

To protect and promote the private residential landlord



The National Landlords Association (NLA)

Finance incentives and Energy Efficiency

David Kendall

Regional Representative: Scotland

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The issue is financing

- Mortgage finance – dried up
- Larger deposits required
- Property prices decreasing
- Rents in some areas 'softening'
- Tenants tempted to go for cheapest, not best, properties
- Effect = less capital for investment

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Supporting landlords?

Homeowners usually see homes improvements as a deferrable cost... Something to put off till later

But through support we have the opportunity to:

- Help develop a culture of investing in housing
- Improve the private rented sector
- Professionalise landlords and drive out rogues
- Make better use of our existing housing stock

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Energy Saving Measures


Introduction of EPCs


- Went live on 4th January
- All new tenancies require an EPC
- Each EPC lasts 10 years
- EPCs based on efficiency of heating system, insulation (if any), windows, etc

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Main EPC Outputs

Energy Efficiency Rating		
	Current	Potential
<i>Very energy efficient – lower running costs</i>		
(92-100) A		
(81-91) B		
(69-80) C		
(55-68) D		
(39-54) E		
(21-38) F		
(1-20) G		
<i>Not energy efficient – higher running costs</i>		
	57	72
England & Wales	EU Directive 2002/91/EC	

Environmental Impact Rating		
	Current	Potential
<i>Very environmentally friendly – lower CO2 emissions</i>		
(92-100) A		
(81-91) B		
(69-80) C		
(55-68) D		
(39-54) E		
(21-38) F		
(1-20) G		
<i>Not environmentally friendly – higher CO2 emissions</i>		
	52	68
England & Wales	EU Directive 2002/91/EC	

↗
Energy Efficiency Rating

↖
Environmental Impact Rating

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Energy Assistance Package

- Replaces Warm Deal programme
- Managed by Energy Savings Trust
- Completely focused on vulnerable tenants – aims to:
 - Maximise incomes
 - Reduce fuel bills
 - Improve energy efficiency
- Only involvement for landlord will be if the tenant qualifies for insulation

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Energy Saving Scotland Home Renewable Grant

- Grants available for private households to invest in renewables.
- Grant maximum = 30% of installation costs, up to £4k
- More business focused scheme
- Landlord can apply – not tenant dependent

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Schemes of Assistance

- Councils responsible for delivering 'Schemes of Assistance'
- Each council responsible for their own scheme
- Linked to the Repairing Standard
- System focused on loans rather than grants
- Again reliant on the tenant applying

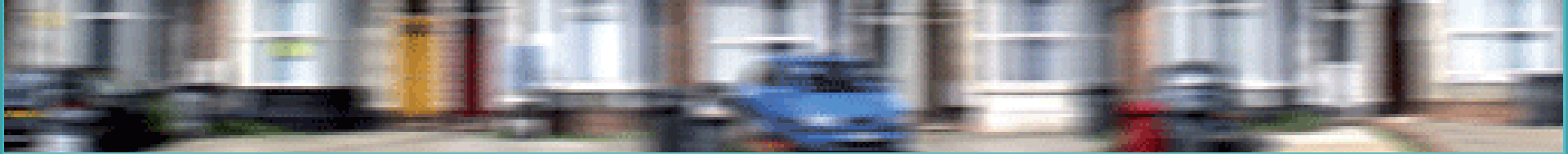


Are tenant loans the way to go...?

Two questions -

- Tenants are usually responsible for utility bills but will they want to take on a loan for work on a home they do not own?
- What happens if tenant leaves, how do they repay the loan?

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Tax

- Landlord's Energy Saving Allowance
 - Tax allowance of £1,500 per property
 - Only applicable to a small number of energy efficiency measures
- Reduced VAT for home repairs and improvements
 - NLA is working with the industry to get the Treasury to act
 - Agreed at European level, needs to be implemented at national level

Tax incentives vs grants/loans

- Tax incentives are:
 - Quick easy and certain
 - No laborious applications
 - Are not dependent on tenant initiative
- Grants/ Loans
 - Can help target at risk groups
 - But take time and tenant confidence to get involved
 - Never sure if you qualify till you get accepted...

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