

Thank you for
joining us

Grab yourself a cup of tea and join
us for May's meeting of the Cardiff
Landlord Forum, starting at 6pm.

Please remember to mute yourself.



Cardiff Landlord Forum
Wednesday 13th May 2020

Douglas Haig, NRLA Director

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CLF | CARDIFF
LANDLORD
FORUM

Agenda

- NRLA Update
- Coronavirus
- Fees Regulations
- Renting Homes (Amendment) Bill
- Fuel Poverty Inquiry
- April Law Changes
- Court Cases
- EU Settlement Scheme
- Call for Case Studies
- CLF Chairmanship

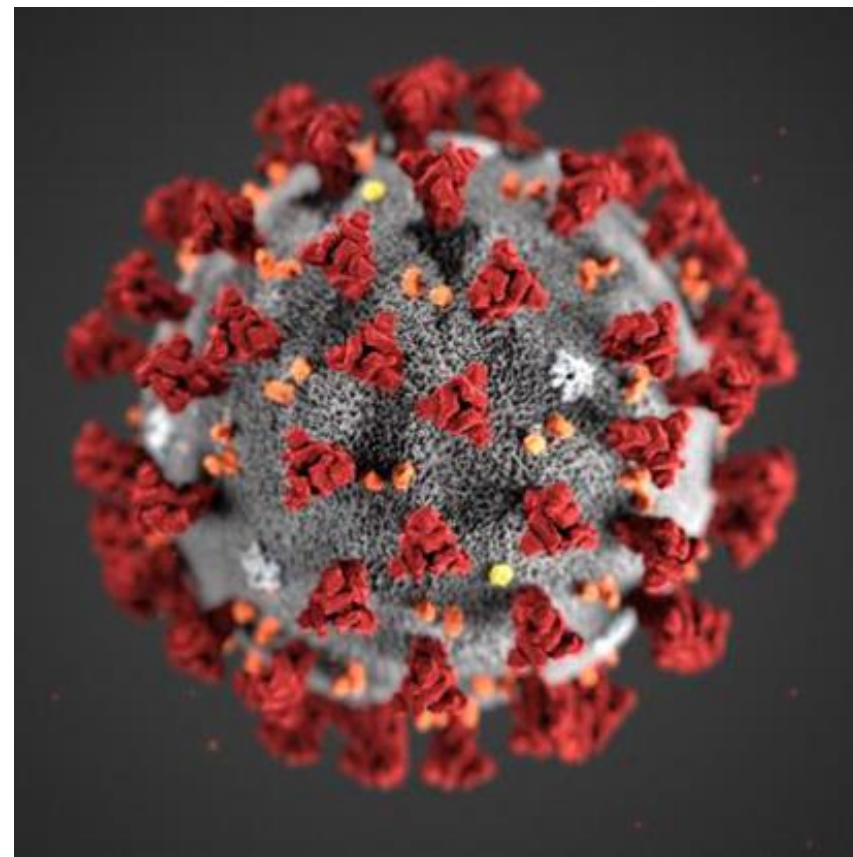
National Residential Landlords Association



- RLA and NLA merged on 1 April 2020
- Stronger representation – over 80,000 members
- Greater political representation
- Work faster and smarter to recognise changing needs
- Same service and price
- Wales launch in the Senedd was due in May – rescheduled for September due to Covid-19.
- CLF mailing list will be invited – but are asked to be polite to all politicians. We want to change perceptions about landlords.
- Note the National Assembly for Wales has now officially become the Welsh Parliament / Senedd Cymru. This means Assembly Members (AMs) are now Members of the Senedd (MSs).

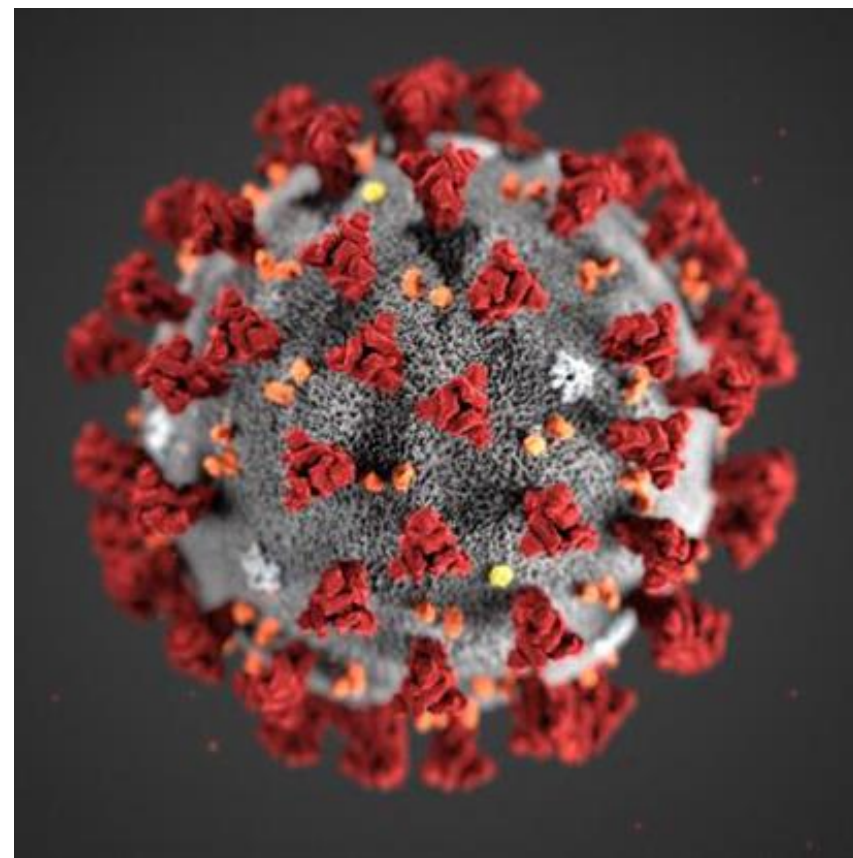
Coronavirus Measures

- Mortgage (inc. Buy-to-Let) holidays of three months for those with tenants affected by Covid-19 (illness of loss of income).
- Expected to be passed onto tenants and future payment plan agreed.
- Tenants must still pay rent – government guidance is clear.
- Pre-action protocol to apply to private landlords
- Possession notice periods extended from 2 to 3 months. Only applies to those after emergency legislation passed.
- However, courts are suspended from hearing possession cases for 90 days.
- Housing Benefit increased to cover 30% of average market rent in the local area.



Coronavirus: More to do

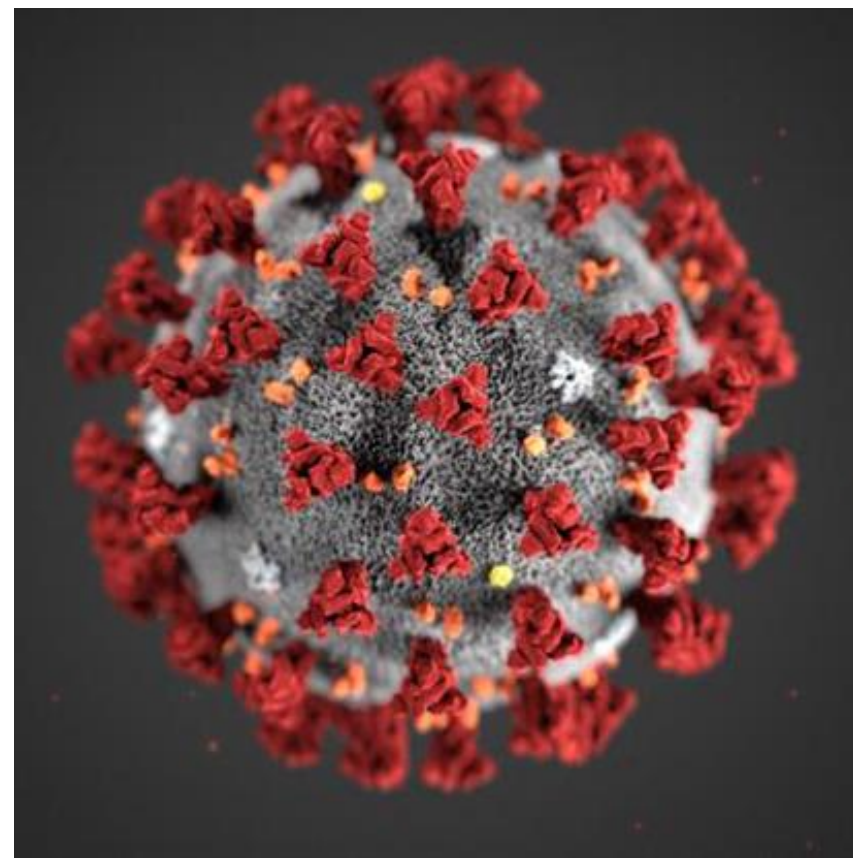
- Landlords who do not have a mortgage on rented property and rely on rental income to live need a degree of protection.
- Properties emptied due to Covid-19 measures should be exempt from council tax, say NRLA.
- The five-week wait on UC must be dropped.
- Landlords should be considered self-employed and have assets discounted from UC applications – otherwise cannot access government support
- Guidance on Welsh Government website & at rla.org.uk/campaigns/coronavirus/



Coronavirus: NRLA Research

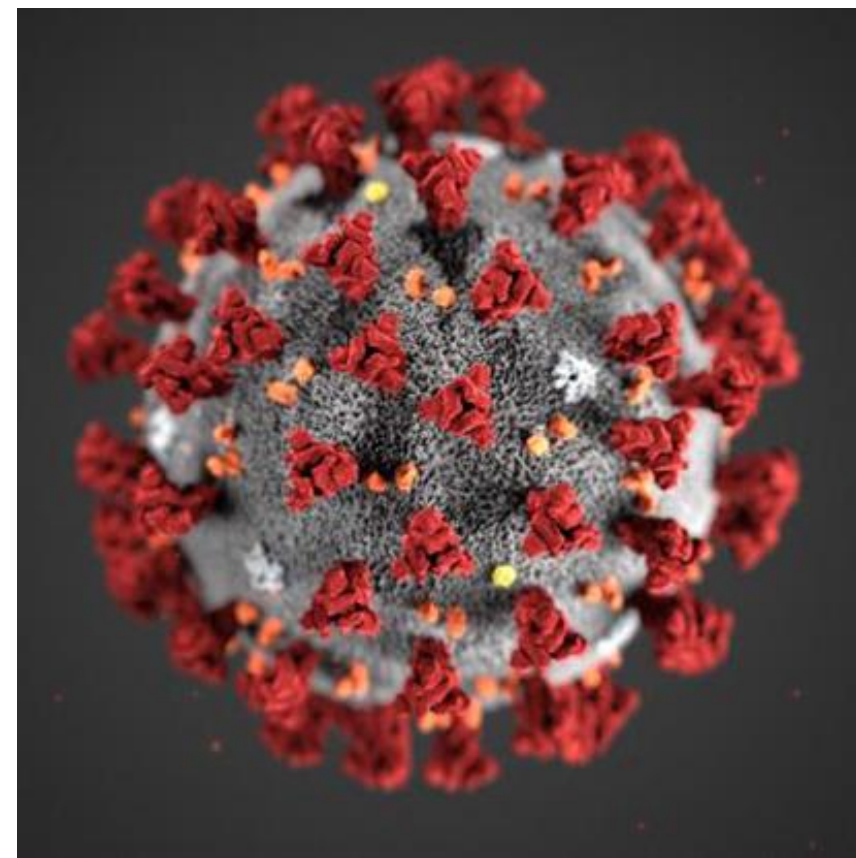
Over 4,500 landlords took part, over 200 from Wales.

- 88.5% of landlords of these landlords have ALREADY seen their rental income fall
- Less than 40% of landlords reported no issues with rent payment
- More than half (54%) experienced some combination of rent problems or unanticipated void issues:
 - 34.4% have lost approximately 1 months' rent
 - 41.6% have lost two months rent or more
- Of those with vacant properties, more than two-thirds of landlords are facing un-anticipated council tax bills
- 1-in-8 have struggled to get contractors to the property for gas safety certificates inspections, with 15% for general/scheduled maintenance.
- Fewer than 4% of landlords have served some form of notice since normal court processes were suspended



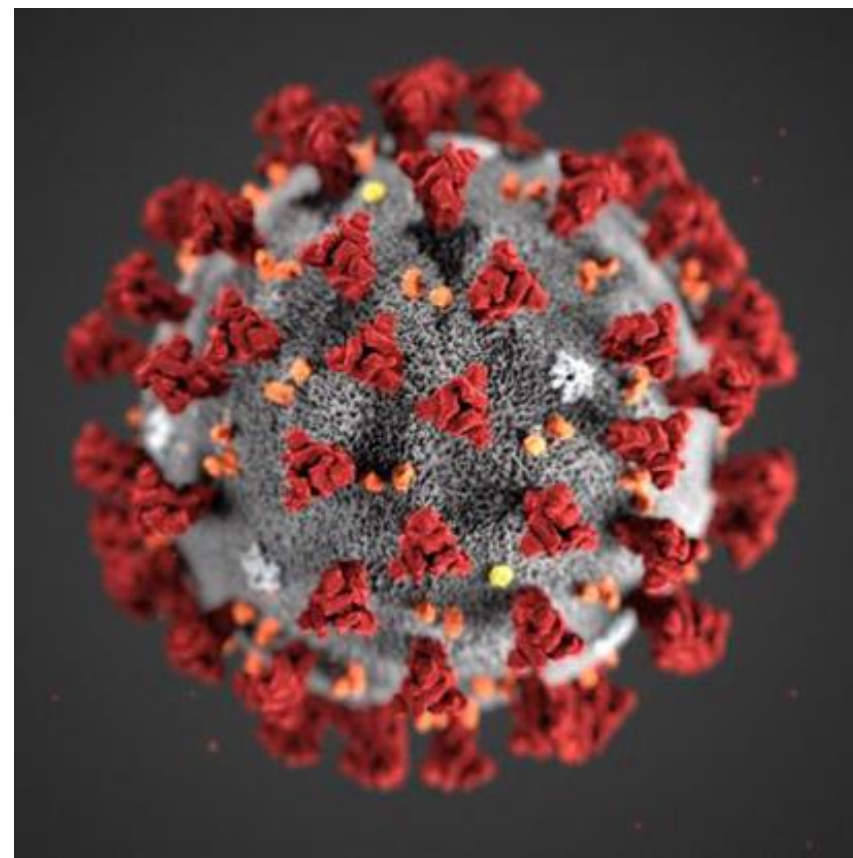
Coronavirus in Cardiff

- *Enforcement:* Following Welsh Government guidance, meaning pragmatic and risk-conscious approach to prioritising. Inspection visits will only be undertaken in cases where there is potential imminent risk of serious harm.
- *HMO licensing:* Officers have been advised current applications will be held and there may be some delay in processing new applications. All current applications are being reviewed to determine whether they can be issued & inspected at a later date.
- *Council Tax:* Those experiencing financial difficulties as a result of Covid-19 outbreak could apply for a Council Tax Reduction. If unsuccessful, you should contact the Council directly. A CTR will not be given to those whose finances have been unaffected.
- Plasnewydd additional licensing scheme consultation responses being considered – will be brought before the Cabinet at a more “appropriate” time for a decision.
- Contact: HMOlicensing@Cardiff.gov.uk; ctax@cardiff.gov.uk; housingenforcement-cardiff-srswales@valeofglamorgan.gov.uk



Coronavirus: Top Tips

- Follow government guidance at all times regarding health & safety – this is the priority and will help justify any action/inaction.
- Contact your council and Rent Smart Wales directly if a problem arises or you want absolute, backed-up clarity for the property area.
- Evidence as much as you can your efforts to assist tenants and/or fix property hazards.
- Ensure urgent works are carried out and done so safely.
- If finances are affected, seek funds from government support, whether this be you or your tenant(s) – that's what it's there for.
- Be flexible and understanding with your tenants – negative news stories about landlords will not help at this time.



Newport City Council homelessness




- Welsh Government has contacted NRLA asking if any members with properties in Newport could support Newport City Council in housing vulnerable people during the Covid-19 pandemic.
- Looking to support rough sleepers, sofa surfers, people fleeing domestic abuse and other vulnerable people off the streets into homes.
- 6-month leases, market rents, will fix any damage made and will consider properties that require minor improvements (1 weeks work)
- Meeting Welsh Government to discuss a Pan-Wales project.
- Get in touch if you want to help by tim.thomas@nrla.org.uk

Holding Deposit Regulations

The following information must be provided to a prospective contract-holder:

- (a) amount of holding deposit
- (b) address of the dwelling in respect of which the deposit is paid
- (c) where a holding deposit is to be paid to a letting agent, the name and contact details of that letting agent
- (d) where a holding deposit is to be paid to a landlord, the name and contact details of that landlord
- (e) duration of the contract
- (f) proposed occupation date
- (g) amount of rent or other consideration
- (h) rental period
- (i) any proposed additional contract terms or proposed modifications to fundamental or supplementary terms or terms proposed to be omitted from the contract
- (j) amount of any security deposit
- (k) whether a guarantor is required and, if so, any relevant conditions
- (l) reference checks the landlord (or letting agent) will undertake
- (m) information the landlord or letting agent requires from the prospective contract-holder.

- Welsh Government laid regulations in November on the information a landlord or agent must provide to a tenant **before taking a holding deposit** under powers given in the Renting Homes (Fees, etc.) (Wales) Act 2019.
 - In place since **February 28th, 2020.**
 - Template available for NRLA members online.
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- A large, solid green arrow pointing downwards, located in the bottom right corner of the slide.

Default Payments Regulations

- The Renting Homes (Fees etc.) (Prescribed Limits of Default Payments) (Wales) Regulations 2020 laid in **January**.
- They **limit the amount chargeable** for a default in relation to:
 1. **Replacing keys, changing, adding or removing a lock - actual costs**
 2. **Late rent - Bank of England base rate plus 3% on an APR basis**
- **Default payment will accrue if rent is not paid before the end of 7 days from the due date** compared to 14 days in England.
- Welsh Government noted “**evidence suggests that the range of default payments currently being applied across the sector is not excessive**” hence the decision to limit only two areas.
- NRLA believes **other permitted payments, as defined under the 2019 Fees Act, are not limited** due to the above view of the Welsh Government.
- RLA: happy to see recognition that default payments are fairly applied in the PRS. But the late rent penalty is so paltry it ceases to be a deterrent and the locks/keys charge ignores the time the landlord gives up.
- It won't apply to existing contracts, only to contracts entered into after the regulations came into force on **28 April 2020**, now that the Assembly passed them.



Renting Homes (Amendment) Bill: Proposals

- The Bill will amend the as-yet-to-be-enforced Renting Homes (Wales) Act 2016 to:
- **Extend the minimum notice** period required under a S173 notice – the replacement for S21 – from two months to six months.
- **Restrict the issue of a S173 notice until six months after the date of issue of a contract** (as opposed to four months as currently set out in the Act).
- **Restrict the issuing of a S173 notice for six months after the expiry** of a previous notice.
- **Remove a landlord's ability issue a notice, during a fixed term standard contract**, to end the contract at the expiry of the fixed term (under S186).
- **Restrict the use and ability to include break clauses** in contracts of a certain duration.



RHA Bill: Problems identified

- Represents **neglect of the reasonable arguments** of conscientious, compliant, and responsible PRS landlords, largely ignoring the consultation responses.
- **Landlords will leave the market** altogether as they have less confidence in the system and their ability to protect their investment > leads to **less private rented housing > rent increases** in the PRS > **more pressure on social housing.**
- Make **landlords more selective** about to whom they rent as they need guaranteed rental income and increase risk to homelessness.



RHA Bill: Problems identified

- Landlords will be forced to go through the **courts** to take possession from anti-social tenants or those in serious arrears.
- **Disrupts the annual cycle for the student and young professional lettings market.**
- In a worst-case scenario, where a landlord has made a slight error on the notice form (rendering it invalid), they **could have to wait two years for a repossession** claim to go through.
- **Does not address loophole that allows for persistent rent arrears** to be immune from S8 proceedings.



RHA Bill: Potential Solutions

- **Allow for a six-month S173 notice to be served after four months but not to take effect until immediately after the six-month moratorium ends.**
- Allow for a S173 notice to be given within the initial period of a fixed term standard contract, amending the minimum contract length to 12 months but allowing a **six-month tenant-only break** if landlord and tenant agree at the outset of the contract, allowing tenants to still have six-month tenancy agreements if both sides are happy with this.
- **Ensure legal challenge** to a S173 notice by a tenant would need to be raised **within 28 days of service.**
- **Allowing for a S173 to be withdrawn after longer than 14 days**
- **A properly resourced Housing Court**
- **Add more mandatory grounds for eviction**, including for ASB and persistent pattern of arrears in the rent arrears grounds.

Giving evidence to the Senedd Committee.



However - another delay to reform...

- Another delay is on the cards for the Renting Homes (Wales) Act 2016.
- The Welsh Government has announced it will pause the Renting Homes (Amendment) Bill to focus on priority legislation.
- Welsh Government will have to rush it through the Assembly or face starting the legislative process from scratch after the election.
- Regulations decision will impact Fitness for Human Habitation standards and model contracts – a necessary component of implementing the 2016 Act.



Fuel poverty inquiry

- Addressed the Assembly's Climate Change, Environment and Rural Affairs Committee inquiry into fuel poverty.
- **The RLA said:**
 - Landlords already carrying out works.
 - PRS landlords in difficult position to know whether their tenants suffering from fuel poverty.
 - There are support services landlords can signpost their tenants to.
 - Hard for landlords to increase EPC rating in certain housing without support: NLRA member with Victorian stone house paid £17,500 to upgrade to D rating, but lack of clarity around if it is even possible to get a C rating.
- **The NRLA wants to see:**
 - Ring-fenced funding for the PRS
 - Least fuel-efficient homes targeted first
 - PRS tenants should have the same support as social tenants



Report recommendations said the Welsh Government must:

- work with others to develop financial support mechanism to enable private landlords to improve the energy efficiency of their properties, as a matter of priority.
- undertake work to identify and address barriers to enforcement of MEES, alongside councils and RSW, and report back to the Committee on the outcome of this work at the first available opportunity.

Minimum Energy Efficiency Standards

- Landlords are now unable to let their property unless it has a minimum energy efficiency rating of an E (unless exempted) on its EPC - illegal let Fs & Gs out.
- Landlords expected to pay up to £3,500 towards energy efficiency improvement works. However, if work will cost more than that landlords can apply for an exemption.

Capital Gains Tax

- CGT is paid on profits made through the sale of any property that isn't your main home.
- Changes will affect timescale for payment and tax relief you can claim. Currently if you once lived in the home you now let out, you are eligible for 'lettings relief'.
- From April this will be abolished – and landlords will only be able to claim lettings relief if they share the property with their tenant. It will also limit the 'final exemption period' from 18 months to nine.
- Also, from April, landlords will need to pay the full amount of CGT owed on a sale within 30 days. At the moment they have until the next tax year.



UK Legislation Changes: April 2020



Cases to look out for in 2020

Right to Rent Appeal

- High Court originally ruled that the scheme contradicted discrimination law. Scheme currently in place in England-only, but UK Government can expand into the devolved nations.
- The **Secretary of State won at the Court of Appeal last month** – JWIC will likely take the case to the Supreme Court.

Section 8 notices and landlord licensing in Wales - *Jarvis v Evans & Evans*

- Case decided that only the named Rent Smart Wales licence holder is allowed to serve any possession notices in Wales. Here, the landlord was licensed in business' name, but owned the property personally.
- **Jarvis' request for permission to appeal was granted in January** and was due to be heard in Cardiff in mid-June, but likely postponed due to Coronavirus. The RLA is supporting the landlord.



European Union Settlement Scheme

- If EU citizens want to stay in the UK beyond 2020, they and close family members **must apply for the UK Government's EU Settlement Scheme**.
- In July 2019, the Welsh Government announced a **package of support for EU citizens** with more complex needs or particular challenges, to help them with the application process. This package of support:
 - **offers support with applications** and give advice on social welfare issues and workplace rights
 - **provides a free immigration advice** service offering specialist support for complex cases
 - works with a range of charities and partners to **raise awareness of the need to apply for settled status** in hard-to-reach and vulnerable communities.
- Please ensure that if you have a tenants from the EU/EEA, they are aware of the Scheme. More can be found at www.eusswales.com



Good landlord case studies

- If you have a story about yourself or another landlord where you/they have helped a tenant, please send it in.
- Examples could be:
 - Helped a tenant stay in their home or access benefits
 - Made adaptations
 - Allowed a tenant to keep pets
 - Housed an essential worker during the Covid-19 outbreak
- We are also looking for examples of landlords who have helped or struggled with a tenant with mental health issues – this is part of our work to ensure the NRLA is a training partner with Rent Smart Wales.
- Even better if a tenant can write in!
- Can be made anonymous if you want to.
- Please send case studies & suggestions to calum.davies@nrla.org.uk



Thank You

Any Questions?



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