing that the checks discriminate on the grounds of nationality and race, breaching the Human Rights Act.

RIB will be watching closely to see the outcome of this challenge and will update landlords on any changes.

Fifth Anti Money Laundering Directive

This is new legislation which is expected to be discussed and finalised in 2019 to be implemented by 10 January 2020. Full details and implications are yet to be made clear but this would seem to be aimed at letting agents that facilitate rent transactions of £10,000 plus per month per property.

RIB will be watching the news on this one very closely and will update our landlord clients accordingly.

Mandatory Client Money Protection:

It is expected that all Property Agents will be required by law to be part of an approved Client Money Protection (CMP) Scheme by 1 April 2019. As an ARLA registered agent RIB have CMP as part of their membership. Whilst the list of approved CMP scheme is yet to be announced by the Government it is expected that ARLA will be on this list.

We will, of course, keep up to date with this legislation and let our landlords know in the unlikely event that there are any changes to our membership of an approved CMP.

Our Team

Julia Garber – Head of Residential Lettings

Julia has been at RIB for two years and has worked in the property industry for a number of years. She was previously a director at Sandfords and was also the Lettings Manager at Kinleigh Folkhard & Hayward. This broad experience which she brings to the role has helped our residential lettings department expand rapidly whilst offering an excellent service to all our clients with the Residential Lettings team having almost doubled in size since Julia joined RIB.

Helen Duffy – Reactive Maintenance and Facilities Team Leader

Helen joined RIB in November 2016 after ten years working in property management for Gibbs Gillespie and Robsons LLP. In addition, Helen also previously worked for a serviced apartment company, bringing with her a wealth of experience. Helen was promoted to the role of Reactive Maintenance and Facilities Team Leader in February 2018 leading a team with a focus on dealing with issues with our management portfolio where they arise quickly and efficiently, ensuring positive results for both our clients and their tenants.

Siobhan Dulake – Residential Property Manager

Siobhan has amassed over fifteen years experience in the property industry, having worked a wide variety of roles. She has worked in property management for the past nine years having previously been employed by Bushells who were acquired by Portico. She brings a wide array of experience to the role, from both working in small independent property companies and from her time working at larger firms.

Our Team

Rosy Pradhan – Residential Property Manager

Having joined Robert Irving Burns earlier this year, Rosy has over thirteen years experience in the property industry having previously been a relocation account manager, and a lease manager, she brings a range of experience to the table. Rosy speaks a number of languages fluently and was previously an account manager at Native Apartments, helping manage portfolios for a diverse range of blue chip clients including Accenture, Logica, and BT.

Becky Sanders – Residential Property Management Administrator

Becky is a relatively recent addition to the team, having only joined in November 2018. Before joining RIB, Becky worked in a wide variety of administrative roles, both in the property industry and in other fields. She has a broad range of experience in solving any problems which may arise in the management of your property.

We use our long history as real estate advisers in the West End, and experience throughout the Central London market to achieve the best possible results for our clients.

“Our ethos is all about service, the most important aspect of our business is our clients.” – Antony Antoniou, Managing Director