

To protect and promote the private residential landlord



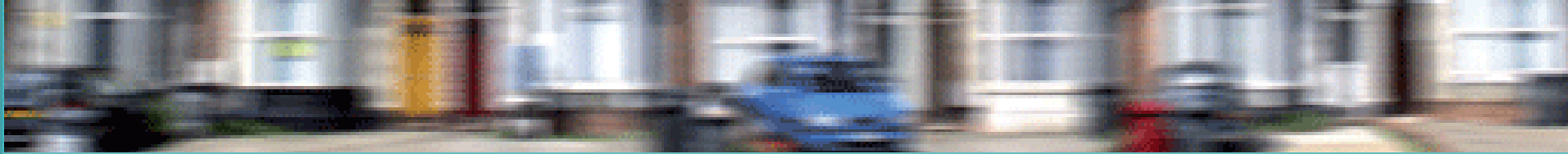
The National Landlords Association (NLA)

Finance incentives and Energy Efficiency

David Kendall

Regional Representative: Scotland

To protect and promote the private residential landlord



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

To protect and promote the private residential landlord



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



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

To protect and promote the private residential landlord



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

To protect and promote the private residential landlord



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

To protect and promote the private residential landlord



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

To protect and promote the private residential landlord

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

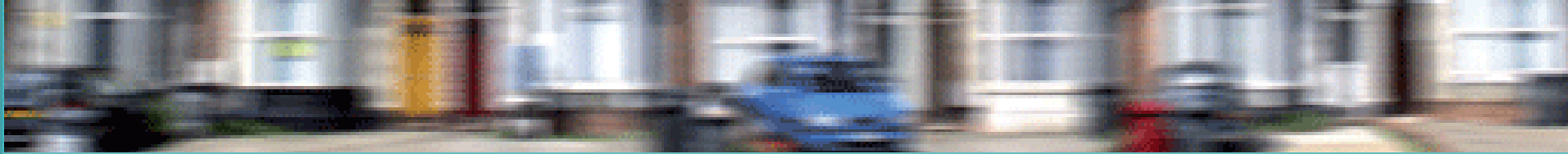


Are tenant loans the way to go...?

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?

To protect and promote the private residential landlord



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...

To protect and promote the private residential landlord



The National Landlords Association (NLA)

Finance incentives and Energy Efficiency

David Kendall

Regional Representative: Scotland

david.kendall@landlords.org.uk