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INTELLIGENT LETTINGS

The Legal Landlord survey

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Introduction

The Legal Landlord Survey is a nationwide survey of UK landlords across the lettings sector conducted by leading online letting agent, Urban.co.uk.

The survey puts UK landlord knowledge to the test across a wide range of subjects from GDPR to room sizes and everything in between.

It's been a tough year for the buy-to-let sector with a number of legislative changes and so now more than ever, it's important the landlords are up to date and in the know to ensure they don't fall foul of the law.

Headline figures

- Only **50%** of landlords aware of gas safety regulations
- Nearly **90%** of landlords fully genned up on energy efficiency
- **80%** of landlord lack key room size knowledge
- **90%** of landlords still unaware of GDPR requirements
- **91%** of landlords managing deposits incorrectly
- **70%** of landlords are failing to provide correct fire safety precautions
- Over **85%** of landlords fully clued up on S21
- Less than **20%** of landlords give 24 hours' notice before entering their property
- **93%** of landlords understand the importance of flexibility
- Over **80%** of landlords caught out by selective licensing

Best performing:

1. Slough
2. Greater London
3. Greater Manchester
4. Hartlepool
5. Newcastle Upon Tyne
6. Birmingham
7. Mansfield
8. Cosham
9. Croydon
10. Derby

Worst performing:

1. Plymouth
2. Hammersmith
3. Grimsby
4. Canterbury
5. Hull
6. Sheffield
7. Maidenhead
8. Oxford
9. Northampton
10. Walsall

'Well done to every town that made the top ten – 2018 has been a busy legal year, and there's a huge amount to remember every day, so you should be really pleased to make this list! It's no mean feat to keep on top of everything and ensure that you are not only compliant, but still able to keep your tenants happy too, so well done to the thousands of landlords out there who manage it every day and keep our PRS ticking.'

Adam Male - Director of Lettings at Urban.co.uk

Gas safety

Q1. How often do you need to apply for a Gas Safety Certificate at your rental property?

Half of landlords were correct in saying that checks needed to be carried out on an annual basis. The checks must be carried out by a registered Gas Safe engineer, with certification delivered to the tenant within 30 days.

A worryingly high percentage of landlords are taking a more relaxed attitude to this vital legislation, with **5% of respondents saying that the checks can be carried out 'whenever.'**

'It's very worrying that over 50% of landlords are unaware of the correct procedures to follow with regards to gas safety in their rental properties – the importance of understanding gas safety cannot be overstated! As well as the obvious cost implications involved, your tenant's safety should be of the paramount importance, and ensuring that all appliances in your property are safe and well maintained is vital.'

Adam Male - Director of Lettings

Over 50% of landlords aren't aware of gas safety regulations

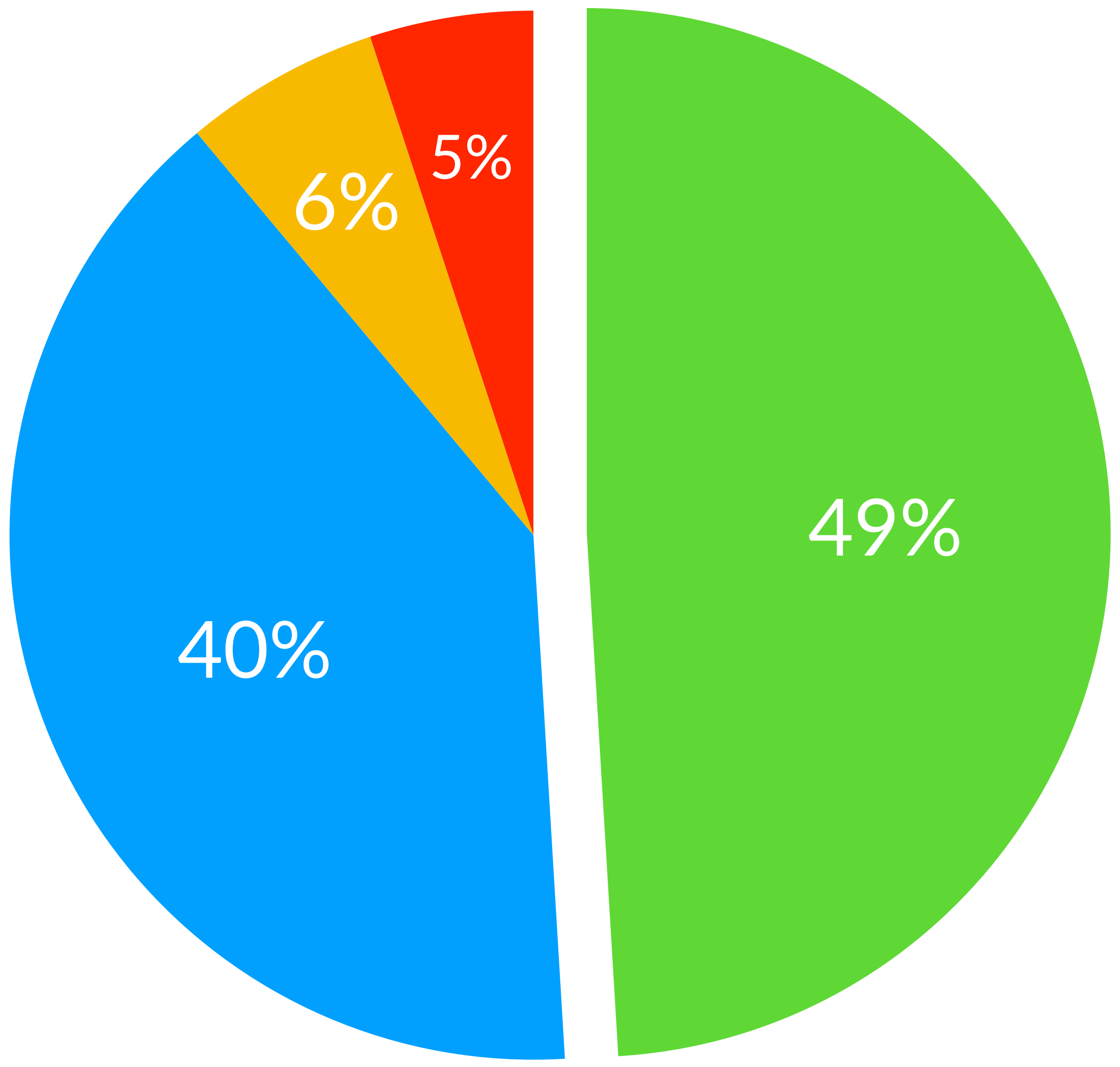
Results

A. Annually - 49% CORRECT

B. Monthly - 40%

C. Daily - 6%

D. Whenever - 5%



How to stay gas safe

As well as potentially leaving their tenants at risk, failing to follow this procedure correctly is a criminal offence, and could leave landlords facing a custodial prison sentence, a hefty fine and even being unable to regain possession of their property via a section 21 notice.

If there is gas in your property you are legally required to have a gas safety check carried out annually by a **registered Gas Safe engineer**. You can find a full list of Gas Safe engineers in your area here: www.gassaferegister.co.uk

The engineer will attend your property and check the safety of **all appliances and flues**, and issue you with a certificate proving that the check has been carried out. You should keep this certificate in your records for **at least two years**. You also have a legal requirement to **provide a copy to your tenant within 28 days** of the check being carried out.

The check may **highlight maintenance or remedial work** that needs to be carried out on your appliances or flues – you must act on this as soon as possible and keep a record to prove that you have done so. Failure to act on advisories from a Gas Safe engineer could result in a hefty fine of **up to £30,000** if a subsequent improvement notice has to be issued by the council.

You must also provide **carbon monoxide (CO) alarms** in any rooms which contain a solid fuel burning appliance. This does **not include a gas boiler.** It is your responsibility to test the alarm at the start of the tenancy, and your tenant's responsibility thereafter, but it is a good idea to check during routine maintenance visits. Failure to have an alarm in place carries a fine of up to **£5,000**.

Energy efficiency

Q2. If you successfully apply for a MEES exemption, how long is it valid for?

With such a new legislation, some confusion around Minimum Energy Efficiency Standards (MEES) exemptions could be expected, but overall this was a great result for landlords, with **87% correctly noting that exemption lengths vary**.

It is possible that this thorough understanding is because many landlords have looked into the possibility of registering their property for exemptions, with MEES impacting thousands of across the UK when introduced on April 1st, 2018. With further banding changes due in 2025 and 2030, this is a legislation that is likely to stay at the forefront of landlord's minds.

'There's no 'one-size-fits-all' in property, so it's great that the government realised that many landlords could struggle to comply with the MEES regulations and provided such a wide breadth of exemptions to make it simpler.'

'However, as with every element of landlord legislation, it's vital to be fully familiar with the requirements of your exemption, it's a complicated system and easy to trip up on if you're not organised and confident on the regulations.'

Adam Male - Director of Lettings

Nearly 90% of landlords fully genned up on energy efficiency

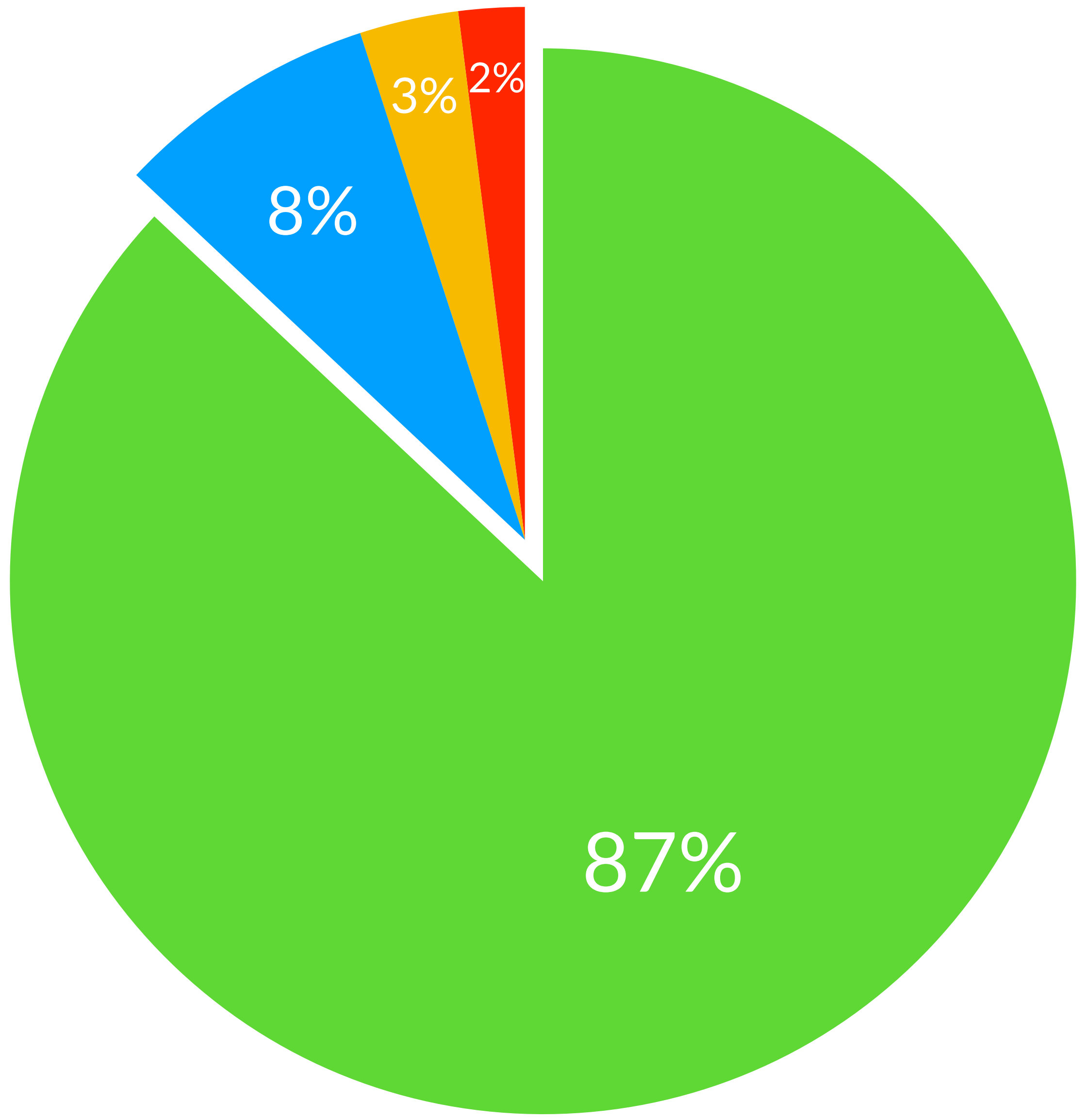
Results

A. It varies - 87% CORRECT

B. Until tenant changes - 8%

C. Five years - 3%

D. Indefinitely - 2%



Minimum energy efficiency explained

Minimum energy efficiency standards (MEES) were introduced on April 1st 2018, and were brought into force to help encourage the PRS to provide more energy efficient accommodation.

The legislation states that a property with an EPC rating of at less than E cannot legally grant a new tenancy or renew an existing tenancy, unless they have registered an exemption. The rules will apply to all tenancies, new and existing, by April 2020.

There are a wide variety of exemptions, with many differing time frames. They are:

Exemption	Evidence required	Time it lasts
The costs of increasing the rating would **exceed the cost-cap of £2,500** (which must be financed by the landlord) and you have not been able to access additional 'no cost' funding	A description of why you have been unable to obtain funding and evidence to demonstrate that you have been unable to access funding to fully cover the cost of improvements (refusal letters)	Five years
All possible improvements (recommended by a surveyor) have been made, but the property **still remains** below a band E.	A copy of the relevant report (prepared by a RICS-qualified surveyor) stating that there are no relevant improvements that could be made and full details, (including receipts, installation documentation etc) of any improvements that have been made	Five years
The property is not suitable for certain types of insulation, specifically wall insulation	A copy of a report (prepared by a RICS-qualified surveyor) clearly stating that the property's built structure is not suitable for wall insulation, and that installing this method would have a detrimental impact on the property.	Five years
Your tenant/mortgage lender/ does not consent to the changes.	A copy of any correspondence or supporting evidence showing that you attempted to gain consent but it was refused, or was granted subject to a condition that you could not comply with.	This exemption is only valid while the tenant lives at the property. You will need to make improvements when the tenant leaves the property, or after five years
Making the required changes would reduce the market value of the property, or the building it forms part of, by more than 5%.	A copy of the report prepared by an independent RICS-qualified surveyor that provides evidence that the installation of relevant measures would devalue the property by more than 5%.	Five years
You have only just taken over the property and need a grace period to put the changes in place.	The date and the circumstances in which you took over the property as the landlord	Six months

Room size

Q3. When the new HMO regulations come into force in October*, what is the minimum size room you will be able to let to a single adult tenant?

70% of landlords 'one size up' for single tenant rooms

The Licensing of Houses of Multiple Occupation Order 2018, introduced on October 1st 2018 contains a requirement for a minimum room size within HMOs, and despite the legislation being in force, many landlords are still confused as to the legal size restrictions that they face.

An overwhelming amount (70%) voted for 7.62 sqm as the appropriate size for one single adult tenant, whilst in fact the minimum size is 6.51sqm. A couple can inhabit a room 10.22sqm and above, whilst a child under 10 years old is allowed a room 4.64sqm or larger.

This legislation has created havoc among the HMO community, with many landlords unsure where to turn – this much is clear from the results of the survey. Indeed, it seems that even many local authorities are confused, with conflicting information being reported on websites, so it is no real surprise that landlords are finding it difficult to pin down the correct information. This poor management of a vital legislation has left many tenants vulnerable to eviction, simply due to landlord confusion. In this ever-more unstable housing market, it is unlikely that this was the government's aim!'

'This poor communication of such a vital legislation change highlights the issues many landlords face - they try to comply with ever-changing legislation, but are slowed down by a lack of clear and concise information laying out the facts in a way that they can apply to their properties.'

Adam Male - Director of Lettings

82% of landlord lack key room size knowledge

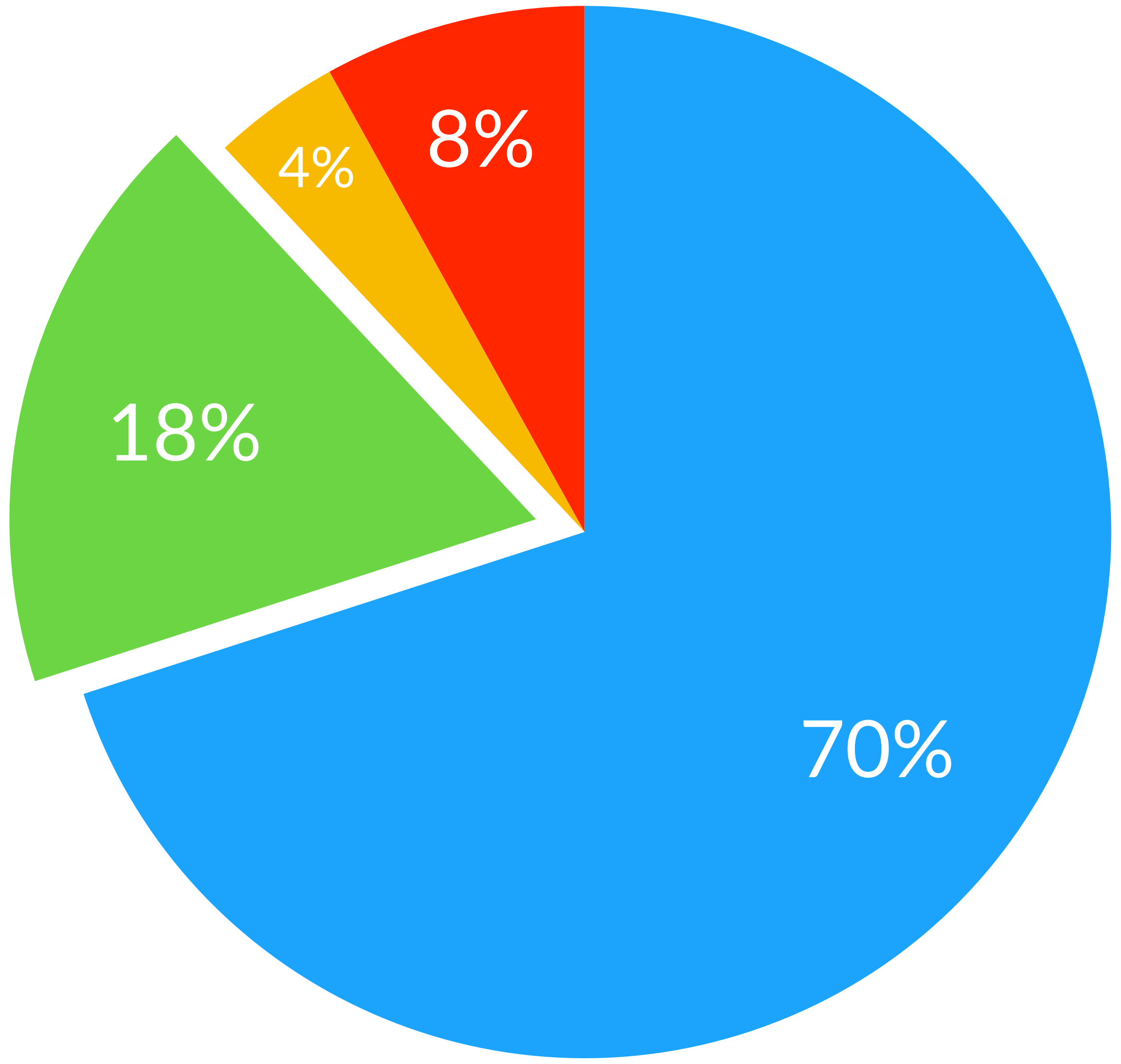
Results

A. 6.51 square meters - 18% CORRECT

B. 7.62 square meters - 70%

C. 4.64 square meters - 4%

D. 10.22 square meters - 8%



Getting room size right

The changes to HMO room sizes came into force on 1st October 2018, with the introduction of the Licensing of Houses in Multiple Occupation Order 2018 legislation.

The new rules outline a series of minimum room sizes for rooms used for sleeping, with three size ranges depending on the tenant. These are:

- 4.64 square metre for a bedroom occupied by a child under 10 years old
- 6.51 square metre for a bedroom occupied by a person over 10 years old
- 10.22 square metre for a bedroom occupied by two people over 10 years old

Rooms below the 4.64 square metre minimum **cannot be used for sleeping** and any floor area under a ceiling lower than **1.5 metres** is not to be included in the calculation of available floor space. Local authorities are able to request larger minimum room sizes, but they have **no discretion** to allow smaller rooms to be occupied.

The size of other communal areas of the property **cannot be used to compensate** against a bedroom that does not meet the size requirements, and ensuite bathrooms cannot be considered when measuring rooms used for sleeping.

Councils can **allow 18 months** for a landlord to rectify a space situation, so tenants do not have to be evicted straight away if there are space concerns. If the landlord fails to comply with the space requirements after this time they will be breaching the terms of their HMO licence, which is a criminal offence, and they could be **prosecuted in magistrates court and an unlimited fine** could be charged. Alternatively, the council could issue a penalty notice of up to £30,000, and their HMO licence could be revoked

GDPR

Q4. Under the new GDPR regulations, what document should you issue to your tenants to help ensure compliance?

Only 10% of respondents were able to correctly identify the important documentation required in order to be compliant with GDPR.

Introduced in May 2018, the General Data Protection Act has swept Europe, however it seems that **90% of landlords are still unaware of their requirements** as businesses, and would instead prepare an alternative policy to submit instead.

Hopefully, the landlord who is submitting their shoe size is joking...

'With GDPR definitely taking the crown for topic of the year, it's a surprise to see that nearly 90% of landlords are still in the dark about one of the key compliance components.'

'With hefty fines and the potential for your tenant to sue you for damages should their data be compromised in any way, understanding your GDPR responsibility is vital for anyone in business, especially a landlord. After all, with referencing reports, right to rent checks and tenancy agreements, we hold a huge amount of data on our tenants - it's only fair that we hold it correctly!'

Adam Male - Director of Lettings

90% of landlords still unaware of GDPR requirements

Results

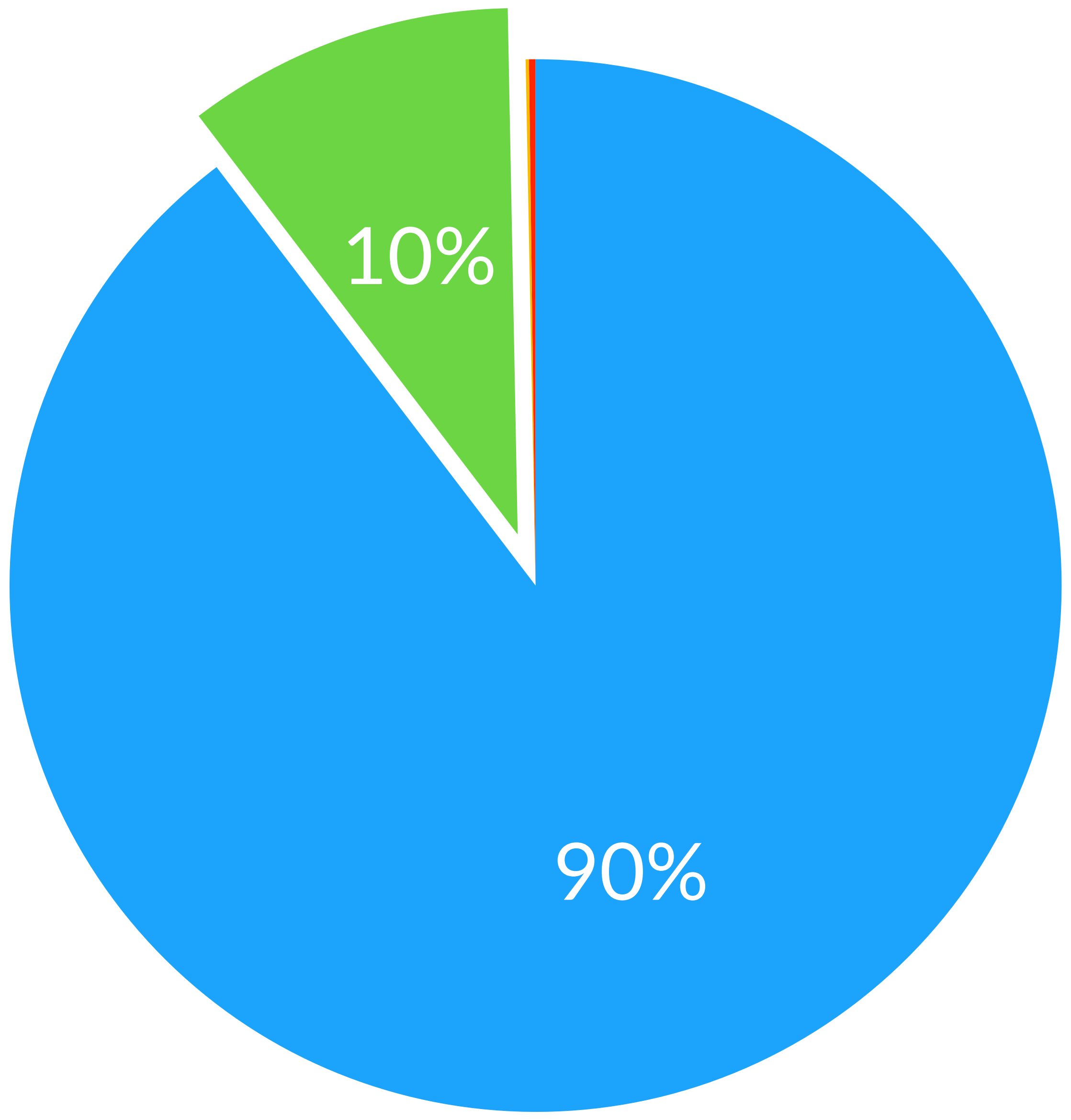
A. Privacy notice - 10% - CORRECT

B. Environmental policy - 90%

C. Solicitors contact details - 0.5%

D. Shoe size - 0.3%

E. Other - 0.2%



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GDPR explained

The General Data Protection Regulations (GDPR) is a European-wide regulation designed to standardise the handling of data – every business in Europe is bound by the rules. It is an update to the well-known Data Protection Act. Whatever happens with Brexit, it is one European regulation that is not going anywhere!

One of the key elements to being compliant with GDPR is registering with the Information Commissioners Office (ICO). Landlords are a business, and handle sensitive data, so the £40 annual registration to this UK-wide database is vital. You can register here: www.ico.org.uk

There are a few key pieces of paperwork to issue to your tenants in order to ensure compliance, the most important being the privacy notice. This document lays out your 'data handling plan' in detail, giving your tenant a clear overview of how you intend to manage their personal information. These can be tricky to write yourself, but there are plenty of landlord-specific ones available from organisations such as the National Landlords Association.

You must also make sure that you are considering the wider view, such as the organisations you interact with. You may pass your tenants data onto your letting agent, referencing company, managing agent, even your plumber - if they do, you should make sure that they are fully compliant with GDPR too. Ask to see a copy of their privacy notice and check that they're ICO registered.

Q5. Issuing Prescribed Information when you take a deposit is a vital step. But who needs to receive it?

Whilst most landlords know that issuing the Prescribed Information is a vital stage in completing the deposit registration, only **9%** of respondents were aware that they had to issue documents to everyone who contributed financially to the deposit.

35% were only sending the documents to the lead tenant, whilst **19%** were submitting them to everyone who has undergone a Right to Rent check – however, strangely, 37% were submitting the details to all tenants and the ICO, although which department it isn't clear!

'As property becomes pricier, more and more people are turning to the Bank of Mum and Dad to take their first step onto the property ladder, but not only to buy a property – often tenants have help with deposits too, and this can lead to the landlord tripping up on this step.'

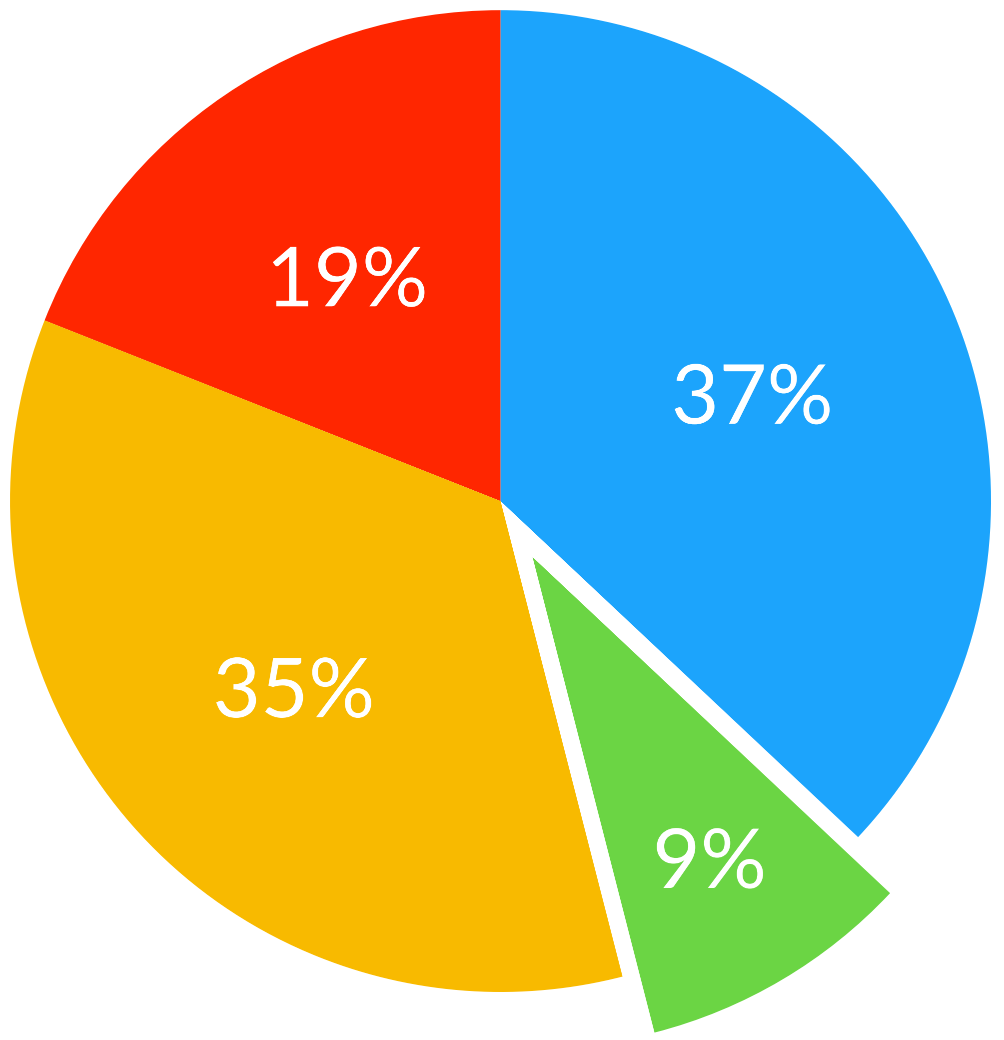
'With only 9% of landlords aware that prescribed information must be sent to everyone who contributed to the deposit, it is clear that a whopping 91% of landlords could find themselves learning a costly lesson should this go wrong.'

Adam Male - Director of Lettings

91% of landlords are managing deposits incorrectly

Results

A. **Anyone who made a financial contribution to the deposit - 9% - CORRECT**
B. All tenants, and the Information Commissioners Office - 37%
C. The lead tenant named on the tenancy agreement - 35%
D. Anyone who you carried out a Right to Rent check on - 19%



Issuing prescribed information

Prescribed Information is a vital part of the deposit process, and is a legal requirement. It describes a suite of documents that must be issued to everyone who has contributed to the deposit, and includes:

- Information about the scheme in which you have protected the deposit (most have a form you can download online
- Information about the tenancy and how it allows you to utilise the deposit (what you can deduct, how a deposit could be used etc)
- Copy of the deposit protection certificate/receipt.
- You must also issue a copy of the EPC, the gas safety certificate, a copy of the How to Rent Booklet, and a signed tenancy agreement at the start of the tenancy

The deposit must be registered and the prescribed information has to be sent within 30 days of the deposit being received by the you or someone acting on your behalf). This includes your agent, so make sure you know that they have sent the information, or let you know to send it. It is perfectly acceptable to serve prescribed information by email, post, or in person – just make sure that however you choose to do so, you have a record that you have sent it, and when.

If you fail to send prescribed information within 30 days, your tenant (or contributor) is able to make a claim for the return of the full deposit, as well as a penalty of between one and three times the sum of the amount. Previous tenants also have the right to a penalty award, even when a tenancy has ended.

In addition, you would be unable to issue a section 21 notice until you have returned the deposit in full (or with deductions that the tenant agrees to) or if the tenant has taken proceedings against you for failing to protect the deposit, and those proceedings have been concluded, withdrawn or settled.

Fire safety

Q6. What are the legal smoke alarm requirements for a rental property?

70% of landlords are failing to provide correct fire safety precautions – but it's not all bad news.

The 'alarming' results for this question really divided respondents, with around a third going for one throughout the premises (32%) and a very cautious third choosing seven on every storey (34%). However, only a third chose one on every storey (31.8%), the correct answer.

A worrying 2% of landlords do not believe it is necessary to have any fire detection systems within a residential property.

'Following the Grenfell Tower disaster, the spotlight was thrown on fire safety in the PRS, and it is clear that many landlords are unsure as to how to properly move forwards in providing a safe and compliant home for their tenants. Many are eagerly awaiting further legislation to clarify the 'next step' in protection, however whatever that next step looks like, it is vitally important that the safety of today's tenants is properly managed – this is one element of landlord legislation that cannot afford any grey areas.'

Adam Male - Director of Lettings

70% of landlords are failing to provide correct fire safety precautions

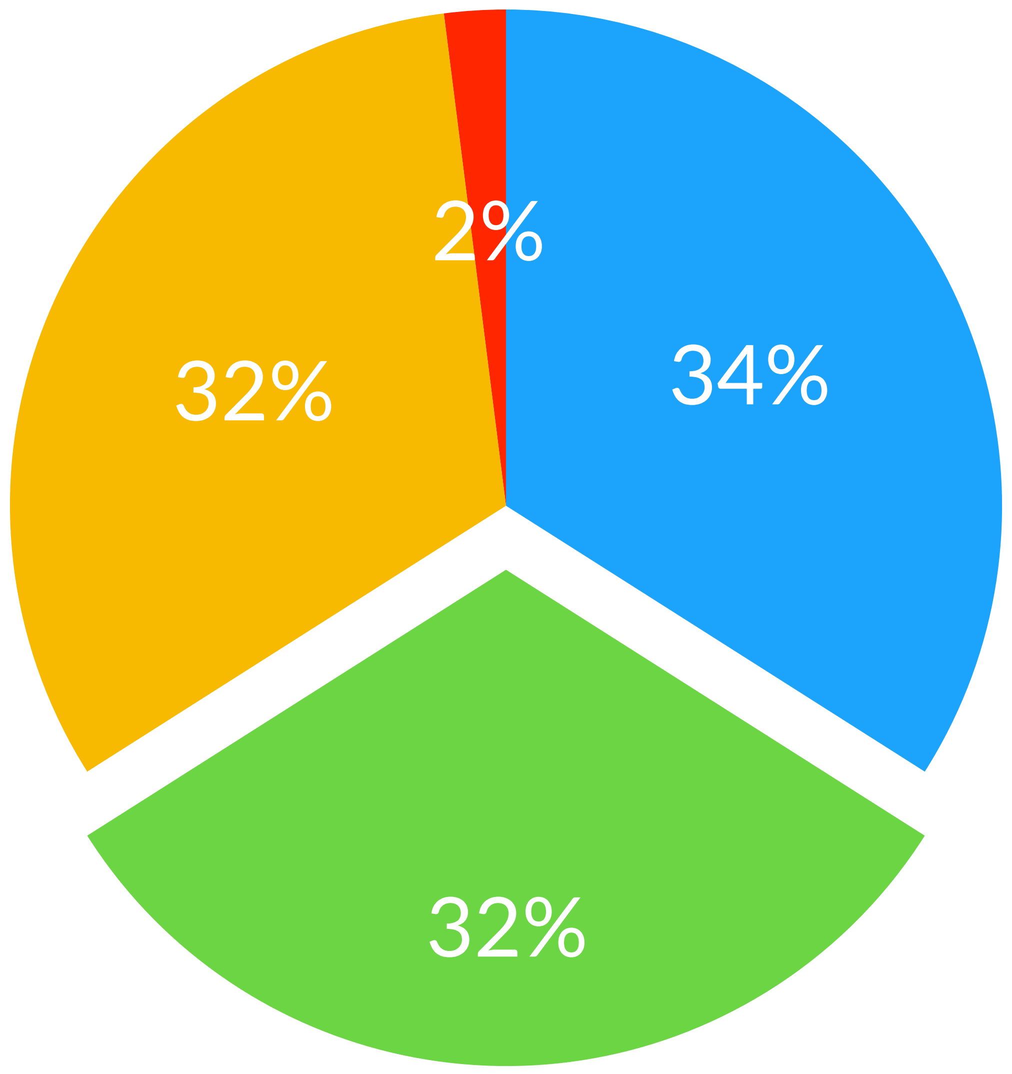
Results

A. One on every story - 32% - CORRECT

B. Seven on every storey - 34%

C. One throughout the premises - 32%

D. None - 2%



Fire safety regulations

You have a responsibility to ensure that your tenants are as protected as possible within your property, and this extends to making sure there are appropriate warning systems in place, as well as fire protection methods should the worst happen.

In order to comply with the Smoke and Carbon Monoxide Alarm (England) Regulations 2015, a single residential home is to have a smoke alarm on each inhabited floor of the property. Scottish landlords have more significant requirements and must provide a series of interlinked alarms, including a smoke alarm in all rooms used for daytime living, a smoke alarm in all hallways and landings, and a heat alarm in the kitchen. It is likely that legislation in England will eventually be amended to reflect this process. Currently, legislation states that alarms must be tested at the start of the tenancy, and thereafter it is the responsibility of the tenant, but regular tests during routine maintenance visits are suggested.

Furthermore, you must make sure that all furniture (including soft furnishings) are fully compliant with the Furniture and Furnishings (Fire Safety) Regulations 1988. They must meet the following criteria:

- Filling materials must meet specified ignition requirements
- Upholstery composites must be cigarette resistant
- Covers must be match resistant
- A permanent label must be fitted to every item of new furniture (with the exception of mattresses and bed-bases)
- A display label must be fitted to every item of new furniture at the point of sale (with the exception of mattresses, bed-bases, pillows, scatter cushions, seat pads, loose covers sold separately from the furniture and stretch covers)
- The first supplier of domestic upholstered furniture in the UK must maintain records for five years to prove compliance

HMOs have more legislation to implement, including the requirement for marked access routes, fire doors, hard wired smoke alarms in bedrooms and communal areas.

Section 21

Q7. How long is a Section 21 valid for once it has been issued?

A section 21 notice is a document served to a tenant with an AST by the landlord (or agent) in England and Wales, giving them advance warning of your intention to regain possession of the property.

The results show that an overwhelming percentage of landlords (86%) understand the correct usage of the notice, however there are still a small percentage (1%) of landlords that believe that the notice is an indefinite opportunity to evict, which is a concern.'

Worryingly, a significant number (12%) believe that the document is valid until possession has been regained, which could lead to them being disappointed should they come up against any lengthy delays during the process.

'It is likely that this small percentage of landlords who do not properly understand the system are at the heart of the issue, and it is understandable that campaign groups are worried about tenant's security if this is the picture that is painted of landlords in the PRS.'

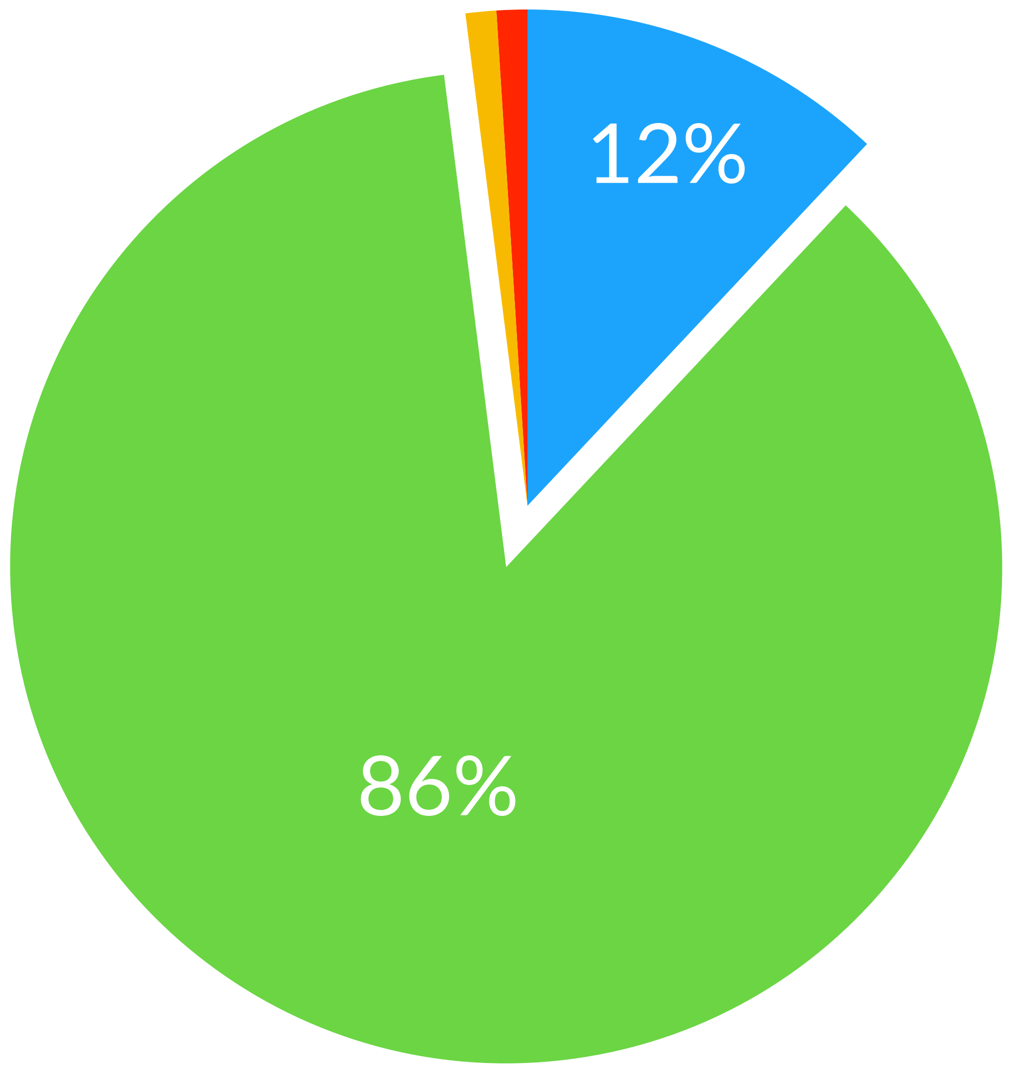
'It is vitally important that as an industry we shake off this image of a 'Rigsby-style landlord', but it is increasingly challenging when a few bad apples paint the picture of the entire landlord community.'

Adam Male - Director of Lettings

Over 85% of landlords fully clued up on S21

Results

A. **Six months from the date of its being served - 86% - CORRECT**
B. Until the process is complete and possession has been regained - 12%
C. Twelve months from the date of it being served - 1%
D. Indefinitely, as long as the tenant has signed a consent form - 1%



Serving a section 21

To serve a section 21 notice in England you must complete Form 6a and in Wales you must use an appropriately drafted notice, a completed copy of which must then be provided to your tenant. The notice cannot be issued until at least four months after the tenancy first starts, giving notice for the tenant to leave at six months. If your tenant pays their rent quarterly, or every six months, they must be given one full rental period of notice.

You can serve the notice by hand, via the post (make sure you get a proof of postage) or via email. If you deliver the document in person, you should take a witness who is willing to sign a document to prove that you did deliver the document to the address, and on what date.

Before you are able to serve a section 21 in England, you must make sure that you have all your landlord legalities in place. You must have completed the following:

- Provided all tenants with a copy of the property's up-to-date EPC, current gas safety certificate and the government issued 'How to rent booklet'
- A registered Gas Safe Engineer has carried out an annual gas safety check on the property, and you have provided your tenants with a copy of the resulting certificate within 28 days of the check.
- You have a minimum of two years' worth of gas safety certificates for the property stored
- The deposit has been properly protected and everyone who has contributed to the deposit has been issued with Prescribed Information.
- If your property or you as a landlord, require a licence you must make sure that all licensing is in place and that your tenant has been issued with a copy of the licence.

Notice periods

Q8 How much notice do you have to give your tenant before you enter the property for a routine check?

The survey has revealed that right of access causes some confusion among landlords, especially with regards to how much notice they have to give a tenant if they wish to request access to the property.

Only 18% of landlords correctly identified that they had to approach their tenant 24 hours' before they wanted to gain access to the property, with the tenant perfectly within their rights to refuse access. There was a close call between 12 hours (38%) and 36 hours (39%), but positively, only 5% of landlords thought there was no need to offer any notice!

'It is a common comment that landlords find it difficult to 'let go' of their properties, even when a tenant is in situ, and find it hard to understand that they no longer have access without the say so of the tenant. However, it is important to remember that the property is no longer 'yours' to access, it is your tenant's home and that takes priority over any other concern.'

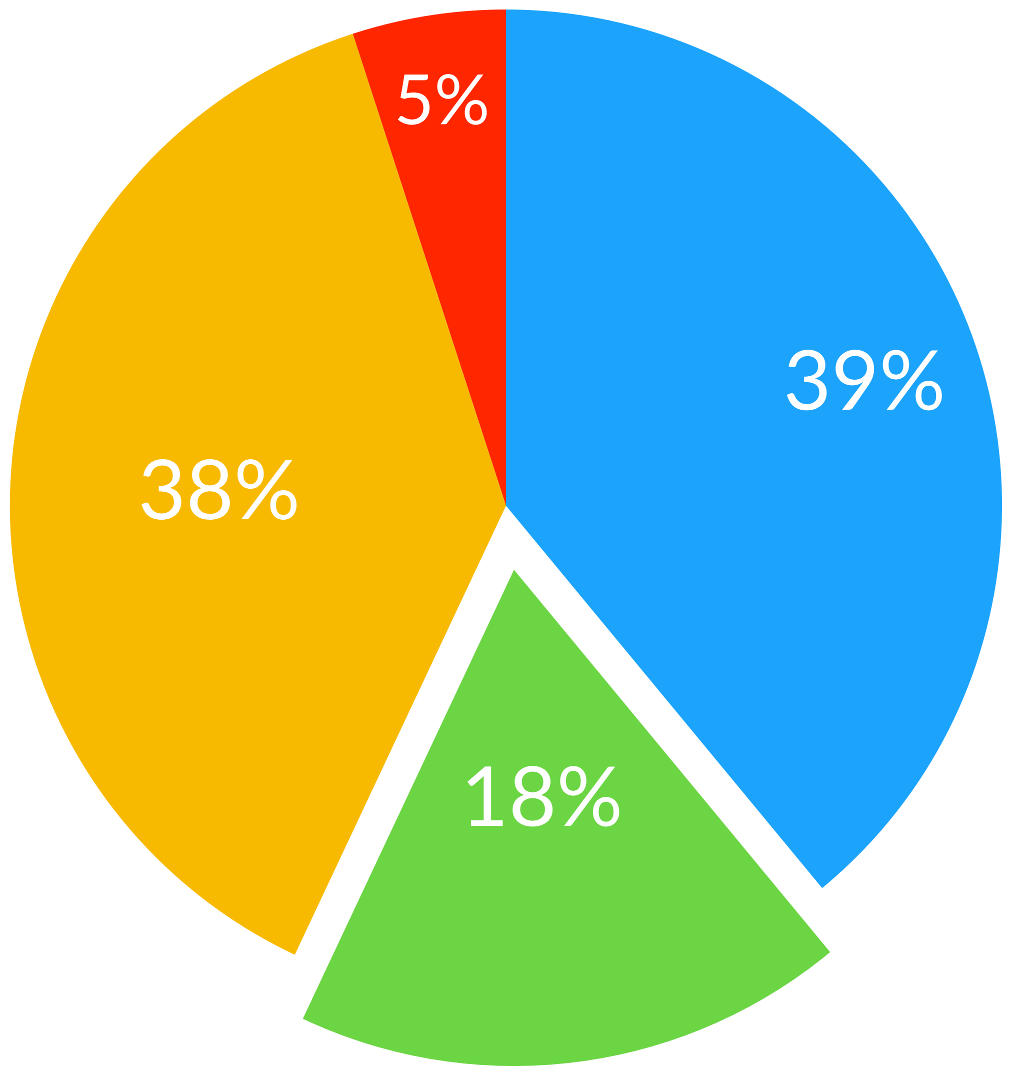
'I wonder how the 5% of landlords who didn't think it was necessary to give any notice would feel if their tenant let themselves into their home unannounced? Unless their home was at risk, or there was danger to life, it is unlikely that they would be too impressed!'

Adam Male - Director of Lettings

Less than 20% of landlords give 24 hours' notice before entering their property

Results

A. 24 hours - 18% - CORRECT
B. 36 hours - 39%
C. 12 hours - 38%
D. No notice - 5%
E. Other - 1%



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Notice periods explained

Under the Housing Act 1988, there are strict rules surrounding a landlord's right to access a tenanted property. You are legally obligated to provide at least 24 hours' notice to your tenant, and the tenant is perfectly within their rights to refuse you access.

When you sign a tenancy agreement, you are agreeing to allow the tenant full possession of the property, and they have right to the full use and enjoyment of the property for the term stipulated in the tenancy agreement. It is entirely at their discretion who they allow entry to during that time – including you.

The only instances in which you are able to enter without your tenant's consent are if there is a genuine emergency, and the life of your tenant/other people in the building or the building/property is at risk if you don't. This could include: a fire, gas or water leak, severe structural damage or a violent/criminal incident.

If you push your tenant to allow access, or enter without their consent, you are at risk of being prosecuted for tenant harassment under the Protection from Eviction Act 1977. Tenant harassment can be difficult to quantify – ranging from visiting the property unannounced, to threats to evict if rent is not paid - but the law states that it is defined as:

- (a) he does acts likely to interfere with the peace or comfort of the residential occupier or members of his household, or
- (b) he persistently withdraws or withholds services reasonably required for the occupation of the premises in question as a residence,
- and (in either case) he knows, or has reasonable cause to believe, that that conduct is likely to cause the residential occupier to give up the occupation of the whole or part of the premises or to refrain from exercising any right or pursuing any remedy in respect of the whole or part of the premises.

Deed of surrender

Q9 In which situation might you use a deed of surrender?

93% of landlords understand the importance of flexibility

According to a recent survey* many tenants choose to rent as they appreciate the degree of flexibility it affords them, allowing them to move quickly and easily should their life change 93% of landlords correctly identified that a Deed of Surrender can be used to simply and quickly free a tenant from a mid-term tenancy agreement.

Unfortunately for the other 7%, it cannot be used for passing over utility bills, chasing rent arrears or removing squatters.

'An astute landlord will recognise that a tenant that doesn't want to be living in a property is unlikely to be happy, and therefore may not necessarily be the best tenant, so utilising the Deed of Surrender to free both tenant and landlord from the tenancy agreement can be a great idea.'

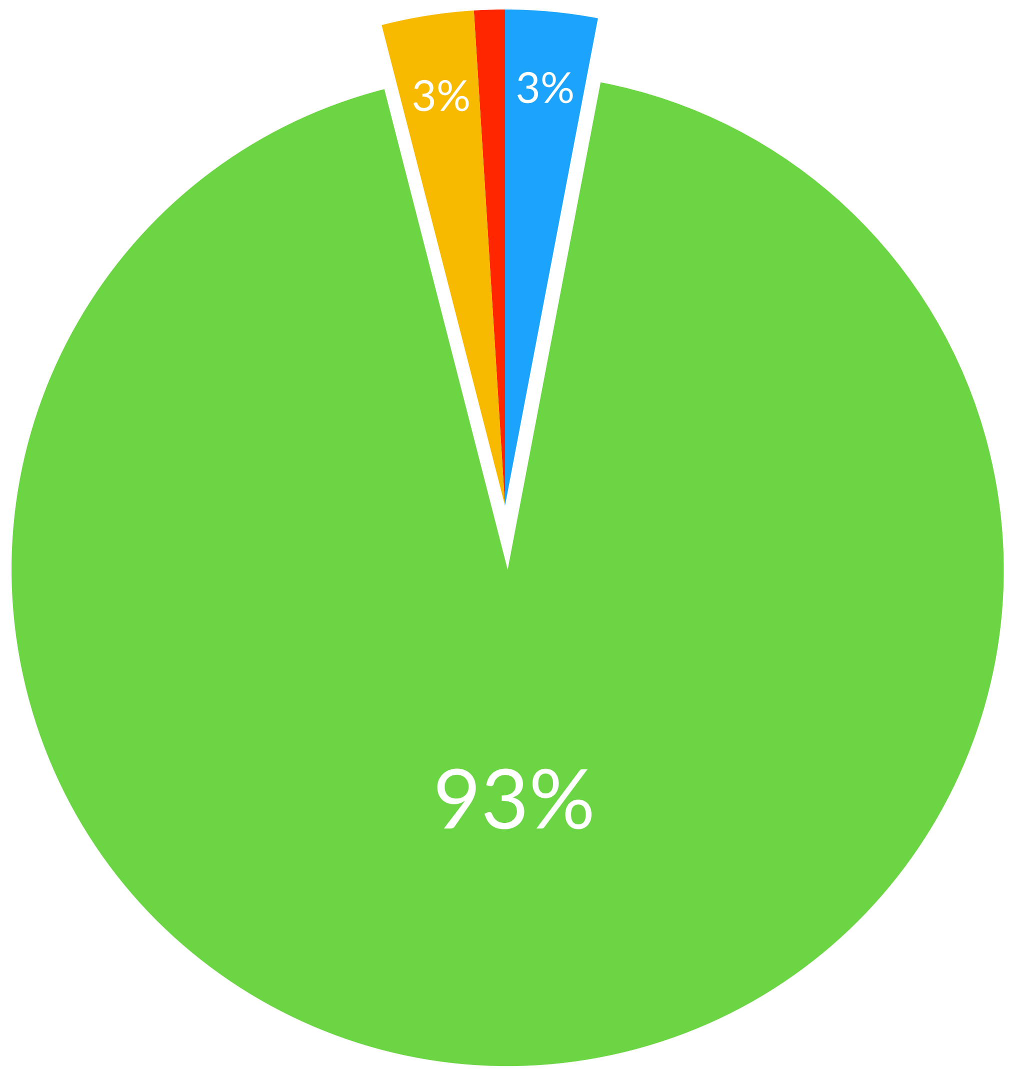
'To see that such a high proportion of landlords understand this helpful option is great news for tenants. It suggests that the industry is responsive to their needs and that landlords are aware of the options available to them that allow them to work with their tenants and let them leave a lease early, should they need.'

Adam Male - Director of Lettings

93% of landlords understand the importance of flexibility

Results

A. **Allowing your tenant to exit a tenancy agreement early - 93% - CORRECT**
B. Removing squatters from your property - 3%
C. Passing over responsibility for utility bills and council tax from one tenant to another - 3%
D. Chasing unpaid rent arrears - 1%



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Deed of surrender explained

A deed of surrender is a useful document used to formally and mutually bring a tenancy to an end, often before the lease is officially completed.

The document is signed by both the tenant and the landlord, and allows the tenant to surrender their legal interest and responsibilities over the property, waiving any legal rights or possession over the property as they do so. Once the landlord signs the document, they agree to accept the tenant's surrender of the property, fully and absolutely. The tenant is no longer liable to pay rent for the property when a deed of surrender has been signed by both parties.

A deed is an important legal document, and the must be signed in the presence of one or more witnesses. It is a good idea to have a witness present on behalf of the landlord, and one there on behalf of the tenant if possible. A witness must be over the age of 18, not under the influence of alcohol or drugs, and have full mental capacity.

Once the document has been signed, it is then expected that the tenant will remove all belongings (if they haven't already) and hand the keys back to the landlord. If they fail to do this, the tenant would be classed as a trespasser on the property, as they have surrendered all legal rights to the property.

Selective Licensing

Q10 If your local authority has a selective licensing scheme in place, which properties will require a licence?

Licensing seems a source of never-ending confusion for landlords at the moment, and with good reason. Many councils are using selective licensing as a tool to ensure that their housing stock is maintained to an appropriate level – great news for everyone in the industry. But as legislation increases it seems that it's easier than ever for a landlord to trip up and breach the terms of their licence.

It is understandable that many respondents thought that the scheme may only impact holiday lets (44%) and HMOs (24%), but with every private residential property in the spotlight, it is an issue that should be on the agenda for more than 17% of landlords.

'Whilst licensing schemes are undoubtably designed to benefit the industry – something we all support - many landlords are left feeling like they drew the short straw, as they work hard to complete paperwork and comply with complicated requirements, simply because they lost the postcode lottery.'

'However, with more and more areas exploring the possibility of selective licensing, it is more important than ever for landlords to be switched on to all of the changes in this area, and the industry as a whole – whether they think they impact them or not.'

Adam Male - Director of Lettings

Over 80% of landlords caught out by selective licensing

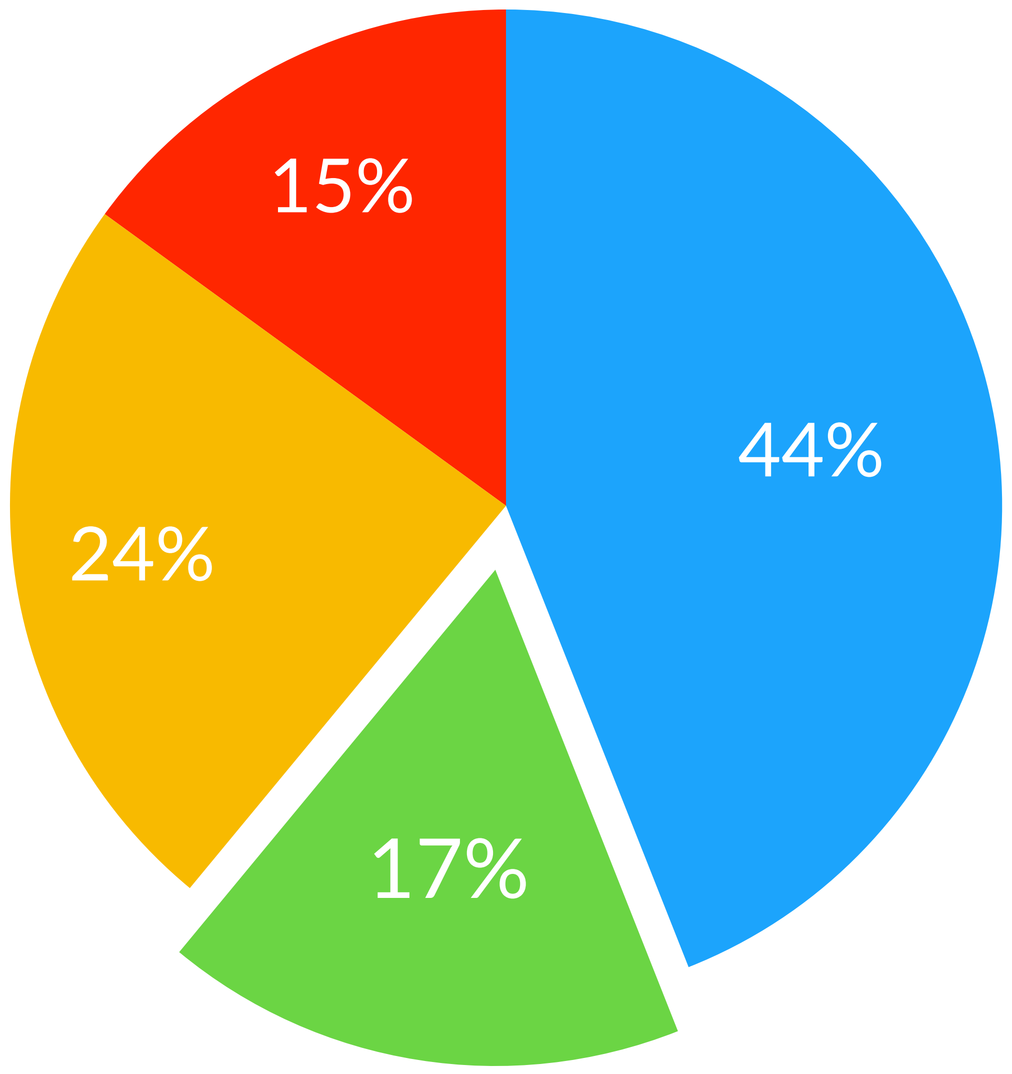
Results

A. **Private residential rental properties that fall within the district that is subject to the licensing schemey - 17% - CORRECT**

B. Holiday lets - 44%

C. Just HMOs within the district that is subject to the licensing scheme - 24%

D. All rental properties that fall within the local authority's boundaries - 15%



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Selective licensing explained

Selective licensing is a type of licensing scheme introduced by some local authorities in areas that they feel are struggling with housing issues, such as homelessness, empty homes and anti-social behaviour. Selective licensing schemes are introduced in a bid to tackle these issues, working on managing poor housing conditions, deprivation in the local area, or crime.

Schemes are introduced to cover a specific geographical area (this may be two streets or a whole postcode area) and all privately rented properties that fall within the scheme's boundary are required to be licensed. Failure to obtain a licence can result in a fine of up to £30,000.

There are some exemptions that do not require a selective licence:

- If a prohibition order is in force on the property
- If the property has business tenancies / a licensed premises / used for agriculture
- If the property is managed/controlled by a local housing authority or public body
- If the building is regulated under other legislation (care homes / hostels)
- If the building is occupied by students and managed by a University or College
- Holiday lets
- If the occupier shares facilities (a toilet, bathroom, kitchen or living space) with the landlord
- In order to secure a selective licence, there are a few boxes that a landlord must tick:
- Undergo a fit and proper person test: this is a check designed to ensure that the landlord is an appropriate person to be managing a rental property
- Must commit to obtaining references for all prospective tenant before letting any property subject that falls within a selective licensing area
- Some local authorities require a plan from the landlord to understand how they look to tackle anti-social behaviour in their property