

Doom and Gloom – or is it?

With the Government once again tearing itself apart, Boris gone, and three by-elections on the horizon, landlords may reflect on the pre 2014 good times. When George Osborne abolished Mortgage Interest Tax Relief, did he envisage the Bank of England Base Rate increasing from a low of 0.1% in November 2021 to its present 4.5% rate, with further increases expected? Any landlord coming out of a fixed term is in for a shock.

When it comes to housing, this Government has lost the plot. There was a manifesto pledge to get 300,000 new homes built every year! Many local authorities oppose planning for new estates, social housing is in steep decline through lack of funding, and the Private Rented Sector is shrinking by the day. Landlords hit by rising taxes, steeper interest rates, and increased legislation are voting with their feet and exiting the market. Nationwide, there is an acute shortage of properties to let. The imbalance between supply and demand is resulting in higher rents.

Pity any tenant who relies solely on Housing Benefit payments seeking accommodation. Local Housing Allowances have remained way below the market rent and falls further behind monthly. Many landlords forgo rent increases to keep their long-term tenants, but rising costs can not be absorbed indefinitely.

Landlords who are reeling from the increases in interest rates suffer a further blow when they sell up. Figures from HMRC confirm the tax bonanza the Government is enjoying from the death of the Private Rented Sector. Capital Gains Tax receipts from the sale of Buy to Let properties were a big factor behind the increase in overall CGT receipts - last tax year up by almost £3 billion. Landlords Capital Gains Tax allowance continues to reduce!

Unfortunately, the idea persists that all landlords are rich and are ripe for taking. Landlords' exodus from the market is having a profound effect on tenants yet both major political parties continue to ignore the unintended consequences of policies such as the Renters (Reform) Bill and Minimum Energy Efficiency Standards (zero carbon may mean zero private landlords).

Onwards and upwards those in for the long haul.

Save the Date!

Our summer open office afternoon is on Wednesday 12 July from 3pm-6pm – members are welcome to come along and enjoy a cream tea. Office staff and committee members will be in attendance. It will be a chance to meet other members and catch up with the Office Staff and Committee.

June 2023

[Renters Reform Bill - At a Glance](#)

[Government U-Turn on Fixed Term Tenancies for Students](#)

[Renters Reform Bill - Ombudsman for Private Landlords](#)

[Renters Reform Bill - Details Emerge About New Landlord Database](#)

[Capital Gains Tax Warning](#)

[Short-term and Holiday-let Accommodation Licensing Bill](#)

[A Case Review - Validity of Rent Increases](#)

[ONS Report Fastest Ever Rent Increases in the UK](#)

[Reminder - Keep Gas Safety Certificates!](#)

[Upcoming SWLA Training Courses](#)

[Why is Landlord Insurance Going up so Much?](#)

[Rogue Landlord Given Prison Sentence](#)

[Tradepoint Update](#)

[A Message from Plymouth City Council to the HMO Landlord Community](#)

[Why do Tenancy Guarantees End?](#)

[A Truth Pill - A Mortgage Broker's Honest Assessment](#)

[New Blow to House Prices](#)

[Supply & Demand Gap Widens in Private Rented Sector](#)

[HMO Unlicensed - Fine for Landlord](#)

Renters (Reform) Bill – At a Glance

The Renters (Reform) Bill is making its way through the numerous stages of Parliament. The Bill will likely be amended before it becomes law. It's a long way off, and unlikely to be in before Spring 2024. The Bill proposes to;

- Abolish section 21 'no fault' evictions and move to a simpler tenancy structure where all assured tenancies are periodic – providing more security for tenants and empowering them to challenge poor practice and unfair rent increases without fear of eviction;
- Introduce more comprehensive possession grounds so landlords can still recover their property (including where they wish to sell their property or move in close family) and to make it easier to repossess properties where tenants are at fault, for example in cases of anti-social behaviour and repeat rent arrears;
- Provide stronger protections against backdoor evictions by ensuring tenants are able to appeal excessively above-market rents which are purely designed to force them out. As now, landlords will still be able to increase rents to market price for their properties and an independent tribunal will make a judgement on this, if needed. To avoid fettering the freedom of the judiciary, the tribunal will continue to be able to determine the actual market rent of a property;
- Introduce a new Private Rented Sector Ombudsman for private landlords which will provide fair, impartial, and binding resolution to many issues and prove quicker, cheaper, and less adversarial than the court system;
- Create a Privately Rented Property Portal to help landlords understand their legal obligations and demonstrate compliance (giving good landlords confidence in their position), alongside providing better information to tenants to make informed decisions when entering into a tenancy agreement. It will also support local councils – helping them target enforcement activity where it is needed most; and
- Give tenants the right to request a pet in the property, which the landlord must consider and cannot unreasonably refuse. To support this, landlords will be able to require pet insurance to cover any damage to their property.

Information from gov.uk

Government U-turn Likely on Fixed Term Tenancies for Students

The Renters (Reform) Bill suggests a ban on all fixed term tenancies.

SWLA along with other professional bodies have long campaigned that banning all fixed-term contracts would disproportionately impact groups who depend on cyclical accommodation, such as students, and transient and contract workers.

An article in The Telegraph on 23 May 2023, stated that Michael Gove MP, Secretary of State for Levelling Up, Housing and Communities, is now considering an amendment to the Renters (Reform) Bill introduced into Parliament on 17 May 2023. An amendment to this would be expected to allow landlords to guarantee vacant possession for the next cohort of students and to retain their yearly let business model. A specific clause would then be added to the Bill for privately let student property.

A government spokesperson stated they will continue to engage on these measures to ensure things work for both parties, as they feel the vast majority of students move out at the end of the academic year and will not be impacted.

The Government's own House of Commons report, issued in February 2023, plus evidence following similar reforms in Scotland, show that abolishing fixed term tenancy agreements will lead to a reduction in the amount of housing available to students. A recommendation to the UK Government was to retain fixed-term contracts in the student Private Rented Sector, citing the evidence on not exempting them could push up rents or reduce availability.

The Higher Education Policy Institute has also issued a statement with the same concerns. Abolishing fixed-term tenancy agreements does provide greater flexibility for students, but it comes at the risk of creating student homelessness, housing instability, increased rental prices and further mental health challenges. They also recommended that provision is made for off-street student accommodation to be given the same exemption from the abolition of fixed-term tenancy agreements as has been provided for purpose-built student accommodation.

SWLA continue to advocate for landlords, attending Advisory Board meetings and regularly meeting with local MPs.

Article abridged from ARLA PropertyMark

Renters (Reform) Bill - Ombudsman for Private Landlords

The current Housing Ombudsman, who presides over redress within the social housing sector, says private landlords should not fear the extension of such a service to buy to let. However, Richard Blakeway, writing on the Conservative Home website, says there should be just one private rental sector Ombudsman service to make enforcement clear to landlords and consumers alike.

Blakeway says some private landlords may feel the creation of a private sector Ombudsman is another burden and more bureaucracy, but he insists this would be to misunderstand the role. He writes: "Our decisions are impartial and rooted in fairness: around half of the cases we investigate are not upheld. This can be an effective way for the landlord to resolve a dispute where relationships with tenants have broken down. If something has gone wrong, the remedies are not punitive – they are simply aimed at putting the consumer back in the position they would have enjoyed had things been as they should. If requirements are not being met, surely it is better to learn through an Ombudsman decision than risk repeating the same mistakes?"

He says that he has long argued for the extension of the Ombudsman principle to the private rental sector and that he therefore welcomes the provision within the Renters Reform Bill. But he cautions that this risks being undermined because the legislation allows for the creation of one or more redress schemes in the Private Rented Sector.

Blakeway dislikes this idea because he says the role of freeholders, developers, agents, and landlords (both social and private), intersect alongside a multitude of private, social, and home-ownership tenures. He says these relationships can be complex, making accountability and responsibility diffuse - and so he believes that "salami-slicing redress when there are disputes" risks confusion, unintended gaps, and consumers being passed from pillar to post. Blakeway says the recent history of redress should be a case study for the government of how not to do it.

"Six years ago, ministers declared the system of housing redress broken. Then the proposal was to simplify and strengthen it, including consolidation through a single housing Ombudsman, providing a modern and agile response to a changing housing market. Yet today there are more bodies than ever. Consumers may have to approach at least seven different organisations to get their issues addressed. This may mean neighbours going down different routes – even for the same issue."

He insists this benefits neither the consumer nor the provider, who may end up having to join and navigate multiple schemes.

Article abridged from Landlord Today

Renters (Reform) Bill: Details Emerge About New Landlord Database

The Renters (Reform) Bill sets out the UK Government's objectives for reducing the number of poor quality homes by 2030 which the Department for Levelling Up, Housing and Communities states is critical to levelling up the country.

Within the White Paper, the UK Government made a commitment to establish a new Property Portal that would include all the vital information agents, tenants and landlords need to know. This information would range from legal requirements to rights and the landlord's history of compliance.

If enacted, the Renters (Reform) Bill would establish the Private Rented Sector Database, a precursor to a future digital Privately Rented Property Portal service which the UK Government hopes to establish. The Database would contain the following information:

- Details of people who are, or who intend to become, residential landlords
- Details of properties which are, or are intended to be, let as residential properties
- Details of landlords who have received banning orders, including details of financial penalties or convictions relating to banning orders

A letting agent or landlord would be unable to let or market a property to rent if there is no active landlord or property entry for that property registered on the Database. If a landlord fails to join the Database, they will be fined up to £5,000 by their local council. Repeated offences could lead to fines of up to £30,000.

Continues on next page.....

Continued from previous page...

Letting Agents

It will be the expectation that letting agents will need to check if a landlord and property are correctly registered on the Database before they market a property for let. Property agents will face penalties if they advertise or market residential properties for rent which are not registered. Once established, the Database will incorporate the Privately Rented Property Portal and start to include further information related to property standards, although the exact information continues to be deliberated by the Department for Levelling Up, Housing and Communities.

Database of Rogue Landlords and Property Agents

The Privately Rented Property Portal will replace the functionality of the Database of Rogue Landlords and Property Agents with landlords required to pay to register for the Property Portal.

Article abridged from ARLA Propertymark

Capital Gains Tax Warning

Reminder! With landlord property sales on the increase, we remind members that you must register property sales for Capital Gains Tax within 60 days of completing a disposal.

Rick Schofield of accountancy firm Azetz said: "We have seen cases involving a number of buy to let landlords who have cashed in because they cannot afford to service higher mortgage debt; the rents aren't covering the increases. They were caught off-guard by the Bank of England's consecutive interest rate rises, which have gone up at the fastest pace in a generation and are now at a level last seen nearly 15 years ago."

But he says some less experienced landlords don't realise they must personally submit information to HMRC upon disposal of a letting property.

"The gateway form and process is not well known amongst landlords. If you don't submit the form within the 60 days, there is a £100 penalty. If the matter is still outstanding three months after that, it's £300 or five per cent of the capital gains tax. If you have a string of disposals amounting to £3 million, and have not submitted the form in time, then that's £150,000 HMRC can collect."

The process is not straightforward for landlords to report capital gains - landlords have to create their own government gateway account.

"There are around 2.74 million landlords in the UK, so you can understand how important it is for them to understand why the 60-day deadline matters and that it shouldn't be confused with annual self-assessment tax returns."

If in doubt, seek advice from a tax expert. You are welcome to use the SWLA trade directory where you will find many expert and trustworthy businesses.

Article abridged from Landlord Today

Short-term and Holiday-let Accommodation (Licensing) Bill

This Private Member's Bill, sponsored by Rachael Maskell, would give local authorities the power to require licences for the conversion of domestic properties into short-term and holiday-let accommodation; give local authorities the power to issue fines and to remove such licences when safety, noise and nuisance conditions have not been met; make provision about banning the licensing of such properties in defined geographical areas; give local authorities the power to vary the rates of local taxes in relation to such properties; and give local authorities the power to restrict the number of days per year for which such properties can be let.

The Government's intention is to support local people in areas where high numbers of holiday lets are preventing them from finding affordable housing. It will also consider whether to give owners flexibility to let out their home for up to a specified number of nights in a calendar year without the need for planning permission.

The first reading took place on 20 June 2022. The second reading started on 9 December 2022. The Bill has a way to go until it is passed and becomes law.

Article abridged from Housing Lew Week

A Case Review – Validity of Rent Increases

This is a recent case relating to notice sent by a landlord to increase the rent payable under a periodic tenancy. The issue related to alleged rent arrears which required a preliminary trial about the validity of the rent increase and, depending on the decision, the Defendant either had arrears or didn't.

Mrs Whiteland had a weekly periodic tenancy, rent being £25 each week. The tenancy commenced on Monday 20th May 1991, with rent due to be paid each Monday. However, she usually paid her rent on the preceding Friday of each week. In October 2018, the landlord sent a section 13 notice which stated that the new rent of £100 each week would apply from Friday 7th December 2018 (not from Monday 10th December 2018, which was the beginning of a new rental period under the tenancy). At first instance in the county court, the Claimant was successful in arguing for the validity of the notice. The deputy district judge held that the notice was effective when seen in the context of the practice of paying rent on a Friday. On appeal, the circuit judge held that the notice was invalid as there were three possible interpretations of the notice, and it was not obvious to the reasonable recipient that the new rent was to take effect from Monday 10th December 2018.

The landlord appealed that decision.

There are two important functions that the relevant date for the purposes of s.13(2) Housing Act 1988 provides: (i) first of all, to enable the tenant to understand whether the statutory requirements have been complied with and, if so, to be conclusive as to the date from which the new rent is payable, and (ii) secondly, to specify the deadline for the tenant to challenge the proposed new rent by a referral to the rent assessment committee. The Court of Appeal agreed with the circuit judge that the section 13 notice was invalid.

The judge outlined that the starting point is that a reasonable tenant reading the guidance notes on the reverse of form would be entitled to conclude that if the date inserted for the purposes of s.13(2) is not the beginning of a period of the tenancy, then the landlord has failed to comply with the requirements of section 13 and the notice is invalid. As to the last ground of appeal, the Court of Appeal concurred with the circuit judge that the rent assessment committee does not have jurisdiction to determine the validity of a section 13 notice. The appeal was dismissed.

This case highlights the importance of specifying a precise date for the new rent to take effect in a section 13 notice. Give at least one full calendar months' notice. The date specified must fall at the beginning of a period of the tenancy, as that is the only way to ensure both that the tenant understands when the new rent is to take effect and that the tenant can challenge the new rent through a referral to the Rent Assessment Committee in time. If in doubt, please contact the SWLA office and we will be happy to advise.

Note - This judgement also clarifies that the Rent Assessment Committee does not have jurisdiction to determine the validity of a s.13 notice. This means that if a tenant wishes to challenge the validity of a section 13 notice, they must do so through the courts.

ONS Report Fastest Ever Rent Increases in the UK

The latest Office for National Statistics data shows that private rents are rising at the fastest rate since records began in 2006. Rents rose by 4.8% in the year ending April 2023. The highest rent increases were seen in Yorkshire and London, where rents were up 5%.

The ONS reported; 'The annual growth rate of private rental prices in the UK began to increase in the second half of 2021. Annual growth was seen across all regions except London, where prices decreased. The annual percentage change in rents increased across all regions in 2022, including in London, and this has continued in early 2023.'

Reminder – Keep Gas Safety Certificates!

Many landlord members only keep documents for a set number of years – to be conscious of data protection. However, we recommend that you keep all historic Gas Safety Certificates, Tenancy Agreements, and all other documents relevant to the tenancy.

When applying to court for possession, these documents are required as evidence of landlord legal responsibilities being met.

Also – it is ideal to keep evidence of all documents given to tenants at the start of each tenancy. The back page of the SWLA tenancy agreements have a list of required documents and a space for tenants to sign for receipt of these documents. This is good evidence should you need to apply to court for possession at a later date.

Upcoming SWLA Training Courses

Landlord Accreditation Training Course
Thursday 19th October 2023 – 9:00am-4:30pm

Venue – Online

Price – £65 for members of SWLA, £75 for non-members for one day course.

Course covers ASTs, Deposits, Section 21s, Section 8s, HMOs, Gas and Electrical Safety, Inventories and much more. The course will provide you with all the skills to start, manage and finish a tenancy.

Landlord Legal Update Course

Wednesday 16th August 2023 – Timings to be confirmed

Venue – Online

Price – To be confirmed once timings are set

Course covers Renters (Reform) Bill, Fire Safety (England) Regulations, Smoke and Carbon Monoxide rules and many other relevant issues.

Contact the office on **01752 510913** or **info@landlordssouthwest.co.uk** to book your place, places secured upon receipt of payment.

We are proud that Landlord Accreditation South West (LASW) are founder members of the West of England Rental Standard.

See the SWLA website for further courses.



Exclusive offer for **SWLA members**, whole of market mortgage advice fee just **£245** instead of our regular package cost of **£495** with no extra hidden costs post-application!*



Mortgages

Buy To Lets | Limited Company | Commercial | Residential
Capital Raising | Re-mortgages | First Time Buyers/Help to Buy



Protection

Life Insurance | Critical Illness | Income Protection | Private Medical
Business Protection | Group Life | Personal Protection



Financial Planning

Pensions | Investments | Wills | Probate | Commercial
Lasting Power of Attorney | Estate & Inheritance | Tax Planning



(If you do not keep up repayments on your mortgage, your home may be repossessed)

Excaliber Associates Ltd is authorised and regulated by the Financial Conduct Authority. Company Registration England and Wales: 06435579



SHAVE & SON
ELECTRICAL

- Electrical Installations
- P.A.T. Testing
- Landlord Safety Certificates
- Maintenance
- Repairs
- Rewiring
- Consumer units and fuse boards
- CCTV / Alarms
- Inspections and testing
- Property Condition Reports



Part P Approved electricians

24hr emergency service

- EICR from £79.99
- Fire / EM lights tests from £49.99
- PAT test from £25 per property

Please call for a no obligation quote:
07779 927851
shaveandson.com



Why is Landlord Insurance Going up so Much?

It is fair to say that over the last decade, landlord insurance has increased each year by a relatively low percentage (average is between 3% and 5%). However, with the cost of living crisis and much higher inflation rates, insurance premiums are now increasing by an average of 15% - 20%. So, why is this?

- Index linking (a percentage published by the Royal Institute of Chartered Surveyors which is applied to your buildings sum insured) is currently at 15.6% (having been above 18% since August 2022) – as you normally pay for every thousand pounds of cover this translates directly to a similar percentage increase in your premium
- The increasing cost of building materials – ranging from 10% to over 100% increase depending on the type of material
- The increasing cost of claims – driven both by increased labour and material prices
- Claim amounts increasing for alternative accommodation and loss of rent due to labour and material supply shortages which prolong the duration of a claim
- An increasing number of claims – with wider cover (such as malicious damage and trace and access) more claims are being made. Insurers work to relatively small margins in terms of the profitability of their book of business, and the only option may be to increase everyone's insurance premium

What can be done?

If your renewal premium has gone up by up to the published index linking percentage, you may well still be with the most competitive provider. If it is higher than the index linking figure, you should either shop around or speak to your existing broker to see if there is a reason for the extent of the increase.

Article by Jeremy Wood, Oakfield Insurance Brokers Ltd. If you have any questions or would like an insurance quotation for your let property, please contact Jeremy on 01752 717667

Rogue Landlord Given Prison Sentence

A rogue landlord has been sentenced to 10-months in prison at Chesterfield Crown Court on Monday 3 April 2023 for the state of his properties on the West Lea Estate in Clowne.

In May 2022, Mr Martin Ambler had pleaded guilty to four counts of breaching a Criminal Behaviour Order and was told to expect to pay a significant amount of compensation and costs.

At the original hearing, Judge Bennett deferred sentencing and ordered Mr Ambler to:

- instruct housing experts or a management company to inspect and provide a report on all the properties he owns within Bolsover District;
- cooperate with Bolsover District Council to inspect all properties in his ownership in the area;
- provide full financial information including any companies to which he is a director and to commit no further offences.

However, since this court appearance the defendant has been in breach of his criminal behaviour order and the Judge's instructions by not providing the relevant information on a number of conditions that had been set.

For a number of years, Bolsover District Council has been working with residents and landlords on the West Lea Estate in Clowne to help improve the area, which included extensive enforcement actions for rubbish in gardens and the poor conditions of privately rented housing.

During inspections, Council officers found one of Mr Ambler's properties was infested with rats and due to the major defects found, the rats continued to gain access to the property.

Article abridged from gov.uk

OFFER - SWLA MEMBERS ONLY!

Landlord Emergency Assistance Cover at an exclusive price of £80

– Save £30 on the normal price –

- Cover for Plumbing & Drainage, Internal electricity, Gas & Water supplies, Security, Lost Key, Primary heating system & Pest infestation.
- Max. £500 per claim & Max. £1,000 payable per period of insurance.
- Terms & conditions apply. Covers 1 tenancy agreement.

PLEASE CONTACT US FOR ALL YOUR LANDLORD INSURANCE NEEDS

01752 717667

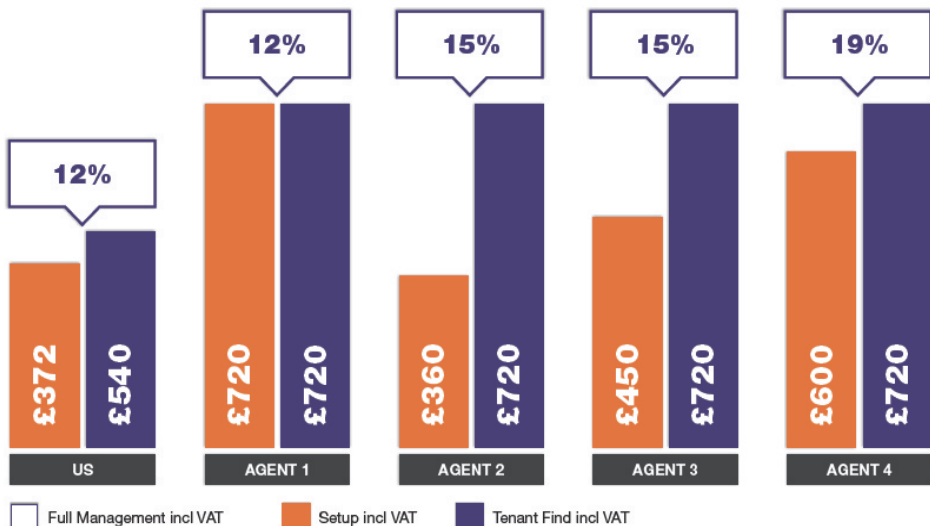
info@oakfieldinsurance.co.uk

www.oakfieldinsurance.co.uk



Oakfield Insurance Brokers is an appointed representative of Policystream Limited and is authorised and regulated by the Financial Conduct Authority under reference 667264. Registered in England and Wales (registered number 9388917).
Registered Office: Vaughan Chambers, Vaughan Road, Harpenden, Herts, AL5 4EE

PLYMOUTH ESTATES Compare Plymouth Estates competitive fees and outstanding service



 Full Management incl VAT

 Setup incl VAT

 Tenant Find incl VAT

Data taken from company websites. Correct at time of print.

TradePoint Update by Ade Feeney – National Customer Account Manager

Who are TradePoint? We are the trade arm of B&Q which means we operate in all 320+ stores across the UK and everything you see instore can be purchased using your TradePoint discount card.

Why get a TradePoint card?

As a standard TradePoint member you need to make minimum spends to trigger a discount. If you do not continually spend, the discounts tend to drop after a period. We all know landlords do not usually purchase for big projects, making it hard to trigger a discount.

However, with your SWLA membership it is enhanced. We have had a great relationship with the SWLA Team for a number of years now, and as part of this relationship, all TradePoint cards obtained as an SWLA member will have a fixed 10% discount applied. Therefore, there is no minimum spend to qualify for the discount. So whether it's a packet of screws or an entire kitchen, you can be sure you will save 10%. Not only that, when we do trade exclusive deals and promotions such as 4 for 3, 10% off etc, you get your additional 10% off on top.

If you haven't done so already, next time you are in store or on the TradePoint website, update your marketing preferences so you don't miss out on our regular deals and offers.

Did you know that you can request more than one discount card?

If you are a couple or have a maintenance person/business partner - you can request the additional cards.

Below are some of the reasons why our members love using TradePoint; Some of the services we have, to make life easier for you.

- Key cutting service
- Brick matching service
- Free kitchen & bathroom design service
- Valspar colour mixing - Over 2.2million colour matches
- Free timber cutting exclusive for TradePoint members up to 15 cuts
- Bespoke timber products, roof trusses, timber framed windows doors and staircases.
- Free delivery from as little as £50 minimum spend
- Long opening hours, open 7 days a week early to late
- Mobile friendly website to browse, shop or 1hr Click & Collect
- Digital card option where you can store your card on your mobile device so you will never lose your card again
- You can use your discount card in any store and on any till point including our self-scan checkouts so no reason not to scan your card at every transaction to save you time and money

For information on how to apply for an SWLA TradePoint card, please contact the SWLA Office.

A Message from Plymouth City Council to the HMO Landlord Community

Dear HMO Landlords. Are you aware of your responsibilities as a landlord when managing your HMOs? There are set standards for houses in multiple occupation (Licensed and Unlicensed) that landlords are required to adhere to. If you are unfamiliar with these or could just do with a refresher on the required HMO Standards or Management regulations, please visit the Plymouth City Council Website for more information. There are also multiple invaluable training courses on offer to Landlords where you can learn about all aspects of the private rented sector, you can also gain accreditation.

If you have any queries about the training courses run by SWLA (including the Landlord Accreditation South West, West of England approved, Landlord Accreditation course), please contact the SWLA office.

**OVER 50,000
PRODUCTS,
7 DAYS A WEEK**
making big jobs smaller.



Including everything
you need for your **property
maintenance** and **refresh jobs**.

**GET
10%
OFF**

As a member of
SWLA
you get **10% OFF** almost every
product at **TradePoint**

SWLA
South West Landlords Association

**ALL YOU NEED,
WHEN YOU NEED IT.** **TRADE
POINT**

*Excludes delivery, gift cards, accessories, clearance, selected Smart Home products, dealer special and selected made to measure products, and cannot be used in conjunction with any other voucher or customer discount card. Visit www.point.co.uk/property for the full list.



House2Home Lets

Ltd

The original no tenant fees letting agency

Landlords – we will fully manage your property for just **£50 per month**, and this includes finding you a tenant! **There are no set-up or other fees!**

Contact us on 01752 922094 or info@house2homelets.co.uk for more information.



Plymouth Homes Lettings are a Multi Award Winning Company for Landlords and Tenants

Rent Paid...Guaranteed

For landlords who want peace of mind knowing that their rent is guaranteed to be paid the day it is due

Tenant Find Only

For landlords who would like the best possible choice of tenants and manage the property themselves

**PLYMOUTH
HOMES**

Call us on

01752 772846

www.plymouthhomes.co.uk

arla | propertymark

PROTECTED



AWARDED FOR
MARKETING | SERVICE | RESULTS



Plymouth Homes are ARLA Propertymark Agents and hold a client money protection scheme. We adhere to The Property Ombudsman Code of Conduct and are recognised as safe Agents.

When do Tenancy Guarantees End?

Landlords will want a guarantee to last the entire time a tenant is living in a property – and will often word their guarantee document to say this.

Guarantors however, will often assume that the guarantee will just last for the length of the fixed term.

What is the answer? How long do guarantees actually last?

Here are some options:

1. Until the guarantee says it will end;

When considering any legal document, you need to read it to see what it says about its time of ending. It is possible for a guarantee to last longer than the fixed term of a tenancy – but only if it says so. And only then if the clause that says so is 'fair'.

In most cases, the guarantor will be a 'consumer' and so the guarantee document will be subject to the Unfair Terms rules, now part of the Consumer Rights Act 2015 (although they still work in the same way as the preceding unfair terms regulations).

If a guarantor signs a guarantee expecting it to last for the six months of the fixed term, it would be unfair to hold that guarantor to their guarantee if, say, the tenant then lives in the property for the next 30 years. There should be some way for the guarantor to end the guarantee if it lasts beyond the end of the fixed term.

2. Most guarantees will end automatically as they can only last until the tenancy changes;

If a guarantor agrees to guarantee a tenancy, the guarantee will usually end if there is a change to the tenancy, e.g. if the rent goes up.

You cannot alter the terms of an agreement without the consent of both parties. So a guarantor cannot be held to the terms of the tenancy where the rent is different. If the tenancy agreement specifically says that they will – that clause may be unfair under the unfair contract terms rules. The guarantor may also be able to object if a tenancy is changed significantly, for example, to allow the occupiers to change – say if one of the tenants moves out and someone else moves in. As they did not agree to guarantee a tenancy where that new person is in occupation.

3. Until the tenancy ends;

This is not the same as the tenant moving out. Technically all tenancies will end at the end of the fixed term. But in most cases where the tenants stay on, the fixed term tenancy will be replaced either by a new tenancy when the tenants sign a new tenancy agreement or will continue on as a periodic tenancy.

It may be possible with a well-drafted guarantee, to extend it to apply to a periodic tenancy, but it is unlikely to survive after a new tenancy agreement has been signed. As that new tenancy is not the tenancy the guarantor agreed to guarantee (unless perhaps all the terms and the rent are exactly the same).

It is recommended that landlords and agents should always get guarantors to sign a new guarantee form at renewal if they want to be sure that the guarantee remains active.

4. Until the guarantee is ended by the guarantor;

An agreement can always be ended if both sides agree. Apart from that, the parties can only end an agreement early if this is provided for in the guarantee deed.

A clause providing for a guarantee to extend beyond the end of the fixed term of a tenancy is more likely to be valid if the guarantee provides for the guarantor to end it by giving notice. As otherwise the guarantee could be interpreted to extend over many years (if the rent remains constant) which would be unfair.

Article abridged from The Landlord Blog

A Truth Pill – A Mortgage Broker’s Honest Assessment

Warning, this post isn’t going to contain sugar-coating. I’ve learned that the best path forward, is to share the truth to make it easier for us all to navigate this prolonged financial storm.

Landlords are being bumped and squeezed in every manner the government can conceive, what with the proposed renters reforms promising more rights to tenants in what’s expected to be a serious market upset. With the future of interest rates up in the air again, and the proposed protections for renters; it’s clear that the trend of Landlords leaving the market may continue to grow. (Thankfully, the new 100% renters Track Record Mortgage may make it easier for you to offload your properties, NOT! This product is a dud in my opinion, suited for rental averages of London and the South East!)

Why are rates expected to go up more, when the bank previously said 4.5% was their expected peak? Well, inflation hasn’t been as affected as expected. There’s talk of another two, or in some cases even three more rate rises, which would push us into the 5% range which strips most of the portfolios I see, of their profits. Remember, lower inflation doesn’t mean prices are going down, it just means they’re not growing as fast!

The thought of a housing crisis is not a distant concept; many have predicted a contraction of valuations by 10% on average, with some areas expected to do worse than others.

Are you in the position to take advantage of the downturn? Are you looking to get out?

Written by Calum Levy, Mortgage Adviser, Excaliber Associates Ltd

New Blow to House Prices

House prices were largely unchanged in May, edging down by just £130 compared to April - but on an annual basis prices fell one per cent, marking the first time since 2012 that house prices have fallen year-on-year.

According to the Halifax, the source of the data, the annual decline largely reflects a comparison with strong house prices this time last year, as the market continued to be buoyant heading into the summer. Kim Kinnaird, director of Halifax Mortgages, says: “Property prices have now fallen by about £3,000 over the last 12 months and are down around £7,500 from the peak in August. But prices are still £5,000 up since the end of last year, and £25,000 above the level of two years ago.

“As expected, the brief upturn we saw in the housing market in the first quarter of this year has faded, with the impact of higher interest rates gradually feeding through to household budgets, and in particular those with fixed rate mortgage deals coming to an end.

“With consumer price inflation remaining stubbornly high, markets are pricing in several more rate rises that would take the Base Rate above five per cent for the first time since the start of 2008. Those expectations have led fixed mortgage rates to start rising again across the market. “This will inevitably impact confidence in the housing market as both buyers and sellers adjust their expectations, and latest industry figures for both mortgage approvals and completed transactions show demand is cooling. Therefore, further downward pressure on house prices is still expected.

“One continued source of support to house prices is the labour market. While unemployment has recently ticked up from very low levels, brisk wage growth would over time help to improve housing affordability, if sustained.”

Prices remain under most pressure among home-movers (those with existing properties who sold and bought). Prices for this group fell 1.1% in May.

By property type, all except for detached houses (up 0.4%) have registered year-on-year declines. The sharpest drop is for flats (down 1.9%), followed by terraced (down 1%) and semi-detached houses (down 0.5%).

Article abridged from Landlord Today

Supply and Demand Gap Widens in Private Rented Sector

Surging tenant demand coupled with a cooling of interest from buy-to-let investors is set to increase the gap between supply and demand in the private rented sector.

According to new figures from the Royal Institution of Chartered Surveyors (RICS), 44% of its members saw an increase in tenant demand in May, with almost two thirds reporting an increase in landlords looking to sell their properties.

Alongside this, a similar proportion said there has been a decline the level of interest from new UK based buy-to-let investors over the past six months, while 30% also cite a decline in interest from overseas buy-to-let investors.

New landlord instructions were also down 23%.

The organisation, which surveys Chartered Surveyors who operate in the residential sales and lettings markets on a monthly basis warn this could force rents up for tenants.

The report said: "With all of this contributing to the continued mismatch between rising demand and falling supply, rental prices are expected to rise by a net balance of 53% of respondents over the near term.

"Moreover, rental price growth is now expected to average just shy of 6% per annum over the course of the next five years."

Supply Crisis

We have been warning of the potential impact of the rental supply crisis for some time, warning the Government that it will be renters who ultimately lose out.

NRLA Chief Executive Ben Beadle said: "Data from RICS, the NRLA and others all shows a rental market in crisis. We need action from the Government to support responsible landlords to provide the homes to rent the country desperately needs.

"The full impact of taxation changes are now being felt which, alongside the economic downturn and the publication of new legislation – the Government's Renters (Reform) Bill – is creating a perfect storm of uncertainty for landlords.

"We are calling for a full review of the impact of tax rises on the sector and for ministers to develop new, pro-growth tax policies to support landlords to meet the ever growing demand from renters."

Article abridged from NRLA

HMO Unlicensed – Fine for Landlord

A landlord has been fined more than £3,500 after a House in Multiple Occupation (HMO) in Cambridge was found to have been unlicensed.

After receiving a complaint from a tenant of the property in Milton Road, Cambridge City Council investigated and found it had not been licensed since October 2021, meaning it was potentially unsafe for the tenants living there. The landlord was issued with a Financial Penalty Notice for the offence totalling £3528.54.

The council utilised enforcement powers, under the amended Housing Act 2004, meaning it can issue a civil penalty as an alternative to prosecution, in relation to certain Housing Act offences. In addition to serving the Financial Penalty Notice, the council team ensured other deficiencies within the property were remedied. The necessary mandatory HMO licence has now been granted, with an additional condition requiring the owner to under-take recognised landlord training within six months.

Where a landlord or property manager receives a civil penalty it can be taken into account when considering whether they are 'fit and proper' to be the licence holder for an HMO.

In cases where a landlord or property manager receives two or more civil penalties over a 12-month period the council may include their details in the national database of rogue landlords and property agents.

Income received from civil penalties can be retained by the council to carry out functions in relation to enforcement activities covering the private rented sector.

Article abridged from gov.uk

SWLA are attending this event! To book your free tickets, please visit the SWLA website newsfeed.



EXETER RACECOURSE

Thursday 6 July 2023

2pm - 8pm



For many years Landlord [Insure UK](http://www.landlordinsureuk.com) have advised & supported SWLA members with regard to their Landlords insurance needs with comprehensive cover and exclusive discounts – we are specialist independent insurance brokers and can offer you a wide choice of policies which can be tailored to your individual needs. Our dedicated Team constantly review the market on your behalf and would be delighted to offer you a free, without obligation quote at your next renewal date.

Freephone 0800 7316689 Ext 899

Email: schemes@bateman-group.co.uk

Website: www.bateman-group.co.uk

John Bateman Insurance Consultations Limited is authorised and regulated by the Financial Conduct Authority (Registered No. 311378) for general insurance business.

NOTICE BOARD

Member Reminders!

Use your SWLA discount! If you aren't sure where you can get discount and how to apply – please contact the office. At TradePoint/B&Q, members receive 10% off most purchases, including sale/offer items.

SWLA Stationery and landlord documents can be found on the members area of our website.

Contact Details – if your contact details change, please let the office know so we can keep you up to date on legislation changes.

Keep an eye on the SWLA website for future training courses

KBG CHAMBERS - Barristers – Plymouth, Truro & Exeter
We will support members with legal advice and representation through public access. KBG cover all areas of Property Law.
Call 01752221551 or email Colin Palmer, Senior Clerk, on colin@kbgchambers.co.uk

Richard Gore at GL Law is well regarded for his work with landlord disputes, including dilapidations claims, lease renewals and forfeiture claims. Contact Richard for a free initial conversation by calling 0117 906 9400 or email r.gore@gl.law

Rory Smith, Enigma Solicitors

Rory Smith is a highly experienced specialist in a wide range of disputes and their resolution. Rory can also recommend to you other law firms in Plymouth who will all offer free initial advice to SWLA members in other specialist areas.

Contact Rory on 01752 600567 or by email at rls@enigmaw.com Enigma is located 5 minutes away from SWLA's office at Farrer Court, 77 North Hill PL4 8HB. The office is open 8:30 a.m. until 5:00 p.m. weekdays.

Did you know that SWLA have a trade listing of local businesses? Head to the SWLA website 'Trade Directory' for all of your landlord needs from Gas Safety Checks to Building Services

SWLA

South West Landlords Association

Published June 2023

Produced by Mark Price

By **The South West Landlords Association Ltd 30 Dale Road, Plymouth PL4 6PD**

You can contact our answerphone service on 01752 510913 or E-mail us at info@landlordssouthwest.co.uk, visit our website www.landlordssouthwest.co.uk

Or visit our office in Dale Road, it is open week days from 10am to 3pm

The association provides assistance and advice. However, the Association does not hold itself out as providing specialist legal advice and therefore whilst written and oral advice is given in good faith, no responsibility can be accepted by the association, its officers or members for the accuracy of its advice, or shall the association be held liable for the consequences of reliance upon such advice.