

35<sup>th</sup> Edition October 2017

Breaking news! - UKLAP is  
Now called **ATLAS** (Accreditation &  
Training for Landlords and Agents Service)

## Inside this issue

- >> *Foreword by Dave Princep*
- >> *PRA, s New BTL mortgage rules*
- >> *Tessa –Lawyer- Is your property an HMO?*
- >> *Lawyer a little known 1925 Law to get cheap rent for life for his client*
- >> *Sec.21, when &how to use the old and the new notices*
- >> *Deposit Dispute*
- >> *Landlord face ban from letting homes*
- >> *Bed in shed landlord ordered to pay £173141*
- >> *A landlord fined £338000 for illegally converting a hotel to 26 Squalid flats*
- >> *Landlords will be forced to register with an ombudsman*



# Welcome to the latest edition of the PReSs

## The Green Deal is dead or should we say ... Long live the Green Deal!

In July 2015, the Government pulled its support for the Green Deal due to “low demand” which was a blow to the private rented sector as it allowed energy efficiency works to be carried out at no cost to the landlord. The scheme however is available again and funds are available following the purchase of the Green Deal “bank” by a private equity group.

Why is the reinstatement of Green Deal such good news for the PRS? From 1 April 2018 for all new tenancies, and from 1 April 2020 for all existing tenancies, the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 requires that all rental properties must have a minimum Energy Performance Certificate rating of “E” in order to be rented.

However there is the additional requirement that there should be no upfront costs to landlord i.e. the landlord should not have to fund any required works out of their own funds. Hence, the re-immersion of the “Green Deal” can be the means to provide the funding as the works are paid for through savings from the lower energy bills, and hence, paid by the occupier/tenant.

If the works are too expensive or will impact adversely on the property it is possible to register an exemption on the Government’s website. This however could create an additional problem in that details of any premises on the exemption register if emailed to the local authority. The Local authority is well within its power to decide to take action under the Housing Health and Safety Rating System (HHSRS) and require works to be undertaken in any case. The HHSRS is a separate piece of legislation and not effected by the cost restrictions under the energy efficiency regulations. Therefore, the recommendation is to try by all available means to reach the higher levels.

Recent research undertaken by the BRE (previously Building Research Establishment) for the Government has found that the energy efficiency of solid walls is actually much better than was anticipated and the current values use to calculate the EPC rating needs to be amended. The research anticipates that around 25% of current “F” and “G” rated premises will be taken out of these bands.

The Government indicated that the changes would be brought in by November 2017, giving time for new tests to indicate whether properties are compliant. We currently await confirmation and trust the promised changes will be brought in before the April 2018 deadline.

In the meantime if you are likely to be affected please contact your trade association and / or the Energy Savings Trust for the availability of Green Deal funding, and do not wait until the last minute and risk substantial fines.

Hope you enjoy this edition

Dave Princep (Chair of LLAS & ATLAS)

# Still worried about Section 24?

As a Landlord facing the removal of financing costs as a legitimate business expense, apart from putting up rents and compounding the tax problem, you have four options: -

## Option 1 - Sell Up

Take the CGT hit and mortgage penalties, and either spend the lot or invest the money elsewhere.

## Option 2 - Do Nothing

Accept the changes and put up with less cash in your pocket.

## Option 3 - Incorporate

Jump on the band wagon and incorporate, ending your section 24 concerns, but opening up further difficulties as laid out in our guide: [It4I.uk/UKLAP](http://It4I.uk/UKLAP)

## Option 4 - Run a Highly Tax-Efficient Professional Property Business

By doing so, you can enjoy:

- No loss of mortgage interest relief or wear & tear allowances
- Income Tax from your property income at 20% maximum
- No Capital Gains Tax, Stamp Duty, or Inheritance Tax
- No need to remortgage
- Better risk and business management
- Maximum flexibility
- Peace of mind and more money in your pocket!

Now is the time to chose, but whatever you do, don't simply bury your head in the sand!

Visit [It4I.uk/ReqConsult](http://It4I.uk/ReqConsult) to request a free consultation.



visit [lesstaxforlandlords.co.uk](http://lesstaxforlandlords.co.uk)  
email [info@lesstaxforlandlords.co.uk](mailto:info@lesstaxforlandlords.co.uk)  
call 0203 463 8641

# Why the PRA's (Prudential Regulation Authority) New BTL mortgage rules might be a good thing.

What with S24 reducing your profits and now the PRA seemingly restricting how much you can borrow, landlords could easily be forgiven for thinking that there's a big 'kick me' sticker on their backs. And to a degree they would be right; especially those landlords making tax payments on account who are now seeing the effect on their cash flow and ability to reinvest. No wonder all really does seem doom and gloom.

Now the good news – this is your chance to make highly sustainable profits by running a professional property business, which is exactly what the government wants you to do! But why is that? Governments of all hues are businesses just like yours, albeit some of them seem more intent on spending money rather than creating the conditions to make it, but they all depend on tax to pay their way, and successful businesses and the individuals within them make that possible. In short, the more you earn the more tax you pay.

So what do the latest headlines actually mean?

## **Lenders will be looking at your whole buy-to-let portfolio**

This is how commercial portfolio lending works, and the way all the truly big property businesses borrow money; large or small, the same principles apply - size does not matter here, the business case trumps all. And that's exactly what BTL lenders will be looking at.

All too often, landlords have grown their portfolios with very little planning, and not every rental property makes a profit. Some lenders may take an 'overall portfolio profitability' view, whereas others will require each unit to make money. Either way, the new rules mean that lenders will need to make sure that your rental income makes you a profit.

That is no bad thing, as you will be forced to take a much harder view of what makes a good investment – something that every successful business does. If a property is not making you money, then it is costing you money, and the new rules give you the chance to reassess underperforming assets. By the way, how much the property is worth now is meaningless, until you come to use it that is. Meanwhile, profitable income is by far a better measure when it comes to raising mortgage finance. What do they say in business – turnover madness v's profit sanity; hence in large part the new rules.

## **Tougher underwriting criteria for portfolio landlords**

According to the PRA, *"A landlord will be considered to be a portfolio landlord where they have four or more mortgaged buy-to-let properties across all lenders in aggregate"*.

In addition to the usual affordability checks, when assessing your eligibility for mortgage finance lenders are being required to have robust underwriting processes in place for portfolio landlords, which means they'll be asking for: -

- Bank statements
- Tax returns
- Future liabilities
- SA302s
- ASTs
- Rental accounts
- Income and expenditure statements, and
- A business plan.

## **The new stress test on buy-to-let mortgages**

### **What, is it not hard enough being a landlord?**

The stress test forces lenders to check a borrower can afford repayments, if or when interest rates hit 5.5%. That's no bad thing, as anyone who lived through the early 90s saw interest rates hit 15%, so making sure that if rates rise you can stay in business really is no bad thing.

Generally speaking, the lower the leverage the better the risk. That said, borrowing too little means that your available capital is under-utilized, and thus your ability to grow is reduced. Is there an ideal percentage to borrow; each business is different, but most professional investors work to a 60% LTV with returns of 7%, leaving plenty of fat in the system.

### **Lenders should take into account the impending changes as to the amount of tax relief landlords can claim against mortgage interest**

This more than anything will cause the biggest problems, as the S24 changes can easily make a basic-rate taxpayer a higher one, or push a higher-rate one into advanced rate (don't forget that between £100,000 and £123,000 you'll be paying tax at 60%).

Paying more tax will reduce how much you borrow and grow. Remember, it is not just the tax increase that hurts; it's the cumulative effect on your cash flow when making payments on account and the knock effect on borrowing ability that causes the real pain.

Do not think that incorporating will solve the problem, rate differences, restrictive terms, redemption penalties, and transactional costs to one side, limited companies are subject to seven layers of taxation, and further reducing your profit, and thus how much you can borrow.

### **If you want to borrow more, then minimising the amount of tax you have to pay is essential.**

#### **Lenders will also ask to see a business plan.**

Failing to plan means that you are planning to fail, and no lender wants to provide a mortgage to a failing business. Not only does having a well thought through business plan make borrowing that much easier, it significantly increases your chance of becoming financially independent whilst you are still young enough to enjoy it.

So what should your business plan look at?

It does not have to be War & Peace, just a written document that clearly states what your financial targets are, why they are important to you, how they are going to be achieved, and whether your current investment strategy will actually get you there. In particular, it's the focus on the hard numbers that will get you to the point where you no longer have to work; unless that is you want to.

### **Your business plan will need to include**

- all your sources of income (not just rents)
- a summary of your experience in residential investment property
- details of the operating model
- tenant profiles
- the supporting business infrastructure (including professional service providers, letting agents, solicitors, accountants, property management, etc.)
- details of any voids / tenant defaults / evictions that you have experienced and how these situations were managed, together with what plans you have to manage those in the future)
- your future funding requirements for the next 18 months, and
- proposed future purchases, improvements and disposals including property type, tenant type, sources of funding and funding voids during improvements etc.

### Can lenders take into account rental rises?

Yes, but only to a very limited degree. When assessing affordability, a mortgage lender can take into account rental increases but these must not exceed the Government's inflation target of 2%.

### Will I still be able to raise capital to spend rather than to reinvest?

Some lenders like Santander have already said that they will not accept applications from portfolio landlords for the purpose of personal capital raising. Others will have different criteria.

That highlights the business case even more, in that if you are having to remortgage just to get the money out because the rents are not high enough and are relying on house price inflation, then you are in real danger of going bust.

### In summary, BTL lenders will be looking at: -

- Your property investment experience
- The total amount of your mortgage borrowing across all properties
- Your assets and liabilities, including tax liability
- The merits of any new lending in context of your existing buy to let portfolio together with your business plan
- Historical and future expected cash flow from your portfolio
- Your income both from property and elsewhere

If you are running a professional property business, then you will have all of this to hand and be confident in the numbers. If not, expect a hard time.

So, going back to the beginning; it's time to take the kick me sign off your back, and replace it with the one that says; ***"I'm a professional landlord with a thought through deliverable business plan with maximised returns and the lowest tax bill the law allows. You can lend to me with confidence"***.

On 22 November, Less Tax 4 Landlords are holding a free evening event in London for Portfolio Landlords with 4 or more investment properties who will be affected by the changes. To secure a complimentary ticket, please write to [events@lesstaxforlandlords.co.uk](mailto:events@lesstaxforlandlords.co.uk) quoting ATLAS.

Article by



## The Electrical Equipment (Safety) Regulations 2016

- Commenced 8<sup>th</sup> of December 2016
- Covers any electrical appliance placed in the property after the start date
- Applies to both Landlords and Agents (distributor)
- Should show proof that the appliance complied when put into the property (visual inspection each letting)
- Landlord or Agent can carry out a visual inspection although PAT test ideal
- Appliances include: vacuum, lamps, TVs, cooker, Fridges, washing machines, kettles etc.

### Visual checks include:

Cables, correct plugs, fuses, microwave and oven seals – List on Inventory

All appliances should have CE (European Conformity) marking & Instruction manuals.

### Landlord or Agent is aware that the appliance does not conform they must:

withdraw the appliance, recall it or make it compliant

**Penalties** – Criminal offence - fine or imprisonment up to 2 years or both



# AZAD AYUB

Azad Ayub started as a property management company in 1980 and it was incorporated in 1995, providing continuity to our clients both landlords and tenants for over 35 years.



We manage properties in North London and other areas within the M25. Most properties are owned by the directors of the company and a small number by our clients, who use the management services that we provide to Landlords.

**36 Wightman Road, London N4 1RU**

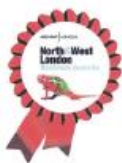
**Tel: +4420 8348 3135**

**Fax: +4420 8348 3298**

**Mob: +447956 131310**

**azad@azadayub.co.uk**

**www.azadayub.co.uk**



# Specialist landlord & tenant lawyer -Tessa Shepperson answers landlords' FAQ. In this issue: Is your Property an HMO?

**HMO stands for House in Multiple Occupation.** An HMO is generally a property where more than two people share living accommodation who are not in the same family or 'household'.

It is generally thought that HMOs are where lots of people rent out rooms or bedsits in a property – and indeed it is – but there are other circumstances where a property can also be classed as an HMO:

## For example:

- If three nurses share a flat (even if they sign the same tenancy agreement)
- If a married couple who are tenants rent out a room to a lodger
- If an owner occupier rents out three rooms to lodgers (i.e. more than two)

But not if

- The three nurses are related, e.g. if they are sisters
- The lodger is actually an au pair or nanny for the married couple's child
- If the lodgers are relatives

There is no doubt that there are many, many properties, which are actually HMOs without anyone realising it. But is this significant? Why worry? There are two main reasons:

## Licensing

At present, all properties, which have three or more stories, and five or more occupiers in two or more households need to get an HMO license from their Local Authority. However, that is not always as easy as it sounds to work out. For example, if there is a mezzanine level – this can count as a storey. Basements and attics can also count, as well as storeys rented out separately. In some areas, you may need to get a license even if your property has fewer tenants or storeys – if your Local Authority has additional or selective licensing. You need to check.

Failing to have a license for your property can be very expensive. Not only can you be fined up to £30,000 or more if you are prosecuted - but your tenants (or the Local Authority if the tenants are in receipt of benefit) can apply for a Rent Repayment Order. This can order that you repay up to 12 months' worth of rent. Which is not something you will want to do.

## The Management Regulations

These apply to ALL HMO properties – whether they require a license or not. The relevant regulations are the Management of Houses in Multiple Occupation (England) Regulations 2006 (with similar regulations for Wales) and are health and safety based.

So, they deal with things like keeping the property safe and dealing with the rubbish properly. There is also a requirement to have a notice with the HMO managers' name, address and any telephone contact number displayed in a prominent position in the property (e.g. on a notice board in the kitchen). It is important that you are aware of the regulations and comply with them, as Local Authorities can fine you if you don't for up to £30,000 per breach.



This is one reason why it is particularly important that regular inspections are carried out for HMO properties. If you wait for tenants to report things to you, you will already be in breach of the rules and vulnerable to prosecution.

### **New Rules on their Way**

The Government carried out a consultation last year and it is expected that they will be widening the scope of mandatory licensing. So this means that it is even more important that you know whether your properties are HMOs or not and if they are, ensure that you are complying with all the rules.

**Tessa Shepperson**

Read more from Tessa at [www.landlordlawblog.co.uk](http://www.landlordlawblog.co.uk)



## **Landlord Law**

Online legal services at from specialist landlord & tenant lawyer  
**Tessa Shepperson**

### **Services include**

- Unlimited use of our 25+ tenancy agreement templates
- Answers to frequent questions - written in plain English so you can understand them!
- Support for members from Tessa in the members discussion forum
- Save money with our DIY eviction kit (+Plus members only)

Standard membership £20 pm +Plus membership £96 for six months or £180 pa (VAT included)

**[www.landlordlaw.co.uk](http://www.landlordlaw.co.uk)**

*"Landlord Law's great documents, information and customer support have been a God send and helped put me on the right path when I started out as a novice landlord. Thank you Landlord Law!" John Meades, Landlord*

## **Brent Landlord & Investor Forum 2017**

**On:** Thursday 2 November 2017

**Time:** 18:00 - 23:00

**AT:** Grand Hall - Brent Civic Centre, Engineers Way, Wembley HA9 0FJ

**Get your FREE tickets:** <https://www.eventbrite.co.uk/e/midas-property-group-brent-landlord-investor-forum-2017-tickets-38168187075>



# Havering

LONDON BOROUGH

## FREE EVENT

**Havering Landlord and Property Expo 2017 Friday, 17 November 2017 from 9am – 5pm at the CEME Conference Centre, Marsh Way, Rainham RM13 8EU**

The London Borough of Havering is keen to work with owners, landlords, letting agents and developers in order to increase the amount of good quality accommodation which is provided across the Borough. The event is aimed specifically at people who want to explore options on how best to develop their existing land or property and discuss these options with Council Officers.

There will be the opportunity to take part in seminars and discussions focusing on a range of issues including:

- The proposed Regeneration and Infrastructure plans for Havering – including a major Housing Regeneration Programme valued at around £1billion
- Overview of Planning Permission and pre-application advice
- How Building Control can support Landlords and Developers
- Opportunities and financial incentives for Private Landlords who provide accommodation for Havering tenants (both inside and outside of the Borough)
- How to access the £2.5m Empty Property Resurrection Fund
- Property Licensing – how will Havering's scheme compare with the rest of London?
- Universal Credit- What will this mean for Landlords?

There will also be seminars covering, tax, fire safety, insurance, energy efficiency and many other topics aimed at providing owners, landlords and developers with the information they need to move forward with their next project.

Tickets to this event are free however, it is important that you register for this event in order to secure your place and ensure that you are kept up-to-date on the speakers, exhibitors and seminars as more are announced.

You can book your free ticket by visiting <https://www.eventbrite.co.uk/e/meet-llasuklap-at-havering-landlord-and-property-expo-2017-tickets-38873157661>

If you would like to find out more about this event, please email [roger.young@havering.gov.uk](mailto:roger.young@havering.gov.uk) or [sarah.pluck@havering.gov.uk](mailto:sarah.pluck@havering.gov.uk)

## How to get to the event

[www.cemeconference.co.uk](http://www.cemeconference.co.uk)

CEME Conference Centre is located in the London Borough of Havering. Just on the A13 out of the City, a few miles past the North Circular Road

**Bus 174:** (from Harold Hill via Romford) operates every 10 minutes and terminates at CEME

**By taxi:** It is a 5-minute journey from Rainham Station to CEME for those using a satnav, the postcode is **RM13 8EU**. Leave the A13 at the first Dagenham East/Hornchurch exit. Take the first exit on the left marked 'Marsh Way'.

## 5 CPD Points will be awarded for Your Attendance

Legacy Education Alliance Inc.  
is delighted to sponsor the  
LLAS & UKLAP  
Summer Networking & BBQ Event



Legacy Education Alliance Inc is a worldwide provider of educational training seminars, conferences and services. Its practical courses taught by industry experts have helped thousands of people from all walks of life build a strong financial future.

Established in the UK in 2001, LEA's property courses include Rich Dad® Education, based on the teachings of the internationally acclaimed author Robert Kiyosaki, Making Money From Property by TV's Martin Roberts, Robbie Fowler Property Academy and Perform In Property with Steve Backley and Roger Black.

[www.legacyeducationalliance.com](http://www.legacyeducationalliance.com)

020 8996 6700

Parkshot House, 5 Kew Road  
Richmond, London, TW9 2PR

**LEGACY**  
Education Alliance™

**TRADE POINT**  
Trade Building Supplies

**LANDLORD?**  
**SAVE TIME & MONEY**  
**AT TRADEPOINT!**

TradePoint supply over 12,000 products needed for building & maintenance, covering Building, Decorating, Kitchens & Bathrooms, Plumbing & Electrical ...and much more! Trade services are also available such as; bulk delivery, timber cutting, and a revolutionary free Kitchen/Bathroom/Bedroom design tool called Spaces.

- ✓ **INSIDE OVER 300 B&Q STORES NATIONWIDE**
- ✓ **OPEN 7 DAYS, EARLY 'TIL LATE**
- ✓ **OVER 12,000 TRADE PRODUCTS**
- ✓ **BUY IN STORE, ONLINE & BY PHONE**



**DON'T MISS OUT...**



Sign up to TradePoint today online at [TradePoint.co.uk](http://TradePoint.co.uk). Be sure to reference "UKLAP" alongside your company name in the "Company Name" field.

If you have any questions, contact the TradePoint B2B team on **01314 586 256** or [Admin.TradePointB2B@Trade-Point.co.uk](mailto:Admin.TradePointB2B@Trade-Point.co.uk)

**FIND US INSIDE** **B&Q**

**TradePoint.co.uk**

# Hackney Targets All Landlords with Licensing

The London Borough of Hackney have announced the start of two new licensing consultations for a borough wide Additional HMO Licensing Scheme and a Selective Licensing Scheme in certain areas.

Selective Licensing was introduced under the Housing Act 2004. The Housing Act 2004 says that before introducing selective licensing to any area local Councils must consult with all affected people, such as tenants, residents, landlords, managing agents, businesses, Police, Fire Service, local Councilors etc. Selective Licensing applies to all private rented sector houses that are not licensed under HMO licensing, this includes non licensable HMOs. An area may be designated for selective licensing either (i) if the area is (or is likely to be) an area of low housing demand **or** (ii) the area is experiencing a significant and persistent problem caused by anti-social behaviour that local authorities attribute to private sector landlords failing to take action to combat against unruly tenants. A designation can last up to five years.

Alongside the license fees, landlords will also have to declare that they are a fit and proper person to hold a license and holders of the license will be required to comply with licensing conditions, some of which are mandatorily imposed by the Housing Act, and local licensing conditions from the council itself.

Hackney has proposed the wards of **Brownswood, Cazenove and Stoke Newington for a Selective scheme**. The local authority has designated these wards in particular, as they are "*the most affected by poor conditions*". Properties not in these wards will not need to be licensed, unless they are a HMO, and HMOs in these 3 wards will need either an Additional or Mandatory License and will not be affected by a Selective designation.

All houses of multiple occupations (HMOs) which are 3 stories and above, house 5 or more people (not from the same family), and share facilities legally require a Mandatory HMO License. The introduction of an Additional Licensing scheme covers the HMO properties that are not covered by this license. This license requires a landlord and their property to meet specific standards including whether a landlord is 'fit and proper' to be a landlord.

In addition, there are specific provisions which mean that converted blocks/buildings, (e.g., converted blocks of self-contained flats or mixed accommodation where there is a mixture of self-contained and non-self-contained units), can be a HMO. You do not, always need a sharing of washing facilities, kitchen facilities or toilet facilities for there to be a HMO. If there are at least three unrelated people involved, then the property could be a HMO. There are exceptions to these basic guidelines, please contact the council directly to see whether Additional or Mandatory Licensing will affect you.

**The proposed fees for these schemes are as follows;**

**Additional licensing – £900 – £1,150**

**Selective licensing – £450 – £500**

The borough have only set out an estimated fee structure and have not yet set out a discount scheme for early applications or accredited landlords. Within their consultation document, Hackney has set out the licensing conditions landlords will have to comply with. Along with the 23 conditions set out by the Housing Act, the local authority has added 2 conditions for the selective scheme;

**Requirement on landlord/agent to obtain tenant references**

**Requirement on landlord/agent to obtain Energy Performance Certificates**

The full consultation is available here: <https://consultation.hackney.gov.uk/communications-and-consultation/private-rented-sector-licensing-consultation/>



# Public Notice

London Borough of Havering

## DESIGNATION OF AN AREA FOR ADDITIONAL LICENSING

Section 56, Housing Act 2004

The London Borough of Havering ("Council") in exercise of its powers under section 56 of the Housing Act 2004 ("the Act") has on 11 October 2017 designated an area in its district, as delineated and shaded pink on the Map, as subject to Additional Licensing. The designation applies to all Houses in Multiple Occupation ("HMOs") that are privately rented and occupied under a tenancy or a licence unless it is an HMO that is subject to mandatory licensing under section 55(2) of the Act or is subject to any statutory exemption.

The designation shall come into force on 1 March 2018 and shall cease to have effect on 28 February 2023. The designation falls within a description of designations for which the Secretary of State has issued a General Approval dated 26 March 2015.

If you are a landlord, managing agent or a tenant and would like further information about the designation please call **01708 432777**, email [landlordlicensing@havering.gov.uk](mailto:landlordlicensing@havering.gov.uk) or write to the Environmental Protection and Housing Team, London Borough of Havering, Town Hall, Main Road, Romford RM1 3DR. The designation may also be viewed at the above address during office hours.

To apply for a licence please visit  
[www.havering.gov.uk/landlordlicence](http://www.havering.gov.uk/landlordlicence)

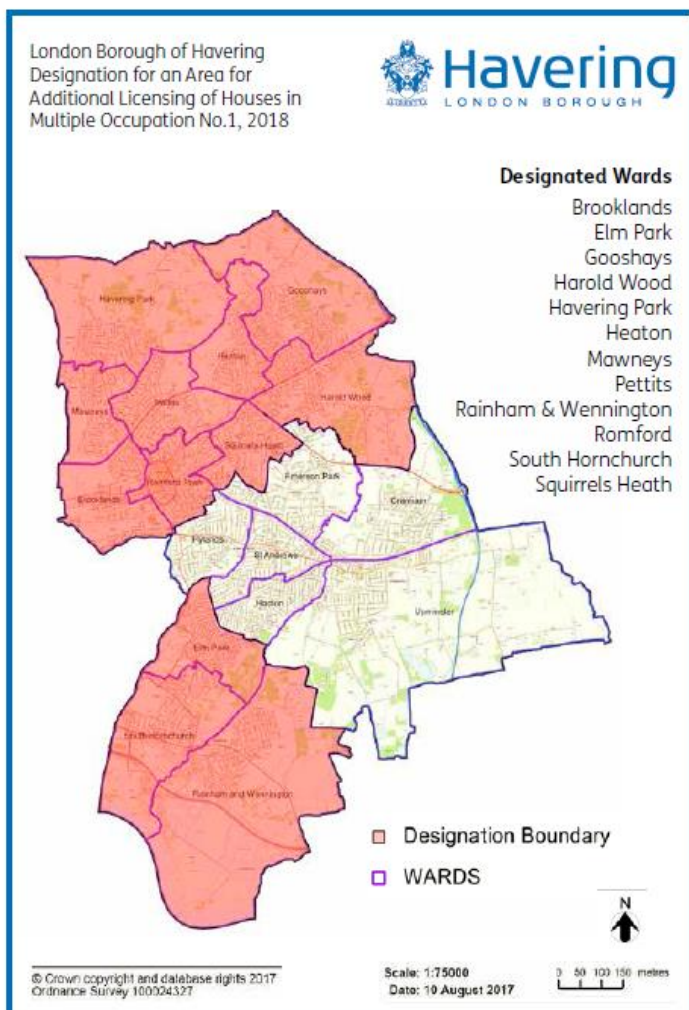
All landlords, managing agents or tenants within the designated area should obtain advice to ascertain whether their property is affected by the designation by contacting the Council's Environmental Protection and Housing Team.

**Upon the designation coming into force on 1 March 2018 any person who operates a licensable property without a licence, or allows a licensed property to be occupied by more households or persons other than as authorised by a licence, could be prosecuted and upon summary conviction is liable to an unlimited fine. A person who breaches a condition of a licence is liable upon summary conviction to an unlimited fine.**

Signed 

Chief Executive

For and on behalf of  
London Borough of Havering,  
Town Hall,  
Main Road,  
Romford RM1 3DR



# Couple trying to evict their own tenant are forced to give him cheap rent for LIFE in the £310,000 home after his lawyer uses a little-known 1925 law

David and Sheila Harding were trying to evict tenant Colin Gregory but a little known law forced them to give him cheap rent for life in East Sussex. A law dating back 92 years and a case from 1948 were used in the case

A couple who wanted to turf out their tenant were instead forced to give him cheap rent for life because of little known laws dating back 92 years.

David and Sheila Harding bought their friend and next door neighbour Colin Gregory's three-bedroom home nearly 20 years ago. Mr. Gregory was struggling with the mortgage, and Mr. Harding rented the home back to the former antiques dealer for £800 a month. But decades later, when the couple wanted to sell up to fund their new life in Spain, he refused to leave. They rented the home back to their friend Colin Gregory for £800 a month.

Colin Gregory previously owned the house which the Hardings bought from him after he told them he was struggling with his mortgage. He continued to live there and rented it from them.

The Hardings took him to the county court to get possession of the £310,000 home in Peacehaven, East Sussex. But they were astonished when Mr. Gregory's lawyer successfully used a law dating from 1925. Moreover, the judge ordered Mr. Gregory to be given a 90-year lease – and the Hardings cannot increase the rent above the current £800 a month.

The pair were refused permission to appeal and fear the lease could even be passed on to his relatives when he dies

The judge branded both parties 'foolhardy in the extreme'.

Now Mr. Harding, 58, is speaking out to warn others of letting properties to friends.

## **So, what is the 92-year-old law that was used?**

Mr. Gregory's solicitor produced two pieces of law - dating from 1925 and 1948 -, which the judge adjourned the hearing to consider.

He cited a case known as *Bannister v Bannister* 1948, where a woman was given the right to live rent free for life in a cottage she sold to her brother for under market value.

The judge decided the cases were similar, and he was given £800 a month rent 'for life' - which due to the 1925 Property Act equates to 90 years.

The judge dismissed the Hardings' case and ordered them to pay his costs of £11,000.

The Hardings are allowed to sell the home - but only on the condition, it goes to someone who will keep Mr. Gregory as a cut-price tenant.

The grandfather-of-two said: 'We tried to help out, not only as a good neighbour and landlord, but we considered Colin a good friend. 'We own it, we pay the mortgage on it, we bought it but due to a nearly 100-year-old law he gets to live in it on the cheap. We have nowhere to turn to and can't believe it has turned out like this.



'We went into court told by our solicitors that there would be no problem and walked out with him winning the case and us owing him costs. It's ludicrous. There is nothing more we can do.

'We want to warn other people who are thinking of entering into any kind of agreement like this. We did everything by the book and look where it ended up.

'Nobody had ever heard of the law the solicitor used but it has cost us dearly. We're stuffed.'

The Hardings moved into Broomfield Avenue, next door to Mr. Gregory, in 1993 and got on well.

They were so close that when Mr. Gregory confessed he was struggling to pay his mortgage and was going to have to sell up and move out, Mr. Harding offered to help. He bought the home for £143,000 in 2001 and used a 'buy to rent' mortgage, meaning Mr. Gregory did not have to move out, and he happily paid them £800 a month.

A tenancy agreement was signed by all parties. Mr. Harding, a former roofing company owner, recalled: 'I told him he could stay there for as long as feasibly possible and that as long as I could afford it, I would keep the rent at £800.'

The couple sold their home and moved to Spain in 2002 but decided to sell the other house three years ago. They needed some cash to fund their new three-bedroom villa in Torremolinos and explained the situation to Mr. Gregory. Mr. Harding offered to sell the home to Mr. Gregory for £60,000 less than the £310,000 valuation.

The Hardings took him to the county court to get possession of the £310,000 home in Peacehaven, East Sussex but a little known law meant that they must now give him cheap rent.

They gave him a year to find the money but he did not and they then accepted an offer from a buyer who was willing to pay about £240,000 for the home and keep Mr. Gregory, 68, as a tenant. But the buyer said he needed £1,200 a month rent and Mr. Gregory objected to the rise.

The case went to Brighton County Court in March 2016 where Mr. Gregory said he sold the house to the Hardings for a reduced price, only because he could rent it for as long as he wanted. That claim, not mentioned in the tenancy agreement, was strongly disputed by the Hardings.

Then Mr. Gregory's solicitor produced two pieces of law, dating from 1925 and 1948. Under the 1925 Property Act he has the right to pay £800 for the next 90 years.

He also cited *Bannister v Bannister* from 1948, where a woman was given the right to live rent-free for life in a cottage she sold to her brother for under market value.

The Hardings were ordered to pay Mr. Gregory's costs of £11,000, and told they can only sell the home to someone who will keep him as a cut-price tenant. Mr. Gregory declined to comment.

Source from <http://www.dailymail.co.uk/news/article-4783218/Couple-forced-tenant-cheap-rent-LIFE.html>

## **LLAS & ATLAS Reaccreditation Training**

Only 1 training day left for 2017, **30 November 2017**.

Get reaccredited for another 5 years.

Book your place at [www.londonlandlords.org.uk](http://www.londonlandlords.org.uk)

# Do you own an empty property in Brent?



For a two bed property you could get up to **£26,000** in grant aid for conversion and refurbishment works **plus** receive an average rental income of **£14,500** per year.

To find out how you can benefit from the scheme, call us now on

**020 8937 2535/020 8937 2539**

or email

**[empty.property@brent.gov.uk](mailto:empty.property@brent.gov.uk)**

# Do you own an empty property in Barnet?

Why not convert  
your empty property  
into regular income

## Ask us about grants

that are available to bring your property back into use and how you can rent it back to the council.

For more information:

tel: 020 8359 4475 email: [housingconditions@barnet.gov.uk](mailto:housingconditions@barnet.gov.uk)

or visit [www.barnet.gov.uk/empty\\_properties](http://www.barnet.gov.uk/empty_properties)

**BARNET**  
LONDON BOROUGH



# Section 21

## When and how to use the old and the new notices

*It has been over two years since the Deregulation Act 2015 introduced changes to the section 21 notice which also included the introduction of a new prescribed notice. Although the legislation attempted to clarify when and how to use a section 21 notice, it has had an opposite effect.*

*In this article, Letting Update Journal examines a couple of the most common legislative and practical issues around this area, which are commonly queried by letting agents.*

### Retaliatory evictions

There is one subject in the Deregulation Act which is seldom debated in day-to-day conversations with letting agents, namely retaliatory evictions.

At a recent meeting with an environmental health officer (EHO) who works for the local council, the issue of retaliatory evictions came up. Not surprisingly, the EHO said that the council had so far not dealt with any complaints where this was an issue. It is often said that some councils have a bark worse than their bite, and the EHO explained that most complaints about private rented property were dealt with informally rather than incurring the costs involved with serving formal notices.

Therefore, if the local council is reluctant to serve formal notices or does not have the capacity to deal with the number of complaints about the poor response to repairs in the private rented sector, then retaliatory evictions as a defence is somewhat obsolete.

That said, landlords and letting agents need to be mindful that if a 'relevant notice', such as an improvement notice or emergency remedial action notice<sup>1</sup> is served, then a

section 21 notice cannot then be given to the tenant within six months of the service of such notice.<sup>2</sup>

It would not be a surprise to see future changes to the legislation to reflect the impossibility of tenants using retaliatory evictions as a defence considering it often takes the local authority in excess of two months to serve a 'relevant notice'.

### Which type of notice?

This appears to be the most common dilemma, judging by how often agents ask about this at training courses and on the helpline.

Serving an 'old version' of the section 21 notice or the new Form 6A (which is just the legal name for the newer version of the section 21 notice) will depend on the commencement dates of the original tenancy along with any renewal.

For ease, there is a simple table below showing which version to use.

It is of some interest that Form 6A actually states the following about when it can be used:

*This form must be used for all ASTs created on or after 1 October 2015 except for statutory periodic tenancies which have come into being on or after 1 October 2015 at the end of fixed term ASTs created before 1 October 2015. There is no obligation to use this form in relation to ASTs created prior to 1 October 2015, however it may nevertheless be used for all ASTs.*

The final line in the statement seems to have caused a degree of confusion among some legal professionals as they have issued differing advice about whether or not to use Form 6A for tenancies created before 1 October 2015.

### Stumbling block

For agents who have chosen to use Form 6A for tenancies created before 1 October 2015, there is an argument that

<i>Which type of notice</i>	
Dates	Which form
Periodic tenancy or periodic renewal started before 1 October 2015	Section 21(4)(a) Not the prescribed form
Tenancy or renewal started before 1 October 2015 and still in fixed term	Section 21(1)(b) Not the prescribed form
Fixed term tenancy started before 1 October 2015 and statutory periodic tenancy arising after 1 October 2015	Section 21(1)(b) Not the prescribed form
Original tenancy or renewal started after 1 October 2015	Form 6A The prescribed form

they have locked themselves into the requirements linked to Form 6A. The requirements are that the landlord must provide the 'How to rent' guide, and may have to provide an energy performance certificate and a valid gas safety record prior to being able to serve Form 6A.

Therefore, to remove that potential risk, it would be advisable to follow the table as set out on page 10.

**One for all**

Please note that, from 1 October 2018, it will be a requirement to use Form 6A for all tenancies in existence on that date, irrespective of when they commenced. It is not clear if the additional requirements such as providing the 'How to rent' guide etc. will have to be complied with.

**Form 6A rules**

The golden rule is that Form 6A cannot be served in the first four months of the fixed term of an 'original' tenancy.

This means that, in a typical six month fixed term tenancy, the first day the notice can be served is the first day of month five. The notice period will then expire on the first day of month seven.

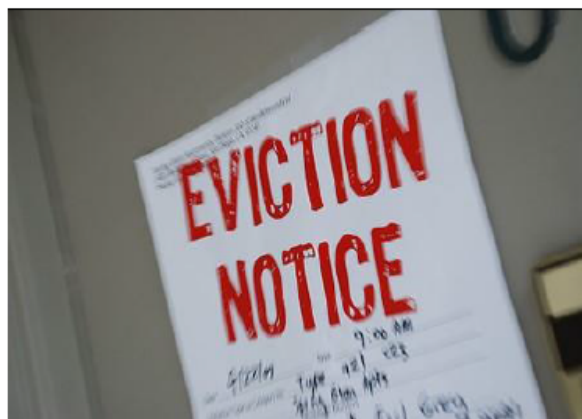
If, for example, a tenancy has been granted for only a fixed term of three months, and then another tenancy for a further three months; the notice can be served after the end of the first month of the renewal agreement.

It is worth being aware that the new section 21 four month rule does not apply to a statutory periodic tenancy.<sup>3</sup>

In theory at least, you can grant a two month fixed term tenancy and serve a section 21 immediately when the term expires. However, this would create council tax implications and other potential issues not discussed here.

The Deregulation Act also brings in a new six month 'shelf life' for section 21 notices (under Form 6A). This means that, if you do not commence court proceedings within six months of the notice being given to the tenant, it lapses and you will have to start again.

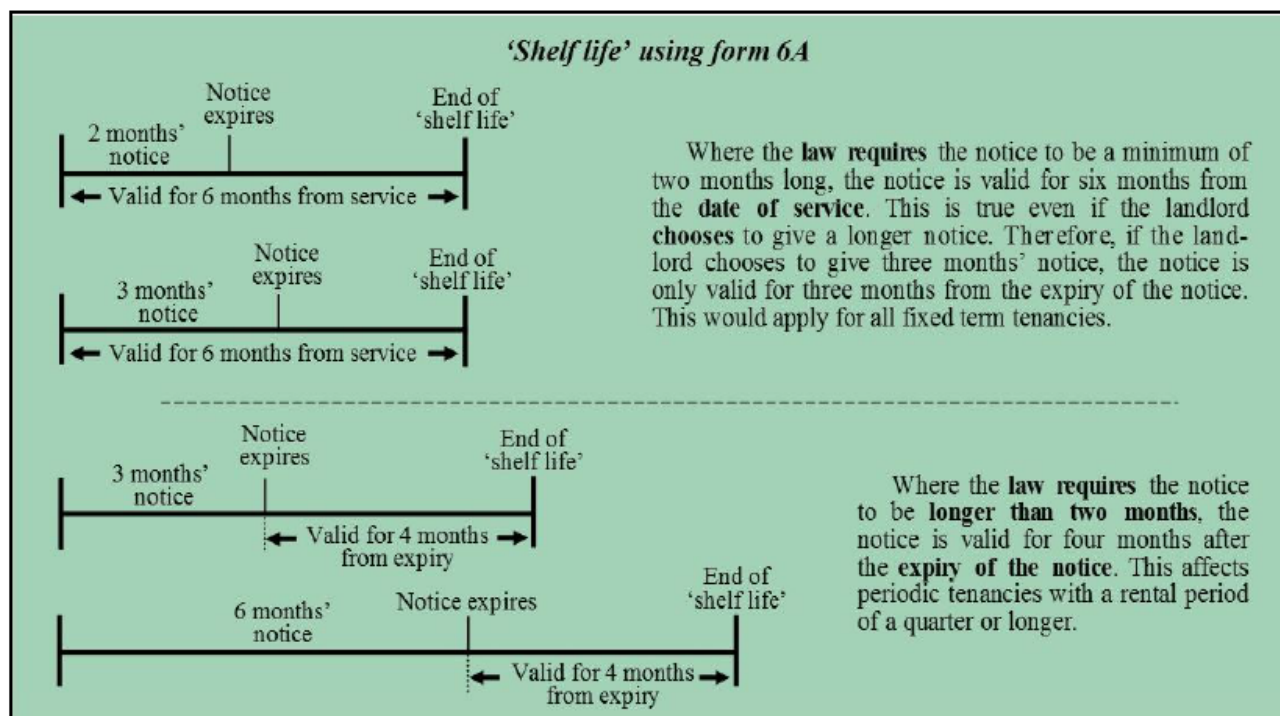
As always, there is an exception to this rule where the notice period is



required to be longer than two months as a minimum. See table below.

**Prescribed requirements**

As previously mentioned, and in a similar way to deposit compliance, Form 6A is not considered validly served unless certain documentation has been given to the tenant and evidence of service is obtained. These requirements can be found in The Assured Shorthold Tenancy Notices and Prescribed Requirements (England) Regulations 2015<sup>4</sup>. They are as follows:





## Energy performance certificate

It is already a legal requirement to make this document available at any viewing and an EPC must be given free of charge to the person who ultimately becomes the tenant.<sup>5</sup>

If the tenancy is exempt from 'needing' an EPC, for example for a room let in a house or if the original tenancy commenced prior to 1 October 2008 (the date from which an EPC was required to market a property), then it would be prudent to ensure that it is clearly documented on the property management system and perhaps in a covering letter to the tenant when serving Form 6A.

## Gas safety record

Providing a valid copy of the gas safety record to tenants is already a legal requirement.

It should be; a) given before the tenants move in, and b) within 28 days of the annual gas safety check if they were the tenants when the check was done. Failure to do so can result in prosecution and fines.

If the gas safety record is not given before move in, the legislation appears to prohibit ever using section 21. If a gas safety record is not provided within 28 days during the tenancy, the section 21 can be served once the gas safety record from the annual check has been given to the tenant.<sup>6</sup>

If a tenant prevents a gas safety check by refusing access to a property, it would be prudent to retain evidence of this, including a witness statement from the gas engineer. In addition, communication with the environmental health officer at the local council will demonstrate the agent's attempts to conduct the check.

## 'How to rent' guide

In June 2014, the guide: *'How to rent: the checklist for renting in England'* was published. (Last updated in February 2016).<sup>7</sup>

The document must be given to the tenant but the legislation does not state at what point the document has to be provided. Best practice would be to give it to the tenant right at the start of the tenancy.

---

*"The Deregulation Act also brings in a new six month 'shelf life' for section 21 notices (under Form 6A). This means that, if you do not commence court proceedings within six months of serving notice on a monthly rental, the notice lapses and you will have to start again".*

---

The regulations enable the document to be given either in paper or electronically. If the latter, then the tenant must give their written consent to receive it in this way.

Secondly, it is an obligation to provide an updated version of the guide if and when the tenancy is renewed, including when it becomes statutory periodic. This means that if the guide has been updated since it was first provided to the tenant, a new one must be issued.

Considering the potential changes on the horizon, i.e. ban on tenant fees, alterations to houses in multiple occupation legislation and the fall out over the tragic Grenfell Tower fire, there will most likely be amendments to the guide over the next 18 months. This will put some strain on the compliance processes within any property management department.

With all this documentation compliance, it would be wise to ensure that there is a process to evidence that it was correctly completed. If there is any doubt about whether the three documents above have previously been given to the tenant, it is probably worth reserving them before Form 6A is served. If served by hand, then getting a witness statement is recommended. If

sent by first class post, obtain proof of posting.

As with all civil courts, the evidence of service will be based on the rule of the 'balance of probability'.

## Notice periods

The notice period during the fixed term is a minimum of two months and the notice should not expire during the fixed term.

The previous requirement for notice given during a periodic term to expire on the last day of a tenancy period has been removed.<sup>8</sup>

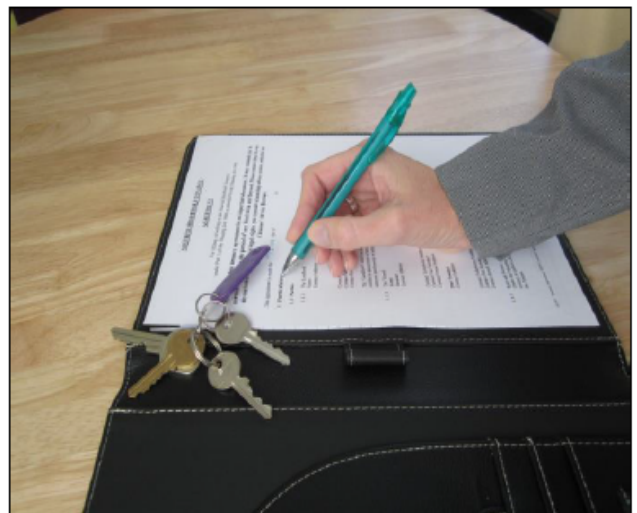
Form 6A has made calculating the notice periods during a periodic term much easier. The notice has to be two months' long but can expire on any day in the month (see below for an exception).

If the notice is posted and you want to ensure the best possible chance of success in court, always add two working days to the notice for service time.

## Longer rent periods

Serving a section 21 for periodic tenancies with rent payable quarterly, six monthly or annually has always required longer notice periods. This 'old' rule also applies to Form 6A.

So for example; if the rent is payable quarterly, then the section 21 notice has to be at least one quarter long. The wording in the Housing Act 1988 states the section 21 notice must expire "*not earlier than the earliest day on which ... the tenancy could be brought to an end*



by a notice to quit given by the landlord on the same date”.

As a Notice to Quit has to expire at the end of a period of the tenancy, it has the unfortunate effect of reintroducing the last day of a period rule for rental periods longer than two months. At the time of writing, there are no known cases where the courts have passed judgement on this point. It is therefore recommended to avoid these longer periods altogether. If the notice has to be longer than two months, it will be valid for four months from the expiry of the notice.<sup>9</sup>

### Mitigating risks

There are a number of options available to remove the risk of longer notice periods under Form 6A when taking large sums of rent in advance. They are as follows:

1. Use a tenancy agreement which combines a fixed term and then continues as monthly periodic. This removes the risk of longer periods during the periodic term because the periodic term is created by agreement not statute.
2. Extend the fixed term by one month i.e. if collecting six months' rent up front, make the fixed term seven months, so the last payment under the fixed term is monthly, so when the tenancy becomes periodic, it will follow the last payment under the fixed term, i.e. monthly.
3. Make sure to serve Form 6A during the fixed term and start court proceedings for possession within six months of giving the section 21 notice. Remember the 'shelf life' so take a 'use it or lose it' approach. Obviously, if Form 6A is not acted upon, it could mean that agents get 'caught' out by the requirement to give longer notice when the tenancy becomes periodic.

### Notice period for tenants

Another common issue raised by helpline clients is that tenants believe the changes under the Deregulation Act, in regards to removing the requirement for periodic notices to expire on the last day of a tenancy period, apply to tenants as well.

The legislative changes ONLY apply to the landlord notice period, so tenants are still required to serve any periodic notice to expire on the last or first day of a tenancy period. Obviously, the landlord does have the ability to accept a shorter notice but any letting agent would be wise to check this with their client before acceptance.

## Deposit compliance

It makes sense to touch briefly on the common question of how deposit compliance relates to serving a valid Form 6A after the commencement of the Deregulation Act.

### Re-comply?

There is NO legislative requirement to re-comply with deposit legislation when the tenancy is renewed or becomes statutory periodic, *as long as it was done correctly on the original tenancy.*

If the initial requirements of a scheme and/or deposit legislation have not been adhered to, or valid prescribed information has not been given, the deposit compliance will have to be repeated on renewal. This also applies when a tenancy goes statutory periodic.

The problem here is that if the agent believes they have adhered to all of the above and the tenancy has been renewed many times and it then turns out that, for example, the prescribed information was *not* valid, the penalty of one to three times the deposit can be awarded for each tenancy and each renewal.

Those who attended the Legal Update 2017 course may remember the county court decision where the penalty was six times the value of the deposit because it applied for every renewal and also when the tenancy became statutory periodic.<sup>10</sup>

It is important to read the deposit scheme rules carefully. Each scheme has its own rules relating to renewals, and when the tenancy becomes statutory periodic.

## Summary

The changes under the Deregulation Act have made life easier in some respects but they have also created a few pitfalls.

If there is any doubt about compliance, the advice would be to ensure that all relevant documents are given once more to the tenant a couple of days before Form 6A is served.

Experience from the courts shows us that an agent can never have too much evidence of compliance.

### References

1. Housing Act 2004, chapter 2 and chapter 3.
2. Section 33 of the Deregulation Act 2015.  
[www.legislation.gov.uk/ukpga/2015/20/section/33/enacted](http://www.legislation.gov.uk/ukpga/2015/20/section/33/enacted).
3. Housing Act 1988, section 21(4C).
4. [www.legislation.gov.uk/uksi/2015/1646/contents/made](http://www.legislation.gov.uk/uksi/2015/1646/contents/made).
5. Section 5 of the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007.
6. Section 2(2) of the above regulations.
7. Department for Communities and Local Government  
[www.gov.uk/government/publications/how-to-rent](http://www.gov.uk/government/publications/how-to-rent).
8. Section 21 4ZA as inserted into the Housing Act 1988.
9. Section 21(4E) of the Housing Act 1988.
10. *Chaudry v Cooley*, county court, June 2016: "The compensation awarded was 1 x the amount of the deposit for each of the 3 fixed term ASTs (£900), plus three times the deposit in respect of the statutory periodic tenancy (another £900)".  
Source: Case Law Digest.



# Do you have a property to let in Lewisham?

Lewisham Council runs two schemes to meet your needs.



## Lewisham Landlord Letting Scheme

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

- ▶ one-off cash payment for new landlords
- ▶ continuous supply of tenants
- ▶ four-week deposit bond
- ▶ free professional inventory
- ▶ fast-track payments from tenants on housing benefit.

## Private Sector Leasing Scheme (PSL)

With the PSL scheme, we manage your property for you. Benefits include:

- ▶ guaranteed rent 52 weeks a year
- ▶ protection from LHA changes
- ▶ no void or bad debts
- ▶ professional housing management services
- ▶ property inspections.

**Find out more – with no obligation.**

[www.lewisham.gov.uk/landlords](http://www.lewisham.gov.uk/landlords) • 020 8314 7086 / 9772 / 6753



## Buy2Lease



A new Help2Let scheme for landlords

Let us do all the work

If you would like up to £5,000 financial help to buy a rental property in Harrow, this scheme is for you. This offer is to encourage growth in Harrow's private rented sector.

- Includes full management service
- 5 year lease - guaranteed payments paid 3 months in advance
- Offering you financial security and worry free letting
- Advice on property you are thinking of buying
- Money available now!

\*Terms and conditions apply



Call us on **020 8424 1605**  
Email [landlords@help2let.co.uk](mailto:landlords@help2let.co.uk)  
[www.help2let.co.uk](http://www.help2let.co.uk)

Landlords, we have other schemes available. Call us for more details.



*Harrow***COUNCIL**  
LONDON

# Deposit Dispute

***A young couple rented my flat for three years leaving it in a state. They say that what they did was just fair wear and tear, but I know it will cost a lot to put things right. I did my own inventory, which I admit is a bit sparse. They say they want their deposit back. How do I dispute their claim?***

Many a dispute arises out of this term “fair wear and tear” and indeed deposit disputes are the most common cause of arguments between landlords and tenants. What is one person’s idea of fair wear is another’s of irreparable damage. What is one tenant’s idea of a clean cooker, carpet or worktop is another’s one of filthy, grubby, or stained / burned beyond redemption.

Disputes of this kind are best settled between the parties if at all possible, and landlords should appreciate that after time wear and tear does occur and make allowances for it. It costs a lot to enter into a formal dispute, even if this is only your time in preparing your case, so if you can come to an amicable settlement, even with a small loss write-off, then it may be worth it. I have usually swallowed these inevitable losses, cleaned, refurbished and got on with letting.

However, if someone is being unreasonable and there is substantial loss at stake, then pursuing a formal dispute is usually worth your time and trouble. However, any dispute will stand or fall on having sufficient objective evidence – do you have enough to make a good case? Are you confident of your interpretation of what is and is not fair wear and tear?

The House of Lords has ruled fair wear and tear as “reasonable use of the premises by the tenant and the ordinary operation of natural forces” (i.e. a passage of time). A fair bit of common sense is needed here but it’s one thing to be convinced that you have viewed the condition of your flat in the eyes of the proverbial “reasonable man” as they law would have it, it’s by far another to win a dispute case.

Many factors will be taken into consideration to reach a “fair judgement” by a deposit scheme adjudicator or a judge, if you take this to the small claims court. For example, the following will be taken into account:

- The quality of the original item supplied. A cheap carpet is a different animal to a commercial grade one
- The condition at check in
- The condition at check out
- The age of the item and its reasonably expected useful life
- Whether any damage can be reasonably repaired or hidden from view
- Any other extenuating circumstances.

The landlord will not be compensated for betterment, meaning that you cannot expect to have old replaced with new or charge cleaning or decorating costs to improve the original state at the start of the tenancy.

The tenant however has a “duty of care” to look after the landlord’s property and return it at the end of the tenancy in the same condition, fair wear and tear excepted, as that recorded on the Inventory at the start of the tenancy.

Having no inventory means that you have almost certainly blown your chances of getting a fair settlement. Having a poor inventory is not much better. I always advocate using the services of a good inventory clerk. I would recommend the landlord pays for the ingoing check, which is the most expensive one, but the agreement states the tenant pays for the outgoing check. This in my view fixes the tenant’s attention on the importance of the state of the property when they leave, if they want their deposit returned in full, less the cost of the outgoing check – usually around £45 - £50.

Documentary evidence is absolutely key in any dispute. Landlords should provide documentation and information (sales receipts, valuations) on any items of particular value for example, antiques, collectables, art works etc. Items of no real value or of sentimental value should be removed from the property.

Any work carried out – work carried out by you cannot be claimed for - or replacement items supplied need receipts for the cost, and it is always a good idea to ask tradesmen and professional cleaners to give a brief report on the condition they found the items in, and their opinion on the extent and cause of damage etc. Setting out a legal claim for a small claims court or an adjudicator requires exactly the same approach: keep it simple, concise and factually to the point. Judges and adjudicators are busy people and they will not read reams and reams of facts accompanied with stories, grips and opinions. Itemise every piece of evidence and cross-reference it with your claim statement.

Landlords’ claim record on deposit disputes is abysmal, with something like a 10% success rate. This is invariably down to not having sufficient evidence and not presenting it in an acceptable way. I recommend you read Tom Derrett’s “How to Win Deposit Disputes” see: <http://goo.gl/CI4fyf>

**Tom Entwistle is Editor of LandlordZONE® and an experience commercial and residential landlord himself**



## Landlords do you have a property to let in the london area?

Camden Lettings offers great benefits to landlords and is tailored to protect you and your investment during a time of immense change in the sector.

With Camden Lettings you can choose between our free rent guarantee service, or generous **cash incentives** up to **£5000**.

The comparison chart highlights some of the key features of Camden Lettings:-

To get a quote, please contact the PRS Initiatives team on:

**[camdenlettings@camden.gov.uk](mailto:camdenlettings@camden.gov.uk)**  
**020 7974 4158**  
**[camden.gov.uk/camdenlettings](http://camden.gov.uk/camdenlettings)**

Camden Lettings	Cash Incentive	Rent Guarantee Service
Fully vetted prospective tenants. Checks includes immigration status, housing & credit history	Yes	Yes
All tenants attend tenancy training & receive 3 months support at the start of the tenancy	Yes	Yes
Rent paid directly to you the landlord	Yes	Yes
Choice of tenants so that you can decide who is most suited for your property	Yes	Yes
Tenancy Support Service, offering FREE specialist support and expert advice for landlords and tenants*	Yes	Yes
Generous Cash Incentive Payments	Yes	No
Guaranteed Rent up to 6 Months in advance	No	Yes
Free London Landlord Accreditation Scheme (LLAS) voucher worth £100	Yes	Yes
Fees payable	No	No

\*T's & C's apply



# Do you have a property to let in Lewisham?

Lewisham Council runs two schemes to meet your needs.



## Lewisham Landlord Letting Scheme

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

- ▶ one-off cash payment for new landlords
- ▶ continuous supply of tenants
- ▶ four-week deposit bond
- ▶ free professional inventory
- ▶ fast-track payments from tenants on housing benefit.

## Private Sector Leasing Scheme (PSL)

With the PSL scheme, we manage your property for you. Benefits include:

- ▶ guaranteed rent 52 weeks a year
- ▶ protection from LHA changes
- ▶ no void or bad debts
- ▶ professional housing management services
- ▶ property inspections.

**Find out more – with no obligation.**

[www.lewisham.gov.uk/landlords](http://www.lewisham.gov.uk/landlords) • 020 8314 7086 / 9772 / 6753



## Landlords face bans from letting homes after renting out Damp and Mouldy house

*A pair of private landlords who rented out a damp and mouldy house in Croydon to a family of four, including two children aged under five, have been fined £4,000 each and face a ban from letting properties in the borough.*

Serious hazards were discovered by Croydon Council inspectors when they inspected the property last year in Bensham Lane, Thornton Heath, including no electricity, a kitchen scattered with rubble, partially-collapsed ceiling plasterwork, and major damp and mould.

At Croydon Magistrates' Court yesterday, district judge Susan Holdham found Samir Sakka and Besarta Zeneli guilty for failing to comply with an improvement notice to upgrade the property issued by the council.

Croydon Council's property licensing team will now begin the formal process of banning Sakka, Agend 58, of Nelson Road in Wimbledon, and Ms Zeneli, 27, of Leigham Avenue in Streatham, from holding a property licence to let to Croydon tenants in future. The pair will have to either sell the Bensham Lane property or appoint a managing agent to become legally responsible for the house's repair and tenants' living conditions.

The council, which carried out over £22,000 worth of repairs to the flat in default and billed the landlords, will also begin the process of ensuring that the unscrupulous landlords repay this bill. Councillor Alison Butler said: "No family should live in such appalling conditions, which is why we stepped in after these private landlords failed to do the responsible thing and fix the house." "While most private Croydon landlords are good, this case underlines why we will continue to prosecute the minority of people who fail to protect their tenants."

Article from <http://www.houseladder.co.uk/>



## Colindale 'bed in shed' landlord ordered to pay £173,141 for breach of planning enforcement notice.

**A man who illegally housed tenants inside his converted garage has been ordered to pay £173,141 by a court.**

Amir Golesorkhi turned his garage into two small, substandard flats and had been renting them out to tenants for seven years while he was living in the main house with his wife in Ridge Close, Colindale.

Harrow Crown Court found Mr Golesorkhi guilty of breaching a planning enforcement notice served by Brent Council in April 2008. In spite of the notice, Mr Golesorkhi continued to house tenants inside the poor quality flats up until late 2016. He was fined £12,000 on Friday 28 July and ordered to pay £161,141 in confiscation proceedings.

Planning enforcement and Trading Standards officers from Brent Council described the flats as "not particularly nice places to live, especially as access was down a narrow, overshadowed alley via a side door".

The confiscation order was given under the Proceeds of Crime Act to recover the money that Mr Golesorkhi made renting out the flats in breach on the council's enforcement notice.

**Cllr Harbi Farah, Cabinet Member for Housing and Welfare Reform, Brent Council said:**

*"This is a victory for Brent residents. Housing tenants in poor conditions is unacceptable and rogue landlords will pay heavily out of their pockets if they do so. Brent Council is committed to protecting renters from landlords who exploit people in the private rented sector for a quick buck. Overcrowding, poor safety in the home, micro flats and unlicensed properties are issues that we take very seriously."*

Source: <http://brent263.rssing.com/chan-10833314/latest.php>

## A landlord who illegally converted a hotel into 26 squalid flats has been slapped with more than £338,000 in fines.

Nihal Seneviratne and his company, NSV Management Ltd, turned a former hotel in Nicoll Road, Harlesden, into 26 studio flats without seeking permission from the Council back in 2011. Brent Council issued Mr. Seneviratne with a planning enforcement notice in March 2012, but he failed to comply.

Instead, Mr. Seneviratne, aged 59, went on to cheat over 100 vulnerable tenants into paying thousands of pounds to live in sub-standard accommodation. Although the minimum size requirement for a studio flat in London is 37m<sup>2</sup>, the 26 flats each measured between 9m<sup>2</sup> and 20m<sup>2</sup>. Poor insulation, thin walls, bad maintenance and insanitary conditions added to the tenants' discomfort.

NSV Management Ltd and Mr. Seneviratne were finally convicted on 5 September last year. An appeal against the conviction was dismissed at Harrow Crown Court on 26 January this year, allowing confiscation proceedings to begin.

Harrow Crown Court issued a £300,650 confiscation order to Mr. Seneviratne's company under the Proceeds of Crime Act on 30 August this year. Mr. Seneviratne, of Kings Garden, West End Lane, Kilburn, was also ordered to pay £20,000 in fines as well as £18,268 to cover Brent Council's costs. He has been given three months to pay the confiscation order in full, which will be distributed between the government, the courts

The judge described Mr. Seneviratne's actions as "a clear and flagrant breach of planning law". Cllr Harbi Farah, Cabinet Member for Housing and Welfare Reform, said: "Mr. Seneviratne's illegal behaviour resulted in many tenants enduring atrocious conditions, which were making their lives a misery. The outcome of this long case is a victory against slum landlords who exploit vulnerable residents for a profit. Brent Council will make sure that rogue landlords will not benefit in any way from their crimes."

Cllr Tom Miller, Cabinet Member for Stronger Communities, said: "These flats didn't come close to meeting minimum standards required under planning policy. Rogue landlords who contravene the planning rules can expect robust action to be taken against them."

Source: <http://brent263.rssing.com/chan-10833314/latest.php>

## Do you have a property available to rent in Medway? Join our private Rented Scheme.

Medway Council is actively looking for affordable rental accommodation of various sizes to meet the needs of a wide variety of tenants.

The council provides landlords with an introduction to prospective tenants. Where a letting is agreed, landlords will be able to access a number of incentives (dependent on property size, area, rent charged).

Some benefits of joining the Private Rented Scheme (PRS):

- There are no fees or commission payable for this service
- For new landlords there is help and assistance with accessing the lettings market
- There is assistance with completing housing benefit forms
- It saves landlords time and money, as there is no advertising and can reduce the amount of time a property is left vacant
- Ongoing tenancy support assistance

If you are a managing agent or if you own a property which you wish to offer a client from the council please contact us. One of our officers will be in touch with you to discuss the scheme in further detail.

For more information about the PRS phone: 01634 333053 or email: [lenka.trent@medway.gov.uk](mailto:lenka.trent@medway.gov.uk)

## Energy Efficiency Minimum Standards - new rules coming into force on 1 April 2018

As part of its commitment to reduce carbon and help save the planet, the Government is introducing new energy efficiency requirements for rented homes from 1 April 2018. The government has recently introduced a guidance document, which sets out the new rules in some detail. Click [here](#) to read the guidance

In brief:-

As of 1 April 2018, new tenancies and renewals of existing tenancies can ONLY be for properties, which have a minimum energy efficiency rating of E. So if your property has a rating of F or G - you will be letting the property illegally. As of 1 April 2020, this will apply also to all existing tenancies. Whether they are during the fixed term or a periodic tenancy.

You will be pleased to learn that there are some **exceptions**.

**First** - these rules will only apply to tenancies in the private rented sector.

So if you are a social landlord, or if you let properties on residential licenses (e.g. if they are on a boat) - you do not need to worry

**Second** - they will only apply if your property requires an EPC. Most will but some (including some HMOs) will not. So check this.

**Third** - If you have done all the upgrade work, you can but this is not enough to lift the property above band F - you can claim an exemption.

**Fourth** - If you cannot get full funding for the upgrade work you may also be able to claim an exemption. Those are the main exemptions but there are a few others. For example, some listed buildings may be exempt

### What you need to do

- Check whether your property is subject to the rules (i.e. is it a tenancy and does it require an EPC?) and take action.
- Check whether your property is subject to the rules (i.e. is it a tenancy and does it require an EPC?)
- If the answer to both is yes - check to see what energy efficiency rating your property currently has. If it is E or above - relax! You do not have to do anything. You are compliant.
- Otherwise - check what work needs to be done and whether you can get funding

**Make sure you do something - as Local Authorities will be enforcing the new rules from April 2018. Penalties include fines of up to £5,000 per property.**



Top quality, fast and efficient credit checks and referencing:

- Basic, Comprehensive + Referencing
- Fast Priority Residential & Commercial
- International Checks
- Firms & Limited Companies
- Guarantors & Lodgers
- Tenant Tracing

landlordZONE TenantVERIFY

Professionals Rely on TenantVERIFY\*  
Long Established - 0845 260 4421 - TenantVERIFY.co.uk

## Landlords will be forced to register with an ombudsman redress scheme

The Secretary of State for Communities and Local Government, Sajid Javid, pledged to offer private sector tenants' greater rights by making it compulsory for private landlords to sign up to an ombudsman redress scheme - and that there will be a consultation on a new housing court.

Under the initiative announced at the Conservative conference, all landlords will have to become members of an ombudsman redress scheme in a bid to improve the dispute resolution system for renters.

New incentives will be unveiled in the November Budget to ensure landlords offer tenancies of at least 12 months, said Javid.

The government will also legislate to ensure all letting agents are registered, which would mean that agents would not be able to operate in the role without qualifications or professional oversight.

The Communities Secretary said: "For too long, tenants have felt unable to resolve the issues they've faced, be it insecure tenure, unfair letting agents' fees or poor treatment by their landlord with little to no means of redress. We are going to change that.

"We will insist that all landlords are part of a redress scheme and we will regulate letting agents who want to operate.

"Everyone has a right to feel safe and secure in their own homes and we will make sure they do."

## Useful links

LLAS – [www.londonlandlords.org.uk](http://www.londonlandlords.org.uk)

UKLAP- [www.uklap.org.uk](http://www.uklap.org.uk)

RLA – [www.rla.org.uk](http://www.rla.org.uk)

SLA – [www.southernlandlords.org](http://www.southernlandlords.org)

Landlord Law – [www.landlordlaw.co.uk](http://www.landlordlaw.co.uk)

TDP (The Deposit Protection Service) – [www.depositprotection.com](http://www.depositprotection.com)

Landlordzone – [www.landlordzone.co.uk](http://www.landlordzone.co.uk)

Accreditation Network UK (ANUK) – [www.anuk.org.uk](http://www.anuk.org.uk)

Landlord's useful links and information – [www.landlords-uk.net](http://www.landlords-uk.net)

Fire Protection Centre – [www.fireprotectioncentre.com](http://www.fireprotectioncentre.com)

Direct Gov UK: Advice for tenants and landlords – [www.direct.gov.uk](http://www.direct.gov.uk)

Gas Safe Register – [www.gassaferegister.co.uk](http://www.gassaferegister.co.uk)

National Inspection Council for Electrical Installation Consulting (N.I.C.E.I.C) – [www.niceic.org.uk](http://www.niceic.org.uk)

Online Planning and Building Regulations Resource – [www.planningportal.gov.uk](http://www.planningportal.gov.uk)

The Residential Property Tribunal (RPTS) – [www.rpts.gov.uk](http://www.rpts.gov.uk)

Health and Safety Executive – [www.hse.gov.uk](http://www.hse.gov.uk)

HM Revenue & Customs – [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

The Court services – [www.hmcourts-service.gov.uk](http://www.hmcourts-service.gov.uk)

The Office of Fair Trading – [www.offt.gov.uk](http://www.offt.gov.uk)

The Department of Business Innovation & Skills – [www.berr.gov.uk](http://www.berr.gov.uk)

## Online CPD Courses

Legionella, HHSRS  
Repairing obligations,  
Tenancy Deposits etc.

Book online at  
[www.londonlandlords.org.uk](http://www.londonlandlords.org.uk)



# AZAD AYUB



Some of our clients have been with us since we started our business in 1980. More importantly, we maintain costs at a reasonable practical level for good practice and there is no wasteful expenditure.

As a result of this long period of service, we have been able to provide continuous support to our clients both landlords and tenants.

We own and manage properties in North London and other areas within the M25. Recently we have expanded our business in Spain, USA and Pakistan.



36 Wightman Road,  
London N4 1RU  
Tel: +4420 8348 3135  
Fax: +4420 8348 3298  
Mob: +447956 131310  
azad@azadayub.co.uk  
www.azadayub.co.uk

If you would like your property managed by a long established award winning company, please contact Azad or Elena.



Investor in People

