

Lancaster Landlords: Legal Changes in 2020 You Should Be Aware Of



Helping you stay compliant in 2020

If you're a buy-to-let landlord or property investor, there are many pieces of legislation and regulations you need to be aware of, in order for your properties to remain legally compliant.

This year, there are several upcoming regulatory changes, and we thought it would be helpful to summarise these for you in this handy e-guide.

If you have any questions about any of the topics covered in this guide, or any aspect of property management, feel free to contact the JDG Lettings team on 01524 843322.

We're here to help.



1. Minimum Energy Efficiency Standards

You will most likely be aware of the minimum energy efficiency standards (MEES) which state that, from April 2018, **all new tenancy agreements and renewals must include an EPC Rating of 'E' or above.**

From April 2020 this will be extended to cover all current tenancies - so all your tenanted properties must meet this minimum energy efficiency standard before then.

There is a good chance that this will be raised to a 'D' or above in 2022-23, so it is worth ensuring that your property's EPC rating is a 'D' or above now, if possible.

The government have said there will be financial penalties for non-compliance, of up to £10,000, so if you have any concerns about this regulation, please get in touch with us as soon as possible.



2. New Tax Relief Rules

In the past, UK landlords were able to claim full tax relief on mortgage interest payments and fees, but this changed in 2015 when the government announced a new set of rules.

In 2017-18 claimable tax relief was reduced to 75%, and from 2020-21 this will be reduced to zero. Instead, from April onwards, landlords will receive a 20% tax credit on their mortgage interest payments and will have to declare the rental income they previously used for mortgage interest payments.



3. Electrical Installation Checks

In 2020 it is likely that **mandatory five year electrical installation checks** on all private rented properties in England will be introduced.

This was first announced in January 2018, with a two year transitional period of implementation. The first year will cover all new tenancy agreements, with the second year extending the cover to all existing tenancies.

4. Changes to Private Residence Relief

Another relevant tax which is changing from April 2020 is the Capital Gains Tax. Currently, landlords are able to claim Private Residence Relief for the time they resided in the rental property, plus 18 months after moving out. This will be reduced by 9 months to a 9 month period after moving out.

The payment deadline for Capital Gains Tax is also changing, from January 31st in the year following the sale, to 30 days after the completion of the sale.



If you are concerned about your legal compliance as a landlord, or to find out about potential investments in Lancaster, you can contact our Lettings Manager, Josh, at Josh@JDG.co.uk.

We're here to answer any questions you may have.