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HML Lettings

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LETTINGS AND
PROPERTY MANAGEMENT
EXPERTS

HML Lettings Newsletter Q2 2024

Welcome to the third edition of our HML Lettings Newsletter! We are delighted to bring you the latest updates, insights, and trends in the property rentals sector. Whether you are a seasoned Landlord or a first-time Tenant, this newsletter is designed to keep you informed and provide valuable industry insights. This edition includes information on the Spring Budget, as well as the latest developments in the property sector.

Thank you for choosing us as your trusted partner in the world of lettings.



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Meet the HML Lettings Team

RICHMOND OFFICE



CHARLOTTE OATLEY

Charlotte joined HML in April 2022. Charlotte previously worked for Hamptons International in a senior management role for 12 years in the Knightsbridge and the Richmond Office. Her skill set in management and excellent customer service towards her clients resulted in Charlotte running one of the top offices for a decade within the company. Charlotte has worked in the Lettings and Management industry since 2007 for various other companies, such as Chestertons, Marsh and Parsons and Townends.



SARAH LEGISTER

Sarah joined August 2021. She has been a well-regarded property manager since 2010 and has successfully worked for well-known companies such as Martin & Co (Riverside), Knight Frank, Thamesview & Winkworth. Sarah is a highly skilled and ARLA qualified property manager.



KAY MACCAULEY

With a wealth of property experience, Kay joined HML as a property manager in 2023 to look after The Richmond Charities Portfolio. She has many years of organisational and problem-solving experience, and in addition to any day to day maintenance required, she also co-ordinates the more specialised building projects. Previously, Kay worked as a property manager at Hamptons for 5 years and before that with an independent boutique agency Knightsbridge.



ANNIKA PATEL

Annika joined HML in 2016 as Head of Accounts Operations for block management and moved to HML Lettings in 2018 to Lead the Accounts Team. Annika has worked in the property industry for 16 years with invaluable and extensive experience acquired in the financial/accounts sector, and with a deep knowledge of the property sector. Annika oversees all finance related operations and produces and analyses financial information to assist with company decisions. Annika and her team work hard to support both tenants and landlords to ensure the smooth running of their accounts.



BARBARA ANZALONE

Barbara has been with HML since July 2021 and has been working as a property manager, managing high end properties, for over ten years. She has worked for well known independent estate agencies in central London such as Casa Londra, Manors and Apparent Properties. Barbara is in charge of compliance for the entire HML Richmond Lettings portfolio whilst assisting the property managers within our team.



MARGARET PARKER

Margaret has been with HML for more than 30 years and during this time her main client has been The Richmond Charities. She has had much appreciation from both Landlord and Tenants due to her excellent rapport and involvement with the Assured Shorthold Tenancies throughout this period.



PALAK SUTHER

Palak Joined HML in 2016 as a lettings accounts assistant to look after the lettings portfolio. Palak also handles accounting duties for the service charge accounting portfolio. In October 2018 she started looking after the lettings portfolio for other lettings offices. Palak has 13 years' experience working in the property industry, and in the lettings accounting and financial sector. Palak contributes towards the smooth running of the day to day financial accounting and administration duties within residential and commercial lettings properties.



RESIDENTIAL LETTINGS

Industry Overview

Spring Budget

The Spring Budget is one of two yearly announcements on the state of the UK economy. It gives the Chancellor of the Exchequer the chance to present an overview of Government spending, revenue gathering, and official forecasts for the economy.

On 6 March 2024, the Chancellor gave what was likely the last budget announcement from the current UK Government. This is because a General Election will likely occur before the end of 2024.

Here are the top key takeaways from the Spring Budget that letting agents and Landlords should note:

1. Tax cuts for holiday homes and multiple dwellings to affect Landlords
2. Capital Gains Tax cut to affect Landlords and buy-to-let market
3. Commitment to build one million homes this Parliament
4. Small agencies may benefit from VAT threshold increase
5. Other announcements that may affect individuals in PRS

Tax cuts for holiday homes and multiple dwellings to affect Landlords

In order to help deliver personal tax cuts, the Chancellor has abolished the furnished holiday lettings tax regime.

This change means that holiday Landlords could lose an average of £2,835. The aim for this clampdown would be, according to Jeremy Hunt, to avoid the “distortion of not enough properties to rent for local people.”

Holiday homes are particularly prominent in some parts of England and Wales. In 2023, the Welsh Government announced a new licensing scheme for holiday lets. This scheme means all visitor accommodation will need to meet certain requirements in order to be a holiday let property.

Oli Sherlock, Managing Director of Insurance at Goodlord, responded to the news, stating: “This is a sensible loophole to close and will help level up the buy-to-let sector and, hopefully, unlock more full time tenancy stock in tourist hubs, major cities, and coastal communities.”



Source: Goodlord

Capital Gains Tax cut to affect Landlords and buy-to-let market

In the 2024 Spring Budget the Chancellor announced that the higher rate of property Capital Gains Tax will reduce from 28% to 24%.

Capital Gains Tax applies to properties when a person makes a profit on selling a property that is not their main home. Examples include when selling buy-to-let properties, business premises, land, and inherited properties.

These tax rules meant that Landlords could claim Capital Gains Tax relief, and count profits from the rent for pension purposes.

Simon Jack, Business Editor at the BBC called this move a “surprise”., He further stated that the Chancellor expects that “the lower tax rates will result in more transactions, leading to more tax revenue.”

The Spring Budget also abolished multiple dwellings relief (MDR). MDR is available for people who buy more than one residential property at a time. Originally introduced to minimise any barriers when investing into property, it’s likely this relief will affect larger Landlords and the buy-to-let sector the most.



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Commitment to build one million homes this Parliament

In the Spring Budget, Jeremy Hunt re-affirmed the Conservative party's commitment to build one million homes by the end of the Parliament - allocating £242 million to new house building. This includes specific projects in the Canary Wharf area of London, as well as in Blackpool, Sheffield, Liverpool, and Cambridge.

House building targets have changed multiple times over recent years. In 2021, the Conservative Party set a target to build 300,000 homes a year by the mid-2020s.

However, Housing Secretary Michael Gove backtracked on this in December 2022, stating these targets were "advisory". Then again in 2023, the Government restated its intention to build one million homes by the end of the Parliament.



Source: Goodlord

Small agencies may benefit from VAT threshold increase

The Chancellor announced plans to increase the VAT registration threshold from £85,000 to £90,000. This threshold, which had remained unchanged since 2017, would be a popular move with smaller business owners - such as small, independent agencies.



Source: Goodlord

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Other announcements that may affect individual Landlords, letting agents, and Tenants

The Spring Budget announced other measures that will affect property professionals. This includes:

- **Cuts to National Insurance.** The contribution rate has been reduced by 2p again - from 10% to 8% of pay. This change is intended to reduce the historically high tax burden, and will benefit employers and employees, including agents, Landlords, and Tenants alike.
- **Fuel duty freeze.** Fuel duty will stay at 53p per litre, saving the average car driver - according to the Chancellor - around £50 per year. Letting agents who rely on driving to viewings may benefit from this the most.
- **No huge changes for energy bills expected.** The Chancellor announced intentions to focus on clean energy, with 25% of homes running on nuclear energy by 2050. However, there wasn't any specific answer to the numerous calls to assist struggling households with their bills.



Source: Goodlord



LETTINGS

LATEST NEWS

1. Damp and mould remain a major issue for the housing sector
2. Hazard repair failures lead to fines for Landlord
3. Councils to wield greater powers over short-term lets
4. UK Government plans to crack down on corruption in the property sector

1

Damp and mould remain a major issue for the housing sector

The UK Government is currently consulting on the implementation of Awaab's Law, which was passed in response to the tragic death of two-year-old Awaab Ishak in December 2020 from exposure to serious mould in his parents' social rented home.

Whilst this Law imposes stringent conditions on social Landlords to investigate hazards within 14 days, start repair work within seven days, and make emergency repairs within 24 hours, the UK Government ruled out a comparable law for private Landlords. However, Shadow Housing Secretary Angela Rayner MP has committed to extending protection to private renters if the Labour Party comes to power at the next election.

Agents and Landlords in the private rented sector shouldn't just wait for laws to be passed to protect agents. It is widely publicised that agents and property owners are frequently criticised and penalised for mould and damp issues, however, the reality is less straightforward.

PROPERTYMARK ARTICLE: [Click the link below](#)

**Damp and mould remain a major issue
for the housing sector**

Hazard repair failures lead to fines for Landlord

Watford Council prosecuted the self-managing Landlord for failure to put things right after an inspection discovered conditions in the property posed a severe health risk to the Tenants.

Prompt enforcement action taken

Reports of hazardous conditions in the property led the London council to visit the address where they found large parts of the property were not safe to be lived in. The Tenants were a family with three young children, who are particularly vulnerable to mould.

The Landlord was issued with an Improvement Notice detailing the work that needed to be carried out urgently. Due to extensive mould posing a danger to health, the council also served an Emergency Prohibition order preventing the children's bedroom being used until repairs had been carried out.

After the Landlord failed to action any of the repairs legal action was taken and he has now been fined a total of £10,451 and banned from re-letting until all the required work has been completed and the property assessed by an Environmental Health team.

Guidance on damp and mould in rented homes

In response to the Coroner's report into the death of Awaab Ishak, the Department for Levelling Up, Housing and Communities issued consolidated guidance for property professionals making it clear that damp and mould must not be treated as the result of lifestyle choices by Tenants.

It is the responsibility of Landlords and managing agents to identify and address any underlying causes of the problem, such as structural issues or poor ventilation.

When responding to reports of damp and mould agents should:

- Respond sensitively and assess the issue with urgency to identify the severity of the damp and mould and potential risks to Tenants
- Always tackle the underlying issue promptly, and act with urgency when concerns have been raised about Tenant health. Do not delay action to await medical evidence or opinion - medical evidence is not a requirement for action
- Ensure Tenants are informed about the steps that will be taken to remove mould and address any underlying issues and the timeframes for the work
- Before the removal of the mould, photograph and document the location of the mould, to help identify the source
- Remove the mould, to address the health risk to Tenants, using a qualified professional when appropriate
- Identify and tackle the underlying causes of damp and mould, including building deficiencies, inadequate ventilation, and condensation. Simply removing surface mould will not prevent the damp and mould from reappearing
- Inspect the home at least 6 weeks after remedial work has been carried out, to ensure that the issue has been fixed and damp and mould have not reappeared. If damp and mould have reappeared, further investigation and intervention should be pursued

PROPERTYMARK ARTICLE: [Click the link below](#)

**Hazard repair failures lead to
fines for Landlord**

Councils to wield greater powers over short-term lets

A mandatory national register and a requirement for planning permission will give local authorities in England the ability to measure the impact of holiday lets in their area and to restrict the proliferation of new lets to protect access to permanent housing for local people.

If approved, the changes will be introduced through secondary legislation under the Levelling Up and Regeneration Act 2023.

Scotland and Northern Ireland already have short-term let (STL) licensing schemes in operation, and Wales is introducing a statutory licensing scheme for all visitor accommodation providers.

Housebuilding remains the real solution

PropertyMark's intensive research has demonstrated that property agents see increased construction of homes in the private and social sectors as the primary solution to problems caused by increasing numbers of STLs.

However, regulation to limit the number of STLs and ensure a level of regulatory playing field with the private rented sector is a close second to this solution. We have lobbied for the introduction of a licensing scheme with physical checks for STL premises as well as extending the current health and safety requirements and Tenant protections to short-term lettings.

PROPERTYMARK ARTICLE: [Click the link below](#)

**Councils to wield greater powers
over short-term lets**

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UK Government plans to crack down on corruption in the property sector

The Economic Crime and Corporate Transparency Act 2023 (ECCTA) received Royal Assent on 26 October 2023 and has made provision for changes to the Register of Overseas Entities (particularly to address and land information) that will impact almost all overseas entities in some way, although no timeline for implementation has yet been published.

Agents should be aware of the changes that are expected because they may be required to complete verification checks on the information that the overseas entity intends to provide to Companies House. This includes information about the entity's beneficial owners and/or managing officers.

Address information

Currently, the overseas entity or a corporate beneficial owner or managing officer must provide its 'registered or principal office'. This has been amended so that the corporate entity must provide its 'principal office' and not its registered office. This is to bring the Register of Overseas Entities rules in line with the updated rules under the Companies Act 2006.

Land Information

Overseas entities must now disclose the title number (or equivalent in Northern Ireland or Scotland) of all qualifying estates where the overseas entity is the registered owner, and this information will need to be verified by a UK regulated agent.

Greater transparency for land-owning trusts

ECCTA has expanded the data required in relation to trusts and the UK Government is now consulting on the amount of information that should be made public when a trust is involved in the ownership structure of UK land.

The extra details that must now be provided include:

- Registerable beneficial owner of a settlor or grantor
- Trustees and Trusts now always disclosable
- Private Corporate Trustees now disclosable
- Registerable Beneficial Owners of Corporate Trustees now disclosable
- Disclosure of changes in beneficiaries

Greater public access to information about beneficial ownership can help track down those who use UK property as vehicles for money laundering and illicit finance.

PROPERTYMARK ARTICLE: [Click the link below](#)

UK Government plans to crack down on corruption in the property sector



Tips for Landlords



Building effective partnerships is fundamental towards improving business outcomes and for sustainable development. In today's fast-paced environment, partnerships drive collaborative innovation that delivers services and solutions that help our customers.

We work in collaboration with third party companies, such as Homelet, so that we can support our customers in an ever evolving leaseholders market.

- Homelet - a leading supplier of specialist products and services for the private rented sector.
[Link - Tips for Landlords | Landlord Lowdown | HomeLet](#)
- Alexander Bonhill - insurance broker, providing property insurance
[Link - Alexander Bonhill](#)
- Shaw & Company - building surveying services
[Link - Shaw & Company](#)



OFFICES

RICHMOND OFFICE: 9-11 The Quadrant, Richmond, Surrey, TW9 1BP

ROMFORD: 3rd Floor, 210 South Street, Romford, RM1 1TR

LUTON: 2nd Floor, Raglan House, 28-34 Alma Street, Luton, LU1 2PL

CONTACT

0333 032 5959

lettings@hmlgroup.com

www.hmllettings.com



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