

**Cardiff Landlord's  
Forum**

**Cardiff County Hall**

**September 18<sup>th</sup> 2019**

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**RESIDENTIAL  
LANDLORDS ASSOC.**





Merger / Conference  
Myth busting  
Review Fees Bill  
Possession reform  
Fuel poverty  
HMO's





# Landlords stronger together

- RLA & NLA will merge.
- NRLA
- 80,000 landlord members
- Half a million properties.
- One powerful voice.
- RLA & NLA members agreed at an AGM on 17<sup>th</sup> September

# What does this mean for members?

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- Members will be asked to approve the decision.
- Stronger representation.
- Greater political representation.
- Work faster and smarter to recognise changing needs.
- Same service and price.





# RLA Conference

- RLA Wales Conference will be on November 28th, Jury's Inn, Cardiff.
- Housing Minister and Rent Smart Wales have already confirmed to be speakers.



# Media myth busting

**Private landlords' pocket £23bn in housing benefit** (Morning Star  
Monday 24<sup>th</sup> February 2014)

Poor tenants pay for landlords to live like kings. (Guardian 17<sup>th</sup> July 2019)

Families facing homelessness as infamous landlord orders them to leave to cash in on empire (Independent 18<sup>th</sup> January 2018)

**Hundreds of families made homeless by landlords cashing in on rising property prices, data suggests** (Independent 19<sup>th</sup> August 2018)

**Private tenants living in hazardous housing** (Morning Star  
June 26<sup>th</sup> 2019)

**1/5 of private tenants suffer fuel poverty** (Citylink August 26<sup>th</sup> 2018)

# Fees update

- Renting Homes (fees etc.) (Wales) Act 2019 is in force.
- Payments in default should be debated November.
- The LA where the property is will be the lead enforcement.
- Prospective tenant does not enter a contract with the landlord after placing down a deposit then the landlord can retain the deposit.



# Fees update

- Maximum fine of £2500.
- Landlords in contract before the date of the Act coming into force will not be affected by the Act.
- Rolling AST contract would not be subject to the Act and they can charge prohibited payments during the course of the contract.
- Once renewed however, the Act applies.





# Change of sharer

- Guidance says CoS fees are prohibited.
- Section 2 and 3 of the Fees Bill prohibits payments in relation to renewal or change of contracts.
- No legislation for variation, assignment and termination of tenancy contract.
- English legislation is goes further.
- Welsh Gov are aware and going to 'provide clarification' soon.



# Rent payment periods

- Rents are sometimes collected over three or four periods especially for student lets.
- Prohibited to seek a rental payment which is more in an earlier period than a later period.
- Problems over shorter term times.
- Rents need to be consistent.





# Permitted payments worked example

- Period 1: Total of 6 months divided by the total number of days in those six months =  $\text{£}3,600$  ( $\text{£}600 \times 6$  months) / 182 days (Total days from September to February) =  $\text{£}19.78$
- Period 2: Compare this to the 7<sup>th</sup> month in March.
- $\text{£}600 / 31$  days =  $\text{£}19.35$
- Treating this period as the same amount of time as period 1.
- $\text{£}19.35 \times 182 = \text{£}3531.70$ .
- Period 1 is greater than Period 2 and it is this difference that is prohibited.
- A landlord is barred from giving a section 21 until this difference ( $\text{£}78.30$ ) is repaid.





Possession Reform ending the catchy catch phrase 'no fault evictions'

# Possession reform

- Increasing minimum notice period of serving a Section 173 notice from two to six months.
- Prevention from serving a Section 173 within the first six months
- Retaliatory evictions
- EPCs and gas safety certificate.



# Why are the Welsh Government consulting?

- Responding to similar proposals in England.
- Concerns over homelessness
- More families and older people entering the PRS.
- Desire to secure longer tenancies.
- Little evidence base on why 6 months
- Retaliation evictions are very much a rarity.



# Section 21 use



- Five times more likely to use Section 21 instead of Section 8.
- 96% felt section 21 was important for their business.
- 83% said rent arrears as the reason for serving a Section 21
- 25% of respondents had also served a Section 21 notice at the tenant's request.

# Frustrations in the court system



- 80% dissatisfied with the court system
- 43 weeks to get repossession of their property.
- 30% said they experienced significant further delays with bailiffs.
- 84% said they would be more selective on who they rent to.

# Those numbers translated in Wales

- If 5% of Welsh landlords were to leave the PRS this would equate to over 10,000 homes no longer available to rent (that's the same as the entire PRS housing stock in Newport).
- If 18% of Welsh Landlords reconsidered their portfolio's, that's nearly 37,000 homes at risk of being removed from the sector. That figure would equate to slightly more than the entire PRS stock in Cardiff.





# What the RLA are calling for?

- Reform to the new grounds system with more mandatory grounds, including ASB.
- Change the mandatory ground for rent arrears to give more prominence to a persistent pattern of rent arrears.
- Greater opportunities to regain possession.
- A new specialist Housing Court should be created before any possession reform is put in place. This must be properly staffed and funded.
- Delays sourcing bailiffs must be dealt with.



# Additional licensing

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- Cardiff has 17% of PRS in Wales.
- The City has an estimated 8,000 HMOs and a resident student population of over 30,000.
- Plans to continue HMO additional licensing scheme in Plasnewydd.
- First introduced in 2014.
- Introduced to tackle poor housing, improve energy efficiency and anti-social behaviour.
- Put Plasnewydd in line with new English HMO legislation.

# Additional licensing

- RLA have written to Cabinet Member for Housing and Communities for clarity.
- 6 week consultation starting September..
- Key consultees include licence holders and stakeholders such as the RLA.
- No progress made to date in consultation.
- RLA continuing to monitor progress.





# Statistics from additional licensing

- Statistics taken from additional licensing in the Cathays area which is of similar size and demographics.
- 467 HMOs with improved means of escape in case of fire.
- 372 HMOs with upgraded kitchen, bathroom and toilet facilities.
- 249 HMOs made secure against burglary
- 217 HMOs with affordable warmth and energy efficiency improvements
- 1030 hazards identified during Housing Health and Safety Rating System inspections removed.
- Downward trends for burglary, noise complaints and pest control complaints.
- 831 landlords with properties in Cardiff accredited by Landlord Accreditation Wales

# Fuel poverty

- 150,000 households across Wales are living in fuel poverty.
- 20% of these are living in the PRS although standards have improved the most of all sectors.
- Households living in older properties are more likely to be fuel poor. 20% of households living in pre-1919 dwellings were fuel poor.
- 43% of households living in properties with poorer energy efficiency (EPC Bands F and G) were fuel poor compared to 5% of households living in properties in bands B to C.
- RLA are active partners in the Welsh Government's Decarbonisation of existing homes programme.
- Main aim is to develop a 30 year decarbonisation strategy and reduce carbon emissions across all tenures in Wales.
- Includes financial and taxation incentives.

# Flexible eligibility

- Call for greater take up of grant funding and has identified ECO 3 / Flexible eligibility.
- FE is an obligation on LAs across the UK to work with energy suppliers.
- Aim to reduce fuel poverty, improve energy efficiency of homes and to improve economic activity.
- Benefit low income households, contribute towards health improvements, enhance the lifespan of existing homes and increase local job opportunities.
- Open to the PRS and owner occupied sector.
- UK Government funding, but poor take up in Wales.
- Local authorities having difficulty monitoring and administering funds.



# Evans & Evans v Jarvis

- Case decided that only the named Rent Smart Wales licence holder is allowed to serve any possession notices in Wales.
- The property was owned in the name of the landlord.
- The tenant had built up substantial rent arrears when Mr Jarvis decided to take action to remove the tenant.
- Mr Jarvis actually had a licence. Crucially though, it was in his company name not in his own.
- The legislation only explicitly bans landlords from serving section 21 notices without a licence. Confusing decision for landlords.
- The case stops landlords from acting quickly to deal with anti-social tenants and rent arrears.

# Get involved

- The RLA is launching a CrowdJustice page on Friday 20th September to raise funds to launch an appeal on this important issue.
- We are looking to raise at least £4000 to help proceed with the case and help landlords across Wales.
- Please donate, this case has far-reaching implications for the PRS in Wales. Married couples will have to pay for a licence twice if they want to both serve notice for example.
- If you'd like to keep up to date on this then leave your contact details with us or subscribe at <https://www.rla.org.uk/html/newsletter.shtml?>



Any Questions?

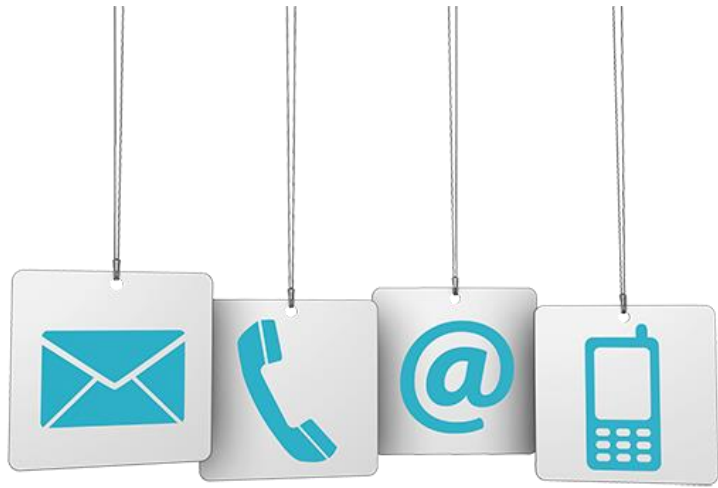




- Get involved
- Take RLA Surveys and become an RLA Insight Partner

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EVIDENCE.  
PROGRESS.**





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