

# Croydon Landlord forum

The next landlord forum will be held at Jurys Inn, Croydon on **Monday 21st October 2019**. Once speakers and timings have been confirmed, this information will be circulated in a subsequent email and bookings can then be taken.

Presentations for Monday 21<sup>st</sup> October 2019. Commence at 10am, 1pm and 4pm.

1. Nick Gracie-Langrick – welcome.
2. Karen Gregory – NLA – legislative update.
3. Tayo Dawodu - illegal evictions and harassment
4. Nick G-L – selective licensing consultation proposals and proposed changes to current CPRPL conditions
5. Malcolm Bell Healthy Homes
6. Asa Thomas Energy Officer Happy Energy
7. Zulfiqar Mulak – Housing Solutions

## Croydon private rented property licensing (CPRPL) scheme 2020

Croydon's Selective Licensing Scheme still has more than a year left to run but already work is underway to prepare for the submission of an application to the Government to renew the scheme. Before a submission can be made the Council must carry out a consultation exercise. Subject to the considerations of the Council's Cabinet on 21st October 2019, the consultation will run from 11th November 2019 until 17th February 2020. The results of the consultation will be discussed by the Council and where a new scheme is the favoured approach, the intention is to submit an application to the Ministry for Housing, Communities and Local Government for approval. A new scheme would start on or after the 1<sup>st</sup> October 2020.

The Council is also looking to make some small changes to the current conditions [CPRPL 2015] and the way the fees should be paid. This means a Part A and Part B payment should be made instead of a single payment.

## Planning and Article 4 for new HMOs

From January 2020 any new small Houses in Multiple Occupation (HMO) will also be classed as change of use and require planning permission. The Article 4 direction was proposed in January 2019 and gave landlords a year to undertake conversions so these could be completed by that date. Please note that to be considered

completed the physical conversion has to have taken place and the property should be occupied as a small HMO.

More information about the Article 4 Direction can be found here

<https://www.croydon.gov.uk/planningandregeneration/make-application/article-4-directions/small-house-in-multiple-occupation-hmo>

More information about how to make a planning application can be found here

<https://www.croydon.gov.uk/planningandregeneration/make-application>

## Restrictions on tenant fees and large deposits

The Tenant Fees Act 2019 came into force on 1 June 2019. The Act bans landlords and agents from charging many tenants fees and caps the amount of security deposit that can be required to a maximum of five weeks' rent. Holding deposits are capped at no more than one week's rent.

The charging of fees for administration charges, referencing, drafting a tenancy agreement or renewing a tenancy is no longer allowed.

The ban applies to:

- Tenancies (including licenses to occupy) created or renewed after 1 June 2019.
- All other existing tenancies from 1 June 2020.

Some specific payments are permitted which include:

### 1. Rent

- This must be a set amount charged which means that rent cannot be artificially increased for an initial period to off-set the restriction on fees.

### 2. Deposits

- Limited to a maximum of five weeks' rent for tenancies with an annual rent below £50,000.

### 3. Holding Deposits

- Can be required up to a maximum of one week's rent and only one holding deposit can be taken for each property.
- The landlord has 15 days to make a decision once a holding deposit is taken unless another deadline date is agreed in writing.
- If the tenancy does not go ahead then the money must be repaid in full within seven days of the deadline being reached or the landlord backing out.

- If the tenancy goes ahead, the holding deposit must be returned within seven days of agreement, unless it is converted into part payment of the actual deposit or used towards the initial rent payment.
- The holding deposit may be retained if the tenant withdraws from the tenancy agreement themselves, fails the credit reference checks, is disqualified due to their immigration status, has provided false or misleading information, or where the landlord tries their best to get the information needed but the tenant fails to provide it.
- The tenant must be notified of the withholding of the deposit within 7 days of that decision or the deposit must be refunded.

#### 4. Charges for:

- Loss of keys (cost must be evidenced)
- Interest on late (more than 14 days) payment of rent (up to 3% above the Bank of England base rate)
- Tenant's request to vary or assign the tenancy (up to £50)
- Tenant's request to terminate the tenancy (reasonable costs incurred)
- Third party payments (requirements to pay for council tax, utilities, TV licence or other communication services)

#### Penalties

If a prohibited payment is requested and paid by a tenant:

It must be returned to the tenant

No section 21 notice can be issued until it is returned (in cases involving assured shorthold tenancies)

A fine of up to £5,000 for a first offence and up to £30,000 for subsequent breaches can be imposed by trading standards

A list of the fees that tenants are required to pay must be prominently displayed at each of the premises at which the landlord and agent deals face-to-face with potential tenants. The list of fees must also be shown on the landlord's and agents own website and on any third party portal used by the landlord and agent (a link to the landlord's and agents own website is permitted).

Please note that this information is only a brief summary of the new legislation.

Further guidance for landlords and agents can be found at

<https://www.gov.uk/government/collections/tenant-fees-act>