



Cardiff Landlord Forum

**Douglas Haig – Vice
Chair and Director
for Wales RLA**

Proposed Committee

- Prabhat Kumar
- Ffion Paschalis
- Tom Fernard
- Ron Michaelis
- David Rees
- Howard Bowes
- Michael Whelan
- Kevin Ullah – Vice Chairman
- Douglas Haig - Chairman

Agenda

1. Welcome and Important Announcement, Chair
2. Harvey Bowes Mortgage Brokers, Howard Bowes
3. CLF AGM - Elections of Chair & Vice-Chair
4. Chair Update, Douglas Haig

In Memory



Carl Sargeant
1968-2017

Condolences to the Minister's family and friends in this time of loss and tragedy.

Terms of Office:

02/05/2003 - 02/05/2007

04/05/2007 - 31/03/2011

06/05/2011 - 05/04/2016

06/05/2016 – 07/11/2017

Harvey Bowes Mortgage Brokers

AGM

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Chair Update

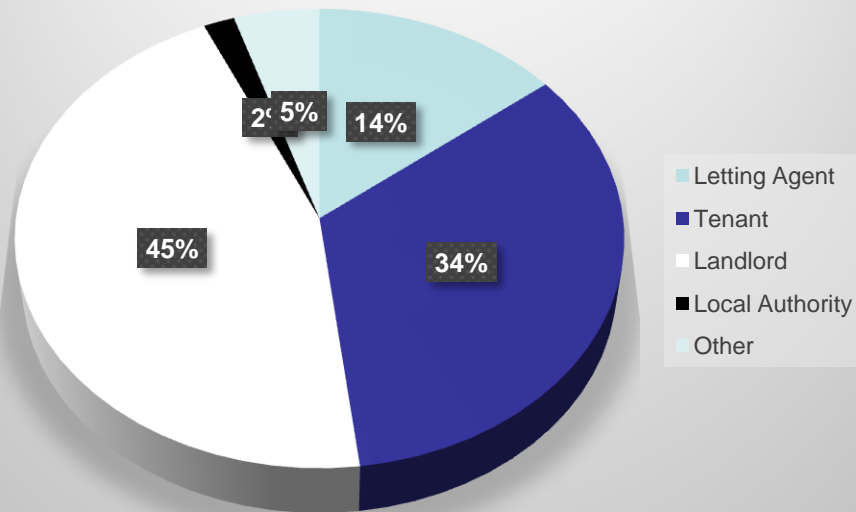
Douglas Haig – Vice Chair
and Director for Wales
RLA

Agency Fees Ban: Update

Consultation Responses

Comments from WG:

Consultation Responses
N=683



Comment

Translation

“Massive Task”

Did not anticipate such high response rate

“More evidence needed”

No clear trends about what people do/don't want.

“Clear resources do not exist to implement policies.”

Probably a reference to lack of enforcement of current legislation.

Bill introduced in England

- Consultation showed £238 average fee (Agent) £327 fee (tenant)
- Outlaws all fees charged to tenants by agents/ SM LLs.
- Rent, refundable tenancy deposit, a refundable holding deposit and tenant default fees (lost keys/late rent payments)→ still OK
- List of types of penalty/fees must be in tenancy agreement.
- Bans requiring tenants to secure/pay for services from any 3rd party.
- No “higher first month’s rent”.

Bill introduced in England



- Deposits capped.
- Not retrospective - fees outlined in current tenancy agreements → still OK
- Holding deposit – refundable & no more than 1 week's rent.
- £5k-£30k in penalties for offenders.
- Company lets are exempt.
- Fees must be displayed on property portals.
- Bill is still in draft form some way to go yet.

Rent Smart Wales: Update

- Second evaluation ongoing - PACEC
- Re-licensing group
- Agent audits
 - New protocol to deal with agents that lose/change professional body membership
- CPD Pilot
 - Preview course for early compliers LL on 23/11.

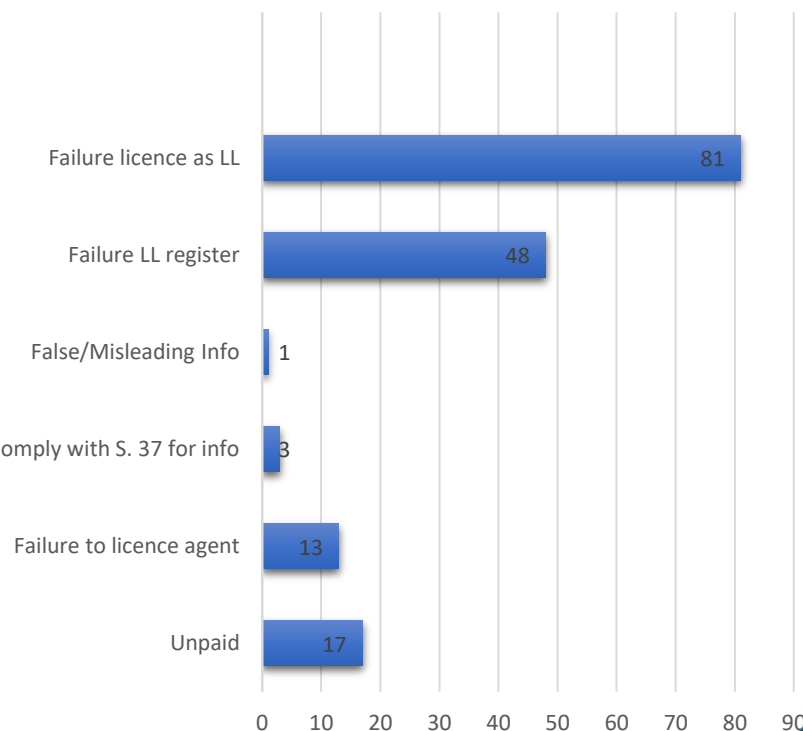
KEY STATS

- User Accounts: **106, 368**
- Landlord Registrations completed: **83,808**
- Total licence applications submitted: **25,814 (17,809 approved)**

RSW: Enforcement Update

- Slowly ramping up
- On average 105 cases solved informally/month
- 150 FPNs to date
- 5 prosecutions
- Registration issues - compliant being caught out.
- Some LAs telling tenants to not report unregistered LLs.
- Inconsistency with Section 8 proceedings - Act is silent.

Fixed Penalty Notices N=150





Fitness for Human Habitation

- Standards in the PRS are low – needs improving
- HHSRS too complicated
- Considering a Welsh Housing Quality Standard equivalent for the PRS

What's Changed

Concept of “Reasonable” to contract holder decided by courts



Fitness for Human Habitation

- Still use 29 hazards
 - Mandatory smoke alarms on every floor
 - Mandatory CO in every room of gas or solid burning appliance
 - Electrical safety at least every 5 years
- Guidance issued which will be used by courts
- Expect a lot of court cases

Fire Safety Update

- Welsh Fire Safety Advisory Group extended for 3 months
- Having difficulties identifying tower blocks
- Recommendations to licence block managers
- Discussions on sprinkler systems
- Issues with mortgage valuations



SDLT – England & Wales

- Introduction of LTTA to replace stamp duty
- 11% of Stamp Duty receipts in England and Wales are from Westminster, Kensington and Chelsea alone
- London = 44.6% of all receipts
- London = 12.3% of transactions
- Supposed to generate £1.2 bn
- Generated over £2bn

Rates

England (current rates)	Wales (new rates from April)
Up to £125K 0% no tax	Up to £150K 0% no tax
Between £125k and £250k 2%	Between £150K and £250K 2.5%
Between £250K and £925K 5%	Between £250k and £400k 5%
Between £925K and £1.5m 10%	Between £400k and £750k 7.5%
Above £1.5m 12%	Between £750k to £1.5m 10%
	Above £1.5m 12%

+ 3% surcharge for B2L

Looking to Autumn Budget

- Stamp Duty - removal for older homeowners, holiday or “seller’s tax”?
- Loss of MIR even for incorporated landlords?
- Pension tax relief changes to encourage older homeowners to downsize?

RLA Budget Calls

- 22nd November
- Scrap MIR
- Relief for offering longer tenancies
- Supporting tenants into home ownership
- Supporting energy efficiency improvements
- Developing small plots of land

Why aren't landlords offering longer tenancies as standard?

Mortgage
restrictions

Tenant
demand

Increased
risk

Insurance
requirements

Failure of
Section 8

Uncertainty
in the market



Tax Changes

A key reason for limiting the length of contracts is due to the increased risk of longer term contracts

Landlords are fiscally cautious because of financial commitments and lack of available resources

Changes to MIR have reduced landlords appetite for risk further

Parts of MIR could be reversed, IF landlords look to offer longer term tenancies

Long Term Tenancy Agreement

- Periodic contract for the first 6 months (Trial tenancy)
- After the first 6 months, tenant has a "right to renew" for up to 5 years
- Works by giving the tenant 6 or 12 month rolling fixed periods
- Landlords only have limited powers of eviction after the initial 6 month trial



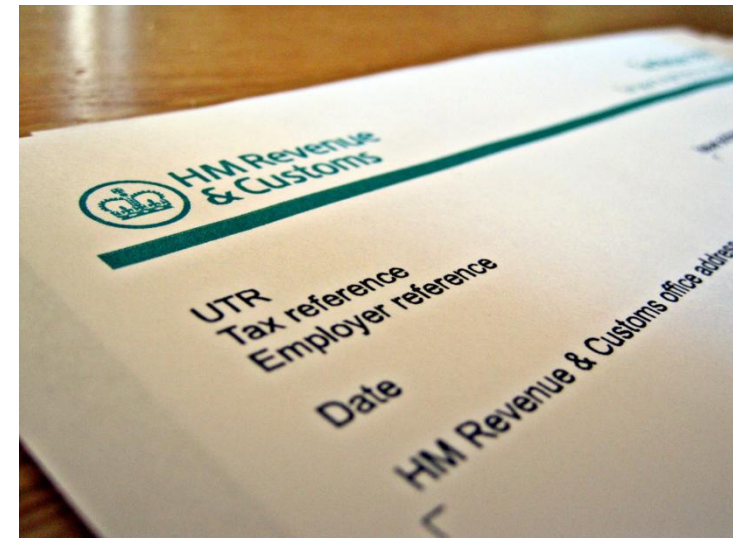
CGT Incentives

This would apply where a tenant has been in a property for 3 years or more

Landlords considering selling could be offered tax incentives to sell the property to the tenant.

This would come in the form of a CGT reduction for the landlord.

Also support the rent to go on the tenant's Credit profile



RLA Wales Conference



30th November 2017
Cardiff, Jury's Inn

RLA Members: £30

Non-Members: £35

info@rla.org.uk

www.rla.org.uk/conference



Thank You

Join the RLA!

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