

BATTEN DOWN THE HATCHES

First of all, YPN subscribers, I would like to say a massive thank you to you all. I have been inundated with messages from people who read my last article. Some of you have confessed that you are facing the same issue and challenges with your local council, and that my article gave you the strength to start fighting back. I have tried to help as many as possible, and my advice to you is: **DO NOT GIVE UP THE FIGHT.**

The sad fact is, I don't think that we landlords are EVER going to be the flavour of the month. Let's face it ... we are perceived as fat cats that charge money for living accommodation. The truer picture however, I believe, is – apart from a few blatant exceptions that mar the majority – quite the opposite. We are never praised for helping the government to provide so many roofs for so many families, or helping to provide a solution for the housing crisis.

Without us, the government would never be able to help the ever-growing population of Great Britain.

Instead, we are criticised, penalised and made to look like landlords who simply see properties as a statistic or a figure on a balance sheet.

IT'S GETTING TOUGHER

The reason I am writing about this subject this month is because not only do I feel strongly about the unfairness, but I believe that life as a landlord is about to become even harder, with penalties coming in that can potentially threaten our livelihoods. In April 2017, the government announced their intention to introduce new civil penalty notices for certain housing offences, which is likely to come as a surprise for many landlords and letting agents.

After all, compliance risks are huge – a civil penalty of up to £30,000 could be enough to drive many landlords and agents out of business.

According to The Housing & Planning Act 2016 document produced by The Department for Communities and Local Government, a range of measures has been introduced to crack down on rogue landlords.

The following will be implemented in 2017:

- **Civil penalties of up to £30,000 as an alternative to prosecution for certain specified offences (in force from 6th April 2017);**
- **Extension of rent repayment orders to cover illegal eviction, breach of a banning order and certain other specified offences (in force from 6th April 2017);**
- **Database of rogue landlords and property agents convicted of certain offences (scheduled to come into force on 1st October 2017);**
- **Banning orders for the most serious and prolific offenders (scheduled to come into force on 1st October 2017).**

Please see table on the opposite page, outlining the kinds of penalties that can pretty much be instantly issued.

When civil penalties were introduced through the Housing and Planning Act 2016, Ministers made very clear that they expected this power to be used robustly as a way of clamping down on rogue landlords.



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In the House of Commons, Marcus Jones MP (Parliamentary Under Secretary of State at the Department for Communities and Local Government) stated:

“[It is necessary to] clamp down on rogue landlords, so the civil penalty [has been increased] up to a maximum of £30,000.

“It is important [to] raise the level of civil penalty to £30,000, because a smaller fine may not be significant enough for landlords who flout the law to think seriously about their behaviour and provide good quality, private sector rented accommodation for their tenants.”

Download the whole document here:
<http://bit.ly/PENALTIES>

Following on from last month's article, admittedly I am a little worried for the future of being a landlord. It can no longer be a matter of 'Let and Forget' as it has been referred to in the past and elsewhere.

We must:

- **Be more hands on and more diligent**
- **Respond faster to maintenance**
- **Log absolutely every call, and log all maintenance issues and the actions taken**

Failure to comply with an Improvement Notice (section 30)	£
1st offence (note 1)	5000
2nd subsequent offence by same person/company (note 2)	15000
Subsequent offences by same person/company (note 7)	25000
PREMIUMS (USE ALL THAT APPLY)	
Acts or omissions demonstrating high culpability (note 8)	2500
Large housing portfolio (10+ units of accommodation)(note 3)	2500
Multiple Category 1 or high Category 2 Hazards (note 4)	2500
Vulnerable occupant and/or significant harm occurred as result of housing conditions (note 5)	2500

Offences in relation to licensing of HMOs (note 1) under Part 2 of the Act (Section 72)	£
Failure to obtain property License (Section 72 (1))(note 1)	10000
2nd subsequent offence by same person/company (note 2)	30000
Breach of Licence conditions (Section 72(2) and (3)) - Per licence breach	5000

Offences in relation to licensing of HMOs under Part 3 of the Act (Section 95)	£
Failure to License (section 95(1))(note 1)	10000
2nd subsequent offence by same person/company (note 2)	30000
Breach of Licence conditions (Section 95(2)) - Per licence breach	5000

Offences of contravention of an overcrowding notice (Section 139)	£
1st relevant offences (note 1)	5000
2nd subsequent offence by same person/company (note 2)	15000
PREMIUMS (USE ALL THAT APPLY)	
Acts or omissions demonstrating high culpability (note 8)	2500
Vulnerable occupant and/or significant harm occurred as a result of overcrowding (note 3)	2500

Failure to comply with management regulations in respect of HMOs (Section 234)	£
1st relevant offences (note 1) 1000/offence	1000
2nd subsequent offences by same person/company for the same offence 3000/offence	3000
PREMIUMS (USE ALL THAT APPLY)	
Acts or omissions demonstrating high culpability (note 9)	2500
Large housing portfolio (10+ units of accommodation) (note 3)	2500
Vulnerable occupant and/or significant harm occurred as a result of housing	2500

If nothing else, I hope you have found this article of some use. I am always willing to help as and where required, and if you have any specific questions, please feel free to email me directly: arsh@arshellahi.com

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Arsh Ellahi is the author of "Boom, Bust and Back Again: A Property Investor's Survival Guide"

