



iHOWZ NEWSLETTER

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WELCOME TO 2024

This is your Association's fiftieth year of supporting landlords. It is a proud moment in the history of our Association that in 2024 we are celebrating 50 years providing support and benefits for landlords. There are still members today who joined at the very first meeting and our board thank them for their support throughout our existence and hope that they and the new generation of landlords will understand the benefits of belonging to a professional landlords' association.

It is not only the benefits that membership provides but, even more importantly, the work to ensure that landlords can run their businesses in the knowledge that they are being treated fairly by Government. Our Association will strive to ensure that that is always the case.

2024 is most likely to see an election and our members need to think very carefully and vote to ensure that their interests are being taken into account fairly in the levelling up regulations, which can have disastrous effects on our businesses if Section 21 is simply abandoned without careful thought as to the real effect of such actions, to both tenants and our members.

Another very important change of regulations was introduced on 1st December 2023, whereby tenants living in shared accommodation but paying Council Tax at Band A level will not be required from that date to do so. Council Tax will be based on rateable values and will be the responsibility of the landlord; more about this within the newsletter.

It seems that the need for affordable accommodation in most areas is critical and

one hopes Government will, through planning amendments, make it easier to obtain planning in the future for those members who participate in providing developments and conversions of offices.

iHOWZ PRESENT TO MPS AND LORDS IN THE HOUSE OF COMMONS



Hopefully, all members are aware that we have been running a campaign for over two years on the unintended consequences of abolishing the Section 21 notice.

Even though we have been communicating with MPs and Lords on a regular basis, on November 22nd last year we took the message direct to them when we hired one of the meeting rooms in the Houses of Parliament and presented to an audience of MPs and Lords.

For the actual presentation, we instructed a top barrister from Tanfield Chambers, Andrew

Butler, KC, who, apart from carrying a top job, is also the son of Lord Butler, Cabinet Secretary and Private Secretary to Prime Ministers from Margaret Thatcher to Tony Blair. Lord Butler attended and was very proud to announce that Andrew was his son and gave a very erudite 5-minute talk.

The crux of our presentation was that abolishing the Section 21 would increase homelessness, not reduce it. And we suggested that the notice be retained, but that the last two months be rent free, to allow the tenant to have a deposit and first months' rent.

Whilst the scheme was well received, even by a Labour MP, it was generally agreed that the Section 21 would go. Lord Butler especially urged the room to consider an amendment to Section 8 notice to add a new ground that would be mandatory, require no grounds/evidence, and would have a mandatory 2-month minimum rent-free period for the tenant.

In addition to this amended policy, we are also progressing to have an amendment laid that would allow the continuation of Fixed Term tenancies. We believe that loss of the Fixed Term, coupled with the ability for a tenant to give two months' notice at any time will cause havoc in the industry, especially for student landlords.

We will keep you informed of progress on this via the weekly eNews.

Note that videos of this presentation can be seen on the iHowz website.

ARE YOU READY FOR 2024?

Normally for the first newsletter of a New Year I would say welcome to the New Year. But is 2024 going to be a good year?

It's certain to be a year of turmoil for landlords. We are pretty much guaranteed an election this year, technically the Prime Minister could call one for the end of January 2025, but that would mean canvassing over Christmas and New Year – surely the quickest way to annoy the electorate.

It is fair to assume that both parties will go on a charm offensive, with all sorts of promises. The Conservatives have the advantage that they can actually do something before the election, so wait to see a generous Budget on March 6th, probably held early so new taxes can commence in the new tax year, starting April 6th. Am I, cynical or realistic?

It is also likely that we will have a whirlwind of last-minute legislation. We already know the following are in the pipeline:

1. **Renters Reform Bill.** Abolition of the Section 21 notice; no Fixed Terms; 2 months' notice by tenant; Decent Homes Standard to apply to PRS, landlords to be registered, etc.
2. **Leasehold and Freehold (Reform) Bill**, if enacted, could extend lease terms to 999 years, eliminate the so-called 'marriage value', and restrict ground rent.
3. Probably new rules for holiday lets.

And Labour has 'promised':

1. Abolition of **Section 21**.
2. Apply **Decent Homes Standard** to apply to PRS.
3. **Build more homes**, especially affordable housing.
4. Upgrade all homes to **EPC rating C** "within a decade".
5. A plan to **end "automatic evictions for rent arrears"**.
6. Introducing a **four-month notice period** for landlords.
7. Including the **right for renters to have pets** as well as making "reasonable" alterations to a property.
8. Schemes to **make tenancy deposits "more portable"**.

So, pretty much the same as the Conservative manifesto!

A recent survey of landlords revealed their main worries to be:

1. An increase in costs, especially mortgages, insurance, materials.

2. Tenants unable to pay the rent.
3. New laws causing even more grief for landlords.

And at iHowz, what do we recommend? The same as always, be professional; let your property correctly; keep communicating with your tenants; keep aware of changes to laws/regulations/licensing.

ANTISOCIAL BEHAVIOUR ACTION PLAN

Government has published its antisocial behaviour action plan, with a number of key proposals. These are:

New powers for landlords to evict antisocial tenants. Within the plan there are proposed new powers for landlords to more easily and quickly evict antisocial tenants. As part of the upcoming rental reform, and among other actions, Government is proposing:

- Making the notice period two weeks for all antisocial behaviour eviction grounds
- To expand the discretionary eviction ground to make antisocial behaviour easier to prove in court
- To speed up the process of evicting antisocial tenants by prioritising cases in the possession lists in the county courts

Whilst the move to tackle antisocial behaviour is positive, Government must couple this with reforms to substantially speed up the court system.

Mike Stimpson's comments - we have yet to see Government's detailed proposals but currently the court system, to put it bluntly, does as it wishes and is unfit for purpose. This does not bode well for any proposed regulations that cannot be backed by firm court timings.

HMOs AND COUNCIL TAX

The Government made a surprise change to the law last December concerning Council Tax in HMOs.

It was **intended** to make two amendments to HMOs:

1. **Disaggregation:** The legislation ceased the practice of disaggregating (splitting up) HMOs to charge Council Tax for individual rooms. Councils that had previously split up HMOs were ordered to re-aggregate, making the entire unit of accommodation liable for Council Tax. However, complications will arise when the unit contains a mix of self-contained and room lets.
2. **Council Tax Responsibility:** The new legislation intended to band all HMOs as a single dwelling, making owners responsible for Council Tax. However, the definition of "owner" includes individuals with a material interest in the dwelling, and this includes tenants with tenancy agreements lasting at least six months. Therefore, where an HMO is let on a room-by-room basis, the landlord is responsible, but where it is let to any number of people on **one agreement**, the tenants are liable.

We ran a workshop on this where David D'Orton-Gibson from Training for Professionals took us through the complex maze of legislation that means the responsibility for Council Tax in HMOs remains the same as it has always been, i.e.

- where an HMO is let on a room-by-room basis, the landlord is responsible, but
- where it is let to any number of people on **one agreement**, the tenants are liable.

The Government had written to all councils to advise them of the intended changes. We have since contacted them to advise that, in our opinion, Council Tax liability has not changed.

We urge all members with HMOs to be aware if their council tries to make the owner/landlord responsible.

A long article can be seen on the web site about this, plus we have a fact sheet, and a video of the presentation is available.

Email us at info@iHowz.uk if you require any more information.

HOW CAN INSURANCE HELP LANDLORDS PROTECT THEIR PROPERTY FROM BAD TENANTS?

When it comes to protecting the legal interests of landlord and tenant, the laws governing property rental are pretty-well balanced, thanks to the Housing Act 1988.

Property letting comes with lots of hard work and a few risks, but for most landlords, their relationship with tenants is a co-operative one. Landlords have well-defined responsibilities to to their tenants, and in return, tenants pay the rent, treat the property well, and conduct their lives in a way that doesn't bring the landlord's property or business into disrepute. It's in the interests of both landlord and tenant to adhere to all terms of a tenancy agreement.

Landlord and tenant can be joint victims of property damage incurred through extreme weather subsidence, fire, or crime. That's where building insurance comes in. But what happens when the tenant is the problem? How does a landlord protect their property and rental income?

- **The Right To Rent**
- **Tenant Referencing**
- **Rent Guarantee Insurance**
- **Malicious Damage**
- **How Do You Evict A Tenant**
- **Reducing The Risk**

THE RIGHT TO RENT

Checking a prospective tenant's immigration status and right to rent is a legal requirement. It's a criminal offence to rent out your property without checking the right to rent of all adults, whether they're named on the tenancy agreement or not.

With the tenant present, check the tenant's original documents to make sure they have the

right to live in the UK and that any temporary permit is still valid. Check that photos on the documents are of the tenant and that the information presented is the same on all documents. Make complete copies of the documents and keep them for the duration of the tenancy and one year after, making a note of the date on which you copied them.

TENANT REFERENCING

The first step towards protecting yourself from troublesome tenants is to only have good tenants living in your property. Tenant referencing, which provides an overview of a prospective tenant's suitability to rent, is standard practice in the property rental business. Tenant referencing is carried out with the prospective tenant's permission.

Firstly, the person's identification is verified. Are they who they say they are? Have you been given any false information? Details of residential and employment history are gathered with references from present and past landlords and employers.

The most recent landlord will be asked if the property was well looked after by the tenant, and if it was left in good condition at the end of the tenancy. They'll be asked how much rent the tenant paid and if it was paid on time. The most recent employer might be asked about the tenant's reliability and general character.

A credit check will bring to light any debt, county court judgements (CJJ) or bankruptcies, and will often include an affordability calculation based on a rent vs income ratio – typically a ratio of 2.5. For example, if the annual rent is £7200, a total household net income of £18,000 (£7200 x 2.5) would be adequate.

It's important to include all over-18s on a residential tenancy agreement as only named individuals can be referenced or held liable for the payment of rent. If you need to take legal action for unpaid rent, you'll have a better chance of success if all adults are liable. If you make a claim on your rent guarantee insurance, your policy might only be valid if every adult tenant has been checked.

Corporate referencing includes verification of business activities and any previous company names, and a check of profit & loss documents.

If a tenant fails to meet the requirements of a reference check, you and the tenant may choose to use a guarantor. For the same level of landlord protection, a guarantor must be subject to the same referencing as the tenant.

Tenant referencing is a requirement for full cover on legal expenses insurance and rent guarantee insurance.

RENT GUARANTEE INSURANCE

Rent guarantee insurance is triggered by an eviction for non-payment of rent over two consecutive months. This policy covers unpaid rent until you have vacant possession and legal expenses, which might include eviction notices, repair and renovation disputes, defence of an official investigation, and disputes about terms of tenancy.

To qualify for rent guarantee insurance you must have evidence that your tenants have been referenced, and an exclusion period applies before you can make a claim. You'll need a separate policy for each tenancy agreement, and you can't take out rent guarantee insurance after your tenant has defaulted.

MALICIOUS DAMAGE

Most landlord insurance policies will cover malicious damage as part of your buildings or contents cover, if it's caused by burglars breaking in or vandalising your property. But some policies won't cover you for damage caused by tenants (or their guests). If this is the case and damage by tenants isn't included, you should be able to add it to your policy as an optional extra. On the other hand, some policies will pay for malicious damage caused by anyone

with a legal right to be on or in your property (like tenants and their visitors).

Your policy documents should clearly set out what's covered, along with any other specific terms. This includes any claim criteria – for example, some insurers will only proceed with your claim if tenants passed their initial reference checks.

HOW DO YOU EVICT A TENANT?

If your tenant has defaulted on rent payments or has broken any other terms of a shorthold tenancy agreement, you can start the eviction process by issuing the tenant with a Section 8 notice, which allows the tenant up to two months to vacate.

If the tenant doesn't leave your property within the two months, you can apply to the court for a possession order and go through the legal process of evicting a tenant.

REDUCING THE RISK

Here are a few tips for reducing the risks associated with property letting.

- Do your background checks and comprehensively complete tenant reference checks.
- Have a good tenancy agreement in place and take the time to prepare a clear contract.
- Start with a six-month tenancy which allows you to test the water.
- Don't accept cash payments and make sure there's a paper trail.
- Before your tenant moves in, make inventory list for the rental property and take photographs.
- Have the right landlord insurance in place. To find out more, visit our landlord advice hub.
- Use an authorised tenancy deposit protection scheme.
- Communicate regularly with tenants and look for ways to resolve issues. If you are available and willing to co-operate, often you can resolve issues without needing to take things further.

CONTACT ALAN BOSWELL GROUP

To talk to us about landlord insurance or tenant referencing, please don't hesitate to call our team of experts on 01603 967955.



MIKE STIMPSON'S COLUMN

May I personally welcome members to 2024 and as a board member, commend members of the board who have actively throughout 2023 spent much time in pursuing amendments in the event of Section 21 being abolished. Which, by the way, will be the case.

Our board even arranged for a meeting of MPs, Lords and other interested parties in The House of Commons. We engaged a Kings Counsel to present our case and believe that in linking up with other organisations, we hopefully will achieve amendments to the Section 8 procedure that will make the loss of Section 21 more acceptable. The time taken and the work involved is immense and members should understand that this is the real reason our Association exists. Benefits for members are one thing, that encourages members into the Association, but the real objective is to achieve reasonable regulation of our industry and in this respect, in our fiftieth year, it would be nice to see many more younger landlords joining our Association and assisting in the fight for reasonable regulation.

Whilst mentioning increasing numbers, it is a real achievement for an Association such as

ours to have been in existence for 50 years, during which time many battles have been fought - some lost and some successful. It is the work mainly of volunteers in the past that has achieved the success. However, today few members have the time to give to the Association and more and more we are having to pay people to undertake the tasks that years ago would have been undertaken voluntarily. That is part of the changing world.

Many landlords believe that they can find all the information they need from the internet. What they do not understand is that Government will trample all over them, but for Associations like ours seeking to defend good practice and fair regulation. You cannot find that on the internet or rely on Government to do it. I see regular comments from Shelter regarding private landlords. Shelter has housed nobody, it may have stopped a number of evictions but I, as a private landlord, have housed many more homeless people and those in serious housing need over the years and believe that Shelter does not do justice for landlords or tenants alike.

If current regulations as proposed go ahead, as a landlord of over 60 years, I will not be able to control my business and the tenants I house in any reasonable way. It will be tribunals and courts that will tell me what I should be doing when I take up cases and this, in my opinion, is not the way I would wish to run my business.

Therefore, I must make it quite clear to members that I have a list of tenants, not large, who are behind with their rents and are unlikely ever to pay off the arrears. I also have tenants who are not serious problems, but seek to abuse or take advantage of their situations. From that list, when Section 21 is abolished and if there are not sound amended regulations to Section 8 procedures, during the period that I am able, I shall seek possession in respect of most of those tenants. It is not my job to house people who will not pay the full rent or will not act in a tenant like manner. The local authorities and housing associations will

have to take responsibility for those people and as a consequence, I shall be far more particular about tenants I take on, to ensure as is most practicable, that I do not land up with more tenants when eviction will be most difficult or even impossible to achieve.

It is one thing giving more security to tenants, it is quite another to expect landlords to have to face up to the consequences of such actions, when Government itself does not deal with the implications of their actions.

“ Whilst mentioning increasing numbers, it is a real achievement for an Association such as ours to have been in existence for 50 years, during which time many battles have been fought - some lost and some successful. It is the work mainly of volunteers in the past that has achieved the success.”

I would like to mention how I am dealing with the regulations concerning shared accommodation. Firstly, I have 23 tenants who pay Council Tax Band A, living in shared accommodation. Some of course are working and will save a substantial sum of money by not having to pay any Council Tax from 1st December 2023. I however will be required to pay Council Tax based on Valuation Office Agency assessments as from 1st December and, assuming that my cost will be £8.00 per tenant, the cost to me will be £184.00 per week and by 1st March, assuming my figures are correct, I will owe Council Tax of approximately £2,208.00 which, of course, I should recover from my tenants.

It is most unlikely that these regulations and the work required by the Valuation Office

Agency will be completed by 1st March, or perhaps even by 1st June, or later. But you can rest assured that in the event, I will receive a Council Tax demand in respect of each of the properties involved. I have therefore already sent letters to my effected tenants advising that they will benefit from 1st December, but must realise that they will owe money to me once the new Council Tax demands are invoiced to me. To ensure that I do not lose a lot of money by tenants either unable or refusing to pay the additional rent, I have increased all 23 persons rent by £8.00 per week from 1st March 2024, thereby hopefully restricting any loss I might have to approximately £2,200.00.

I recommend to all members in similar circumstances to do the same. Put the rent up now, make clear it is not a rent increase, and ensure you safeguard yourself against a substantial Council Tax demand in 2024.

To deal further, I have also notified my local authority of the number of tenants and the properties involved and have already been advised that the Valuation Office Agency has been notified in respect of those properties needing revaluations. I recommend members do the same.

I should also say that that tenants working are unlikely to find the proportion of Council Tax allocated under the new arrangements will be as high as they were paying before. So this should be good news, and it is a very good move, as far as I am concerned, for the future.

Finally, may I just comment that rents are increasing in certain areas to an extent where they appear to be unaffordable. Nevertheless, it is most important that landlords charge rents to ensure they are not losing out on the current rental market.

Finally, may I wish you all, whether increasing portfolios or sitting tight, a very successful 2024.

Mike Stimpson

FUTURE OF SECTION 21 NO REASON NOTICES

Much has been written elsewhere in this newsletter concerning the abolition of Section 21, which will be abolished in due course, however, unless proper regulations are made to ensure that landlords can operate their businesses and deal with unacceptable tenants in an effective manner, it is suggested that only those tenants who can demonstrate responsibility, payment of rent, good references, etc, will be accepted by landlords and Government needs to understand that. It is not the private rented sector who are responsible for the current housing crisis. Nor is it the private rented sector that should be housing tenants who cannot produce a reasonable record, that is the job of Government and housing associations.

FINANCIAL DISTRESS IN PROPERTY AND REAL ESTATE BUSINESSES

A Begbies Traynor Red Flag Alert report warns that more than 60,000 property and real estate businesses in the UK are starting the year in "financial distress."

The report analyses corporate distress signals, reveals that 62,176 property and real estate firms are in "significant" financial distress, with 6,228 considered critical. The figures indicate challenges for the sector, with rising financial distress evident across various industries, including construction, real estate, property, and support services. Overall, the report suggests that over 47,000 UK businesses are on the brink of collapse, representing a 25% increase for a second consecutive quarter.

The challenging economic conditions, characterized by high interest rates, inflation, weak consumer confidence, and rising input costs, are cited as contributing factors. The strain is not limited to consumer-facing businesses, as sectors like construction and real estate are also deemed to be in serious jeopardy. The report raises concerns about debt-laden businesses facing the impact

of a higher interest rate environment, and it anticipates a challenging year with the potential for thousands of businesses to fail.

The outlook may improve if inflation reaches more manageable levels, leading to a drop in interest rates, but uncertainties in the geopolitical landscape and impending national wage hikes pose additional challenges for businesses.

Please be aware that if you use an agent to rent your property and they hold the deposit, if they subsequently go bankrupt you as the landlord are still responsible for repaying that deposit to the tenant when they move out. If the agent has protected that deposit, you need to ensure that you have full details on how to repay that deposit. Additionally if the agent has carried out rent guarantee checks on the tenant, performed an inventory etc. you as the landlord should hold all the paperwork.

As ever, it is vitally important that you read the contract between yourself and the agent. Remember that just because you have employed an agent you as the landlord are still responsible.

EDITORIAL

by Gary Waller, Brighton Landlord

Hope that you enjoy the spring newsletter, well I say spring, if it ever stops raining that is. Great afternoon in the Houses of Parliament, we got a good number of MPs from both parties and Lords. I spoke to a couple of Lords and was very impressed with their grasp of the rental market and the issues with the Renters Reform Bill. Highlight of the afternoon had to be tea and cakes, as you have to buy an expensive food and drinks package when you hire a room in parliament. Lobbying for Democracy does not come cheap. You are not allowed to take the wine that has not been drunk with you!

We are still no further forward with the Renters Reform Bill, at the moment you can still serve a Section 21 notice. Make sure you choose the right tenant, ensure that they can afford the rent and keep on top of any arrears. I send a text reminder to the tenant after the rent is three working days late then follow that



50 YEARS REPRESENTING LANDLORDS

LANDLORDS UNITE

For those of you with long memories, may remember 1974 as the year that Ted Heath called a General Election based on 'who runs the country' following the 1973/74 three-day week. He lost, but initially refused to resign, finally handing control to Harold Wilson 5 days later.

It was also 9 years after the Rent Act 1965 introduced regulated tenancies with 'fair rents' set by independent rent officers. This was a time when it was most difficult for a landlord to make enough return on their investment to earn a living, and more importantly, to maintain their properties.

Consequently, the Private Rented Sector (PRS) went into serious decline, with only the most determined landlords willing to battle on.

Ten years previously (23 October 1963) the 'Property Council' was formed to represent the interests of larger landlords and property developers. In 1974 it changed its name to the British Property Federation (BPF), and today is a very influential organisation with Government. Mike Stimpson was elected a member of the BPF residential committee in the early years of that organisation.

But those individual, smaller landlords who continued were a disparate group, with very little contact between them.

Against this backdrop a Mrs. Joy Bartup wrote a letter which was published in the Brighton Evening Argus complaining about the way private landlords were treated, and especially the problems Regulated Rents were causing landlords alike. She invited like-minded landlords to attend a meeting in the 'Marlborough Pub and Theatre', in Princes Street, Brighton (now The Actors) – see picture. At this meeting, it was agreed that local

private landlords should form an association to represent views at Brighton Council, and to give mutual support.

Hence the Sussex Landlord Association was born, with Ron Shrives as Hon Secretary, and a certain Mike Stimpson as a committee member. Ron and Mike worked together to build the association, typing and copying newsletters, spending many evenings stuffing envelopes to be posted, and holding landlord meetings in the Hove Conservative Club in the Methodist Church, Holland Road, Hove, as well as attended meetings with the local authority on a regular basis.

Ron remained as Secretary for years, with an article in the Argus showing him as secretary in 2002 of the renamed Southern Private Landlords Association (SPLA).

HASTINGS

Independently, a group of landlords had banded together in Hastings to perform the same service for landlords, but without any formal structure.

They eventually agreed to join the newly named organisation, Sussex Landlord Association.

SOUTHAMPTON

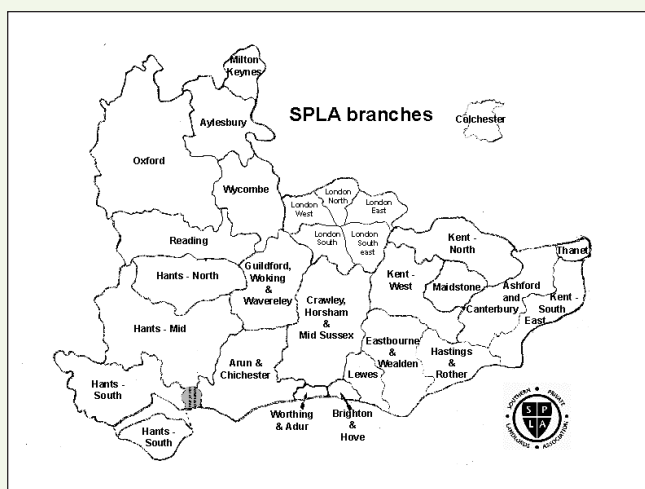
Some years before, Roger Bell with Michael and David Thompson co-founded the Southampton Landlords Association, along with Harjap Singh, with the early meetings being held in the Gurdwara (Sikh Temple) in Southampton.

Discussions took place, and it was agreed that a larger organisation made sense, and a merger was agreed.

THE SOUTHERN PRIVATE LANDLORDS ASSOCIATION IS BORN

With the incorporation of Hastings, Brighton and Southampton under one banner, the name Sussex Landlord Association became inappropriate and was changed to the Southern Private Landlords Association (SPLA). A new logo was designed by the late Barry Cocum.

Growth was rapid during the 80s and 90's, with the SPLA being strong in every part of the Southeast, with a full program of over 60 events per year in the early 2000's.



This growth necessitated more administration, that is when Sally Thorne joined as the first full time employee, based in one of Mikes offices in 94 North Road, Brighton (now a tattoo parlour) managed by part time manager, Alfred Offord.

Two very important dates for the SPLA were:

- August 1995, discussions took place between Barry Cocum of the SPLA and Robert Graver of Boswells Insurance (now the Alan Boswell Group) which resulted in the countries first specialised landlord insurance being launched 1st December 1995.
- Early 2000's the new Labour Government under Tony Blair started discussions on new legislation to 'further protect tenants'.

Hence what became the Housing Act 2004 was devised under the guidance of the then Housing Minister, Keith Hill.

The SPLA arranged a series of road shows comprising a mix of experts to advise landlords on the forthcoming Act, and what they needed to know and do.

This advice, combined with the excellent insurance deal, swelled memberships numbers, and the SPLA became the largest association in the UK, standing at some 3,500 members.

Whilst the SPLA had a website, the main mechanism to keep members informed was the printed newsletter. The original newsletter produced by hand by Ron and Mike slowly developed, and eventually became the SPLA newsletter SPLASH.

OTHER ASSOCIATIONS – THE BIRTH OF THE NFRL

Naturally, the concept of landlords banding together for mutual support was not unique to the Southeast, and several other landlord associations started across the country.

The principle one, apart from the SPLA, being the Small Landlords Association, which was started by Lillian Cline in 1973. It evolved into the National Landlords Association (NLA) in 2003, and then into the NRLA after they merged with the RLA in 2020.

The two chairs, SPLA (Mike Stimpson) and the Small Landlords Association (Geoffrey Cutting) proposed an umbrella organisation to allow many landlord associations across the country to present a unified face to Government and formed the National Federation of Residential Landlords (NFRL).

The SPLA being the larger organisation agreed to manage it, and it grew quickly. Apart from Mike and Geoffrey, some of the names that were associated with the NFRL were:

- Frank Hardie – East Midlands Property Owners (EMPO)
- John Stather – York Residential Landlords Association
- Derek Leach – Eastern Landlords Association
- Mary Latham – Midlands
- Ruth Clarke – Cornwall Residential Landlords Association

- John Sharp – Burnley
- Sue Thompson – Teesside



The NFRL were very active, with this photograph showing John Stather (York) with Frank Hardie (EMPO), and Maxine Fothergill (SPLA) at the NRFL conference in 2005.



And this shows a deputation to the (now defunct) Office of the Deputy Prime Minister (ODPM). The photograph shows Alfred Offord with three of the NFRL/SPLA directors, Maxine Fothergill, Seema Bassey and Shula Rich.



Mike Stimpson met the local MP, Mike Weatherly to present a petition to the Prime Minister (David Cameron) to incorporate residential property into investment trust, resulting in REITS (real estate investment trust).



Mike and Clive Emson at a formal function.

The NFRL worked together for some years with a presentation to Select Committee on Social Security May 2000, made jointly by:

- Mike Stimpson
- Gareth Hardwick - Small Landlords Association
- Mark Butterworth – the British Property Federation (BPF)

The biggest success of working together, was when a successful Judicial Review was made in the name of LANI (Landlords Association for Northern Ireland) in March 2005 where part of the 2004 Housing Act was successfully challenged. The Government were proposing that landlords would be responsible for the all the Anti-Social Behaviour (ASB) of their tenants, and their tenants' friends within the vicinity of the rental property. This challenge was resoundingly won on a Human Right ground, forcing a big change in the Act.

Unfortunately, attempting to keep many independent associations together proved impossible, and the Small Landlords Association, then under David Salusbury split from the NFRL to set up the National Landlords Association (NLA) in 2003.

The SPLA made every attempt to keep the NFRL running, but lack of funds from other associations meant it effectively became part of the SPLA.

The NLA continued to grow, and in 2008 offered to merge with the SPLA. The majority of board members voted for the merger.

Many members did not agree with the board's decision, and wanting the old SPLA back, and in 2009 the association was restarted; as the name SPLA had been taken in the merger, a new name had to be found fast.

Hence, the Southern Landlords Association (SLA) came into being.

However, marketing the brand proved to be difficult, with the fledgling SLA always being mistaken for the NLA, or the rapidly growing RLA. So, a rebrand came about in 2018, when the SLA became iHowz.

i for information; 'how' to do things correctly; in your howz (house).

iHOWZ

The inception of the landlord association iHowz proved quite different from that of the Sussex Landlord Association.

Whilst the association in 1974 had the luxury to grow organically, it was expected that SLA/iHowz would hit the road running, doing all the things the SPLA had done, but with no resources.

Additionally, the market was quite different: there were a lot more landlords, and many more rules/regulations and laws than 1974, all good things for an active membership - so you would think. We also had the internet, which we didn't have in 1974, and for many people this was the universal panacea for finding information - why pay a landlord association when it can be obtained free?

But membership of a landlord association is so much more than getting up-to-date information and membership discounts. It's also about funding an organisation that can stand up for members and represent their views/take on their fight.

The very best example of this is the Edwards vs Kumarasamy case in 2016.

Very, very briefly, Kumarasamy (a landlord) had a 3rd floor flat in a block. Edwards (the tenant) slipped on a paving slab outside the

block and sued Kumarasamy, claiming that as landlord, Kumarasamy had a legal obligation to 'keep in good repair the dwelling house' etc (very much précised).

Various courts found for the tenant, which meant in theory that every landlord of a flat in a block should inspect all parts of the block on a very regular basis to ensure there were no problems.

Clearly impractical.

SLA/iHowz funded this to go to the Supreme Court, who ruled (again précised) that landlords did have a responsibility, but only if they had been made aware of the defect.

Clearly a practical solution.

This is precisely why landlord associations exist. Unfortunately, members had to fund this, even though all landlords of flats benefited - many without even realising!

Not an organisation to sit on their laurels, iHowz have run many campaigns covering:

- the Renters Reform Bill, especially:
 - the unintended consequences of losing the Section 21. We have put forward practical solutions.
 - the unintended consequences of losing the Fixed Term.
 - Structure and working of the proposed register/redress/ombudsman schemes.
- Energy efficiency for landlords, and what Government expects them to achieve, and when.
- Planning reform.

More can be seen on the web site - ihowz.uk/ campaigns.

THE FUTURE

iHowz continues to adapt, using social media to connect to younger landlords, whilst not forgetting older landlords who still prefer printed.

Onwards, and upwards for the next 50 years. Naturally, it will be impossible to predict life in 2074, especially for the PRS. It might not even exist in its current form, but we hope our descendants will be steering landlords in the late 21st Century.

up with a phone call at 5 days. Talk to your tenant as eviction is a long a torturous process.

The costs of running a portfolio keep going up, it is incredibly hard to buy good quality products that last, every thing is built down to a price point rather than to a quality point. Just replaced a 9 year old cooker, not economical to repair, and last week a 4 year old toilet cistern (plastic inside) split, then an unexpected new boiler in December, the list goes on. Then mortgages have gone up, and the tax bill has shot up. Still on the positive, starting the process to rent my student houses for the coming academic year and rents seem to have shot up. I will wait and see if anyone can actually afford them.

MORTGAGE FOR BUSINESS

Mortgages for Business is rebranding. The buy-to-let intermediary, who was founded in 1990, will now be known as Mortgage Finance Brokers, simplified to MfB.

The firm says its name change reflects the fact that commercial mortgages now make up a small proportion of the business.

And as part of this relaunch iHowz are delighted to announce a closer relationship with MfB, whereby iHOWZ landlords remortgaging with MfB will receive a £150 discount on fees.

SERVICE FROM COUNTY COURTS

It appears that The Department for Justice takes no responsibility whatsoever for the appalling delays occurring at County Courts in respect of Section 8 and Section 21 eviction notices. It appears that not dealing with such cases for months on end and then delaying possession by bailiffs is, to put it bluntly, outrageous - unless the courts get their act together and provide the service for which our members are paying, Government should impose penalties for failure to deal with cases in a timely manner. Your Association is doing its utmost to deal with these matters, but to date without much success.

DAMP AND MOULD

We don't need to remind you that damp and mould has a very high profile.

It is critical that you make regular visits to the property; carry required maintenance; and react to any problems flagged up by the tenants. If a legitimate problem, ensure you fix it; if a non-problem, advise the tenants accordingly.

If, as is often the case, the problem is due to the tenant unable/unwilling to heat the property for long enough, and/or to a high enough temperature, it is important that you respond to them to advise the reason for any potential damp/mould.

This might all sound like stating the obvious, but Councils are under a lot of pressure to react to any complaint, and at a recent landlords' forum recently an Environmental Health Officer (EHO) actually stated that they would prosecute any landlord reported by their tenant - regardless of the reason. This is appalling, such a prosecution should surely fail if the landlord can prove they have done all they can, that there is no fault with the building, but that the tenant is unable/unwilling to heat the property.

Additionally, the Homes (Fitness for Human Habitation) Act 2018 allows the tenant to go direct to court with a problem. However, there are several safeguards built in, principally:

- The tenant must show they have attempted to contact the landlord, and/or the landlord has given insufficient/no reply.
- The problem being reported must not be of the tenants making.

The Guardian recently reported that Budget cuts have resulted in local councils inspecting only about half of all reports of damp and mould they receive regarding the private rented sector (PRS). But don't rely on your Council not inspecting.

Note that, on the website, we have a leaflet on damp and mould to give to your tenants. If you have problems email us info@iHowz.uk.



by Gavin Richardson
Managing Director
Mortgage Finance Brokers

Buy to Let Market Update: A Year of Prosperity?

With a positive outlook for buy to let, it's essential that landlords take advantage of the new market landscape. Read on for expert insights on the latest mortgage rate activity, affordability assessments, and landlord opportunities in 2024.

As an industry, we were all relieved to leave behind the volatile market we experienced in 2023. With inflation and mortgage rates both decreasing this year, it's clear there's a much brighter outlook for buy to let landlords to look forward to.

Mortgage Rate Pricing

Since early January, we've seen SWAP rates move up and down marginally each week. We started the year with 2-year SWAPs at 4.08%, and 5-year SWAP rates at 3.48%. Now, just under two months later, these have climbed slightly to 4.50% and 3.95% respectively. However, despite this movement, confidence in the UK money markets remains strong.

There are some concerns about how wider economic and political events will impact SWAP rate pricing; specifically, there are worries that geopolitical conflicts and the upcoming general election could take a toll on the economy. So far, however, we have yet to see a significant impact on the UK money markets.

Despite SWAP rate activity, lenders are showing confidence in the market. Some are now slightly increasing their rate

pricing in line with SWAP rate movement to maintain their profit margins. In contrast, others who had previously held off from reducing their pricing in January are now able to lower their rates.

Going forward, it's unlikely that we will see much further pricing reductions until the Bank of England decreases the Base Rate, which industry experts predict could be as early as summer. However, we're not expecting to see rates fall to the lows we have seen in recent years.

For landlords approaching the end of their fixed-rate term or considering a new property investment, now is the time to search for a competitive mortgage deal. Lenders are constantly looking for innovative ways to improve their offerings for borrowers, and some will offer brokers like MFB access to semi-exclusive rates that you wouldn't be able to secure otherwise. Get in touch with our team to see what types of rates you could access.

Lender Affordability Assessments

One of the main challenges the sector faced last year was stretched affordability assessments. In the wake of the mini-budget, landlords who had secured historically low interest rates faced their mortgage repayments doubling with a new fixed-rate mortgage deal. As a result, many lenders tightened their stress testing criteria to mitigate the risk of borrowers being unable to afford their mortgage payments.

Now, with rates softening and confidence returned, lenders are starting to ease their affordability checks. Typically, lenders will stress test at 145% for individuals and 125% for Limited Company mortgage applications at pay rate on 5 year deals.

However, affordability assessments vary from lender to lender, which can be incredibly difficult to navigate. Your broker can identify which lender will allow you to borrow more per pound of rental income, thereby boosting your mortgage affordability.

Landlord Opportunities

With interest rates coming down slowly and house prices stable, many of your landlord peers are taking advantage of the current market by looking for their next property investment. Tenant demand continues to outstrip property supply, so you can expect to see rental yields continue to increase over the year. As such, now could be the perfect time to secure a new property purchase and boost your portfolio profits.

MFB are delighted to offer iHowz members an exclusive minimum discount of £150 on our standard broker fees.

With experts in all areas of property finance, from buy to let, commercial, and homebuyer enquiries, to bridging and development finance, we're here to support you on your property finance journey.

Get in touch with the MFB team at mfbrokers.co.uk or give us a call on 0345 345 6788.

0345 345 6788

**enquiry@mfbrokers.co.uk
mfbrokers.co.uk**

**17 Kings Hill Avenue, Kings Hill,
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ARE YOU GETTING FULL USE OF YOUR MEMBERSHIP?

We would like to remind members that we publish a weekly email eNews designed to keep you up to date with recent changes. It is quick and simple to use, with the ability to click on any subject to bring up more information.

Additionally, don't forget the iHowz TradePoint card guarantees you an additional 10% of most B&Q/ TradePoint items. If you have one of your own, the discount is probably dependent on your previous spend – with ours you will always get 10%, even on top of any other discounts.

If you're not getting the weekly eNews, and/or you need a TradePoint card email us info@iHowz.uk.

As has been said before in this newsletter, if there are organisations that you think will give us a discount then please let us know and we will see if we can negotiate a discount for all members.

INCREASED FINES FOR BREACHES OF RIGHT TO RENT RULES IN THE UK

Fines for landlords and agents breaching Right to Rent rules in the UK have increased from Monday Jan 22nd 2024.

The fines for a first breach now range from £5,000 per lodger to £10,000 per occupier, up from £80 per lodger and £1,000 per occupier. Repeat breaches can lead to fines of up to £10,000 per lodger and £20,000 per occupier, compared to previous fines of £500 and £3,000.

The new fines aim to discourage landlords and agents from repeatedly failing to check a tenant's Right to Rent, with potential legal consequences, including a prison sentence. Prospective tenants are categorized based on their immigration status, including those with an unlimited right to rent, a time-limited right to rent, and those with no right to rent.

The Home Office has published the Code of Practice for the Right to rent Scheme, which came into force on the 13 February 2024, can be found on GOV.UK at: www.gov.uk/government/publications/right-to-rent-landlords-code-of-practice

This sets out the prescribed checks and information that must be retained by landlords and letting agents to obtain a statutory excuse against liability for a civil penalty and how the Home Office determines the value of the civil penalty in cases where illegal renting is identified.

THE FIVE GOLDEN RULES OF TAKING IN A LODGER



The Telegraph ran an excellent article on taking in a lodger, but most it applies to all lets.

Their 5 golden rules are:

- 1. Think about where to find a lodger.**
- 2. Provide a manual outlining house rules.**
- 3. Set boundaries from the outset.**

4. Be aware of legal and financial implications.

5. Consider compatibility with other lodgers.

The original article can be seen in the News section of the web site.

As editor with helpline experience, I would add that heating seems to be the biggest area of disagreement. The lodger would like the house at 28 C and the landlord would prefer the heating set to 16 C.

COUNCIL TAX SHARED ACCOMMODATION

Members will see other articles in the newsletter concerning this change of regulation. The effect of those regulations means that as from 1st December 2023, members will be responsible for the payment of Council Tax on all properties, where previously a tenant living in shared accommodation was responsible for payment at Council Tax Band A rate.

Government was very slow in notifying Councils of this change of regulations, but let me make it absolutely clear, any tenant living in non self-contained accommodation will not be required to pay any Council Tax from 1st December.

The Valuation Office Agency will be notified (one hopes) by the local authority for a revaluation, after which the landlord will be required to pay Council Tax previously paid by a non self-contained tenant from 1st December, but at the rate set via the valuation.

What this means in reality is that any tenant living in shared accommodation who has paid Council Tax beyond 1st December, will be refunded and the landlord of that property billed for Council Tax from the Valuation Office Agency valuation from 1st December. It is nearly 12 weeks on since these regulations were introduced and assuming the Council Tax level set by the Valuation Office Agency and imposed by the council is, for example, £8.00 weekly per tenant, then £96.00 will already be

due to be paid by the landlord and recovered from the tenant.

However, it is not reasonable to think that the change of regulations will come about quickly and it could well be well into 2024 before the regulations are effective, which means that tenants who previously paid Council Tax will not have to do so; but the landlord will have to pay when the new regulations apply. It is recommended that any landlord affected by these regulations should consider increasing the rent by a nominal sum (say around £8.00) for those tenants as soon as possible, otherwise it is very likely when the invoices start coming in from the local authorities, some tenants will not have put aside any Council Tax payments that will be due from 1st December. This, of course, is not a rent increase but simply transferring the Council Tax liability by proportion to the tenant when invoiced from the landlord.

In this respect, many local authorities have already indicated that the Council Tax increase for 2024/2025 will be 4.99%.

You have been warned - take action now.

VPS

VALUED PROPERTY SEARCH

Thinking about the possibility of selling your student properties?

With over 25 years experience in the sector, VPS is working with major investors looking to increase their holdings in the student residential market.

VPS is actively acquiring HMO and student HMO portfolios in key UK University cities.

Discreet, honest and with an in depth understanding of the challenges HMO landlords face, VPS is able to acquire quickly and without complexity.

Contact us at www.vpsagent.co.uk to make an introduction and learn a little more.



COMMON PROBLEMS FACED BY NEW LANDLORDS WHEN SEEKING TO RECOVER POSSESSION AT COURT

As a landlord, recovering possession of your property can be challenging, given the need to navigate the legal landscape of serving a 'Section 8' or 'Section 21' notice and potentially bringing a claim in the County Court. To the novice, the system can be fraught with procedural and legal hurdles, any of which may lead to a significant delay to the recovery of possession, and additional expense.

At SCS Law, we assist landlords in recovering possession at all stages of the process, from serving the relevant notice on the tenant, to issuing proceedings and attending any court hearing. When taking on a case, which may be at a later stage of the process, perhaps only when the claim for possession is listed for a hearing, we consistently see the same mistakes made prior to our instruction. While it may be possible to resolve certain issues at the hearing, this greatly increases the risk of delay to the recovery of possession, and so care should be taken at every stage of the process. Legal advice at the outset is often invaluable.

Firstly, a perennial issue we see at hearings is a failure to serve a legally-compliant 'notice seeking possession.' Although the landscape is likely to significantly change in the future in light of the Renters Reform Bill currently proceeding through Parliament, for now, landlords have the option of serving either or both of two prescribed notices. A 'Section 21' notice, can only be served at the expiry of any fixed tenancy, but there is no need to establish 'fault' on the part of the tenant.

Alternatively, a 'Section 8' notice can be served at any point of the tenancy, but one of the grounds for possession set out in Schedule 2 of the Housing Act 1988 must be established, usually multiple months of arrears of rent.

For Section 21 notices in particular, failure to comply with a number of prescribed requirements as at the date of service may render the notice invalid, for example the requirement that any deposit must have been protected and that any relevant regulated documents provided to the tenant, such as the How to Rent Guide and Energy Performance Certificate. For either notice, it is common for the date by which the tenant is to give up possession to be incorrectly calculated; if this occurs then the notice is likely to be considered invalid. At Court, we consistently see Judges either adjourning the claim for possession for several months, or possibly even striking out the claim entirely, if any of these requirements have not been met. Professional advice can of course be sought, but you must at a minimum familiarise yourself with the relevant legislation and procedure.

Secondly, if a tenant fails to leave the property following service of the relevant notice, then a landlord must navigate the complexities of issuing court proceedings, in order to obtain an order for possession and a bailiff's eviction date. Where such a claim is issued by the landlord, we commonly see errors in drafting the court documents, any of which may prove fatal to the claim when the case is heard by a Judge. If the order you are asking the judge to make is not specified, then it will not be considered part of the claim.

A common issue is the failure to specify within the Particular of Claim the exact grounds upon which possession is sought; for a Section 8 notice it is required to specify not only that this type of notice was served, but also the precise grounds under Schedule 2 of the Housing Act 1988. A mistake in drafting the claim documents may require an application to amend, incurring additional expense and delay.

Thirdly, we commonly see issues arise where the Landlord at a hearing has not provided the Court with all relevant documents making out the claim for possession in the correct form. Relevant documents include a clear signed copy of the Tenancy Agreement, a copy of the notice seeking possession, evidence of service of the notice on the tenant, and for a claim involving rent arrears, a schedule of arrears starting with the first missed payment. Given the time that may pass between drafting the initial court documents and any hearing, it is best practice for a witness statement (supported by a signed statement of truth) to be prepared, setting out the evidence upon which the Landlord seeks to rely, and attaching all relevant documents. This should be signed by a statement of truth and should be sent to the Court and the Tenant no later than two 'clear' days before the hearing. This means it should get to the Court the 3rd day before the hearing. Failure to do so could result in the Judge refusing to order possession, regardless of any defence which may be raised by the Defendant.

Given the complexity of the legal requirements when seeking possession of a tenanted property, and the potential risk of wasted time and costs if errors are made at any stage, landlords must familiarise themselves with the relevant legal requirements to avoid the pitfalls identified above. Legal advice can be invaluable at an early stage of the process. SCS Law is a firm of litigation solicitors who are able to assist landlords at all stages of the process of obtaining possession of a tenanted property, from drafting and service of the notice seeking possession, to appearing in Court to obtain and enforce a possession order.

Mark Erridge, SCS Law
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MEETINGS/EVENTS SCHEDULE FOR 2024

MARCH

- **March 25th: Quarterly online workshop - Leasehold**
- March 22nd-April 7th: Ideal Home Show - Olympia

APRIL

- To April 7th: Ideal Home Show - Olympia
- **April 15th: iHowz landlords Brighton & Hove evening landlords meeting**

MAY

- May 4-12th: Grand Designs London
- **May 13th: iHowz landlords Southampton day meeting**
- May 7-9th: UK Construction Week - London
- May 15th: National Landlord Investment Show – Birmingham
- May 23rd: Dartford Landlords Forum

JUNE

- **June 3rd: Quarterly online workshop**
- Renovating and Home Building Show - Surrey

JULY

- July 3rd: National Landlord Investment Show – London Old Billingsgate
- July 11th: LLAS/Atlas BBQ/networking

SEPTEMBER

- July 3rd: National Landlord Investment Show – Bristol

OCTOBER

- October 8th: National Landlord Investment Show – Manchester
- **October 14th: iHowz landlords Brighton & Hove day landlords meeting**
- **October 21st: iHowz landlords Southampton evening meeting**
- October 30th: National Landlord Investment Show – London Old Billingsgate

See the meetings section on the web for the latest information.

We welcome members suggestions for topics and host presenters, so if there's something you want us to cover let us know.

Note that attendance at these meetings counts towards CPD.



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