

# Regulatory Changes

Affecting Landlords in 2021









# Key legal changes at a glance

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## MARCH

- Stamp duty holiday set to end

## APRIL

- Coronavirus Job Retention Scheme set to end
- Stamp duty changes for non-UK residents

## SEPTEMBER

- Eviction ban due to end in Northern Ireland



# 31 MARCH 2021

In Northern Ireland and England, the temporary reduced rate of Stamp Duty Land Tax (SDLT) will come to an end on 31st March 2021. In July 2020, the property value threshold above which the Residential Rates of SDLT are paid on properties in Northern Ireland and England was temporarily raised to £500,000. This means many house buyers paid no tax at all.

Those buying additional properties (e.g. second homes and buy-to-let properties) still have to pay the 3% additional rate, however. The temporary changes end on 31st March, when the Residential Rates threshold will go down to £125,000, meaning tax will need to be paid on the value of the property above this amount.

A reduction in SDLT usually makes buying properties more attractive to investors and landlords, since it means they pay less tax. This can have an effect of increasing demand during the tax relief period, inflating house prices for as long as the policy lasts. This effect may end when the holiday ends, causing market activity and house prices to drop. Landlords ought to be aware of the effect this could have on their plans to buy or sell.





1 APRIL 2021

From 1 April, non-UK residents purchasing property will have to pay an additional two per cent on top of usual stamp duty tax rates. They are eligible for a refund on this amount if they become a UK citizen within two years of purchase.

31 APRIL 2021

The Government's Coronavirus Job Retention Scheme, also known as the furlough scheme, is due to wrap up at the end of April. The scheme has allowed employers to furlough employees, with the state paying 80% of their usual remuneration up to a maximum of £2,500 per month.

This is an important date for landlords whose tenants have been affected by coronavirus. If tenants currently being supported by the furlough scheme are not kept on by their employers when the scheme ends, then their income may cease on 31st March, meaning they may have difficulty paying their rent from this date.

Landlords are advised to be in touch with tenants far ahead of time to find out if their tenants will be affected and agree suitable arrangements if needed.





30 SEPTEMBER 2021

The Private Tenancies (Coronavirus Modifications) Regulations (Northern Ireland) 2020, which introduced the changes to the notice to quit periods, is to be extended to 30 September 2021.

With the current regulations due to expire on 31 March 2021 Communities Minister Deirdre Hargey, on 18 February 2021, said "I am committed to protecting people from eviction during this difficult time. My focus in all I do is to support those in most need. I introduced this legislation to do just that and to support the wider public health effort."

What does this mean?

Whilst the Regulations are in force a 12-week notice to quit period applies to all tenancies, irrespective of the duration of the tenancy. This means:

For tenancies less than five years the notice to quit period has been increased by eight weeks to 12 weeks.

For tenancies that are between five and ten years, the notice to quit period has been increased by four weeks to 12 weeks.

For tenancies of more than ten years, the notice to quit period remains the same.



EVICT  
NOTICE



## What's on the horizon?

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The recent Private Rented Sector in Northern Ireland - Proposals for Change Consultation Document proposes a number of changes which will impact on both landlords and tenants. Below are some key changes being proposed...



The Department proposes to introduce legislation to stipulate that rents can only be increased once in any 12 month period.



Amend the notice to quit period from four weeks to two months for tenancies lasting longer than 12 months.



Seek to introduce legislation for a Fast Track Eviction Scheme which may include mandatory grounds for possession and provide appropriate safeguards to ensure fairness.



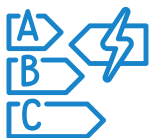
Develop a tenant information pack which a landlord must provide to the tenant at the commencement of the tenancy.



Amend the Landlord Registration Regulations to incorporate a fitness declaration at the point of registration. Sample checks could be carried out by councils on these declarations.



Introduce legislation as soon as practicable to make it a mandatory requirement for private landlords to provide smoke and carbon monoxide detectors and to carry out periodic electrical checks.



Introduce legislation around Energy Performance Certificate (EPC) ratings similar to that in England where a property has to have a minimum energy rating of 'E' or above for new tenancies

“As a self-managing landlord, it can sometimes feel like an awful lot to stay on top of, so you might want to explore having your rental investments looked after by people who do it every day. If you have a property in Portadown, Craigavon or Lurgan and you'd like to discover whether using a letting agent is the right decision for you, why not get in touch? Call me for a chat on 02838 355100.”



Gavin Boyle - Proprietor

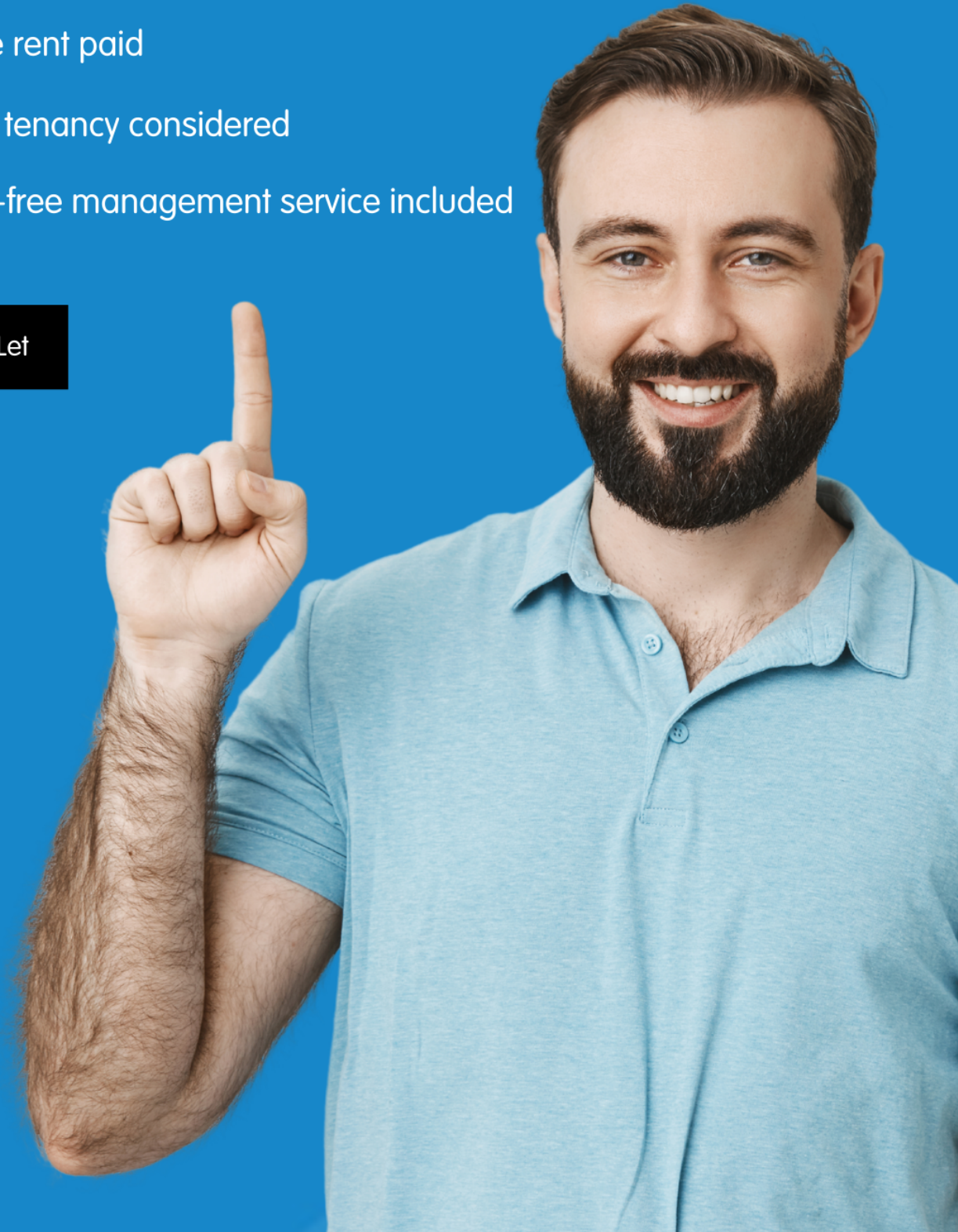


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