

Residential letting changes ahead

The Housing and Planning Act 2016 (HPA) introduces changes to the residential letting market, so if you are a Landlord or Tenant of a property you need to make sure you are aware of the changes that are either now in place or coming into place at some time in 2017. Some of the changes are set out below:

Mandatory and Additional Licensing

Mandatory licensing of Houses in Multiple Occupation (HMO) is not new. Such licensing is required for houses that are of three or more storeys and occupied by five or more people who do not form a single household. As a Landlord, you will no doubt be familiar with these regulations, but that is being extended by the HPA to enable Local Housing Authorities (LHA) to extend the licensing regime to HMO's outside the scope of the mandatory licensing scheme.

Selective Licensing

It is not just HMO's that may need to be licenced. Non-HMO's licencing regime has gradually been on the increase. If you are a Landlord, you will need to check with your LHA to establish if your property will be subject to the licensing requirements.

Additional tests for licences of HMO's and some rented accommodation

The fitness test has been amended by the HPA for people letting property under HMO's and those properties subject to selective licensing. The additional tests include checks on the applicant's right to remain in the UK and whether they are insolvent or bankrupt.

Rent Repayment Orders (RRO)

RRO's were introduced under the Housing Act 2004, enabling tenants and LHA to seek to reclaim rent or housing benefit paid under a tenancy if a landlord had breached the licensing requirements. The new HPA will extend the rights to seek a RRO against new offences other than licensing breaches, which includes offences of violent re-entry, unlawful eviction or harassment, breach of an improvement notice and for breach of a prohibition order. The strict time limits for applying for a RRO still apply, such applications having to be made within 12 months of an offence being committed.

Banning Orders

Introduced by the HPA Banning Orders are intended to deal with the rogue landlords and agents who have been convicted of serious offences. Under the HPA, a LHA can apply to the First-tier Tribunal (FTT) for a Banning Order and these orders must last for at least 12 months. Such a breach is punishable by imprisonment or a fine of up to £30,000. Breach of a Banning Order can also result in a Rent Repayment Order being made against the landlord.

Tenancy Deposit information

Under the new HPA, LHA's will be allowed access to the information held in the tenancy deposit scheme. Such access to "specified information", as defined by the HPA, will enable LHA's to establish, for example, where multiple deposits are registered in relation to a single dwelling, but the landlord does not hold a HMO licence.

Although the HPA applies in England and Wales, some of the changes will only relate to properties in England.

If you would like more information on the above or any related matter, please contact a member of Rooks Rider Solicitors' Dispute Resolution team.



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