



# FIRST4LETTINGS

Dear valued Landlord,

Alas, October is now upon us. We have endured the summer heatwave and made it through the great student migration. The cost of living has gone stratospheric and as usual, the media would have us believe (through either the Russian nuclear holocaust or British economic collapse) that the world is about its end... but it hasn't... yet.

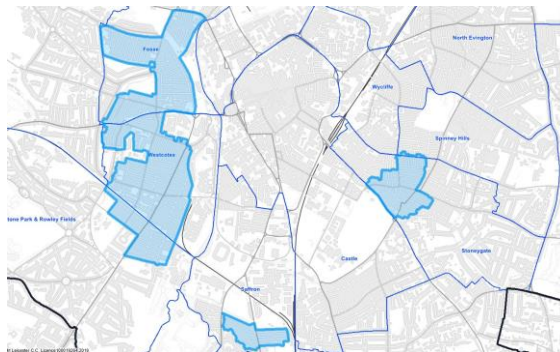
So in the meantime, in this month's newsletter, we will be discussing such fascinating topics as:

- Leicester's new Selective Licensing Scheme – more evil landlord gouging or a force for good?
- Government proposals to Increase Minimum EPC Requirements to a C – to fear or not to fear?

## - Selective Licensing Scheme for Leicester's Private Rental Sector -

### WHAT IS HAPPENING?

In short, after an initial consultation seeking views of residents/stakeholders, and under powers granted to them under the Housing Act 2004, Leicester City Council has designed and implemented 'Selective Licensing' (A license for your rental property), in further areas of Leicester.



*Does your property fall within the blue squares? Congratulations! The government just taxed you a grand!*

## A NEGATIVE PERSPECTIVE

For the competent responsible Landlord – as a thank you for supplying the struggling Private Rental Sector with its much-needed housing stock (against a backdrop of Landlords cashing out and leaving the market in their droves amid increased government regulation and unfavourable tax changes) and supplying tenants with much-needed houses to call their homes – the Council now requires Landlord's to apply for their permission to rent their property by making an application to them.

Beginning in October, applications will of course carry a fee of £1,090 and last for just 5 years.

Applicants must be deemed fit in ability and means to be competent landlords. For first-time license holders, properties will be inspected before a license is granted, to ensure adherence to all legally mandated compliances (Gas Safety Certificates, Electrical Installation Safety Certificates, Fire & Carbon Monoxide Alarms etc). Successful applications will receive licenses, subject to conditions relating to the upkeep of compliance, maintenance and repair, and prevention of anti-social behaviour. The council will carry out announced (and if deemed necessary unannounced) inspections of all licensed properties.



*Non-First4Lettings Landlord's reactions to hearing about Selective Licencing*

Graphic credit: <https://www.propertyinvestmentproject.co.uk/>

## WHY IS THIS HAPPENING? IN THE COUNCILS DEFENCE

Unfortunately, as we will all be aware - as with any industry - therein exists a minority of bad apple landlords who spoil the barrel for us all. These slumlords, through either their naivety and incompetence or callous indifference as to the welfare of their tenants, neglect their houses to such an extent that the powers that be have deemed it necessary to impose such draconian measures on us all.

Through the enforcement of this new licensing scheme, the council will ensure these landlords can no longer get away with profiting off of their sub-standard accommodation, cutting corners on safety compliance or allowing anti-social behaviour to run unchecked.

Councillor Elly Cutkelvin, Assistant City Mayor for Housing says “We are committed to working with and supporting landlords and tenants to improve the quality of private-sector rented housing in the city and protecting the most vulnerable people by ensuring their housing and their landlords meet a higher standard in terms of management and safety.”

Whilst sure to split opinions, the Selective Licencing scheme is here to stay. Although a seemingly unnecessary additional expenditure for the responsible landlord, a necessary evil for the greater good. For those landlords affected by the scheme, First4Lettings will be in contact in due course with what service we can provide to guide you through this latest administrative headache.

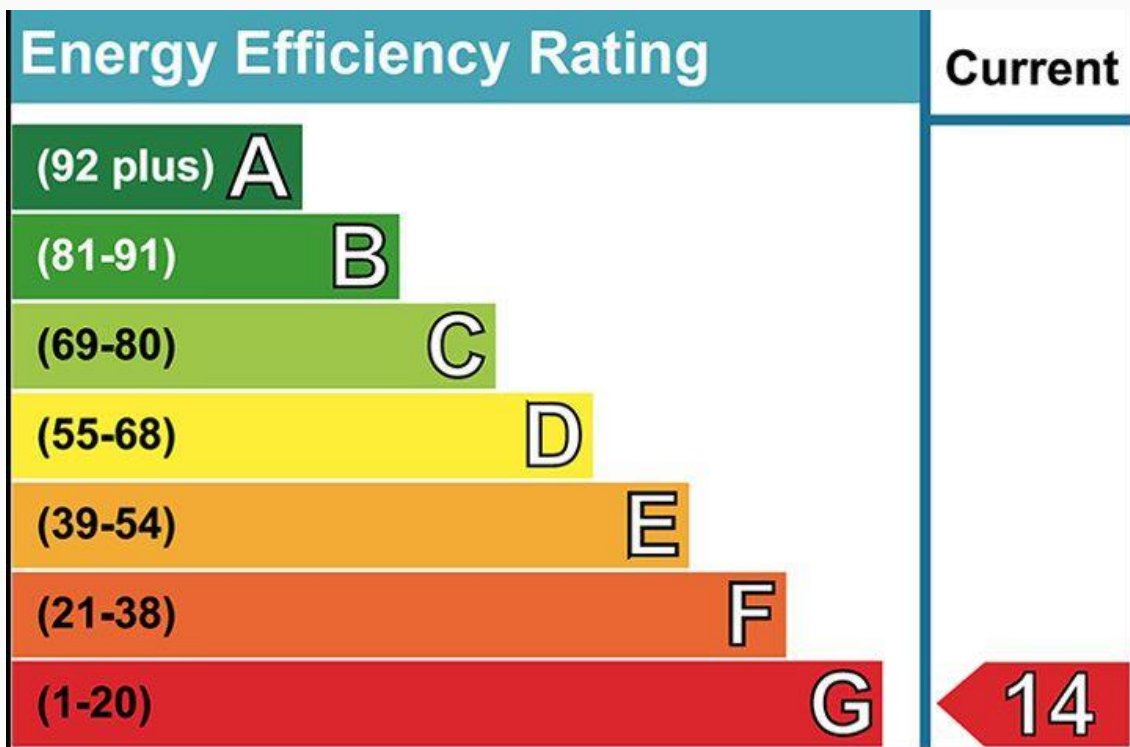
**- Government proposes increasing minimum EPC requirements to a C -**

## FIRST THINGS FIRST - WHAT'S AN EPC?

An EPC or Energy Performance Certificate contains information about a property's energy use and typical energy costs, as well as recommendations about how to reduce energy use and save money. An Energy Efficiency Rating is given, ranging from A (most efficient) to G (least efficient). Ratings will be affected by factors such as the type of construction of the building, the uses of different areas of the building, any heating, cooling, ventilation, and hot water systems used, as well as the lighting.

Save some exclusions, EPCs are a legal requirement whenever a property is built, sold or rented. They must be conducted by an accredited Energy Assessor. All completed EPCs are available free to view online by the public on the government website, google 'EPC Finder'.

At present, the minimum legal requirement for renting out a property (required at the time of letting) is an E rating.



*What not to strive for*

## GOVERNMENT PROPOSALS

The government *wants* to raise the minimum EPC of all new tenancies in the Private Rental Sector to a C rating by 2025.

## BUT WHY?

Lower energy efficiency in homes means higher greenhouse gas emissions and higher energy bills. The government calculates that the UK Private Rental Sector is costing “over £6bn in energy bills in 2018 and producing GHG emissions of around 11 megatonnes of carbon dioxide equivalent a year”.

The inefficiency of these homes, therefore, hinders the government in its efforts to hit its net zero greenhouse gas emissions target by 2050. Increasing energy efficiency in homes would also go some way in lowering household energy bills, more relevant now than ever during the Cost Of Living Crisis.

## IMPLEMENTATION

Phased Introduction – new standards will apply to new tenancies from April 2025 and all tenancies by April 2028.

Investment Cap Increase – landlords will not be required to self-fund more than £10,000 (as opposed to the previous cap of £3,500). On average, it is estimated many landlords will need to spend £4,700 to meet the requirements.

## LOOKING FORWARD

It is important to note and stress that these changes are currently only government proposals that are yet to be written into law.

Bill 150 2021-22 is sponsored by Conservative MP for North Thanet Sir Roger Gale and has the long title of ‘A bill to make provision to increase the minimum energy performance of buildings; and for connected purposes’.

The bill is currently undergoing its second reading in the House of Commons, a relatively early stage in the passing of new laws process.

## Bill passage



*Slow and steady wins the race*

Whilst it is uncertain what form the final edition of the bill will take, the government will inevitably push to have Landlords increase the energy efficiency of their homes. It would be prudent of a diligent landlord to take a sober long-term view of their investment and plan efficiency improvements accordingly.

Further Reading:

<https://bills.parliament.uk/bills/3036/publications>

Thank you for taking the time to read our newsletter,

Look forward to future classics such as "Why should I allow my tenant to have a puppy?" and "Why are First4Lettings virtual tours so good?", coming soon

Kind Regards,



**Jack Bramford | MARLA**  
Business Development Manager

☎ [0116 270 6000](tel:01162706000)

📍 [163 Clarendon Park Road, Leicester, LE2 3AJ](https://www.first4lettings.co.uk/163-clarendon-park-road-leicester-le2-3aj)

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