# Welcome

The 28th Edition Jun. 2015
the London Landlord

THE LONDON LANDLORD

## Welcome to the latest edition of the London Landlord

The general election is now just a fond memory. A surprise for many was that contrary to all the election opinion polls, one political party had a majority of seats and so could create a Government without the need of a coalition. Irrespective of the winner there will be more calls for additional regulation of the private rented sector as the sector attracts the attention of politicians. A major turning point for politicians' interest in the PRS was the fact that the number of households renting in private sector exceeds the number renting from the social sector. This trend will continue not least because of the proposal for housing association tenants to have the right to buy extended to their homes.
It is unfortunate that at the same time as more offences are being created the resources for enforcement are being reduced. Would concentrating on enforcing current laws against criminal operators be a better option than imposing more controls on the good landlords?

## Inside this issue



The restriction on the use of section 21 where complaints about housing conditions are made and hazards are found, has been passed and will shortly come into force. Only time will tell what impact this will have on the use of section 21, but it could become a major issue delaying possessions. Landlords and agents should consider the procedure on dealing with complaints to ensure they are effectively responded to within 14 days.

It is currently a good idea for anyone contemplating taking possession proceedings under Section 8 to ensure the premises are inspection before commencing action to ensure they are in good repair. This helps to reduce the risk of a tenant counterclaiming for disrepair etc. The same now applies to section 21, but it related to hazards under the HHSRS not disrepair and so you will need to have a reasonable understanding of all the HHSRS hazards in order to avoid problems. There is official guidance aimed at landlords and agents re HHSRS available at Gov.Uk and the UKLAP will be running CPD courses explaining the HHSRS.

Other recent changes relate to rental deposits bought about by the Deregulation Act. There is now no need to reserve the prescribed information if a fixed term AST rolls over into a statutory periodic tenancy. The Act amended the law relating to deposits taken before April 2007 and still held and hopefully anyone affected has now taken the appropriate action. If a fixed term became a statutory periodic before April 2007 you will need to protect the deposit IF you wish to serve a section 21.

New requirements have been placed on agents to clearly display their fees both at the offices and on any website and amendments to Government guidance on creating Selective Licensing schemes now means that Councils will need to seek Government approval if the selective licensing is to affect more than 20% of their PRS. The guidance has also added an extended criteria which can be used to establish such schemes.

The UKLAP is having a networking event on the 10 July which is now sold out, but for those attending I hope to see you there.

I hope you all enjoy this edition.

**Dave Princep - Chair UKLAP/LLAS**

# Smoke Alarms Mandatory in PRS Housing

Following the announcement that smoke alarms will become mandatory in PRS housing, the Fire Minister, Penny Mordaunt MP, has announced a £3 million boost to support the delivery of working smoke and carbon monoxide alarms to privately-rented homes across the country

The funding will provide around 445,000 smoke and 40,000 carbon monoxide alarms which will be free from fire and rescue authorities to private sector landlords whose properties currently do not have alarms.

Private landlords will have to install smoke detectors in all properties and carbon monoxide alarms in higher-risk properties by 10th October 2015. Carbon Monoxide detectors are mandatory for properties with 'high risk rooms' which hold solid fuel – such as wood burning – heating systems

All 46 fire and rescue authorities in England will receive alarms to distribute according to the number of privately rented properties in their area.

The measures are part of wider government steps to ensure there are sufficient measures in place to protect public safety, while at the same time avoiding excessive regulation which would push up rents and restrict the supply of homes, limiting choice for tenants.

Under the new measures, landlords will be under a duty to install and initially test alarms, but it remains the tenant's responsibility to test them regularly.

Figures show people are at least four times more likely to die in a fire in the home if there is no working smoke alarm. The Fire Kills campaign, run jointly by government and the fire and rescue authorities, urges every household to test their smoke alarms when they change their clocks and then at least monthly.

New regulations requiring landlords to install smoke and carbon monoxide alarms in their properties have been laid in Parliament and are expected to come into force, subject to Parliamentary approval, on 10 October 2015.

further details on the Department for Communities and Local Government website
www.gov.uk/government/news/3-million-fund-means-thousands-more-tenants-will-have-working-smoke-alarms

# A Networking Event with a Difference

The LLAS & UKLAP will be the host of an exclusive learning, networking & BBQ event this July in London. The Must-Attend Summer Event will be taking place at

TAJ HOTEL ST JAMES' COURT, At: 51 Buckingham Gate, London, SW1E 6AF

On Friday 10 July 2015

From: 12:30pm to 6pm

Set in the heart of Westminster, near Whitehall, Big Ben and House of Parliament, St. James Courtyard is one of the Capital's most idyllic spaces, set around a historic cherub-ordained Victorian Fountain and ideal for our networking BBQ

## The event will be smart casual and you will,

- Enjoy the BBQ and drinks
- Meet with fellow professionals across the Housing Sector
- Have opportunity to network with sponsors of the event
- Meet and chat with the speakers
- Enjoy the popular PRS Quiz
- Network and share good practice
- Relax and enjoy the company of other like-minded professional property investors in the splendour of the fabulous surroundings of the Taj Hotel
- Accredited landlords & agents earn **10 CPD** points for their attendance

London Landlord Accreditation Scheme

The next event will be the LLAS/UKLAP Conference and Award Ceremony on 18 March 2016 at the Grand Connaught Rooms. Please visit www.londonlandlords.org.uk for tickets & to submit your award nominations

# The LLAS-UKLAP Summer BBQ Networking Events Sponsors

## Post Event Highlights Newsletter Sponsors

Endsleigh has worked in the private rental sector for over 25 years. During that time, we've grown to become one of the UK's leading insurance intermediaries in the let property market.
We offer a comprehensive range of insurance products and services to both residential and commercial landlords, and we now insure over 50,000 landlords and 150,000 tenants.
**For more info please visit** endsleigh.co.uk/

mydeposits is a proud partner of the London Rental Standard campaign that helps Londoners rent with confidence. As the deposit protection scheme for thousands of landlords and letting agents in London, and throughout England & Wales,

We have created a scheme that enables you to comply with the law whilst keeping control of the deposit. LRS accredited landlords and letting agents benefit from exclusive discounted fees with mydeposits
**For more info please visit**: www.mydeposits.co.uk

Total Landlord Insurance is ideal for new and existing residential and commercial landlords. Our clients range from first time landlords looking to insure a single property to well established landlords with large portfolios. It is through our unique understanding of the buy-to-let industry that we are able to offer not only great value insurance cover, but also valuable insight into the best ways to protect your investment. Total Landlord Insurance has been created to meet the needs of landlords by offering you straightforward insurance policies that take the headache out of buying cover for your rental properties.

Achieve the peace of mind that our effective insurance offers and choose a specialist provider that understands the unique challenges you face as a landlord – get a quick quote from us today.
**For more info please visit**: http://www.hamiltonfraser.co.uk/

The Big Green Energy Company was one of the first companies to achieve Green Deal Provider Status and is also one of the UK's leaders in the Green Deal.

Since then it has successfully installed many heat saving measures for happy customers throughout the UK, to include landlords and agents who are taking full advantage of the Green Deal Scheme. The company is going from strength to strength and has over 150 green deal installers registered for it services.

The company is also registered for the GDHIF (Green Deal Home Improvement Fund) were landlords can receive cash-back for having energy efficient measures installed on their properties.
**For more info please visit** www.greendealpoints.com

## Sponsors of Event Speakers

The Property Redress Scheme (PRS) is the new government authorised consumer redress scheme for property agents. The PRS has been working with LLAS to provide support and guidance and our Head of Redress Sean Hooker has been attending LLAS events to discuss the legal requirement for agents to be a member of a redress scheme and providing advice on best complaint handling practice. Despite only being in operation since Summer 2014 the PRS now has over 3,500 members and grows daily. The PRS has two membership models and caters for all property agents. **For more info please visit**: **www.theprs.co.uk**


Place Group UK are an dynamic award winning property business operating from offices in London and Lincoln where we operate bespoke high quality HMOs offering studio and shared house accommodation to students and working professionals. We have ISO 9001 and are registered with all the main accreditation schemes and local councils.

Through our association with Mustard & Co a full agency service can now be supplied to other HMO and Landlords in London and Lincoln through our bespoke online booking and management systems. **For more info please visit** **www.pguk.co/london** & **www.mustardco.com**

## General EventSponsors

The Power Service is an independent, family run company, providing gas and electrical safety inspection and testing services to private landlords, letting and managing agents, housing associations and local authorities. The ethos of our company and the people who work within it is to always treat our customers with the respect and fairness that we would expect to receive ourselves. We are always happy to discuss any requirements which you might have and look for the most advantageous and economical solution. **For more info please visit**: **thepowerservice.co.uk**

Tigrent Learning UK is the UK's most respected provider of training programs for those seeking a professional formation in property, entrepreneurship, personal development and stock market trading.

Established in the UK since 2001, Tigrent Learning UK's property-specific training brands include Rich Dad Education, based on the teachings of the internationally acclaimed author, Robert T. Kiyosaki; Making Money from Property with Martin Roberts; Property Academy with Robbie Fowler; Building Wealth and Women in Wealth. Our customers derive all corners of the globe, many of whom make up our roster of part-time trainers and mentors. Tigrent Learning UK is actively committed to giving back and is a Gold Supporter of Make-A-Wish Foundation®. **For more info please visit** **www.tigrentlearning.co.uk**


A great number of British landlords have understood the advantages of renting individual rooms as opposed to their entire property. They have benefited from increasing their income and minimising the risk of having a vacant property for long period of times.
With 15 years of experience and over 100,000 landlords in the UK, Easyroommate help Landlords let over 350,000 rooms globally every year. Easyroommate are a global expert in flatsharing.

Karim Goudiaby, CEO of Easyroommate, has taken his time to share top tips to consider if you are looking to invest into a buy-to-let property and rent it as a HMO (House in Multiple Occupation) or even simply considering renting your property to multiple tenants.

**1) Find versatile properties to invest in**

Former Boots boss Cathy Colston is known for being a savvy property developer, with one of her main considerations being how versatile the investment can be. Large family homes can be converted into multiple bedroom properties with a few bathrooms depending on the number of tenants you are planning to rent the property to. Cathy Colston goes for either Victorian terraces and semis or Thirties properties and typically spends 10% of the purchase price converting or updating the properties.
Based on the Easyroommate flatshare index, a room in London costs £673 in H1 2015 on average compared to £451 when looking at the national average.

**2) Good tenants want trustworthy landlords**

The London Rental Standard is a set of new standards which London private landlords will need to comply with should they want to receive the city-wide badge of accreditation. Launched by the Mayor of London in May 2014, it has been designed with the tenants in mind to enable them to rent with confidence but also to give the city's 300,000 landlords peace of mind that they understand their rights and responsibilities, and are complying with the law. To find out more about London Rental Standard providers, please click here

**3) Minimise loss of income**

With tenants now more than ever looking out for a better rental price there is a risk of low tenant retention, but landlords choosing to rent their property as a HMO will not struggle to find suitable tenants. Milton Keynes sees up to 14 seekers per room available while there are 6 seekers per room in London. The national average is 4 wannabe tenants looking for every room available. Find out the most in demand cities below.

**4) Find the right tenants**

Finding the right tenants for a flatshare in your property can be a costly and an overwhelming process but it doesn't have to be.
You can advertise your property or spare room on websites such as Easyroommate. Landlords and tenants can create their profile, advertise their ad and contact each other for free. With over 20000 new tenants' ads uploaded on the Easyroommate's website last month, your perfect tenants are not far away. All our ads are manually verified ensuring we only advertise qualified rooms and tenants but nonetheless it is essential to carry thorough checks once you have found your next tenant.
To find out more about EasyRoommate, go to http://uk.easyroommate.com. We offer a 30 day free trial to all landlords. Contact Ashley.stannard@easyroommate.com or **call 0203 695 8756**.

# FREE Home Emergency cover from Endsleigh worth £59.50*

Endsleigh, the official insurance partner of the London Rental Standard, is proud to be working in partnership with the London Landlords Accreditation Scheme and the Mayor of London to actively try and raise standards in the private rental market.

That's why we're rewarding all accredited members with **FREE home emergency cover*** when you purchase your landlords buildings insurance through us.

**Benefits of using Endsleigh:**

- 60 days unoccupancy cover extended to 120 days for student lets
- up to 20% no claims discount
- up to 5% discount - just for being accredited with LLAS

**Standard features:**

- malicious damage by tenants and guests covered up to £25,000
- cover for fixtures and fittings included automatically
- escape of water and repairs covered up to £5,000

**Service when it's needed:**

- we'll secure your property within two hours of a reported emergency
- to make it simple, you'll have a dedicated claims handler to handle your entire claim
- you can manage your account online, 24 hours a day

To get a quote visit **endsleigh.co.uk/lrs** or call **0800 953 0490**

*For full terms and conditions go to www.endsleigh.co.uk/he-terms

Talk Lettings

Keeping you informed with up to the minute news, top tips & guides. Visit **endsleigh.co.uk/TalkLettings**

# Specialist landlord & tenant lawyer -Tessa Shepperson answers landlords' FAQ. In this issue: What happens if you don't have a written Tenancy Agreement?

It is possible to create a tenancy without a written tenancy agreement. But it is not a good idea.

**Written tenancy agreements – the Law**

A tenancy is a type of ownership of (or strictly speaking 'interest in') land and the Law of Property Act 1925 says that all interests in land need to be created by deed. However the Act then goes on, in s54 (2), to say that in some circumstances a tenancy can be created without a deed:

*"*Nothing in the foregoing provisions of this Part of this Act shall affect the creation by parol of leases taking effect

- *in possession*
- *for a term not exceeding three years (whether or not the lessee is given power to extend the term*
- *at the best rent which can be reasonably obtained*
- *Without taking a fine."*

Which translated into ordinary language means that a tenancy will be created without a written tenancy agreement

- **when they move in**
- **if the term is three years or less**
- **if there is a market rent**
- **and there is no premium or 'key money'**

What this means is that if you allow Fred to move into your flat on a handshake and an agreement that he will pay you £450 per calendar month that will create a valid assured shorthold tenancy.

## Things included if there is no written tenancy agreement

Some things will be included in a tenancy agreement whether they are written down or not. For example:

- The 'covenant for quiet enjoyment
- The landlord's statutory repairing obligations
- The tenant's right to be evicted by a court order (as set out in the Protection from Eviction Act 1977)
- The tenant's duty to use the property in a 'tenant like manner'
- S81 of the Housing Act 1980 which provides that tenants should not carry out improvements or alterations to a property without the landlord's written consent
- S15 of the Landlord & Tenant Act 1988 which provides that the tenancy cannot be assigned or sublet without the landlord's agreement.

## Tenancies without a written tenancy agreement – the problems

The trouble is – not having any agreed written terms will bring in problems. For example:

- Rent for tenancy is by default (i.e. if there is no agreement to the contrary) payable in arrears. So Fred will legally be able to pay you at the end of the month rather than at the start.
- If he then claims that actually you agreed to let him live there for £400, not £450, it will be difficult for you to prove otherwise – as there is nothing written down.
- If you took a deposit, and Fred disagrees with your deductions at the end of the tenancy, you will not succeed at adjudication as you are only entitled to make deductions from the deposit (which is the tenant's money) if there is a tenancy agreement term saying what things you can deduct.

## Always have an agreement

Because of the problems that can arise if you do not have a written tenancy agreement, landlords are strongly advised to make sure that ALL tenants have signed a proper tenancy agreement BEFORE they are given the keys.

DON'T trusts them to come to your office and sign it later. They may say they will, but if they change their minds, there is nothing you can do about it.

You can't force them to sign.  And the only way you can get them out is by evicting them through the courts. But as there is no written tenancy agreement you will not be able to use the quicker 'accelerated procedure' if you want to use section 21.

So although a tenancy without a tenancy agreement is possible, it is something you should avoid at all costs.

**Tessa Shepperson of [www.landlordlaw.co.uk](http://www.landlordlaw.co.uk)** (which provides a tenancy agreement service)

# The Deregulation Bill 2015

The Deregulation Bill 2015, which includes measures introduced by the Tenancies (reform) Bill concerning "revenge" or retaliatory evictions, was passed by the House of Lords. This Bill contains a number of significant measures of serious interest to landlords and letting agents in relation to Assured Shorthold Tenancy agreements ("ASTs").

**What is Revenge Eviction?**

Most tenancies (around 95% with working and professionals) progress without problems and end gracefully when the tenant decides to leave by giving notice. However, there are problems on the fringes of buy-to-let where you have a small percentage of rogue landlords and equally a small percentage of bad tenants. These percentages tend to increase when you are dealing with HMOs, and Housing Benefit tenants. Many of the latter would have traditionally been housed in the shrinking social housing sector.

Many in the industry argued from the start that Shelter's figure of 200,000 "revenge evictions" per year was wildly exaggerated, especially as the Protection from Eviction Act 1977 and the section 21 process means no tenant can be legally evicted in less than 3 to 6 months. However, that's not to say it never happens.

**Section 21 Evictions**

Landlords who have not protected their tenants' deposits, or have not licensed their property when it is required by one or other of the schemes, are already prevented from serving Section 21 notices requiring possession.

This Bill will add to this the necessity to show that Gas Safety and Energy Performance Certificates (EPC) are in place as well, and perhaps more onerous, that the tenant has not made a valid complaint about poor conditions in the property.

In theory this should improve conditions in rental properties generally, especially at the bottom end of the market, and give tenants the confidence to report problems, allowing landlords to take appropriate and timely action, without threatening eviction.

In practice this means that landlords will be prevented from evicting tenants in response to a local authority intervention about the condition of their property. In other words landlords /agents will be unable to serve a valid no-fault Section 21 notice requiring possession for a full 6 months following the issue of a local authority improvement or hazard awareness notice.

As the Bill stands, where the tenant has made a written complaint to the landlord about the state of repair of the property, and the landlord has either failed to respond, given an inadequate response, or responded by serving a section 21 notice, the tenant can prevent eviction by contacting the local authority housing/environmental health department. Officers may then serve various types of enforcement notice on the landlord. The landlord would be prevented from serving a new section 21 notice within six months of an enforcement notice being served.

Therefore, for the first time since the introduction of the AST in 1988, which was so successful in expanding the UK lettings market, the decision as to who and when a landlord can evict, once their tenancy and a minimum of 6 months is up, is taken out of their hands and placed firmly in the lap of a local authority officer.

Others argue the Bill will not allow tenants to use spurious or malicious complaints as a defence to eviction, and will not leave Section 21 hearings open to abuse, nor place additional burdens on responsible landlords. However, landlords are sceptical about these claims, knowing how these issues can escalate, especially when they have experienced bad or difficult tenants in the past, and have been involved in disputes and the eviction process.

**Changes to Section 21 Notices**

It will no longer be possible to serve a section 21 notice at the start of a tenancy for use at a later date, and with no time limit to its use. The Bill prevents service of a section 21 notice at the start of an AST, requiring that it cannot be given earlier than four months after the beginning of the tenancy. The section 21 notice will also need to be used within six months of being served, or otherwise it will lapse and a new one will need to be served.

**Prescribed form**

There is to be a prescribed form of section 21 notices with no need to specify a termination date coinciding with the last day of a rental period, which addresses the points raised in Spencer v Taylor. This is without doubt an improvement as serving section 21 notices correctly has been notoriously difficult and many possession claims have been thrown out on this technicality in the past.

**Tenancy Deposits**

The Bill incorporates yet more clarifications to the Tenancy Deposit Scheme (TDS) rules.

Since its introduction in April 2007 the legislation set out in the Housing Act 2004 has been the source of much confusion and many landlords and agents have been caught out. Developing case law has been the cause of several amendments since.

**This new Bill now means:**

- When a deposit was received in respect of a fixed-term AST before 6 April 2007, which subsequently became a statutory periodic AST after 6 April 2007, the landlord will not now be penalised if the landlord or agent protects the deposit and provides the relevant prescribed information within 90 days of the Bill gaining Royal Assent. This point is in response to the case of Superstrike v Rodrigues;
- When a deposit was received after 6 April 2007 and placed in a Tenancy Deposit Scheme (TDS), and the prescribed information correctly served, then upon the AST becoming a statutory periodic tenancy, the landlord's compliance with the TDS legislation in respect of the original AST will suffice for the purposes of the statutory periodic tenancy. This amendment gives no protection to landlords / agents who never protected the deposit during the original tenancy, but is a major change to the current situation where landlords must confirm protection and re-serve the statutory (s213) notice.
- Landlords of tenancies which became periodic before the tenancy deposit scheme came into force on 6 April 2007, which was generally considered as a situation where the existing deposit did not need to be protected, will now need to protect those deposits as per Charalambous v Ng, and the new legislation confirms that there will be no financial penalty for having failed to do so previously;
- It will now be possible once the Bill becomes effective, for an agent to give their details in the prescribed tenancy deposit information (s213 notice) to the person or persons lodging the deposit, instead of those of the landlord.

**Other minor changes include:**

- The section 21 notice will be invalid where the landlord or agents fails to provide a current Gas Safety Certificate and Energy Performance Certificate (EPC) – the landlord is obliged to provide information.
- It is to be a legal requirement of an AST that landlords / agents provide tenants with information about the rights and responsibilities of the landlord and the tenant. This is a reference to the fact that currently there is no requirement to have a written tenancy agreement.
- Where rent has been paid in advance, tenants who have been served a section 21 notice requiring possession will have the right to reclaim rent paid in advance in respect of any period after a section 21 notice brings the tenancy to an end.

The Deregulation Bill 2015, when effective, which is likely to be later this year (possibly October), introduces some sweeping changes to the operation of ASTs, some good, and some not so good for landlords.

It will be interesting to see how landlords / agents cope with these changes, what amendments and changes may be needed in the future as cases come to court, and in particular how well the so called revenge evictions measures operate. One thing is for certain: landlords / agents will need to be fully aware of the rules and be extra diligent in the way they deal with repair issues, and collect and retain documentary evidence, if they are to avoid major problems with tenancies in the future.

A good thing is that it should spur all landlords on to providing safe and warm accommodation for their tenants. For more info, visit: www.landlordzone.co.uk

# The Consumer Rights Act 2015

One of the first new provisions brought into force by the passing of the Consumer Rights Act 2015 relate to requirements for accommodation letting agents and property management businesses to display their fees and charges to clients. This requirement came into effect on 27 May 2015.

Under the Consumer Rights Act 2015 it is now a legal requirement for all letting and managing agents in England and Wales to publicise details of their fees and to say whether they do not have client money protection. They must also give the name of the redress scheme of which they are a member. Membership of a redress scheme is compulsory for agents. The intention is that there should be full transparency to deter double charging to both the landlord and the tenant and enabling tenants and landlords to shop around.

The legislation only applies to letting agents and managing agents. IT DOES NOT APPLY TO LANDLORDS.

## Duty of letting agents /Managing Agents to publicise fees

**Relevant fees**

The fees that have to be indicated are the fees, charges and penalties payable to the letting agent by their clients under contracts for:

- introducing tenants to landlords with available accommodation for rent
- arranging assured tenancy agreements
- the management of rental properties

However, the following fees do not have to be indicated:

- rental charges
- tenancy deposits
- any fees, charges, penalties that the letting agent receives from a landlord under a tenancy on behalf of another person
- any other fees, charges or penalties specified in regulations

An assured tenancy is one as defined in the Housing Act 1988 (excluding long leases as defined in the Leasehold Reform, Housing and Urban Development Act 1993) except where the landlord is a:

- private registered provider of social housing
- registered social landlord
- fully mutual housing association

## Display requirements

### How fees must be publicised

The agent must display a list of fees at each of their business premises where they deal face to face. It must be where it is likely to be able to be seen. Someone walking into the office should be able to see the list without having to ask for it. If the agent has a website, a list of fees must also be published on the website.

### How the fees should be displayed

The list of fees must be comprehensive. The defined terms such as administration costs must not be used. All costs must be inclusive of tax, e.g. VAT. This also applies to the main fees charged by agents to landlords

### Examples of charges

- Costs for marketing the property.
- Cost of conducting viewings for a landlord
- Tenant credit checks and references
- Preparation of a tenancy agreement
- Preparing an inventory

It must be made clear whether the charges relate to each unit of accommodation or if it is a charge on each tenant. If it cannot be reasonably agreed in advance then how the cost is calculated must be described.

Landlords must be able to understand what a fee is for and why it is being imposed. If an agent has a range of charges and fees according to the level of services provided then the list must identify the charges and the related service e.g.

- Fee for a let only service being 8% of the rent.
- Fee for let and rent collection service 12%.
- Full management service 15%

It is acceptable to split the charge between tenants and landlords where both have received benefit from the service, e.g. the cost of drawing up a tenancy agreement.

**Client money protection and redress schemes**
In addition to the fees, agents must publicise whether they are a member of a client protection scheme and which redress scheme they have joined. All agents are required to be a member of a redress scheme. If an agent is not a member of a client money protection scheme this must be made clear. This information must also be displayed in the office and on the agent's website.

**Who is a letting agent?**

Letting agents for these purposes are defined as a person who engages in letting agency work. An agent does not have to exclusively engage in letting agency work but if they undertake it they are treated as a letting agent irrespective of anything else they may do.

Lettings agency work is defined as things done by an agent in response to instructions from -

- A private rented sector landlord who wants to find a tenant, or
- A tenant who wants to find a property in the private rented sector (i.e. where an agent provides a property finding service for prospective tenants).

**The following are excluded** -

- Publicising advertisements or providing information.
- Providing a platform for landlords and tenants to make direct contact with each other in response to any advertisement or information provided.
- Providing a way for landlords or tenants to continue to communicate directly with each other.

**Property Management Work**

Property management work means things done by an agent in the course of a business in response to instructions from another person who wants the agent to arrange services, repairs, maintenance, improvement or insurance or to deal with any other aspect of the management of residential premises.

**Enforcement**

The enforcement authorities are the Consumer Protection Departments/Trading Standards Departments. An enforcement authority can impose a penalty of up to £5,000 where agents engaged in letting or management works are required to publish their fees or other details but have failed to do so.

The Government guidance in England indicates that a £5,000 penalty should be considered the norm and that a lower penalty should only be charged if the authority is satisfied that there are extenuating circumstances.

An agent who fails to comply has the right to make representations within 28 days following the issue of a notice of intention to issue the penalty. Lack of awareness at the outset could be considered as extenuating circumstances in the early days but there is no guarantee of this. Any penalty should be proportionate to the turnover/scale of the business concerned. These penalties can be issued again if the agent continues to fail to comply.

**Enforcement process**

The enforcement authority must give written notice of the intention to impose a penalty setting out

- The reasons for the penalty
- The amount
- That there is a 28 day period to make written representations/objections.

This notice must be served within 6 months of the date on which the enforcement authority becomes aware of the failure to comply. At the end of the 28 day period the authority must issue a final notice taking into account any representations received.

**Appeals**

There is a right of appeal to the First Tier Tribunal. Appeals can be made on the ground that -

- The decision to impose a fine was based on an error or was wrong in law
- In outline it is unreasonable
- The decision was unreasonable for any other reason.

Payment is suspended pending any appeal.

For further information, please visit:
**http://www.legislation.gov.uk/ukpga/2015/15/part/3/chapter/3/enacted**


## Medway Council new improved incentives:

- £1500 finders-fee payable for properties from accredited Landlords/Agents
- £750 finders-fee payable for properties from non-accredite Landlords/Agents
- Up to 8 weeks Deposit held for repairs at end of tenancy
- Up to 6 weeks Rent In Advance cash-payment once tenancy signed
- Individual client awards will be indicated on the Homebond Certificate
- Direct HB payments straight to landlords/agents
- Payment will be paid within 5 working days
- Allocated personnel to deal with

**We require properties which are:**

- Around LHA rates
- Good condition
- Gas & Electric certified
- All types of properties are welcome
- Landlords/Agents that accept HB

**Call Lani Ladapo on 01634 333232 or email** lani.ladapo@medway.gov.uk


## Medway Landlord Forum

**Date**: 21st October 2015

**Venue**: Gun Wharf, Dock Road, Chatham, ME5 0HZ

**Time**: First session 1pm - 4pm, registration from 12.30pm

**Time**: Second session 5.30pm - 8.30pm, registration from 5pm

For further info & to book a place, please email Lenka Wyatt at lenka.wyatt@medway.gov.uk

## LB of Islington Landlord Forum

**Date:** Wednesday 1 July,

**Time:** 6-8pm

**Venue**: Islington Town Hall, Committee Room 5&6, Upper Street, N1 2UD

To register your interest or for further info, please contact Ian Tagg,(Procurement and Development Manager) on 020 7527 6078, or email ian.tagg@islington.gov.uk

## LB of Waltham Forest PRS Property Licensing scheme

From April 2015 Waltham Forest became a designated Private Rented Property Licence Area. This means that almost every privately rented home in the borough must be licensed by the Council.

If you own or manage a private rented property in Waltham Forest and have not already licence it, you should contact the Private Rented Property Team **on 020 8496 3000** to see how this new legislation affects you.

Further Information can be found at www.walthamforest.gov.uk/prpl

## New section 8 form

The government changed the form of section 8 notices and these took effect on, 6 April 2015. As this is a prescribed form, this means that if, you are still using the old form of section 8 notice, your tenant will have a defence to your possession claim and may be able to get your claim thrown out.

It is ESSENTIAL therefore that you use the new form from now on. The reason for the change is that there have been some amendments to grounds for possession in the Housing Act 1988, in particular introducing new grounds for possession, ground 7A and ground 14A.

## Increase of rent forms

There are also some minor changes to the notice used to propose a new rent under section 13 of the Housing Act 1988. The form online to download at https://www.gov.uk/evicting-tenants or contact LLAS for a template


# Void Period

**One of landlords' worst fears is having a long Void Period – how can you minimise this risk?**

Vacant periods are anathema to landlords as you have money going out and nothing coming in, so if you have a large mortgage to pay each month you are paying this out of your own pocket.

Voids are one of the biggest risks to profitability for buy-to-let investments, that's why mortgage companies and investors usually work on a rule of thumb basis of allowing for one month per year (1/12$^{th}$ of your income) to be lost through void periods, when doing your financial appraisal of a particular investment. This of course is a cautious and conservative strategy as most residential tenancies will last for around 18 months on average and some last for many years.

The danger with a long void is that you panic and let to tenants who are less than desirable, and when you do that it often results in costing you far more – get yourself lumbered with a nightmare tenant and not only does it cost you a lot financially, it can have a detrimental effect on your health through worry and sleepless nights.

You should aim to build-up a reserve fund to see you through any void periods without being panicked into lowering your usual thorough screening standards. My favourite old landlord aphorism, "No tenant at all is 100 times better that a bad one" is always a good guide, you won't appreciate the truth of this until you have experienced bad tenants.

You can also use periods between tenancies to carry out repairs, maintenance and refurbishment which would be difficult when a tenant is in residence.

Keeping your property in a good state of repair and decoration with clean modern facilities will help you let the place quickly, plus if you do work on a planned maintenance basis over time, a little bit at a time, it's less painful financially. One issue which is going to raise its ugly head soon is energy efficiency in residential lettings. You should be thinking about carrying out energy efficiency assessments for all your tenanted properties now, ahead of legislation changes that will come into force in 2018.

The Energy Act 2011 means it will become unlawful to let residential or commercial properties with the two lowest grades of energy efficiency – this is an EPC rating of F or G. Currently it is estimated that around 20 per cent of non-domestic buildings could have F and G ratings. If you have buildings that fall into these low categories, void periods are the time to do the work necessary to bring them up to standard, work which would be too disruptive to carry out while the building is tenanted.

Depending on the extent of the refurbishment work you carry out it may be possible to save by having the property removed from the council tax list, but don't hold your breath on that one – cash strapped councils are reluctant to give these concessions at the moment, but it's worth a try. Keeping the property in a good tenantable state will not only help you let quickly for a higher rent, it will keep your tenants happy and encourage them to stay longer, reducing the number of tenancy changes and therefore void periods.

Generally, you can reduce void periods by starting to market the property as soon as you know the current tenant is leaving. Make sure you get notice in writing, and then get to work on your advertising and organising your paperwork. Viewings are sometimes a problem with tenants in place as you cannot force them to cooperate, but giving them a financial incentive to assist can be a good idea – how about a meal for two at a favourite restaurant if they avoid a void period for you?

Generally you do need a few days between tenancies to do proper checkouts, get the place ship-shape again and produce a new inventory. If you have someone in the wings ready, this can be done in a day or two. You can't produce tenants out of thin air, so you need your properties in areas where there's good tenant demand and a good local letting market. Make sure you pitch the rent at a competitive level, just below the prevailing market rent in that area is a good strategy, if you want to let quickly. There's a lot of luck involved: I've had tenancies that let on the first day of the advertisement and other's that take weeks. It all depends if the right tenants come along.

If you find yourself struggling on a do-it-yourself basis, think about local agents. Agents often have would-be tenants sitting on their books and they are usually happy to do a deal on a let only basis. You might agree a fixed fee, which leaves you in a position to do the screening and administration yourself.

Make sure everything is in working order at the start of the new tenancy and always give any repairs priority for good tenants and you will cement a good long-term relationship.

**Tom Entwistle** is an experienced landlord and editor of LandlordZONE®

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Rental Property Knowledge

# Do you have a property to let in west London?

London Borough of Hounslow

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**www.hounslow.gov.uk/housing/landlords**

Hounslow LETSTART

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With this scheme you manage your property yourself on an Assured Shorthold Tenancy. Benefits include:

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- no void or bad debts
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Lewisham

# Legionnaires' Disease

The revised **Approved Code of Practice (ACOP)** and guidance Legionnaires' disease: The control of legionella bacteria in water systems has some important changes that could affect you as a landlord of residential accommodation.

As a provider of such accommodation you may already be aware of your responsibilities to ensure that the risk from exposure to legionella in your premises is properly controlled.

**What is legionella and Legionnaires' disease?**

Legionella are bacteria that are common in natural (rivers and lakes etc.) and artificial water systems, e.g. hot and cold water systems (storage tanks, pipework, taps and showers). We usually associate legionella with larger water systems, e.g. in factories, hotels, hospitals and museums, and cooling towers, but they can also live in smaller water supply systems used in homes and other residential accommodation. Other potential sources of legionella include spa and whirlpool baths, humidifiers (in factories) and fire-fighting systems (sprinklers and hose reels). Legionella can survive in low temperatures, but thrive at temperatures between 20oC and 45oC. High temperatures of 60oC and over will kill them. Legionnaires' disease is a potentially fatal form of pneumonia caused by the legionella bacteria. It can affect anybody, but some people are at higher risk including those over 45, smokers and heavy drinkers, those suffering from chronic respiratory or kidney disease, and people whose immune system is impaired. Legionellosis is the collective name given to the pneumonia-like illnesses caused by legionella bacteria, including the most serious and well-known Legionnaires' disease, and also the similar but less serious conditions of Pontiac fever and Lochgoilhead fever.

**What are the changes to the ACOP?**

The most significant change for you, as a provider of residential accommodation, is the removal of the 300 litre limit for hot and cold water services. This was an artificially chosen limit and its removal means that **all** premises with a water system are now **within the scope of the revised ACOP**. Also, recent research shows that legionella does occur in smaller domestic systems. Practical guidance on how to comply with your new legal responsibilities regarding control of legionella is given in the ACOP. It is important you use the current version of the ACOP as it has been recently updated. Important changes that we made to the ACOP and guidance include:

- keeping records for a minimum of five years;
- water treatment companies and consultants must show their service is
- effective;
- recommended guidance linked to the appropriate sections of the ACOP;
- details on all aspects of risk assessment control;
- inclusion of tables which detail the monitoring requirements for cooling
- towers, and hot and cold water systems; and
- a new title.

**What do I have to do to comply with the law?**

Legionella bacteria can multiply in hot or cold water systems and storage tanks in residential properties, and then be spread, e.g. in spray from showers and taps. Although the generally high throughput and relatively low volume of water held in smaller water systems reduces the likelihood of the bacteria reaching dangerous concentrations, you must still carry out a risk assessment to identify and assess potential sources of exposure. You must then introduce a course of action to prevent or control any risk you have identified.

**Assessing the risk of Legionnaires**

It should be possible for you to assess the risk yourself, but if you do not feel you have the right skills, you can obtain help and advice from a consultant. When you do the risk assessment, consider the following:

- Are conditions right for the bacteria to multiply, e.g. is the water temperature between 20oC and 45oC?
- Are there areas where stagnant water occurs (deadlegs), e.g. pipes to a washing machine that is no longer used?
- Are there infrequently used outlets, e.g. showers, taps?
- Is there debris in the system, such as rust, sludge or scale (often a problem in old metal cisterns), that could provide food for growing legionella?
- Are there thermostatic mixing valves that set a favourable outlet temperature for legionella growth?
- Are any of your employees, residents, visitors etc. vulnerable to infection, e.g. older people, those already ill? Answering 'yes' to any of these questions suggests there is an increased risk of your residents being exposed to legionella and falling ill.

**What should you do if you decide the risks are insignificant?** Review the assessment periodically.

**What should you do if you identify risks?** Introduce proper controls, which could include disinfection of the system - you will need to refer to the ACOP for guidance on the action you should take. As the design, maintenance and operation of the system are crucial in controlling the growth of legionella, any action you take should include the following:

- ensuring water cannot stagnate anywhere in the system, e.g. remove redundant pipework, run taps/showers in unoccupied rooms;
- keeping water cisterns covered, insulated, clean and free of debris;
- insulating pipework; maintaining the correct temperature at the calorifier (i.e. the hot water cylinder);
- advising maintenance staff working on the system about the risks and how to minimise them; and
- advising tenants about the risks, the control measures you are taking and the precautions they can take, such as flushing through showers following a period of non-use.

***Note**:* raising the temperature of your warm water is one way to control legionella growth, but could also increase the risk of burns and scalding. You will need to consider points like this when you do your risk assessment and decide which control measures to use.

**What should you do after assessing the risk and putting controls in place?**

Review your risk assessment at regular intervals; especially if any factors change, e.g. you change your disinfection regime, more vulnerable groups of people (e.g. the elderly) move into your accommodation

The above article derived from the following sources

*Further details about the treatment and management of hot and cold water systems are available in the Approved Code of Practice and guidance: Legionnaires' disease. The control of legionella bacteria in water systems, Approved Code of Practice and guidance L8 (Second edition)* ***HSE Books 2000 ISBN 0 7176 1772 6****. Or your local HSE office (contact details will be in your local directory), HSE Info line (08701 545500), and the HSE website (www.hse.gov.uk); or the Water Management Society (WMS) at www.wmsoc.org.uk (Tel: 01827 289558)*

# Do you have a property to let?

**Kingston Council** has two **FREE** property letting schemes and urgently requires properties of all sizes to let via the **Tenant Finder Service** and the **Private Leasing Scheme.**

### The Tenant Finder Service offers:

- An attractive incentive package including cash payment up to £750
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- 0% commission fees
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### The Private Leasing Scheme offers:

- Guaranteed rent
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# Unscrupulous landlord ordered to pay nearly £25,000

Alan Lempriere was sentenced at Hammersmith Magistrates' Court for a spate of offences in March 2015, Since 2013, Mr Lempriere repeatedly ignored requests from Hammersmith & Fulham Council officers to inspect his property in Harrow Road, NW10.

Eventually the H&F Council officer investigating the case had to take drastic action to gain entry by executing a warrant. Mr Lempriere, of Herne Hill, South London, was fined a total of £20,000 for operating a house of multiple occupation without a licence since 2009; not carrying out gas or electrical safety checks; not complying with the council's requests for information about the property; not providing adequate smoke alarms or protected means of escaping from a fire; and not maintaining common areas affected by damp and mould.

He was also ordered to pay costs of more than £4,796 and a £120 victim surcharge.

A council spokesman said: "This unscrupulous landlord chose to put his tenant's lives at risk rather than live up to his responsibilities.

"This result should serve as a stern warning to landlords that shirking their obligations is unacceptable, criminal, and that the council will target those involved to ensure residents who rent are able to live in safe and decent homes."

## Useful links

**LLAS –** www.londonlandlords.org.uk

**RLA –** www.rla.org.uk

**SLA –** www.southernlandlords.org

**Landlord Law –** www.landlordlaw.co.uk

**TDP (The Deposit Protection Service) –** www.depositprotection.com

**Landlordzone –** www.landlordzone.co.uk

**Accreditation Network UK (ANUK) –** www.anuk.org.uk

**Landlord's useful links and information –** www.landlords-uk.net

**Fire Protection Centre –** www.fireprotectioncentre.com

**DCLG –** www.communities.co.uk

**Direct Gov UK: Advice for tenants and landlords –** www.direct.gov.uk

**Gas Safe Register –** www.gassaferegister.co.uk

**National Inspection Council for Electrical Installation Consulting (N.I.C.E.I.C) –** www.niceic.org.uk

**Online Planning and Building Regulations Resource –** www.planningportal.gov.uk

**The Residential Property Tribunal (RPTS) –** www.rpts.gov.uk

**Health and Safety Executive –** www.hse.gov.uk

**HM Revenue & Customs –** www.hmrc.gov.uk

**The Court services –** www.hmcourts-service.gov.uk

**The Office of Fair Trading –** www.oft.gov.uk

**The Department of Business Innovation & Skills –** www.berr.gov.uk