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Making a mark on Stamp Duty

Some landlords may be forgiven for thinking April Fool's Day is more than appropriate for the introduction of the new 3% Stamp Duty surcharge on the purchase of additional residential properties.

However, the new 'landlord tax' – due to come into force on April 1 of this year – is no laughing matter for many in the private rented sector.

The Government announced the additional 3% levy on individuals buying second or holiday homes, or buy-to-let properties, in its 2015 Autumn Statement; it says proceeds will be used to help those struggling to buy their first home.

To its credit, the Government has invited comments from the industry with its consultation document 'Higher Rates of Stamp Duty Land Tax' in January. It is due to unveil final details of the new duty in its March Budget.

The consultation paper included more information about the proposals, which we may see become part of the final scheme.

They include a provision that if contracts were exchanged on or before November 25 – the date of the announcement of the proposal in the Autumn Statement – but not completed until after April 1 the higher rates will not apply.

However, the rates will apply if contracts were exchanged on or after November 25 and are not completed until on or after April 1.

The consultation proposes that married couples or civil partners be considered as a unit, whereas unmarried couples can potentially avoid the tax hike by buying a property under each of their names.

There are already exemptions for those landlords already owning more than 15 properties through a company. The consultation is considering this, although any closure of this loophole would be unwelcome in many quarters.

Some mortgage lenders, conveyancers and surveyors have already reported an increase in applications to beat the April 1 deadline.

However, some experienced investor landlords are sitting back to wait to see how the market unfolds after April 1 before considering any transactions.

For non-professional landlords, it can be a minefield. At Chinneck Shaw, we will be keeping track of the proposed Stamp Duty changes as well as other industry developments – such as mortgage interest relief – to ensure our clients and their tenants receive the best possible service.

We're happy to discuss the Stamp Duty proposals and their potential impact with anyone with concerns. Call into one of our offices or call us on 02392 826731.

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Chinneck Shaw Q&A

about Right to Rent

New rules requiring landlords and letting agents to check the immigration status of prospective tenants came into force on February 1. Here we look at some of the key points of this so-called 'Right to Rent' legislation.

What is Right to Rent? This so-called Right to Rent legislation is part of the Immigration Act 2014. It requires all private landlords to check that new tenants have the right to be in the UK and rent out property.

When did it come into force? February 1, 2016. It applies to all types of tenancies created on or after this date. The legislation does not apply to existing tenancies or those created before 1 February 2016 although this could change in the future.

Who has a right to rent and who doesn't? People with the right to live (and rent) in the country are British Citizens, European Economic Area (EEA) or Swiss nationals or adults who have obtained the right to rent in the UK.

Who does it affect? Landlords, letting agents and all private landlords, including those who sub-let or rent out rooms; crucially, this is whether there is a written contract or not. All tenants aged 18 and over living in a property, whether they are named in the tenancy agreement or not.

What are the main requirements? A landlord or letting agent acting on behalf of a landlord must make checks before renting out a property. This involves seeing original documentation proving a tenant's right to reside in the country. These must be checked in the tenant's presence and copies made with a note of the date of the check. They must be retained for the duration of the tenancy and for one year thereafter.

What are these documents? The documentation must be on approved lists provided by the Home Office.

There are two main categories:



- 1) Such documents as passports, birth certificates, permanent residency cards and immigration documents issued by the Home Office.
- 2) Other documents which limit the time a person can stay in the UK. These include a passport endorsed with permission for the holder to stay for a set period and time-limited documents from the Home Office.

How often do I have to make these checks?

If a tenant has a limited period of residence, it is the landlord's responsibility to carry out continuing checks so ensure they do not overstay.

Do British citizens need to be checked as well? Landlords are advised to do so as part of their letting procedures.

What are the consequences of non-compliance? Fines of up to £3,000 per person living illegally in a property, not just the official tenant.

What if a tenant claims to have an ongoing immigration application with the Home Office? In this situation the landlord must seek verification of a right to rent from the Home Office's Landlords Checking Service using an online form. The Service says it will respond within two working days.

Chinneck Shaw carry out all the necessary right to rent checks within our standard management fee.

Newsletter mailing list

If you would like to be added to our newsletter mailing list, please provide us with your name and address, and we will make sure that we send you a copy of The Letter each quarter.

A warm welcome to baby Hallie

Congratulations to our property management administrator Shelley Morris-Green and her partner Tom on the birth of baby Hallie.

Hallie made it a new year's eve to remember for the couple when she arrived just in time to see out 2015 and welcome in 2016.

Newborn Hallie weighed 7lbs exactly and is Shelley and Tom's first child.

Hallie is a real bundle of joy and we were delighted when Shelley brought her into the office to meet her 'Chinneck Shaw' family in January; we gave them both a very warm welcome.

Shelley is now on a well-deserved maternity leave so please don't hesitate to contact our Bridge office if you previously would have called Shelley and any member of staff will be happy to help.

Shelley has been with us for more than seven years and is a valued and popular member of the team.

Congratulations from all at
Chinneck Shaw!



Money Protection scheme – Show me the money!

Moves to include Client Money Protection (CMP) insurance in the Housing and Planning Bill have been withdrawn.

A coalition of 27 organisations had backed an amendment submitted to Parliament by the Association of Residential Letting Agents (ARLA).

It would have made it illegal for letting agents to accept money unless they had CMP. The idea was to protect all parties and provide reassurance that any losses could be recovered through the scheme.

ARLA says that lettings agents hold some £2.7bn in client funds. Many in the sector believe letting agents should be subject to similar regulation to estate agents, who handle little or no cash.

In opposing the clause, the Housing Minister Brandon Lewis cited a desire not to tie the sector up in excessive red tape even though there has been strong industry support for this measure.

However, he has promised to revisit the issue in May...so we will wait to see how this unfolds.

RICS fund a Client's Money Protection Scheme. This is a free service provided by RICS to clients of firms that are regulated by RICS.

Clients who entrust money to firms regulated by RICS are protected in the unlikely event that money is mishandled.

For your peace of mind, Chinneck Shaw subscribe to a Client Money Protection scheme which is run and funded by RICS.

Meet the staff

- Welcome to a newly launched feature for The Letter: Meet the Staff!

Our experienced and highly professional property manager Glynis Wheeler is the latest member of the Chinneck Shaw team to come under the spotlight in our Meet the Staff profile.

Name: Glynis Wheeler.

Position: Property Manager. I have been in the industry for over 20 years, having initially started work with Hall Pain & Foster back in 1992 as a payroll clerk. I have ARLA 1 & 2 qualifications.

Responsibilities: Advertising and marketing of rental properties; valuations; dealing with repair and maintenance issues; property inspections; organising refurbishments.

Length of time with Chinneck Shaw: Three years.

What you love about your job: No day is the same and I love dealing with people.

Family: Married with two grown up children.

Hobbies and interests: I have foreign students staying during summer months, something that I have been doing for a number of years and really enjoy. I also have two small dogs which take up a lot of my time.

Favourite Book: Before I go to Sleep | Favourite film: Top Gun | Favourite TV show: Gogglebox | Favourite song: Harry Nilsson – Without You | Favourite place: Eastney Beach | Favourite meal: Chilli con Carne

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Switching on to energy efficiency compliance

New dates have been announced for the roll-out of energy efficiency compliance in the private rented sector.

Many landlords are already aware of the requirement from April 2018 for new lets and renewals to have a minimum rating of an E on an Energy Performance Certificate (EPC).

Other important dates to note are:

- April 2020: the minimum E requirement will apply to all existing tenancies as well as new lets and renewals.
- April 2025: Minimum D rating
- April 2030: Minimum C rating

There will be penalties of up to £4,000 for breaches of the new standards although exemptions will apply in some cases.

The Residential Landlords Association (RLA) has already raised concerns with the Government about the accuracy of about 100,000 properties with an F or G rating. It says that all EPCs must be correct before any laws take force.

At Chinneck Shaw, we believe any measures to help landlords and tenants, and strengthen the wider private rented sector, are to be welcomed. However, landlords must be given every help by the Government as these phased changes are introduced.

Landlords will have to consider their approach to meet the new legislation; whether to make improvements in increments or whether it is worth carrying out renovations now to meet the higher C standard which is 14 years away.

EPCs are rated from A (top) to G (bottom). We can carry out EP surveys and provide certificates for £60 plus VAT.

Call 02392 82 6731 or email info@chinneckshaw.co.uk

- A new survey shows that four fifths of tenants want double-glazing in their property, according to Letting Agent Today. It says that the some 500 tenants were questioned in the study for an online agency. A fifth also thought that central heating should be installed too.



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