

# 11 Changes Landlords Can Expect From 2021

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## Dogs and Domestic Animals Bill February 2021

Conservative MP Andrew Rosindell's Dogs and Domestic Animals (Accommodation and Protection) Bill aims to give tenants the right to live with their pet without their landlord's approval – as long as they can prove they are responsible owners.

The first reading for this proposed new law was on 14th October 2020, and the second reading is set to happen on the 26th February 2021. The Dogs and Domestic Animals Bill is being supported by a number of animal welfare charities including the RSPCA.



## Expected end of 6-month notice periods March 2021

Due to the pandemic, landlords are currently legally obliged to give tenants six months' notice for all evictions.

There are exceptions for certain circumstances – such as domestic abuse, anti-social behaviour, and more than six months' of rent arrears.

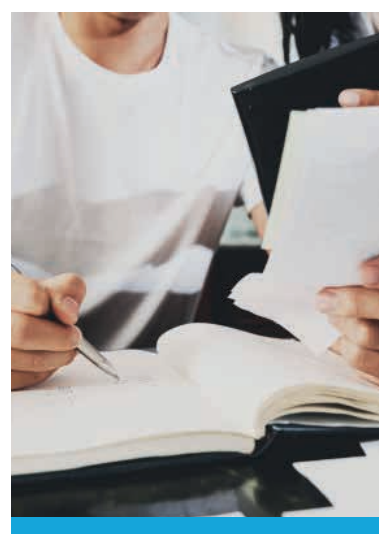
Normal notice periods are expected to resume from March 31st 2021, but (as we all know by now) this date could be subject to change.

## End of mortgage payment holidays March 2021

To help those who have been financially impacted by the coronavirus, homeowners are able to apply for a mortgage payment holiday until March 31st 2021.

If you have not taken a payment holiday or 'deferral' at all during the pandemic, you can apply for a maximum deferral/payment holiday of up to 6 months.

If you currently have your first deferral in place or have resumed payments after one deferral, you can apply for another one to take you up to the six-month limit. If you've already had six months' worth of deferrals, you won't be eligible for further payment holidays and will need to seek alternative support.



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## No more Stamp Duty holiday

March 2021

On 8th July 2020, the Chancellor of the Exchequer announced a temporary Stamp Duty holiday.

This meant that buyers would only pay Stamp Duty Land Tax on properties above £500,000. Before the holiday, the threshold for Stamp Duty payments was £125,000.

Although the Stamp Duty changes have affected first-time buyers the most, landlords and property investors have still benefitted from the raised threshold.



## Mandatory electrical reports for all tenancies

April 2021

From 1st July 2020, Electrical Installation Condition Reports (EICRs) became a legal requirement for all new tenancies in England and Wales.

From 1st April 2021, this requirement will extend to all tenancies, new and existing.

The new regulations hope to ensure all rental properties are electrically safe. A qualified engineer must visit the property to inspect and test all fixed-wirings and provide a report of their findings. If the report declares the property unsafe, remedial work must be carried out within 28 days.

As the deadline approaches, electricians are already getting booked up. If you haven't already, we recommend you sort your electrical inspection now to avoid the last-minute rush.

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## Client Money Protection (CMP)

April 2021

In April 2019, it became mandatory for letting agents in England to belong to a client money protection scheme. This was brought in to ensure all funds from tenants and landlords are fully protected.

There was initially a 12-month grace period for agents to comply with the regulations, however, the deadline has been pushed back to April 1st 2021.



## Changes to Right to Rent

June 2021

Currently, landlords must check all tenants' immigration status to find out whether they can legally in the UK. This applies to all tenants, regardless of their background.

With Brexit bringing in a point-based system from 1st January 2021, landlords have been told to continue using passports and national ID cards as an interim measure until 30th June 2021.

## Possible abolition of Section 21

In 2019, the government held a consultation regarding the abolition of Section 21 notices.

Section 21 currently allows landlords to end tenancies through a 'no-fault eviction'. Normally, the period of notice is two months, however, there is a temporary minimum notice period of 6 months until 31st March 2021.

The removal of Section 21 was announced as part of the Renters Reform Bill last year. The bill also includes plans for lifetime tenancy deposits and a government database of rogue landlords and property agents accessible to tenants, agents, landlords, employers and professional bodies.

Like many things in 2020, the Bill was put on hold due to the coronavirus. There are no set dates in place as of yet, but further plans are expected this year.



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## Making Tax Digital

If you're a landlord with a rental turnover of more than £85,000, you will be required to switch to the Making Tax Digital (MTD) system at some point this year.

The MTD system requires you – the landlord – to send four quarterly submissions on income and expenses via your digital account to HMRC. This system will replace your annual tax return and you will have to a declaration to confirm the numbers are accurate.

It's likely that all businesses, regardless of turnover, will have to switch to the MTD system by 2022.



## Amendments to Capital Gains Tax

Although no date has been confirmed yet, tax changes are expected to happen in 2021.

The government is currently reviewing the Capital Gains Tax (CGT) system and any changes may significantly affect landlords trying to sell their investment properties.

In November 2020, the Office for Tax Simplification made eleven recommendations for Capital Gains Tax changes, including making rates 'more closely aligned' with income tax rates and reducing the CGT-free allowance.

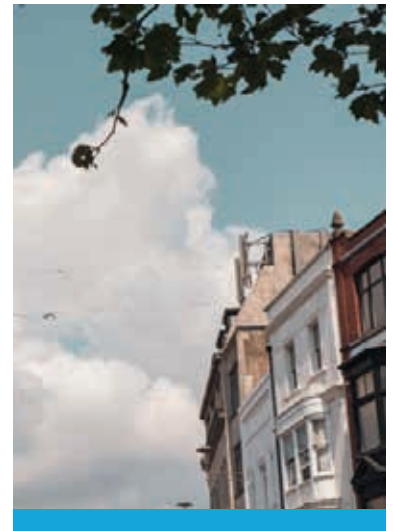
The government are currently reviewing these recommendations. It's unlikely any changes will happen soon, but this change is worth noting for 2021.

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## Amendment to Renting Homes (Wales) Act

In February 2020, the Welsh government introduced the Renting Homes (Amendment) (Wales) Bill. The bill aims to amend the Renting Homes (Wales) Act 2016 to guarantee tenants a minimum of 12 months' protection against eviction at the start of a new tenancy, provided they have not breached the terms of their contract.

The amendment will bring a lot of changes for tenancies, including extending the minimum notice period from two months to six months for virtually all rented properties in Wales.



## New Scottish Smoke Alarm Law delayed until 2022

Following the Grenfell tragedy in 2017, a new Fire and Smoke Alarm Standard is being passed in Scotland to ensure all homeowners and tenants are protected from the threat of fire.

This law was meant to come into force in February 2021, but has been delayed 12 months until 2022 due to COVID-19.

If passed, this would mean tenants would have an assumed right to take their pet into any rented accommodation.

When the legislation is in place, all Scottish homes must have a smoke alarm in living rooms, hallways and landings. In addition, you must also have a heat alarm in the kitchen, and carbon monoxide alarms near any boilers or wood burners.

## A lot to take in, right?

We understand that keeping track of every legal update and governmental change in the property sector can be a bit overwhelming – particularly during a global pandemic – but we are here to help.

If you're a self-managing landlord (or want to become one) in the Reading & surrounding area, talk to us. We can help remove your administrative burden and leave you more time to focus on building or managing your property portfolio.

We have a range of plans that give you everything you need – including total Rent Protection and guaranteed rent payments.

To find out more, you can visit [www.adamsestates.net](http://www.adamsestates.net) or book a call with a member of our team.