

# Huntingdonshire Landlords Forum Newsletter

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## MERRY CHRISTMAS and welcome to our latest edition of our Landlords Forum Newsletter

Welcome to the latest edition of our Landlords Forum Newsletter. You have received a copy of this edition of the Huntingdonshire Landlords Forum newsletter because you have elected to join the Landlords Forum and I would encourage you to make use of the services by attending meetings, advertising properties on our web pages and communicating with us regarding issues you would like to be discussed. There is no charge for these services all we ask is that you work with us to improve the quality and management of private rented accommodation in the district. Please note however, that we cannot take on the management of your property. What we can do is give you accurate and timely information and offer advice and support to prevent problems arising or on the best ways to deal with any problems or situations as they occur in

connection to your rented property.

There are a number of measures planned by Government, some contained within the Housing & Planning Bill are explained in this newsletter, others were announced in the July 2015 budget and some are yet to be announced. For more information go to our website or even better come along to our next landlords forum to be held in Huntingdon on 16th March 2016. There you will meet other landlords discuss issues, listen to presentations and ask questions. We will do our best to answer any questions and research information which can then be shared with all landlords registered with the forum.  
[www.huntingdonshire.gov.uk/housing/advice-for-landlords](http://www.huntingdonshire.gov.uk/housing/advice-for-landlords)

In the meantime I would like to wish you all a Very Merry Christmas and a Peaceful New Year.

The next Landlords Forum will be on 16 March 2016

# Landlords Forum September 2015

Presentations were given by:  
Billy Gill – National Landlords Association - Managing  
Risks in your Letting Business  
Keith Tayler – HDC – The Deregulation Act 2015 (DA)

## Housing & Planning Bill

### **Overview of the Bill**

The Bill is intended to support the delivery of the Government's commitments as put forward in the Conservative Party manifesto and the productivity plan *Fixing the foundations: Creating a more prosperous nation*. Through this Bill, the Government aims to take forward proposals to build more homes that people can afford, give more people the chance to own their own home, and ensure the way housing is managed is improved.

This Bill seeks to achieve this, in part, by implementing reforms that will make sure that the planning system does not add any unnecessary obstacles to the delivery of new homes.

This Bill is made up of eight parts. A summary of these parts and their contents is provided below.

### **Part 1: New Homes in England**

Starter Homes – providing a statutory framework for the delivery of starter homes.

Self-build and custom housebuilding - requiring local authorities to meet demand for custom-built and self-built homes by granting permissions for suitable sites.

### **Part 2: Rogue landlords and letting agents in England**

Private rented sector - providing greater powers for local authorities to identify and tackle rogue landlords.

This Bill also intends to improve the housing system and the way it is managed. The Bill will ensure that social homes support those most in need. Protections for private tenants will be introduced so that they know that rogue landlords will be tackled and forced to improve or leave the sector, stopping them profiting from dangerous or badly managed properties. Local authorities will be equipped with greater tools to know and meet the housing need in their area.

There are a small number of rogue or criminal landlords who knowingly rent out unsafe or substandard accommodation. The Bill introduces a number of measures to give local authorities tools to ban rogue landlords, preventing them from exploiting more tenants.

Local authorities have a duty to review housing conditions so they can take action to improve them. However, they frequently have a limited picture of the

This Government Bill was announced in the Queen's Speech on 28 May 2015 and was published on 13 October 2015

size and scale of the private rented sector in their area. The Government will therefore allow them access to data relating to nearly 3 million tenancy deposits, which is estimated to cover over 70 per cent of private rented sector properties.

### **Part 3: Recovering abandoned premises in England**

Private rented sector – reforming abandonment to more effectively recycle rented property.

### **Part 4: Social housing in England**

Right to acquire – extending Right to Buy discount levels to housing association tenants.

Vacant high value local authority housing – requiring local authorities to manage their housing assets more efficiently, with the most expensive vacant properties sold and replaced with new affordable housing in the area.

Reducing regulation – allows the Secretary of State to reduce regulations on Housing Associations.

High income social tenants – requiring tenants in social housing on higher incomes (over £40,000 in London and over £30,000 outside London) to pay market rate, or near market rate, rents.

### **Part 5: Housing, estate agents and rent charges: other changes**

Housing needs in England – simplifying the legislation governing the assessment of housing and accommodation needs of the community, whilst ensuring that the needs of all members of the community are assessed on an equal basis

Regulation and enforcement – a more stringent 'fit and proper' person test for landlords letting out licensed properties, such as Houses in Multiple Occupation, to help ensure that they have the appropriate skills to manage such properties and do not pose a risk to the health and safety of their tenants; allowing financial penalties to be imposed as an alternative to prosecution for certain offences; requiring Tenancy Deposit Scheme data to be shared with Local Authorities; and amending the Estate Agents Act 1977 to allow the Secretary of State to appoint the regulating Authority.

Enfranchisement and extension of long leaseholds – makes provision for the valuation of minor intermediate

leasehold interests in leasehold enfranchisement and lease extension cases to continue to be possible when using the legislation.

Rent charges – allowing the formula for calculating the amount needed to redeem a rent charge to be amended by secondary legislation.

### **Part 6: Planning in England**

Neighbourhood planning – simplifying and speeding up the neighbourhood planning process to support communities that seek to meet local housing and other development needs through neighbourhood planning.

Local planning – giving the Secretary of State further powers to intervene if Local Plans are not effectively delivered.

Planning in Greater London – devolving further powers to the Mayor of London.

Local registers of land and permission in principle – creating a duty for local authorities to hold a register of various types of land, with the intention of creating a register of brownfield land to facilitate unlocking land to build new homes; and giving housing sites identified in the brownfield register, local and neighbourhood plans planning permission in principle, and providing an opportunity for applicants to obtain permission in principle for small scale housing sites.

Planning permission etc – levelling up the power which enables conditions to be attached to development orders for physical works so that they are consistent with those for change of use; extending the planning performance regime to apply to smaller applications; and putting the economic benefits of proposals for development before Local Authority planning committees.

Nationally significant infrastructure projects – allowing developers who wish to include housing within major infrastructure projects to apply for consent under the nationally significant infrastructure planning regime.

Urban development corporations – creating a faster and more efficient process for creating Urban Development Areas and Corporations whilst ensuring that those with an interest locally are properly consulted at an early stage.

### **Part 7: Compulsory purchase etc.**

Improving the compulsory purchase regime, so it is clearer, fairer and faster.

# Lettings to Migrants in the Private Rented Sector

## **Immigration Bill**

In Issue 14 (December 2014) I provided brief information about the Government's guidance to people with a right to rent/immigration summary.

The UK Government Bill was published on 17 September 2015. Clauses 12-15 address residential tenancies. They would create four new offences to target those landlords and agents who deliberately and repeatedly fail to comply with the right-to-rent scheme by letting to tenants subject to immigration restrictions or fail to evict tenants who they know or have reasonable cause to believe are disqualified from renting as a result of their immigration status.

## **Overview of the Bill**

The Bill contains measures to tackle illegal working, enhance the enforcement of labour market rules, deny illegal migrants access to services including housing and banking, provide new powers for immigration officers, as well as other measures to improve the security and operation of the immigration system.

The purpose of the Bill is to tackle illegal immigration by making it harder to live and work illegally in the United Kingdom. The intention is that without access to work, illegal migrants will depart voluntarily, but where they do not, the Bill contains other measures to support enforced removals.

## **Access to Services**

Access to private rented accommodation is restricted by the residential tenancies provisions at Chapter 1 of Part 3 of the Immigration Act 2014 ("the 2014 Act"). These provisions are referred to as the 'right to rent scheme'. The scheme provides that landlords in the private

rented sector should take steps to confirm the lawful immigration status of an individual before entering an agreement to rent private accommodation to them and makes provision for a civil penalty regime to penalise non-compliance. The scheme was brought into force on 1 December 2014 in parts of the West Midlands and the intention is to extend it to the rest of the United Kingdom from 1 February 2016. Despite the requirement to check immigration status before entering into a tenancy agreement a landlord may subsequently discover that their tenant no longer has lawful immigration status. This could be because the tenant's leave to enter or remain has expired or been curtailed. The existing legislative scheme requires landlords to perform repeat checks on existing tenants and where they discover such a tenant they may obtain a statutory excuse from a civil penalty under section 24 of the 2014 Act by notifying the Secretary of State that the tenant's leave has expired. The landlord may be able to evict the tenant under existing housing legislation but the immigration status of a tenant is not a ground for gaining possession of a property. The Bill will enable landlords to obtain possession of their property where their tenant no longer has a right to rent under the 2014 Act scheme.

The main sanction for landlords who fail to perform adequate checks on their tenants will remain the civil penalty in the 2014 Act scheme. The Bill additionally creates four new offences to target those rogue landlords and agents who deliberately and repeatedly fail to comply with the right to rent scheme or fail to evict individuals who they know or have reasonable cause to believe are disqualified from renting as a result of their immigration status.

# The Deregulation Act 2015 (DA)

This Act was passed on 26 March 2015 and covers various points which will be of interest to landlords.

**Section 21** – The standard route to possession; you can use Section 21 notice if;

- your tenants have a written assured shorthold tenancy (AST) or statutory periodic tenancy agreement
- you put their deposit in a deposit protection scheme if the tenancy started after April 2007

**NOTE:**

Since 6 April 2007, it has been mandatory for a landlord to ensure that a deposit paid on creation of a new residential Assured Shorthold Tenancy Agreement (AST) in England or Wales is paid into a Tenancy Deposit Scheme (TDS). These changes were brought in under amendments made to the Housing Act 2004 and they were not intended to be retrospective.

In the recent case of *Superstrike Ltd v Rodrigues* (2013) the Court of Appeal held that in some cases a deposit paid before 6 April 2007 should also be placed into a TDS; when the fixed term of an AST has come to an end and a statutory periodic tenancy has arisen.

**Changes to Section 21 notices** - Provisions to be in force from 1 October 2015 (in England only)

- No section 21 Notice may be given/issued until AFTER month 4 of commencement of tenancy; within the period of four months beginning with the day on which the tenancy began"
- An application to court using such 21 Notice MUST be made within 6 months of date of issue of notice AND also within four months of expiry of notice. Otherwise invalid - meaning a Section 21 notice will only have a shelf life of 6 months after which possession proceedings cannot be issued on the said notice, so a new Notice MUST thereafter be issued.
- Abolished the need for a section 21 to expire on the last day of a rental period

**Retaliatory evictions - The DA introduces new provisions to protect tenants from eviction.**

(also comes into effect 1 October 2015)

These provisions restrict a landlord's ability to serve a Section 21 notice in circumstances where the tenant has

complained about the condition of the premises or the common parts of a building of which the premises form part, and the landlord either did not respond within 14 days, provided an inadequate response or responded by serving a Section 21 notice.

The tenant can then complain to the housing authority which may serve various types of enforcement notice on the landlord. If the housing authority does this, the landlord cannot serve a Section 21 notice within six months of the date of service of the enforcement notice (or, if the operation of the notice has been suspended, within six months of the date on which the suspension ends).

Although the provisions state that the tenant's complaint must be in writing, they go on to say that they will still apply if the tenant did not know the landlord's email or postal address or if the tenant made reasonable efforts to contact the landlord to make the complaint, but was unable to do so. Landlords should, therefore, ensure that tenants have adequate means of contacting them.

**Section 8** – A section 8 is a formal legal notice that informs the Tenant that should they fail to remedy the breach within X days you are eligible to ask the court to evict them and you may also seek compensation for loss. More commonly used for non-payment of rent.

**The changes to Section 8 Notices** (came into effect 6 April 2015)

The Secretary of State, has exercised powers to instruct that landlords of properties located in England must use new prescribed Notices/Forms when issuing Section 8 Eviction Notices, Rent Increases etc. What this basically means is that if you issue the old or wrong notice/form then what you have requested shall be void. As an example - in simple terms if you issue a Section 8 Notice that does not comply with new format from 6th April 2015 any application to court will be thrown out as invalid eviction application.

The Section 8 Notice contains mandatory text and is very precise in how this must be completed. An error in completion can invalidate in entirety the notice. The validity of the Notice is often only picked up at the court hearing and then the case is dismissed which is very disconcerting as it is often up to two months after the notice had been issued that the landlord discovers this anomaly.

# Energy performance Certificate (EPC)

An Energy Performance Certificate is required for properties when constructed, sold or let. The Energy Performance Certificate provides details on the energy performance of the property and what you can do to improve it.

An accredited Energy Assessor visits the property to collect only the data required for assessing energy features, and generates an Energy Performance Certificate (EPC) using government-approved software. The assessment is based on the construction and type of dwelling and relevant fittings (heating systems, insulation or double glazing, for example).

It is not a structural or building survey, condition report or property valuation. An EPC should not be read as a comment on the overall condition of the property nor will it comment on the presence or otherwise of asbestos, high alumina cement concrete, additives including calcium chloride, or any building defects or hazardous materials. It will also not cover items or problems in the property which would be picked up in a building survey, which may be costly to rectify, as these are outside the scope of the data collected.

## 1. Background to EPCs

- 1992 UN Rio Earth Summit
- 1997 Kyoto treaty
- 2003 EU EPBD
- 2004 Housing Act

## 2. The Survey

- Property type
- Overall measurements
- Access all rooms and loft
- Heating and hot water systems

## 3. The EPC

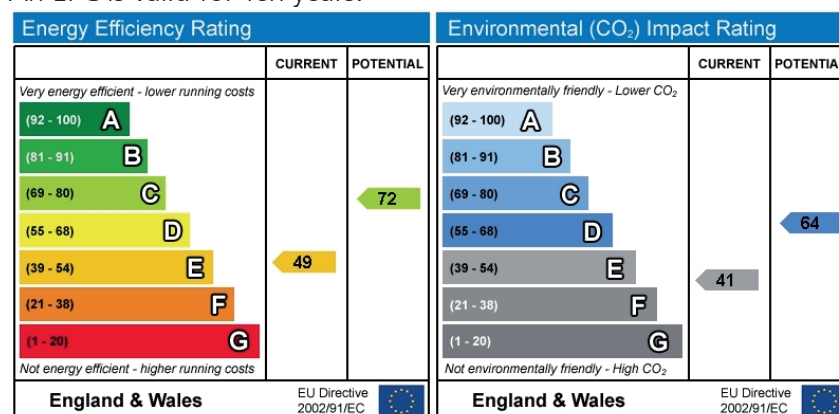
- EPC lodged on **www.hcrregister.com**
- Eight page document shows two ratings.
- Energy efficiency - overall efficiency

- Environmental impact - CO<sub>2</sub> emissions
- Recommendations
- LESA - Landlords Energy Saving Allowance (ended April 2015)

## 4. Regulations

- Compulsory for all new, sold or rented properties.
- Only for a self-contained home that is rented
- RRN and website address made available
- Hard copy given to the new tenant
- Local trading standards enforcement

An EPC is valid for Ten years.



\*Example EPC

To find an accredited person to undertake an Energy Performance Certificate or a SAP Energy Performance Certificate go to: **www.hcrregister.com**

# Top Tips for Landlords

## 1. Research your area

Thoroughly research the rental market in your area to make sure you are charging the right level of rent and not pricing yourself out of the market. You could check out the property supplement in the local press or the Rightmove website which covers most areas for renting property. Even during periods of high demand, it's always better to charge slightly below market rent. It is also important to market your property effectively and remember that different tenants are looking for different things in a rental property. Students will be looking for different things to young families.

## 2. Make your mortgage work for you

If you are struggling with mortgage repayments, or your circumstances change, talk to your lender and try to arrange a new repayment plan. If you are coming to the end of a deal, search the market for a mortgage which best suits your needs. If you are a professional portfolio landlord and you don't find what you're looking for with the traditional buy-to-let lenders, it may be worth exploring commercial finance opportunities.

## 3. Market your property before your current tenants leave

Forward planning is the key thing. In our previous issue of ELA News we ran an article on minimising the period your property is empty. Get your property marketed as soon as possible and get the ball rolling before the current tenant moves out. They would normally be giving you a months' notice to end the tenancy. Marketing your property before the current tenants leave increases your chances of keeping the property fully tenanted. A sure fire way of having no gaps is trying to keep good tenants for as long as possible.

## 4. Pick your tenants with care

Carrying out proper checks on prospective tenants should be par for the course for every landlord. Don't hand over the keys before carrying out credit checks, bankruptcy searches and previous residency information. Also make sure any payments made by the tenants are cleared funds and the tenancy agreement has been signed.

## 5. Build a good relationship with your tenants

Landlords and tenants both benefit from having a good relationship. Courtesy, reliability and availability will

make for a happier tenancy all round. What starts off as a small problem can turn into something costly if it's left to fester. Communication is critical.

## 6. Comply with the rules

The list of rules and regulations with which landlords must comply is long and growing. The risk to reputation and bank balance of not complying is significant. In 2007 landlords began having to protect their tenants' deposits. 2008 saw the introduction of having to provide energy performance certificates for most rental properties in England & Wales.

## 7. Get it protected

Taking a deposit is important. But changes to the law means the cash now has to be protected in a Government-approved scheme. The Custodial scheme is free to join and any deposit disputes are dealt with free as it is funded by interest made on money held in the scheme. To make life easier when it comes to handing back the cash, it is a good idea to draw-up a clear and simple inventory. Both you and your tenants need to agree and then sign two copies. This should help to avoid disputes at the end of the tenancy.

## 8. Are you covered?

There are a number of things for which landlords need decent insurance. From injury to tenants and their guests, to avoiding the dreaded void periods as well as building cover and damage insurance too. Can you afford not to have the right policy?

## 9. Start a 'rainy day fund'

Life as a landlord is rarely straight forward and any number of expensive emergencies can crop up without warning. Putting a bit of money aside each month will help take the sting out of the cost of a new boiler or windows. And if it doesn't rain it pours, so if you've got several properties, make sure you put aside even more for the inevitable.

## 10. Get decent advice

Whether you've been a landlord for years or if you're just thinking about taking the plunge, it's important to get the right advice. The market is always changing and it's worth listening to the view of an experienced landlord.

Information supplied by Eastern landlords

# Paying Tax and National Insurance

When you start renting out property, you must tell HM Revenue and Customs (HMRC) and you may have to pay tax. If you don't, you could be charged a penalty. If you contact HMRC first about any tax you owe, they may consider your case more favourably.

## Running a property business

You'll also have to pay Class 2 National Insurance if what you do counts as running a property business, e.g. if all of the following apply:

- being a landlord is your main job
- you rent out more than one property
- you're buying new properties to rent out

You don't pay National Insurance on your rental income if you're not running a property business - even if you do work like arranging repairs, advertising for tenants and arranging tenancy agreements.

## Property you personally own

You must report income from property rental on a Self-Assessment tax return if it's:

- £2,500 to £9,999 after allowable expenses
- £10,000 or more before allowable expenses

If it's less than £2,500 a year you should call the Self-Assessment Helpline.

**Telephone: 0300 200 3310**

## Property owned by a company

Count the rental income the same way as any other business income.

## Costs you can claim to reduce tax

- There are different tax rules for:
- residential properties
- furnished holiday lettings
- commercial properties

## Residential properties

You or your company must pay tax on the profit you make from renting out the property, after deductions for 'allowable expenses'.

Allowable expenses are things you need to spend money on in the day-to-day running of the property, like:

- letting agents' fees
- legal fees for lets of a year or less, or for renewing

- a lease for less than 50 years
- accountants' fees
- buildings and contents insurance
- interest on property loans
- maintenance and repairs to the property (but not improvements)
- utility bills, like gas, water and electricity
- rent, ground rent, service charges
- Council Tax
- services you pay for, like cleaning or gardening
- other direct costs of letting the property, like phone calls, stationery and advertising

Allowable expenses don't include 'capital expenditure' - like buying a property or renovating it beyond repairs for wear and tear.

## Furnished residential lettings

You can claim 10% of the net rent as a 'wear and tear allowance' for furniture and equipment you provide with a furnished residential letting. Net rent is the rent received, less any costs you pay that a tenant would usually pay, e.g. Council Tax.

## Furnished holiday lettings

For furnished holiday homes, you may be able to claim:

- plant and machinery capital allowances on furniture, furnishings, etc in the let property, as well as on equipment used outside the property (like vans and tools)
- Capital Gains Tax reliefs - Business Asset Rollover Relief, Entrepreneurs' Relief, relief for gifts of business assets and relief for loans to traders

You can only claim these if all the following apply:

- the property is offered to let for at least 210 days a year
- it's let for more than 105 days a year
- no single let is more than 31 days
- you charge the going rate for similar properties in the area ('market value')

If you own the property personally, your profits count as earnings for pension purposes.

You can download help sheets to help you with your tax return:

- capital allowances
- furnished holiday lettings



# Licensing

## Commercial properties

You can claim plant and machinery capital allowances on some items if you rent out a commercial property - like a shop, garage or lock-up.

## Working out your profit

You work out the net profit or loss for all your property lettings (except furnished holiday lettings) as if it's a single business. To do this, you:

- add together all your rental income
- add together all your allowable expenses
- take the expenses away from the income

Work out the profit or loss from furnished holiday lettings separately from any other rental business to make sure you only claim these tax advantages for eligible properties.

## Making a loss

Deduct any losses from your profit and enter the figure on your Self-Assessment form.

You can offset your loss against:

- future profits by carrying it forward to a later year
- profits from other properties (if you have them)

You can only offset losses against future profits in the same business.

For More information go to: [www.gov.uk/renting-out-a-property/paying-tax](http://www.gov.uk/renting-out-a-property/paying-tax)

## News Flash:

In the Spending Review and Autumn statement a new 3% surcharge was announced on stamp duty for buy-to-let properties and second homes from April 2016.

## Stamp Duty Rates (on purchases)

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Up to £125,000 from 0% to 3%

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£125 - £250,000 from 2% to 5%

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£250 - £925,000 from 5% to 8%

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£925 - £1.5m from 10% to 13%

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Over - £1.5m from 12% to 15%

Buy-to-let landlords will also be hit by a change to Capital Gains Tax (CGT) rules. From April 2019, they will have to pay any CGT due within 30 days of selling a property, rather than waiting till the end of the tax year, as at present.

A house in multiple occupation (HMO) is a property rented out by at least 3 people who are not from 1 'household' (e.g. a family) but share facilities like the bathroom and kitchen. It's sometimes called a 'house share'.

You must have a licence if you're renting out a large HMO. Your property is defined as a large HMO if all of the following apply:

- it's rented to 5 or more people who form more than 1 household
- it's at least 3 storeys high
- tenants share toilet, bathroom or kitchen facilities

## A Landlord must keep rented property safe and free from health hazards.

### Gas safety

You must:

- make sure gas equipment you supply is safely installed and maintained by a Gas Safe registered engineer
- have a registered engineer do an annual gas safety on each appliance and flue
- give your tenants a copy of the gas safety check record before you move in, or within 28 days of the check

### Electrical safety

You must:

- make sure the electrical system is safe, e.g. sockets and light fittings
- ensure that any appliances you supply are safe, e.g. cookers and kettles

### Fire safety

You must:

- Provide fire safety information e.g. check there is access to escape routes at all times.
- If you provide furniture and furnishings make sure they are fire safe.
- From the 1st October 2015 regulations require both smoke alarms and carbon monoxide alarms to be installed in rented residential accommodation.

# Mortgage Interest Relief

The Government's tax changes for landlords, announced in the summer Budget, will significantly eat into landlords' profits and, in many cases, will wipe them out completely. The changes are so complex that their true impact was only fully understood months after the announcement. In his Budget speech, Chancellor George Osborne also announced changes to the tax treatment of maintenance costs for furnished properties.

## **So how will these changes affect you and what other expenses can you claim?**

While most capital expenses – those involved in buying and selling a property, such as the purchase price and agent and legal fees – cannot be used to offset your income tax, many other costs can.

### **Mortgage interest**

You can currently use the interest you pay on your mortgage each year to offset your tax bill. Landlords can claim relief at their personal tax rate. But radical reforms are being introduced that will change this.

In short, landlords will no longer be able to deduct the cost of their mortgage interest from their rental income when they calculate a profit on which to pay tax. In other words, tax will be applied to the rent received – rather than what is left of the rent after the mortgage interest has been paid.

So tax rates will, for some, exceed 100pc: landlords will have to pay all of their profit in tax, and then pay more tax still. The Government will allow a tax credit equivalent to basic rate tax (20pc) on the interest, but this will do little to offset the increased cost.

The tax increase, on which there was no consultation,

will be phased in from 2017 and fully implemented by 2020.

Any higher-rate taxpayer landlord whose mortgage interest is 75pc or more of their rental income, net of other expenses, could see all of their returns wiped out by 2020.

For additional-rate (45pc) taxpayers, the threshold at which their investment returns are wiped out by the tax is when mortgage costs reach 68pc of rental income.

Some current basic-rate taxpayers will also be hit, because the change will push them into the higher-rate tax bracket.

### **Mortgage fees**

Broker and arrangement fees are currently tax deductible and can be claimed back in the year you arranged a mortgage. However this is also likely to be restricted when the changes to mortgage interest relief come into effect.

### **Letting agent fees**

If you choose to employ an agent to find a tenant or manage your property, you'll probably pay between 10pc and 15pc of the monthly rental income in fees. This means on a typical tenancy worth £750 per calendar month, you could claim £1,350 a year for letting fees alone.

### **Securing a tenant**

If you decide to rent your property privately, you can claim back the cost of advertising for tenants, purchasing a tenancy agreement, credit checking, referencing, deposit protection and professional inventory costs. These could come in at more than £300 each time a new

tenant moves in, according to the National Landlords Association.

### **Buildings and contents insurance premiums**

Specialist landlord insurance will cover the building, your liability as a landlord and loss of rent. You can also add contents cover, home emergency, legal expenses and rent guarantee insurance. Cover for a typical low-risk buy-to-let property costs around £200 a year.

### **Maintenance and repairs**

Any money you spend keeping the property in a good state of repair is tax deductible. While you cannot claim for renovations, extensions or improvements that add value to the property, you can offset expenses to correct wear and tear.

Property repairs can include mending broken windows and doors, repairing broken cookers, white goods, furniture or guttering, painting and decorating and replacing or fixing the roof.

### **Furniture**

The rules here are changing. If the property is furnished, you can currently choose to claim back either a general "wear and tear" allowance or the exact cost of replacing individual items.

The wear and tear allowance is 10pc of the rent annually, minus any costs you pay on behalf of the tenant such as council tax. You do not have to have spent any money replacing or repairing the furniture in a given year to claim this allowance.

Alternatively you can claim the exact cost of replacing furniture in the property. This only applies to existing furniture – you cannot claim back the cost of furnishing

it in the first place.

But from April 2016, landlords will only be allowed to deduct costs that they actually incur. So if you don't spend any money correcting wear and tear, you cannot claim.

### **Ground rent and service**

If you are a leaseholder, you will usually pay ground rent to the freeholder. Service charges are common in blocks of flats and can vary greatly. Basic charges cover cleaning, maintenance, heating and lighting for common areas, but other costs could include security or concierge staff. You can also claim back any on-site services such as gardening and electrical costs.

### **Council tax and utility bills**

If you pay any council tax or utility bills that a tenant would normally pay, you can claim the whole cost. You can also claim these costs during void periods, when there is no tenant living in the property.

### **Others**

Other direct costs of letting the property such as phone calls, stationery and the costs of travelling between different properties for the purposes of the rental business are also claimable expenses.

### **Before you submit a tax return**

As a landlord you must submit a self-assessment tax return each year. If an accountant prepares this for you the fees are tax deductible.

It is always a good idea to keep receipts and other proof of payments so that if HMRC decides to raise an inquiry you can show written proof of all the costs you have claimed.

# Useful Contact Numbers

Keith Tayler, Private Sector Housing, HDC	01480 388 237
Sue Questier, Housing Environmental Health Officer, HDC	01480 388 286
Julia Blackwell, Energy & Efficiency Officer, HDC	01480 388 288
Association of Residential Letting Agents (ARLA)	0845 345 5752
National Landlords Association (NLA)	020 7840 8937
Eastern Landlords Association (ELA)	01603 767 101
Tenancy Deposit Protection Team	0207 944 4400
Energy Saving Advice Service	0300 123 1234
Valuation Office Agency Ground Floor Ferrers House, Castle Meadow Road, Nottingham, NG2 1AB	03000 501501

The Landlords Forum is organised and delivered by the Council's Private Housing Section which is a division of Planning and Strategic Housing Services. The section may be contacted by private landlords and tenants seeking general advice on landlord and tenant law. Advice is also available online at;

**[www.huntingdonshire.gov.uk](http://www.huntingdonshire.gov.uk)**

*(click on 'More Options' until you get to the advice for landlords page)*

The Huntingdonshire Landlords' Forum is a central part of the housing service the Council provides to private sector landlords. The Forum exists so that landlords can meet Officers and other landlords to share their experiences. The Council is there to arrange the meetings, invite along guest speakers, listen to what landlords have to say and, where it is needed, offer support and advice.

What do we get in return? We get good feedback about what landlords think of the services the Council provides and landlords use: Housing Benefits; Environmental Health Services, Landlord and Tenant Advice and Housing Grants. We also get good information about how an important group of local housing providers run their businesses. All this helps us to plan services to the private sector that are rooted in an understanding of what the key issues are for landlords, their tenants and prospective private tenants. Hopefully this will help us to raise our standards and in so doing help raise

standards across the local lettings industry.

The Forum is not a Council-sponsored talking shop. Landlords' views are canvassed and considered when we came to reviewing and producing our policies and we can sometimes introduce suggested changes.

If you are a landlord or a prospective landlord the Forum is for you. Join our mailing list by phoning 01480 388237 or email [keith.tayler@huntingdonshire.gov.uk](mailto:keith.tayler@huntingdonshire.gov.uk).

We will let you know about our programme of meetings and send you a copy of our free newsletter. If you are new to the industry we will also send you a copy of our landlord pack which is full of the information you will need to help you make a success of your business.

This section may also be contacted for information about;

- Landlord and Tenant Law
- Tenancy Agreements
- Finding a suitable tenant for your accommodation
- Advertising available property for rent
- Registered Rents and Local Housing Allowance
- Tenancy Deposit scheme
- How to end a tenancy

For information or advice please contact;

**Keith Tayler**

**Private Sector Housing Officer**

**Telephone: 01480 388237**

**The Next Landlords Forum will be held ?? March 2016  
at Pathfinder House, Huntingdon 6.30pm - 8pm**

If you wish to have an item included onto the agenda please contact me on the number above.

The opinions and views expressed in the landlord's newsletter are not necessarily those of the Huntingdonshire District Council.

All information is accepted in good faith at the time of going to press.