

Huntingdonshire Landlords Forum Newsletter

In this issue • Budget 2018 update • Data Protection Bill • Useful links • Useful contact numbers • **December 2018 - Issue No 22**

Wishing all our landlords a very happy Christmas and a successful New Year!

Welcome to the latest edition of Huntingdonshire Landlords Forum Newsletter. You have received a copy because you elected to join the landlords forum. I would encourage you to make use of our services by attending meetings, advertising properties on our web pages and communicating with us regarding issues you would like to be discussed. There is no charge for this all we ask in return is that you work with us to improve the quality and management of private rented

accommodation in the district. Please note however, we cannot take on the management of your property but what we can do is give you accurate and timely information and offer advice and support to prevent problems arising. And help you to deal with any problems or situations as they occur in connection to your rented property.

For more information go to our website or even better come along to our next landlords forum to be held in Huntingdon on 20th

March 2019. There you will meet other landlords to discuss issues and listen to presentations. We will always do our best to answer any questions and research information for you which can then be shared with all landlords registered with the forum.

Please let me know if there is a subject you wish to raise or if you require information that can be shared at the forum.

www.huntingdonshire.gov.uk/housing/advice-for-landlords

I hope to see you at our next Landlords Forum on the 20th March 2019. In the meantime I hope you have a great festive break and I look forward to seeing you again in the spring.

The next Landlords Forum will be on **20 March 2019** at **Pathfinder House**

Budget 2017 Update

Amendment of lettings relief on Capital Gains Tax (CGT)

If you let out your home you may have to pay Capital Gains Tax if you've let out your home. How much you pay depends on how long you lived in it. Having a single lodger doesn't count as letting out your home.

Work out how much tax you have to pay

You'll pay tax on your 'chargeable gain'. This is your gain minus any Private Residence Relief you're eligible for.

You get full relief for:

- the years you lived in the home
- the last 18 months you owned the home - even if you weren't living there at the time

If you only own one home and you're disabled, in long-term residential care or sold the property before 6 April 2014 you get full relief for the last 36 months before you sold your home.

Example from HMRC website

You make a gain of £120,000 when you sell your home, which you owned for 12 years. You lived in the whole property for 6 years, then you let it out in full for 6 years.

You get Private Residence Relief for the time you lived there (6 years). You also get relief for the last 18 months you owned the property, even though you weren't living in it.

This means you get Private Residence Relief for 7.5 of the years (62.5% of the time) you owned the property. You get Private Residence Relief on the same proportion (62.5%) of

your gain. This means you won't pay tax on £75,000 of the gain.

The remaining 37.5% (£45,000) of the gain not covered by Private Residence Relief is your chargeable gain.

If you qualify for Private Residence Relief and have a chargeable gain, you may also qualify for Letting Relief. This means you'll pay less or no tax.

Claim Letting Relief

You can get the lowest of the following:

- the same amount you got in Private Residence Relief
- £40,000
- the same amount as the chargeable gain you made from letting your home

Letting Relief doesn't cover any proportion of the chargeable gain you make while your home is empty.

Example

Because you made a chargeable gain of £45,000 while letting your property (and got £75,000 in Private Residence Relief) you can claim £40,000 in Letting Relief. This means you'll pay Capital Gains Tax on £5,000.

Changes from 2020

The effective end of lettings relief and the reduction in final period exemption make the maths look very different. The £75,000 figure above falls to £67,500, which means a higher chargeable gain of £52,500. Crucially, no lettings relief would be applied in this example. That means the owner will get a CGT bill of £14,700 (assuming all

of his gain was taxed at 28%).

This means, from April 2020, the taxpayer in the example would be £13,300 worse off. However, the Treasury says it is keen to "better focus private residence relief at owner-occupiers". It adds that under the current system people can claim lettings relief on a property even if they have not lived in it for a long time. And it points out that the lettings relief change will not affect owner-occupiers or landlords who have never lived in the property they are renting out. There are other rules that may affect the amount of Capital Gains Tax you need to pay.

If you're not sure how the rules apply to you, call the Capital Gains Tax helpline. Telephone: 0300 200 3300

If you only let out part of your home

You'll need to work out what proportion of your home you lived in. You only get Private Residence Relief on this proportion of your gain. You may also be entitled to Lettings Relief.

Income tax

The Chancellor brought forward the Conservative manifesto commitment to increase the tax-free Personal Allowance to £12,500 and raise the 40 percent income tax threshold to £50,000, announcing that these will be in place from April 2019 – a full year earlier than expected. This will have a beneficial knock-on effect for some landlords, bringing more into the basic tax rate.

Stamp duty and housing

All first-time buyers purchasing shared equity homes of up to £500,000 will be eligible for first-time buyers' relief

- £500m for the Housing Infrastructure Fund, designed to enable a further 650,000 homes to be built
- Lettings relief limited to properties where the owner is in shared occupancy with the tenant
- New partnerships with housing associations in England to deliver 13,000 homes
- Guarantees of up to £1bn for smaller house-builders

Other housing announcements

As previously announced at the Conservative Party Conference, the cap on local authority borrowing to build housing is being lifted, effective immediately in England, and expected to be lifted as soon as possible in Wales. This is predicted to lead to an extra 10,000 homes being built a year.

The Government also signalled its commitment to the high street, with a £675 million fund available to support local authorities to reinvigorate town centres – the Future High Streets Fund. As well as enabling investment in improvements, the Government intends to relax the rules around converting commercial and retail properties into residential use – a potential opportunity for landlords. Further details will be published later this year.

Data Protection Bill

The policy objectives and the intended effects of the Data Protection Bill:

To provide a comprehensive and modern framework for data protection in the UK, with stronger sanctions for malpractice. To set new standards for protecting general data, in accordance with the General Data Protection Regulation (GDPR), give people more control over use of their data, and provide new rights to move or delete personal data whilst preserving existing tailored exemptions from the Data Protection Act. It is also intended to provide specific frameworks tailored to the needs of our law enforcement agencies and intelligence services, to protect the rights of victims, witnesses and suspects while ensuring we can tackle the changing nature of global threats.

- Make data protection laws fit for the digital age in which an ever increasing amount of data is being processed.
- Empower people to take control of their data.
- Support UK businesses and organisations through the change.
- Ensure that the UK is prepared for the future after we have left the EU

Landlord's responsibilities

Landlords need to be aware of their responsibilities in relation to data protection. This involves safeguarding tenant's data, making sure that you only pass it on if you are legally entitled to do so, and not retaining it for longer than necessary. However, there are circumstances where you can legitimately pass over data and indeed on occasion may be compelled to do so because of the legal obligation. It may well be necessary to give your tenants a privacy notice to tell them what can be done with data which you hold and how you could use it. Landlords should notify (register with) the Information Commissioner's office if they are holding/processing data - see below under Notification and Exemption from Notification.

Common situations affecting landlords

The Information Commissioner's Office (responsible for the regulation of data protection) has published advice on housing for landlords and tenants. This gives information regarding common situations. In some of these it is permissible to part with data but you have to tell the tenant that you are doing so. You can This can be done by a privacy statement or in some other way, e.g. it could be included in the tenancy agreement.

Useful Links

www.huntingdonshire.gov.uk/advertiseyourproperty
www.gov.uk/government/publications/how-to-rent
www.publications.parliament.uk/
www.depositprotection.com/
www.mydeposits.co.uk/
www.tenancydepositscheme.com/
www.huntingdonshire.gov.uk/housing/advice-for-landlords
www.energysavingtrust.org.uk/?gclid=COXO1ZC3uc0CFdYV0wodk0MNVWg
www.landlords.org.uk/
www.easternlandlords.org.uk/
www.cambsfire.gov.uk

Useful Contact Numbers

Keith Tayler, Private Sector Housing, HDC	01480 388 237
Sue Questier, Housing Environmental Health Officer, HDC	01480 388 286
Julia Blackwell, Energy & Efficiency Officer, HDC	01480 388 288
John Ingmire, Assistant Benefit Manager, HDC	01480 388 092
Council Tax, HDC	01480 388388
Association of Residential Letting Agents (ARLA)	0845 345 5752
National Landlords Association (NLA)	020 7840 8937
Eastern Landlords Association (ELA)	01603 767 101
Tenancy Deposit Protection Team	0207 944 4400
Energy Saving Advice Service	0300 123 1234
Valuation Office Agency	03000 501 501
Ground Floor Ferrers House, Castle Meadow Road, Nottingham, NG2 1AB	

The Next Landlords Forum will be held **20TH MARCH 2019** at Pathfinder House, Huntingdon 6.30pm - 8pm

If you wish to have an item included onto the agenda please contact me on the number above. The opinions and views expressed in the landlord's newsletter are not necessarily those of the Huntingdonshire District Council. All information is accepted in good faith at the time of going to press. The opinions and views expressed in the landlord's newsletter are not necessarily those of the Huntingdonshire District Council and all information is accepted in good faith at the time of writing.

The Landlords Forum is organised and delivered by the Council's Private Housing Section which is a division of Planning and Strategic Housing Services. The section may be contacted by private landlords and tenants seeking general advice on landlord and tenant law. The opinions and views expressed in the landlord's newsletter are not necessarily those of the Huntingdonshire District Council and all information is accepted in good faith at the time of going to press.

Advice is also available online at:

www.huntingdonshire.gov.uk

The Huntingdonshire Landlords' Forum is a central part of the housing service the Council provides to private sector landlords. The Forum exists so that landlords can meet Officers and other landlords to share their experiences. The Council is there to arrange the meetings, invite along guest speakers, listen to what landlords have to say and, where it is needed, offer support and advice.

What do we get in return? We get good feedback about what landlords think of the services the Council provides and landlords use: Housing Benefits; Environmental Health Services, Landlord and Tenant Advice and Housing Grants. We also get good information about how an important group of local housing providers run their businesses. All this helps us to plan services to the private sector that are rooted in an understanding of what the key issues are for landlords,

their tenants and prospective private tenants. Hopefully this will help us to raise our standards and in so doing help raise standards across the local lettings industry.

The Forum is not a Council-sponsored talking shop. Landlords' views are canvassed and considered when we came to reviewing and producing our policies and we can sometimes introduce suggested changes.

If you are a landlord or a prospective landlord the Forum is for you. Join our mailing list by phoning **01480 388237** or email keith.tayler@huntingdonshire.gov.uk

We will let you know about our programme of meetings and send you a copy of our free newsletter. If you are new to the industry we will also send you a copy of our landlord pack which is full of the information you will need to help you make a success of your business.

This department may also be contacted for information about;

- Landlord and Tenant Law
- Tenancy Agreements
- Finding a suitable tenant for your accommodation
- Advertising available property for rent
- Registered Rents and Local Housing Allowance
- Tenancy Deposit scheme
- How to end a tenancy

For information or advice please contact; **Keith Tayler**, Private Sector Housing Officer - Telephone: **01480 388237**