

## TIMES THEY ARE A'CHANGING

No doubt about it, online shopping is becoming the norm. We can pay for goods and services via contactless card, Elon Musk has launched his Tesla into space, Amazon is investing in agriculture, and in China the cashless society has already arrived with over \$1.85 trillion paid out via smart phones last year.

Like it or not, we have to get used to new ways of doing things. Adapting to change and embracing new technology is the way forward, but some things don't change. Basic needs for shelter and accommodation remain key to human existence, and the poor will always be with us. The demand for good homes to rent at a reasonable cost is steady, and the number of tenants relying on benefits of one sort or another does not appear to be dropping, despite reports of higher levels of employment in the UK.

Landlord licensing is expanding in many areas, and Burnley was more or less the market leader, having launched their scheme in 2008. Bolton has an accredited landlord scheme landlords can join for free providing they can certify that their properties and management meet a minimum standard. So councils and local authorities are encouraging landlords to provide good housing standards and treat their tenants fairly. Standards have definitely improved and there is much less talk or evidence of draconian landlords extorting vulnerable tenants. These days, it is more likely to be tenants in the news for rent arrears, damage to property or carrying out illegal activities. However, our aim is to have good landlords, good tenants and good properties, and satisfaction from all parties on each side.

Rental income is a very useful source of revenue in any financial strategy. While you are employed it can



supplement your wages or be reinvested to increase your portfolio or reduce your mortgage commitments. Stock market fluctuations can be frightening, and decisions about the best time to buy and sell stocks and shares if you manage your investments can be entertaining at first, but often become a worrying burden. Most investors end up with unit trusts and leave it to the fund managers to hopefully make some profits.

There is something very reassuring about owning property. It is solidly there, a real entity with real people living in it and regular payments on a monthly basis. It does not have to cost a fortune, and the returns can easily exceed many other investment vehicles, especially simple interest from money in the bank. In later life a rental income of just a few hundred pounds a month can make the difference between "coping" and "comfortable" living in retirement years.

There are opportunities for new investors looking to start a portfolio with suitable properties available from around £39990, and for seasoned landlords looking to consolidate their portfolios there are starter buyers about who would be interested in basic terraced 2 bed units. So now is a good time to move up to bigger and better properties where there is a greater demand and less turnover of tenants. In Bolton, we have more potential tenants looking to rent than properties available, so although Bolton properties tend to be more expensive than Burnley ones, that is an area well worth exploring. Burnley, and the surrounding towns, has long been a favourite with buy to let landlords for good reason. Prices are very reasonable and there is a steady demand for decent rental accommodation.

# WHAT IS THE GDPR?

The European Parliament's new GDPR rules of 25th May 2018 that require businesses to protect the personal data and privacy of EU citizens for transactions that occur within EU member states. The GDPR also regulates the exportation of personal data outside the EU.

The provisions are consistent across all 28 EU member states, which means that companies have just one standard to meet within the EU. However, that standard is quite high and requires most companies to make a large investment to meet and to administer.

## WHAT TYPES OF PRIVACY DATA DOES THE GDPR PROTECT?



- Basic identity information such as name, address and ID numbers
- Web data such as location, IP address, cookie data and RFID tags
- Health and genetic data
- Biometric data
- Racial or ethnic data
- Political opinions
- Sexual orientation

Landlords, agents and reference agencies will be involved in collecting at least some of this sensitive personal data. Details of ethnic origin, financial data, personal references, payment histories, credit scores, bank accounts, National Insurance numbers, passports and drivers' licenses, personal photos, telephone numbers, debt records (CCJs) and sensitive information on a range of medical, welfare or social service issues and possibly even criminal records will almost certainly be involved if tenants are being checked out properly.

### Is it legal to hold this data?

Yes, it is not illegal per se to hold this data, so long as it is legitimately required for the purpose and it is dealt with in a proper and lawful way.

However, in the following instances are examples where it would be unlawful:

- Posting data on public forums, blogs, Facebook etc. about an individual
- Refusing to give it to those lawfully entitled to it, e.g. Local Authorities\*
- Losing it through leaving laptops in taxis or being hacked (where prevention was possible)

### Obtaining Data on Individuals

Sections 29 35(2) of the DPA allow others to apply for personal information on an individual in some circumstances. For example, a landlord may request

personal information about a subject from a Local Authority. If you are asked for personal information in this way about a tenant you should seek legal advice before supplying it.

Section 29 allows for the disclosure of personal data if this disclosure is necessary for:

- the prevention of crime
- the apprehension or prosecution of offenders
- the assessment or collection of any tax or duty or similar

Section 35(2) allows for the disclosure of personal data if that disclosure is:

- necessary for the purpose of or in connection with any legal proceedings of any nature (including prospective legal proceedings)
- necessary for the purpose of obtaining legal advice
- necessary in order to establish, exercise or defend any legal right.

### Landlords and Data Protection

There are a lot of myths and misconceptions about data protection.

For example, landlords are entitled to be shown references obtained on their behalf by agents, though the tenant must have agreed to this sharing of data with relevant persons when they signed the tenancy application form (electronic signatures are now legal). You can retain data when asked to delete it if you have a lawful reason for keeping it. For example, landlords are entitled to keep data about tenancies for up to six years in case they are sued and therefore tenants cannot destroy a landlord's defence to a claim by requiring that their defence data be deleted.

All landlords will be covered by the Data Protection rules both under DPA and GDPR.

There are massively increased fines for non-compliance which can be up to the greater of 4% of turnover or 20 million Euros, obviously the latter for very large organisations, but well worth taking seriously.

The main effect of these new rules is that if you keep information it needs to be used only for the specific purpose it was provided by the individual. So if you obtain information about someone because they are a tenant this does not mean you can send them mailings trying to sell them something. It also means you cannot pass any of this information on to a third party without their permission. This includes contractors trying to gain access to do repairs, friends or relatives asking any questions or indeed other landlords asking about tenants.

The most immediate way this will affect most of us is in the use of mailing lists. Businesses can no longer sell

their client information on to marketing companies, and need to obtain permission from anyone on a mailing list before sending out any marketing material. If you receive marketing calls, emails or post you can be asked to be removed from the list and the company sending it is legally obliged to delete your details from the list.

### Preparing for GDPR

- You need to make sure that you are not retaining information inappropriately and have a proper privacy notice.
- You need to ensure, if your data is held in more than one place, where deletion is appropriate, ALL the records are deleted wherever they are held.
- You need to ensure that your data is secure, backed-up and back-ups are also secure. Offices need to be secure. Filing cabinets holding sensitive information need to be locked, workstations and phones need to be protected by passwords. Memory sticks with sensitive information need to be locked away. Wi-Fi for use of visitors must be separate from Wi-Fi used by staff.

## OTHER CHANGES EFFECTING LANDLORDS

**Mortgage rates are going up.** Already a number of mortgage suppliers have put up rates by about half a percent, but this is just the start. Having said that, interest rates are still very low over a 20 year period. There are a few fixed rate mortgages available at the moment, and now might be the time to review your finance options to lock into a rate that you know will continue to give you an income from your investment in the longer term.



**NALS – the lettings professional scheme of which we are members – has helped influence the delay in bringing in the proposed ban on charging tenants fees.**

Sajid Javid's newly renamed Ministry of Housing, Communities & Local Government (MHCLG) reveals the ban is some way off.

The Ministry of Housing, Communities & Local Government (MHCLG) does not expect the letting fees ban to come into force until spring 2019, it has confirmed.

MPs were told at the hearing by experts from Shelter and the University of York's Centre for Housing Policy that a letting fees ban could easily lead to higher rents as banned fees were added by landlords to the rent over the length of each tenancy, and also reduce the quality of rented accommodation as landlords tightened their purse strings.

"We're pleased to see more clarity on the timetable for implementation of the ban – it's much needed for our industry and something NALS has long called for," says Isobel Thomson, CEO of NALS (pictured, left).



"While the Bill aims to create a fairer and safer PRS for all, NALS doesn't believe this will deliver what the government aspires to and risks doing real damage to the PRS.

"NALS urges [the] government to use this time to fully assess the impact of the Bill. It is crucial that government look again at the proposals and consider tenant fees in a broader, coherent framework of regulation for the PRS."

## LANDLORDS FINED A TOTAL OF ALMOST £30,000 FOR FAILING TO MEET LICENSING RULES

Two private landlords in Burnley have been fined a total of more than £27,000 under enforcement powers introduced in the borough to help tackle "rogue" property owners and improve conditions for renters.

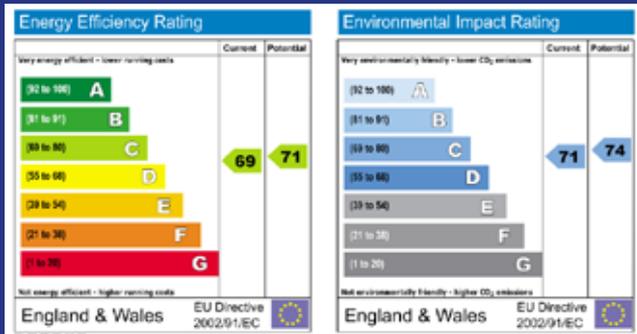
National Government legislation, which includes the use of civil penalty notices of up to £30,000 as an alternative to prosecution for first time offences, became council policy last year.

A report to the next meeting of the full council says the authority's housing team has served three notices to landlords for failing to licence their properties under the selective licensing scheme. The penalties incurred were £12,500 for one landlord and two penalties of £7,500 for another landlord.

The notices relate to three properties in the Trinity and Queensgate selective licensing areas. The landlords have the right of appeal to a tribunal.

Councillor John Harbour, the executive member for housing and environment, said: "The council is always willing to work with private landlords and support them in providing good quality and well-managed properties for residents, and I'm pleased to say the majority of private landlords in our borough are professional and follow the rules."

RPC has been working hard supporting our landlords in getting their applications correctly submitted and the licences granted. If you need a licence, have not yet completed the application process and want some assistance, please email [carolyn@rpclettings.co.uk](mailto:carolyn@rpclettings.co.uk) or [yvette@rpclettings.co.uk](mailto:yvette@rpclettings.co.uk) or ring the office and speak to any member of staff.



## EPC CRACKDOWN

As from 1st April 2018 it is a requirement for any properties rented out for new lets or renewals of tenancies in the private rented sector to normally have a minimum energy performance rating of E on an Energy Performance Certificate (EPC).

The regulations came into force for new lets and renewals of tenancies with effect from 1st April 2018 and applies to all existing tenancies from 1st April 2020. It will be unlawful to rent a property which breaches the requirement for a minimum E rating, unless there is an applicable exemption. A civil penalty of up to £4,000 will be imposed for breaches.

For most landlords this will mean that they will no longer be able to rent out a property with a rating of F or G. At RPC we have notified all landlords whose properties fall into this category, which we are pleased to confirm were very few.

In very rare circumstances landlords qualify for an exemption and the exemption is registered on the Public Exemptions Register. This does not apply to any of the properties we let.

From 1st April 2020 the Minimum Energy Efficiency requirement will apply to continuing tenancies as well as new ones. All rented property must therefore be brought up to the minimum E rating before 1st April 2020 to comply with the Regulations, unless an exemption is available and is claimed by being registered in the Public Exemptions Register. This applies to assured tenancies, including a shorthold, and also to company let tenancies.

Most properties already have better ratings than E, and you may well decide to improve the efficiency of your property to a higher standard to provide better comfort for your tenants. There is no automatic requirement to produce a new EPC after carrying out energy efficiency improvements but this is recommended as the new EPC will then reflect the improvements made. Please ask Steve, Mujeeb or Rashid if you want to improve your rating and we can advise on the most effective improvements, be it additional insulation, double glazing, draft exclusion or a more efficient boiler or lighting.

## WHAT'S NEW AT RPC



Emma has gone on maternity leave and Kim Birtwistle is working from the Burnley office to pick up the reigns and keep the wagon moving! Some of you may have worked with Kim when she was employed by Burnley Council, and her background knowledge, experience with systems and familiarity with the licence areas has already proved a bonus to RPC. We are very pleased to welcome her as a staff member and impressed by her quick learning and effortlessly fitting in with the team.

## BOLTON NEWS

The RPC office in Horwich has an impressive new shop front and an illuminated sign that shines out in the dark.

## RIVINGTON CHASE DEVELOPMENT

We seem to be on the edge of a very big boost to available housing in the £262 million Rivington Chase development of 1700 home site with Middlebrook Retail Park, Horwich Parkway railway station and the junction 6 of the M61.

The basic idea is for a strategic mixed use 74 hectares (183 acre) residential and employment scheme at the site of the former Horwich Locomotive Works. The development will feature 35,225 m<sup>2</sup> (379,000 sq. ft.) of employment/mixed use commercial, the creation of 1,700 new homes and over 50 acres of open space including pedestrian and cycle routes.

The scheme retains a group of the original Loco Works buildings within the "Heritage Core" area at the centre of the site and will provide for a new access road linking the site with Horwich Parkway rail station, junction 6 of the M61 and the adjoining Middlebrook retail, leisure and business park.

It was recently announced that Bolton Council has been awarded £12 million to create a new road across the development at Locomotive Works site off Chorley New Road in Horwich. This is just down the road from our office, and will provide easy access to residents on the new development. Bellway Homes has permission for 112 new homes to be built at the entrance of the site, the first phase of the comprehensive master plan so it looks like the plan which was first announced some ten years ago is finally going ahead. There were objections about access, but this new road is going to address those worries and is a giant step forward towards the realisation of the scheme.

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