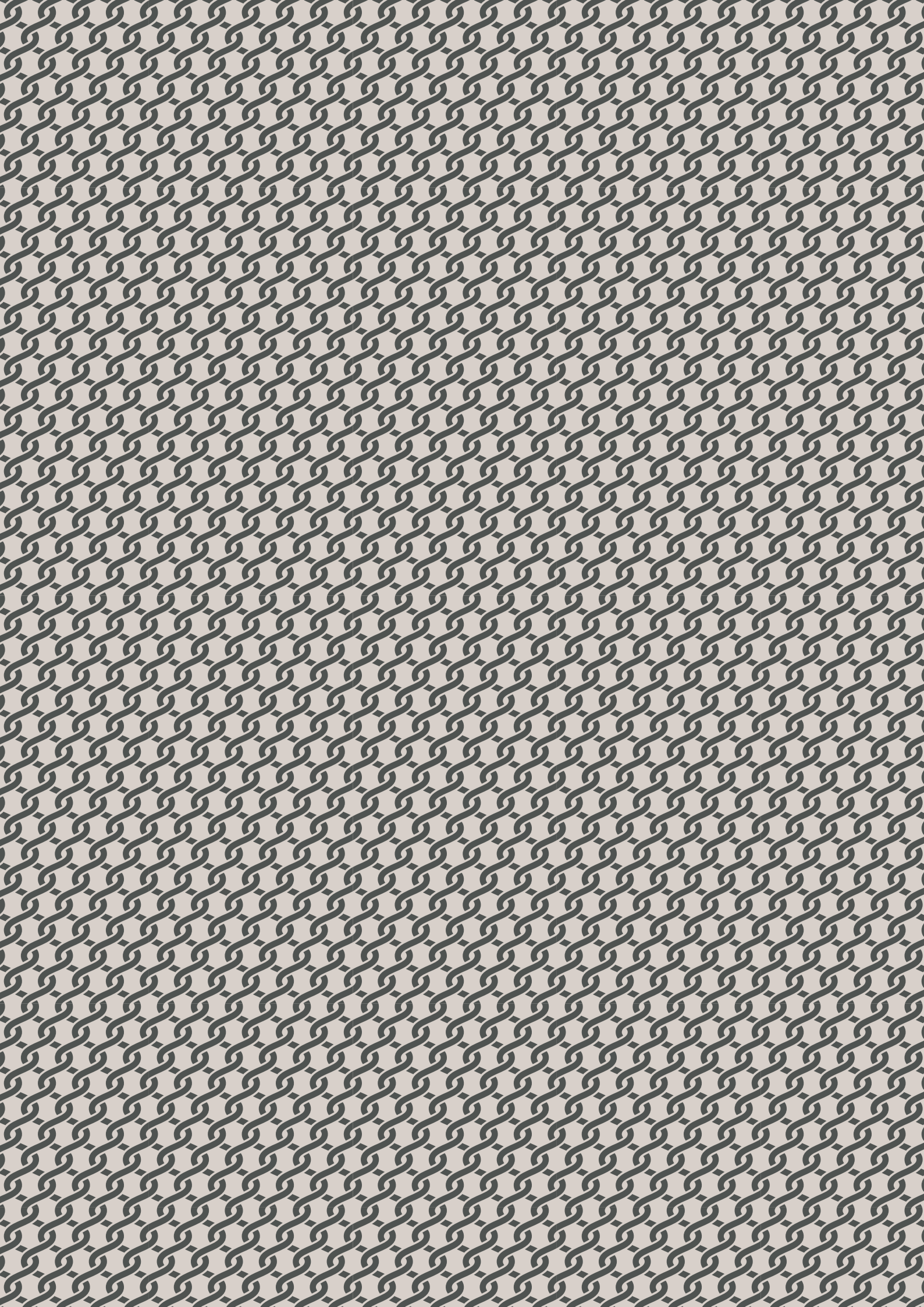




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A GUIDE FOR LANDLORDS





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OUR GUIDE TO LANDLORD LAW AIMS TO PROVIDE
USEFUL INFORMATION AND FRIENDLY ADVICE IN
A CLEAR AND SIMPLE WAY

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INTRODUCTION

IF YOU ARE USING AN AGENT TO MANAGE THE PROPERTY ON YOUR BEHALF, YOU SHOULD LOOK FOR THE SAFE KITEMARK. ALL SAFE AGENTS HAVE CLIENT MONEY PROTECTION, AND YOUR MONEY WILL BE PROTECTED IF THE AGENT GOES OUT OF BUSINESS.

OBLIGATIONS

- Keep your rented properties safe and free from health hazards;
- Provide an Energy Performance Certificate (EPC) – this shows the energy performance of the property and must be provided whenever the property is let to a new tenant;
- Make sure all gas and electrical equipment is safely installed and maintained;
- Provide an Energy Performance Certificate for the property;
- Check your tenant has the right to rent your property if it's in England;
- Fit and test smoke alarms and carbon monoxide alarms;
- Follow fire safety regulations for property in a purpose-built block of flats or for houses and property adapted into flats;
- Have a written agreement with your agent so it is clear what responsibilities the agent is carrying out on your behalf;
- Inform your mortgage company and insurer if you intend to rent to someone else a property you previously lived in as owner. There may be restrictions on your mortgage and you may need to amend your insurance cover;
- Use a written tenancy agreement as this will help ensure your tenant knows what they are responsible for, such as who pays utility bills, how long the tenancy is for and arrangements for paying the rent;
- Agree an inventory with your tenant at the start of the tenancy. This will make things easier if there is a dispute over the return of the deposit at the end of the tenancy;
- Provide contact details to your tenant so that they can get in touch if there are any problems; and,
- Protect your tenant's deposit in one of the three government-authorised Tenancy Deposit Protection schemes. This is a legal requirement if you use an assured shorthold tenancy agreement.

REPAIRS

AS A LANDLORD YOU MUST KEEP THE PROPERTY IN A GOOD STATE OF REPAIR

You have a legal right to enter your property to inspect it or carry out repairs. You must give your tenants at least 24 hours' notice, although immediate access may be possible in emergencies. Your tenants have the right to stay in the property during the repairs.

You're normally responsible for repairs to:

- The structure of the property;
- Basins, sinks, baths and other sanitary fittings;
- Heating and hot water systems;
- Anything you damage through attempting repairs; and,
- If your property is seriously damaged by a fire, flood or other similar incident, you don't have to rebuild or renovate it. However, if you do, you can't charge your tenants for any repairs made.

COMMON AREAS

If you own a block of flats, you'll usually be responsible for repairing common areas, like staircases. Councils can ask landlords to fix problems in common areas, or to repair a tenant's flat that's been damaged by another tenant.

WHAT HAPPENS IF REPAIRS AREN'T DONE PROPERLY?

If you refuse to carry out repairs, tenants can:

- Start a claim (under £5,000) in the small claims court for repairs;
- In some circumstances, carry out the repairs themselves and deduct the cost from their rent;
- If you don't make repairs to remove hazards, your tenants can ask the council to inspect the property under the Housing Health and Safety Rating System and to take any action that is necessary; and,
- If the council finds serious hazards, it must take enforcement action to make sure the hazard is removed.

REPAIRS AND CHARGING RENT

If the repairs are very disruptive, your tenants may be able to claim a reduction in their rent known as a 'rent abatement'. This will depend on how much of the property is unusable. You may have the right to increase the rent after carrying out repairs and improvements, depending on the tenancy agreement.

HOUSES IN MULTIPLE OCCUPATION (HMO)

IF YOU LET YOUR PROPERTY TO SEVERAL TENANTS WHO AREN'T MEMBERS OF THE SAME FAMILY, IT MAY BE A 'HOUSE IN MULTIPLE OCCUPATION' (HMO).

Your property is an HMO if both of the following apply:

- At least three tenants live there, and more than one bathroom, kitchen or household toilet are shared.
- A household consists of either a single person or members of the same family who live together. It includes people who are married or living together and people in same-sex relationships.

LICENCES

An HMO must have a licence if it is both:

- Three or more storeys high; and,
- Occupied by five or more people.

But, remember: A council can also include other types of HMOs for licensing.

WHEN CAN RENT BE INCREASED?

THIS WILL DEPEND ON THE TYPE OF TENANCY

For a periodic tenancy (rolling on a week-by-week or month-by-month basis), you can usually only increase the rent once a year.

For a fixed-term tenancy (running for a set period) you can only increase the rent if your tenancy agreement permits this. Otherwise, you can only raise the rent when the fixed-term ends.

DON'T:

- Leave problems to fester. Speak to your tenant at an early stage and if relationships break down, contact your local authority who may be able to mediate for you.
- Leave large sums of rent with your agent for long periods. Make sure that the rent is paid to you on a regular basis and that this is included in your agreement with the agent.
- Neglect the repair or maintenance of the property. Local authorities have powers to take action if you do this.
- Try and remove your tenant by changing the lock or throwing out their possessions. This is illegal, and you could be prosecuted. The tenant may also claim damages for unlawful eviction.

RISK ASSESSMENT

THE COUNCIL HAS TO CARRY OUT A HOUSING HEALTH AND SAFETY RATING SYSTEM (HHSRS) RISK ASSESSMENT ON YOUR HMO WITHIN 5 YEARS OF RECEIVING A LICENCE APPLICATION. IF THE INSPECTOR FINDS ANY UNACCEPTABLE RISKS DURING THE ASSESSMENT, YOU MUST CARRY OUT WORK TO ELIMINATE THEM.

REPORTING CHANGES

You must tell the council if:

- You plan to make changes to an HMO;
- Your tenants make changes; and/or,
- Your tenants' circumstances change (for example, if they have a child).

DEPOSIT

LANDLORDS MUST PUT THE DEPOSIT IN A GOVERNMENT-BACKED TENANCY DEPOSIT SCHEME (TDP) IF YOU RENT YOUR HOME ON AN ASSURED SHORTHOLD TENANCY THAT STARTED AFTER 6 APRIL 2007.

In England and Wales your deposit can be registered with:

- The Deposit Protection Service (Custodial and Insured);
- MyDeposits - including deposits that were held by Capita; and/or
- The Tenancy Deposit Scheme.

At the end of the tenancy, you must give the deposit back within 10 days of agreeing the amount with the tenant. If you are in dispute, the deposit will be kept in the scheme until an agreement has been reached. Your landlord can accept valuable items (such as a car or watch) as a deposit instead of money, but they won't be protected by a scheme if this is the case.

SETTLING DISPUTES

YOU CAN OFTEN SORT OUT DISPUTES WITH YOUR TENANTS WITHOUT GOING TO COURT:

1. Speak to your tenants about your concerns.
2. If this doesn't work, write a formal letter setting out the problem.
3. Use a mediation service, which is usually cheaper and quicker than going to court.
4. As a last resort, you can take your tenants to court.

GOING TO COURT

If you take legal action, the case may go to a small claims court. Small claims cases are those worth less than £5,000 (or £1,000, if the case is about repairs to a property). The courts provide a free mediation service for small claims cases, which can take place over the phone.

HOW DO I GET MY PROPERTY BACK?

This can be done by either a section 21 notice or section 8 notice. Which notice depends on the circumstances.

Section 21 gives a landlord an automatic right of possession without having to give any grounds (reasons) once the fixed term has expired.

Section 8 allows a landlord to seek possession using grounds 2, 8, 10 to 15 or 17 listed in Schedule 2 to the Act.

In all cases you must give your tenant written notice, usually at least 2 months, of your intention to regain possession. You cannot use Section 21 to gain possession of your property during the fixed term. You can serve a Section 21 notice on your tenant during that time, providing the date you state you require possession is not before the end of the fixed term. If your tenant paid a deposit, you cannot use Section 21 unless the deposit has been protected in accordance with the tenancy deposit schemes. The notice you must give if you are using Section 8 varies from 2 weeks to 2 months depending on the ground you are using. If you are using Section 8 the notice you give must be on a special form entitled 'Notice seeking possession of a property let on an Assured Tenancy or an Assured Agricultural Occupancy'.

SETTLING DISPUTES (CONT.)

WHAT HAPPENS IF A TENANT DECIDES TO LEAVE?

You will need to apply to the courts for a 'possession order'.

ACCELERATED POSSESSION PROCEDURE

Where possession is sought under Section 21, an accelerated procedure can be used, which is a straightforward and inexpensive way to get possession of your property without a court hearing. In most cases following this procedure, the court will make its decision on the papers, and can order possession to be given up within 14 days unless exceptional hardship would be caused, in which case the maximum time that can be allowed is 42 days. You can only use this procedure if you have a written tenancy agreement and you have given the tenant the required notice in writing that you are seeking possession. You cannot use this procedure if you are also claiming rent arrears.

THIS APPLIES TO PROPERTIES IN ENGLAND ONLY

For tenancies that started on or after October 1st 2015, landlords are required to provide a number of additional documents or they will lose their rights to serve Section 21 notices. In addition to this, they face fines of up to £5,000 if they are not checking the required smoke and carbon monoxide alarms are working at the start of the tenancy.

WHAT DO LANDLORDS NEED TO PROVIDE?

Landlords now need to provide the following at the outset of a tenancy:

- A Gas Safety Certificate;
- An Energy Performance Certificate;
- A copy of the checklist for renting in England;
- Smoke alarms have been fitted on every floor. They have been checked and are in working order at the outset of the tenancy;
- Confirmation that carbon monoxide alarms are fitted in every room with a solid fuel burning source. They have been checked and are in working order at the outset of the tenancy;
- Confirmation that the deposit has been protected if already paid; and,
- Confirmation that the prescribed information for the deposit scheme has been provided.

In addition: a template for reporting repairs in writing to the Landlord and an address at which to serve this to the Landlord may be useful. This is because tenants may claim that they have reported repairs in writing to the landlord prior to a Section 21 being served. If the landlord or letting agent has a clearly defined repairs procedure, then this defence is less likely to cause problems in court or to be believed by the council.

To assist landlords in remaining compliant with the law and to make it easier to show proof of this compliance, the RLA has provided a downloadable checklist for the landlord and tenant to sign at the start of the tenancy to show all the necessary checks and documents have been provided.

LANDLORDS IN WALES

THE HOUSING (WALES) ACT 2014 SETS OUT REQUIREMENTS OF LANDLORDS IN WALES.

Any landlord who has a rental property in Wales which is rented on an assured shorthold or regulated tenancy is required to register. All registrations are done with Rent Smart Wales <https://www.rentsmart.gov.wales>.

A landlord registration costs £33.50 if completed online and £80.50 if done on a paper application form. Landlords who are not involved in setting up tenancies and managing their rental properties do not need a licence; however, they must use a licensed agent and register as a landlord declaring their agent on the registration. Landlords who do undertake letting and management tasks at their rental properties in Wales are required to apply for a licence. Such landlords are often described as 'self-managing'.

The landlord licence fee is currently £144.00. However, once the functionality is available within the Rent Smart Wales website to complete a licence application online, paper application fees will increase to £186.00. The Agent Licence fee is currently £3,728.00.

Once an agent is licensed, their licence lasts for five years. During that time, the applicant must keep the information in their licence application up to date.

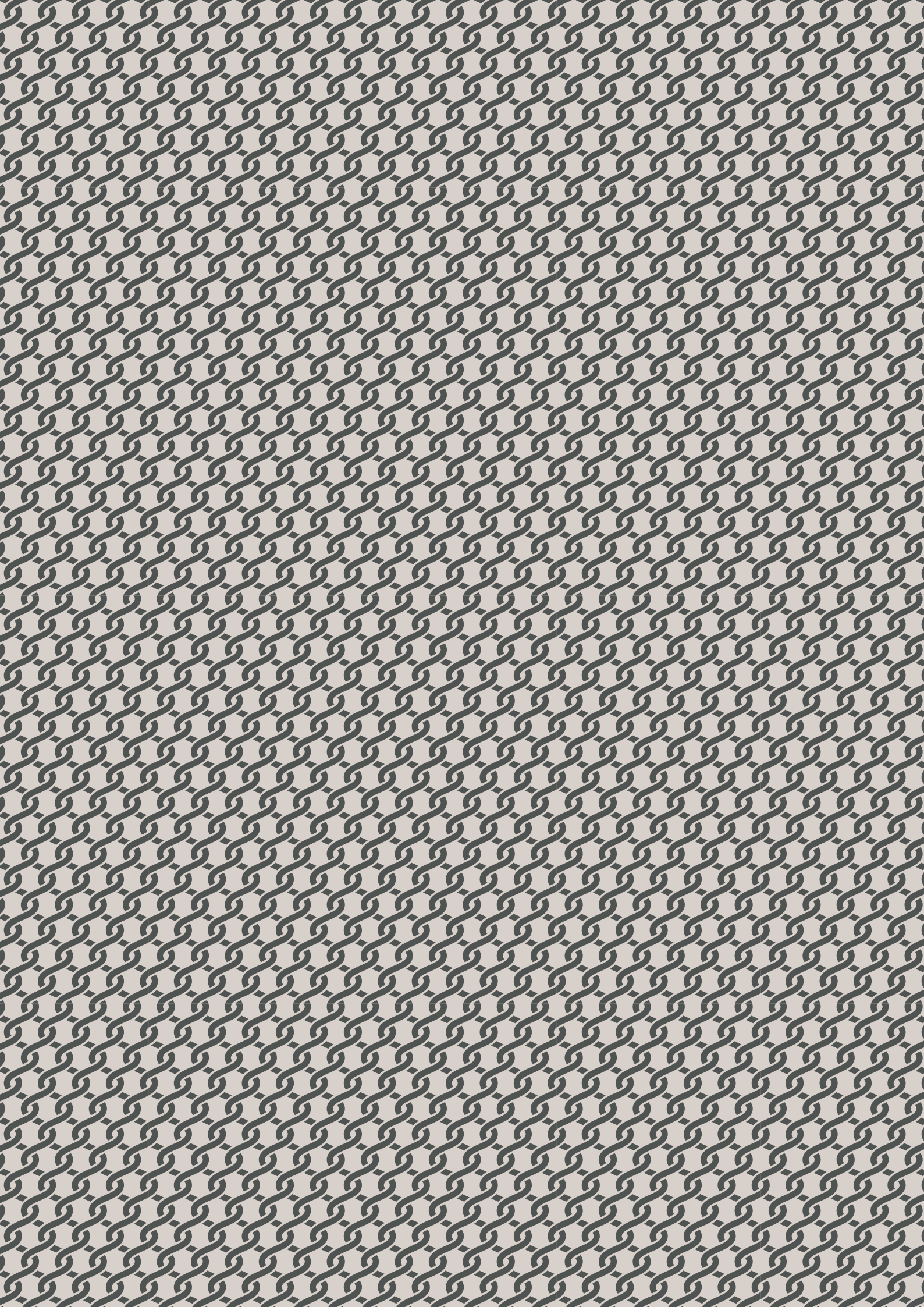
If a licence holder fails to comply with any condition of their licence, or is no longer 'fit and proper', then their licence can be revoked.

This is a serious action, as it means that the person can no longer undertake any letting or management work at any rental properties in Wales on behalf of a landlord.

There is different training available for landlords and agents. If a person is both a landlord and an agent who requires a licence, they can do agent training, and this will be sufficient for their landlord licence as well.

People can choose to go on training delivered by Rent Smart Wales, or they can do approved training offered by authorised trainers. The best option to complete the licensing training is by attending a training course, as you can interact and learn from each other and ask questions relevant to their own experiences. However, there may be online courses available on the market for those people who do not find attending a course convenient.

The training for landlords is a one-day course delivered in a relaxed environment by trainers with real experience of working in the private rented sector. Around 5,000 landlords have already completed this training under the old voluntary scheme Landlord Accreditation Wales, and it has been extremely well received. People find the training informative, relevant and of real value to draw from when running their rental properties.





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