

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

# NLA News and update for landlords

July 2018

# Contents

- 1. MEES**
- 2. GDPR – What you need to know**
- 3. What’s Coming Up for the PRS?**
  - I. HMO Minimum Room Sizes– New Licence Conditions*
  - II. Fitness for Human Habitation – Bill Progresses*
  - III. Gas Safety Checks – New Amendments*
  - IV. Section 21 & 24 – Upcoming Changes*
- 4. Housing and Planning Act – Updates & Enforcement Measures**
- 5. New ‘How to’ Guides Published**
- 6. Mandatory Three Year Tenancies Proposed**

# Minimum Energy Efficiency Standards

Minimum Energy Efficiency Standards (MEES) is now in effect! With all PRS properties 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”.
- PRS Exemption Register run by BEIS (Dept of Business Energy & Industrial Strategy)  
[www.prsregister.beis.gov.uk](http://www.prsregister.beis.gov.uk)

Detailed guidance has now been published, and is available on the website.

# 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.

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



## GDPR Checklist: What you need to do & NLA resources

Download the NLA's guide for members and model fair processing notice.

### NLA Resources:

[NLA Webinar](#)

[NLA Blog Post](#)

[Detailed NLA Guide](#)

[NLA GDPR Checklist](#)

[NLA GDPR FAQ's](#)

[NLA Model Fair Processing Notice](#)

When collecting new data, adopt a fair processing notice such as the one provided by NLA.

Register with the ICO. It only costs £35 for most landlords.

Audit existing data.

# 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 and inherit the responsibilities that come with it.
- GDPR will change how you deal with data processors.
- You will need to audit existing data you hold.



# GDPR – Key Questions 1

Ask the following questions about each record, and record the answers:

- **What is the information, is it personal?** In most cases tenancy related information will be names, addresses contact details etc. This all qualifies as personal information.
- **How did I get it?** Was it through an application form, email etc.
- **What do I use it for?** This should provide the legal basis for processing. For instance a copy of a passport is legally required under right to rent, landlords have a legitimate interest in former addresses in order to reference tenants, contact details are necessary to exercise the contract etc.

# GDPR – Key Questions 2

Ask the following questions about each record, and record the answers:

- **How do I store it?**
- **What steps have I taken to ensure security?** (For instance password protection etc.)
- **How long have I held the data?**
- **Do I still need it? How long will I keep it?**
- **How will I dispose of it when necessary?**

# HMO Room Sizes & Licensing Extension – Now in Force

## **Government confirmed HMO Licensing plans:**

- Remove 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)
- Introduce mandatory licence condition requiring holder to provide adequate waste facilities.

**The above changes will come into force October 2018.**

**Under-sized rooms currently let out will then have 18 months to comply, so tenants are not immediately evicted.**

# Tenant Fees Bill

- Bans all fees to tenants from letting agents *and* landlords
- Gives exemptions for in-tenancy management charges arising because of the action of the tenant
- Will impose a cap on security deposits of **6 weeks' rent** and a cap on holding deposits of **1 weeks' rent**
- Creates 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
- Allows civil penalties of up to **£30,000** to be issued as an alternative to prosecution for repeat offenders
- Will not to come into force until **Spring 2019** at the earliest
- As it is being introduced as a draft bill, there will be extra time to scrutinise the detail and for us to lobby for tweaks and changes. Thus, the bill may not even come into force until late 2019. Richard Lambert recently gave evidence at the committee, scrutinising the bills' weak enforcement measures

# Fitness for Human Habitation Bill Published

- 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,
- 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,
- landlords are exempt where the damage is due to the tenant's actions.

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

**Bill passed its 2nd reading on Friday 19th January now at Committee Stage.**

**Will not introduce new standards for landlords, but help tenants enforce existing standards.**

# Gas Safety Certificate Flexibilities

**On April 6th 2018 a new MOT-style flexibility was introduced to landlord annual gas safety checks that:**

- Has allowed 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
- Allowed 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.

# Section 21 Changes – A Brief Guide

Under the Deregulation Act 2015, landlords may be unable to end a tenancy using a Section 21 notice if they fail to comply with new requirements!

## Key Changes (tenancies starting on or after 1<sup>st</sup> Oct 2015)

- **Timing:** A Section 21 Notice cannot validly be served in the first four months of a tenancy
- **Expiry:** If proceedings are not issued within 6 months of the service of a Section 21 Notice then the notice will be invalid
- **Form:** A new form of Section 21 Notice required for Section 21 proceedings (Form 6A)
- **Process:** A landlord or their agent's failure to provide the required information to tenants during a tenancy can invalidate a Section 21 Notice
- **Repairs:** Failure to follow the prescribed and time-limited repairs process set out can both invalidate a Section 21 Notice and prevent one from being served for a further six months
- 1<sup>st</sup> Oct 2018 is likely to be another key date!!

## Section 24 Tax Changes

**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)**

# Housing & Planning Act (Update)

**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 have now come into force this April:**

- A Rogue Landlord & Agent database
- Banning orders & Banning order offences
- Government guidance for local authorities on enforcing these measures.

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

# New 'How to' Guides Published

On 26<sup>th</sup> June, the Governments published updated 'How to' Rent, Let, Lease and Rent a Safe Home guides.

- [How to Rent \(Compulsory\)](#)

Only the How to Rent guide needs to be provided to tenants, with the other guides designed to advise landlords on how to successfully and safely let out homes.

- [How to Let](#)

Information and advice about your responsibilities as a landlord, which will help to create a positive relationship with your tenants.

- [How to Lease](#)

Contains information and advice to help leaseholders understand their rights, responsibilities, and how to get help if things go wrong.

- [How to Rent a Safe Home](#)

Contains information and details about the main hazards you can find in a rental property which may suggest it is not safe to live in, including what to do if you have concerns or need to make a complaint.

# Mandatory Three Year Tenancies Proposed

Today (02/07) The Government is due to launch an eight week consultation today into making three-year tenancies the mandatory minimum term.

- **Break clause of 6 months announced**, to allow landlords and tenants to exit the agreement early if needed.
- **No rent caps included.**
- Landlords will be permitted to levy once a year increases to rents to ensure they keep pace with any interest rate changes.
- A call for evidence will also be launched in the autumn to better understand and improve the experience of people using courts and tribunal services in property cases, including considering the case for a specialist Housing Court.
- NLA research finds consistently that around 40% of tenants want longer tenancies, (**but 40% do not**).
- **More than 50%** consistently say they are happy with tenancy length they were offered. 20% tell us that when they asked

# Latest NLA Tenancy Agreement (AST)

- **Move to Contractual Periodic Agreement (among other changes)**

## Benefits to landlords

- Tenants claiming benefits
- MEES Regulations (in the short term)
- Council Tax liability
- Section 21 Notice Regulations
- GDPR provision

# Why join the NLA?

## NLA Member benefits

- ✓ Advice line
- ✓ Online library
- ✓ Online members register
- ✓ NLA Forms
- ✓ UK Landlord Magazine
- ✓ NLA Licensing 365
- ✓ Free tax investigation insurance
- ✓ NLA Accreditation and CPD
- ✓ NLA Membership card
- ✓ NLA Membership logo
- ✓ NLA e-newsletter
- ✓ 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

# 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)