



BRINGING OUR NEW EBOOK ON

LETTINGS REGULATORY CHANGES IN 2020

We will help landlords and agents
keep compliant

ASSESSMENT HIVE

We pride ourselves with building strong relationships with anyone
involved in the property industry



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Regulatory Changes in 2020

Much has happened this year with the Coronavirus causing damage to the health and economy of the UK. It appears that as we enter a new decade, uncertainty seems to be the only certainty.

To succeed in the new 20s, landlords and agents must stay on top of any regulatory requirements governing their property management approach. This eBook aims to assist landlords and agents with the key regulatory updates in 2020.

JANUARY

Anti-Money Laundering Regulations Comes into Effect (EU Fifth Money Laundering Directive)

MARCH

England: Homes (Fitness for Human Habitation) Act 2018 Extends to More Tenancies

APRIL

Domestic Minimum Energy Efficiency Standard (MEES) Regulations Grace Period Ends in England and Wales

Capital Gains Tax Relief

JUNE

The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 (subject to parliamentary approval)

Tenant Fees Act 2018 Transition Period Ends



JANUARY

Anti-Money Laundering Regulations Comes into Effect (EU Fifth Money Laundering Directive)

Although the UK is leaving the EU within the coming months, the implementation of the directive is very much set in stone. The Directive came into effect on 10 January 2020 so therefore landlords and agents are expected to comply.

The new regulation will expand the anti-money laundering duty to residential and commercial letting agents. It is highly likely that letting agents will already understand the mechanics if they have a sales department.

Letting agents who deal in a rental property with a monthly rent of 10,000 euros or above will be required to carry out customer due diligence checks amongst other anti-money laundering requirements.

"If the rent is 10,000 euros or more, you are required to carry out customer due diligence"



MARCH

Homes (Fitness for Human Habitation) Act 2018 Extends to More Tenancies

The MEES regulations set a minimum energy efficiency level for private rented properties in England and Wales. The regulations came into effect in April 2018 with a grace period of two years for tenancies which had started before 1 April 2018.

All rented properties must meet the MEES, which is currently a rating of "E" on a valid Energy Performance Certificate (EPC) no later than 1 April 2020. This means all landlords and agents must check their current EPCs to ensure they are compliant.

Failure to comply can result in steep fines (up to £2,000 at the first compliance notice and up to £5,000 if the property continues to be rented for over three months).

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APRIL

Domestic Minimum Energy Efficiency Standard (MEES) Regulations Grace Period Ends

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"It is better for the environment and cost effective for the tenant if the works are carried out"



APRIL

Capital Gains Tax Relief

If any profits are made through the sale of a property that is not the seller's principal home is liable for Capital Gains Tax (CGT). Current law allows owners the ability to seek a tax break in the form of lettings relief if at some point, they lived in the property.

From April 2020, landlords are only able to claim lettings relief if they actively share the property with their tenant. In addition, landlords will be liable for the full amount of CGT owed on a sale within 30 days.

This is a considerably shorter period than the existing 'next tax year' leaving landlords with a significant cash burden.

"Landlords are no longer able to claim the CGT lettings relief from April 2020"



JUNE

The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020

This regulation will require an Electrical Installation Condition Report to be carried out by a qualified person every five years.

Landlords and agents must obtain a report of the results and supply it to new tenants before they move in or within 28 days if they ask for a copy. All landlords and agents must stay on top of this as the regulations will directly affect new tenancies starting from 1 July 2020, and existing tenancies from 1 April 2021.

Note that many types of tenancies will be excluded from the new regulations (such as student accommodation, social housing), but ASTs (assured shorthold tenancies) of are almost certainly going to be included.

“All properties on an AST must have an up to date EICR carried out by a qualified electrician”



JUNE

Tenant Fees Act 2018 Transition Period Ends

The Tenant Fees Act 2018 came into effect on 1 June 2019. A grace period of one year was put in place allowing a smooth transition of one year to comply with the rules.

This is coming to an end on 1 June 2020, meaning the Tenant Fee Ban will become binding on all tenancies. While periodic tenancies do not need to have their deposit amount adjusted, deposits for new fixed-term tenancies should be capped as set out by the Act.

This is capped at five weeks' rent where the annual rent is less than £50,000 and six weeks' rent where the annual rent is £50,000 or more.

"The Tenant Fee ban will come into full force on 1 June 2020 and all agents must comply"



The Problem

As a property professional, there are a lot of different things that you need to stay on top of to meet your legal requirements. With all the certificates, assessments and much more to remember, renting a property is a big job.

Furthermore, with the legal implications of property paperwork, such as EPC ratings and with the constantly changing, you cannot afford to take your eye off the ball.

The Solution

Having one supplier to manage all of these aspects for you can make your life much easier. The convenience of relying on a company like Assessment Hive to keep up with these needs is invaluable to a busy property professional. We can save you money too – as we offer tempting discounts for multiple orders.

“Having one supplier like Assessment Hive, can save you time, money and hassle”



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