

Landlord Newsletter



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www.warwickdc.gov.uk

This newsletter is designed to **keep private Landlords informed** of topical issues relating to private letting.

Welcome

... to our new **Warwick District Landlord Newsletter**, which we hope will keep you up to date with the latest news and information.

We will issue newsletters electronically to all Landlords and Letting Agents who register their email address with the Private Sector Housing team at **ehhousing@warwickdc.gov.uk**

The newsletter is produced by members of the Landlord Forum Steering Group. If you are interested in joining this Group, please email: **paul.hughes@warwickdc.gov.uk**.

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Landlord Forum

The next Landlord Forum will take place:
**Tuesday 18 June | 6 - 8pm | Victoria House,
59 Willes Road, Leamington Spa, CV32 4PT.**

The agenda will include sessions on energy efficiency, fire safety, regaining possession, Article 4 Direction (HMO's) and Private Sector Housing updates.

There is no charge to attend. All we ask is that you pre-register by emailing: **ehhousing@warwickdc.gov.uk** or by calling: **01926 456733**.

Please also indicate if you wish to bring a guest when booking.

Regaining Possession: Common Mistakes

It is little wonder that landlords often misunderstand their legal position when it comes to taking back possession of their properties...

In other situations the end of a legal contract means just that, the business has been concluded. Not so for landlords. The Tenancy agreement may be for a fixed time with an end date but that end date does not give us the automatic legal right to ask a tenant to leave. It is hardly surprising that many landlords do expect their tenants to move out on the last day of the fixed term but if a landlord insists that the tenant leaves - that is **Illegal Eviction**.

The law requires landlords to serve the correct Notice (Section 21) on a tenant a minimum of two full months before the date that the landlord expects the tenant to move out. This Notice must not ask the tenant to move out before the last day of the fixed term has expired. There is no legal minimum period for the fixed term of the tenancy but if the fixed term is for less than 6 months the tenant can remain in the property until the end of the 6th month unless the landlord obtains a Court Order to enforce the correct Notice (Section 8) that he has served on the tenant stating the Grounds under which he is asking for the Court to Order the tenant to leave.

How to serve Notices under Sections 8 and 21 of the Housing Act 1988 and how the legal process works for each Notice under The Section 8 Procedure and The Section 21 Procedure will be covered at the next Landlords Forum to be held on Tuesday 18 June.

We are the only business in this country that has a legal obligation to continue to provide our services (property) to customers (Tenants) for 8 weeks after they have stopped paying for that service before we can even begin legal action to allow us to withdraw our service (evict the tenant). Many landlords believe that if the tenant stops paying rent they have the legal right to ask the tenant to move out – that is **Illegal Eviction**. Non-payment of rent is one of the Grounds that a landlord can use when using the Section 8 method of eviction but the tenant must be given the opportunity to defend the landlords claim and the onus of proof is on the landlord to show the Court that the tenant has not paid the rent for a minimum of 8 weeks (Ground 8).

Anti-social Behaviour

While landlords are not happy with our legal position with a non-paying tenant we are usually prepared to go through the necessary legal procedure to evict that tenant. A tenant who is causing major problems with other tenants, neighbours or the landlord is very different and what is known as Anti Social Behaviour is a growing problem for many landlords. Anti-social Behaviour is another Ground that is often used by landlords under the Section 8 Procedure this is also a discretionary ground which means that the landlord must convince the Judge that the tenants behaviour is so bad that he deserves to lose his home. The tenant has the legal right to defend his behaviour and the Judge must decide whether this tenant should be evicted or not. Anti-social Behaviour can be something as straightforward as excessive noise or it can be something as

serious as violent behaviour towards other people. Many landlords believe that if the tenant has been arrested by the Police he can be evicted from the property without further legal process – this is Illegal Eviction. Landlords should not ask the Police for legal advice that is not their job.

Keep a Record

As Landlords you should be advised to keep a detailed record of all rent payments and any arrears should you need to show evidence to a judge.

Tenancy Agreements

The law does not require a landlord to give a tenant a Tenancy Agreement but a Tenancy Agreement protects you as a Landlord. The tenant does not need a document because they are protected by law. Without a Tenancy Agreement you are failing to protect yourself and will struggle to obtain possession.

Removing a tenant from our properties is both stressful and expensive. This is why you as a landlord must understand your legal position and the process that you must use to regain Possession of your properties.

If your tenant has approached Warwick District Council for advice, the Council will work with both us and the tenant to ensure that all parties are properly informed and costs are minimised.

Mary Latham, Regional representative for West Midlands, National Landlords Association

Warwick District Council **Private Sector Lease Scheme**

The Council are working in partnership with Chapter 1, a Registered Provider, who are operating a new lease scheme which will be of interest to private sector landlords.

Landlords are able to lease their properties to Chapter 1 for an agreed lease period, and Chapter 1 will fully manage the property throughout the term of the lease.

Lee Barrett, the Scheme co-ordinator will arrange to visit and assess the suitability of your property. A report will be drawn up to advise on proposed rental value and any property requirements to ensure it is suitable for letting. Rent is loosely based on the Local Housing Allowance. Once these matters have been addressed, a date will be arranged to sign the lease. Landlords will receive guaranteed rent in advance, even during void periods, and Chapter 1 will deal with any management issues including reactive repairs which will be paid for by Chapter 1.

At the end of the lease period, unless you wish to renew the lease, the property will be returned to the landlord in the same condition as at the start of the lease.

For further information please contact Lee Barrett at Chapter 1 on 07795 677479 or e mail leeb@ch1.org.uk .

Making Improvements?

You could get funding to help

Your rental properties will have an Energy Performance Certificate (EPC), by law, which values the energy efficiency of each property. As you may already know, from April 2018, it will be illegal to let properties with an EPC rating lower than E, with changes starting to take effect from 2016.

In many cases, major improvements need to be carried out to raise the EPC rating to a minimum of E. This could cost thousands, if not tens of thousands of pounds, if you need to improve external or internal insulation; improve and modernise the central heating systems; improve the glazing, lighting and other energy saving improvements.

You can get financial assistance...

We have Energy Company Obligation (ECO) funding available to help with such improvements. This is a Government funding stream in conjunction with Green Deal which is available to Landlords now. It offers funding towards a broad range of energy saving measures.

The ECO scheme will run until March 2015 and is aimed at combating fuel poverty and upgrading hard to treat properties in both the public and private sector. It will reduce or remove the installation costs of critical home improvements (such as insulation and heating) for thousands of eligible properties. ECO funding has replaced the Government's previous funding initiatives, CERT (Carbon Emissions Reduction Target) and CESP

(Community Energy Saving Programme). We are dealing directly with the Energy Companies, to provide you, the landlords with the necessary funding for your properties

ECO is divided into 3 strands and customers will be categorised accordingly;

- ▶ Home Heating Cost Reduction Obligation (HHCRO),
- ▶ Carbon Emission Reduction Obligation (CERO) and
- ▶ Carbon Saving Community Obligation (CSCO).

Each strand reflects a different obligation the Energy Companies have to meet.

Green Deal Fuelling

The Government's Green Deal project started earlier this year and is available to all domestic properties irrespective of tenure. It allows energy improvements to be funded for rental properties, funded long term by the tenants, who repay the improvement costs through their fuel bills reflecting reduced energy (gas, electric, oil etc.) usage due to the improved energy waste reductions. This is a long term repayment but the total annual cost to the tenant is less than before.

Help and Advice

If total funding cannot be achieved through ECO funding, as Green Deal Providers (Awaiting final confirmation) and ECO funders, we can offer free advice and access to both sources of funding to help you improve your housing stock. As a 'Not-For-Profit' organisation, we can offer an unbiased route to solving your low EPC problems; allowing you to provide a more energy efficient home for your tenants, before the 2018 deadline. Contact: National Energy Control on **08450 766545** or **info@nationalenergycontrol.org**

Student Market Update

Leamington Spa is clearly becoming the preferred location for Warwick University students. For those entering the market for the first time there are clearly opportunities, but you should seek professional advice.

The old estate agent adage 'Location, Location, Location' is becoming more relevant than in the past, as the number of student properties available increase. There is a clear demand for properties in the right location hence advice

is needed when purchasing. Advice is available from the university accommodation office or the local student-letting agents.

Article 4 of the Warwick District Council policy for student accommodation has to be considered

if the property is not already registered as a student let.

The market is very price and location sensitive; indicating we are close to saturation point. Student expectations and legislation have increased recently and so older properties may need significant refurbishment to meet expectations.

Student accommodation does need significantly more management and maintenance than privately let properties but, the returns can make it a fruitful investment in the long term.

*Matthew Scott, Accommodation Manager,
University of Warwick & Dr G Singh, Landlord*

The University of Warwick Leasing Scheme

The University of Warwick, is one of the most successful universities in the United Kingdom. As a result of this, the number of students attending is increasing steadily, the registered number in 2013 was over 20,000 and continues to rise.

Although the university currently provides on-campus accommodation for 6,500 students, they cannot meet all accommodation needs or student preferences. In response to this need,

The University of Warwick Leasing Scheme continued...

the University has created Warwick Accommodation, a professional letting agency to manage our accommodation requirements. The Agency offer accommodation to students through a purpose built site on campus and using the internet as the main point of communication. They have the advantage of a unique marketing position to advertise properties to prospective tenants.

Preferred locations are:

- ▶ Coventry:
 - Canley (selected areas only)
 - Cannon Park, Earlsdon,
 - Chapelfields (selected areas only)

- ▶ Kenilworth
- ▶ Leamington Spa

They are **not** able to consider properties outside these locations.

Types of properties required:

- ▶ Small and medium sized self-contained properties suitable for shared accommodation by Postgraduate and Undergraduate students (minimum three bed spaces).
- ▶ Purpose built student accommodation

A dedicated Accommodation Team, will concentrate solely on the marketing of your property. The University has its own website through which students can obtain help, advice and information about off-campus housing managed by Warwick Accommodation. Warwick Accommodation pride themselves on providing a quality service to landlords and tenants. The letting scheme is designed to meet the diverse needs of owners who are considering letting their property to students.

The letting scheme is a Fully Managed Letting Scheme offering guaranteed rent to the owner. For full details about the scheme and standards required visit: **www.warwick.ac.uk/services/accommodation/landlords** or call: **02476 524562**.

Licensing for houses in multiple occupation

Houses in multiple occupation (HMOs) are houses and flats which contain 3 or more unrelated individuals. HMO's which contain 5 or more individuals and contain 3 or more storeys are subject to mandatory licensing. There are almost 400 licensed HMO's in Warwick District and about half of these licences expired in August 2012.

We have reviewed fees and charges and our licence fees have not increased for 3 years and there are no plans to increase them in the near future. It is necessary for us to apply late application fees and administrative charges for repeated requests for documents.

HMO's are not necessarily being inspected before a licence is issued, depending on a risk assessment. However, all will receive an inspection at some point during the licence period.

A new Statutory Instrument was issued in September 2012 which provides for a landlord being able to give a signed declaration to the effect that his status and that of the HMO remains unchanged, which avoids the need for submitting a lot of paperwork for licence renewals. It is hoped that the next batch of renewals will operate in this way.

If you have an HMO or are thinking of setting one up, whether licensable or not, you are encouraged to seek advice from our HMO team to ensure it meets minimum standards. Email **hmo@warwickdc.gov.uk** or call **01926 456733**

Accreditation

The Council's Accreditation Scheme was

established in 2003 to encourage landlords to set high standards when letting student properties. Current resources in dealing with HMO licencing mean we cannot continue with this Scheme in its current format. Following a consultation with all those landlords currently accredited and local letting agents, it has been agreed that Warwick District Council will join the Midland Landlord Accreditation Scheme (MLAS).

Any landlord can apply for accreditation, provided they sign up to a code of conduct and attend a one day seminar. Accreditation is based on self- regulation with an element of local authority inspection, but the emphasis is on landlord management. There is a very robust complaints and arbitration process which ensures that all complaints are carefully examined. Detailed information regarding the MLAS scheme will be made available at the Landlord forum on 18 June. We recommend you check out the MLAS website: **www.mlas.org.uk**

*Paul Hughes, Snr Environmental Health Officer,
Warwick District Council*

Top Tip: Networking Opportunities

“The Landlord Forum provides a great opportunity not just to learn recent legislation and local housing issues, but to get together with other landlords and form small buying groups for items such as EPC's and gas safety certificates.”

I have achieved substantial savings by arranging for batches of between 5 and 10 EPC's to be carried out on the same day similarly with as few as 4 boilers on gas safety certificates. I would urge landlords to provide the forum with feedback so that it can better suit your needs.

Richard Thomas, Landlord