

Landlording: A Handy manual for Scrupulous Landlords and Landladies Who Do It Themselves (Landlording) (Paperback)

A treasure trove of valuable practical information

By: Leigh Robinson
ISBN: 978-0932956309 Price (From): £11.04 (Amazon Books)

The Landlord's Handbook: A Complete Guide to Managing Small Residential Properties (Landlord's Handbook)

Cover the landlord-tenant relationship, marketing, leases, renewals, rent collection, insurance, maintenance, property taxes, and bookkeeping

By Daniel Goodwin, Richard Rusdorf
ISBN: 0793127327 Price (Used) £9.29 (Amazon Books)

Guideto Letting Property: The Landlords Handbook (Easyway Guides)

This revised edition of A Guideto Letting Property substantially updates the second edition in the light of changing legislation, and also in the light of the ever growing Buy -To-Let sector and the need for ongoing professional advice.

By Roger Sprston
ISBN: 1900694727 Price (New&Used) £8.99 (Amazon Books)

Website Links you may find useful:

Plymouth City Council: www.plymouth.gov.uk

Bristol City Council: www.bristol-city.gov.uk

Tenancy Deposit Schemes:

www.depositprotection.com (CUSTODIAL)
www.mydeposits.co.uk (INSURANCE BACKED)
www.tds.gb.com (INSURANCE BACKED & RESOLUTION SERVICE)

Valuation Office (District Valuer) www.voa.gov.uk

Buy-To-Let Finance: www.themoneycentre.co.uk

Rental Property Knowledge: www.landlordzone.co.uk

Courtesy & thanks to Letting Network, Landlord -Law, NFRL, NLA and all others for the use of some or part of articles within this newsletter



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Contact: (01752) 242980 Email: landlords4landlords@hotmail.co.uk



NEWSLETTER

Welcome,

Our First Landlords Expo in Plymouth was held on 19th April, this event went well with many attending — sincere thanks to your committee who made it possible and to the exhibitors who made this day a success.

We also exhibited at the Bristol Expo that was held on 17th May. Many new members took up the opportunity of joining at both of these Expo's.

NOW LAUNCHED EMERGENCY



We are pleased to announce that your association has now launched a 24/7 emergency helpline for members of your growing association.

The first in the UK to offer such a service.

Members can now contact us in many varying ways via text/email/SOS Online/landline/mobilephone/Skype etc. Enabling a 'direct' communication.

Your committee feel this is a positive step forward in providing a never expanding service for members.

Continually exploring new methods, **hereto help you...**

How will it work/How to contact ?

Members will be issued a contact card with the necessary details. These will also be displayed in the members area of the website.

New Service — 24/7

Tenancy Deposit Scheme Update

Revised AST — For TDS

Inventories for your Lettings

Form 88

Landlords may axe Deposits

Home Information Packs (HIPS) UPDATE

Tenant Demand — New Peaks

Buy To Let Booming

Diversify your Property Portfolio

Housing Market — Life Expectancy

Questions & Answers

Housing Benefit — Repayment (Case)

Landlords Duty (Case)

New Building Regs

Energy Emissions

Bristol Branch Update

Member Application Form

Book Review & Useful Links (Rear Cover)

WestcountryLandlordsAssociation

TenancyDepositScheme —Updates

Thingsarebeginningtosettledownalittlethough there seem to still be many with queries about the schemes, particularly in respect of the use of the landlord's address and the post tenancy contact address.

New issues are emerging and we consider that for some, the whole area of lead tenants and Relevant Persons seem to be growing.

It has been confirmed that the Custodial Scheme are happy to receive each cheque direct from the tenant.

"Lead Tenants" - A Lead Tenant is one of the joint tenants who is solely responsible for dealing with the deposit and damages disputes. The custodial scheme requires all joint tenants to agree on the Lead Tenant and for the role to be explained. The "NLA" scheme requires the landlord to appoint one of them.

"Relevant Persons": - Relevant Persons are those who supply the deposit on behalf of the tenant. This could be the Guarantor or the parents, but could be an employer or anyone else. Firstly, you need to ask who is funding the deposit on the tenancy application form. Secondly, we are suggesting that since this person stands to possibly lose their money if the tenancy conditions are breached, they should get to see the tenancy and preferably sign to confirm they agree to it. The Relevant Person is required in the prescribed information and is required to be given a copy of the prescribed information.

Where a deposit is paid by a third party - for example the parents of a student, a conflict arises over the requirements of the deposit scheme operator to identify a "lead" or "principal" tenant on a tenant named to represent all of them on the AST. If a parent pays the deposit, the parent has to sign the AST also to agree to the lead tenant

Now, tenants must also be given a lengthy "prescribed statement" which sets out the name of the landlord, the rented property address, the name of any third party and a host of other complicated information. It has to be signed by the landlord and tenant. Unless a landlord has issued these, within 14 days of receiving the deposit, they may be already falling foul of the new law

These have been included within the revised WLA Assured Shorthold Tenant Agreement.

Where a deposit is paid by a third party - for example the parents of a student, a conflict arises over the requirements of the deposit scheme operator to identify a "lead" or "principal" tenant - one tenant named to represent all of them on the AST. If a parent pays the deposit, the parent has to sign the AST also to agree to the lead tenant.

Now, tenants must also be given a lengthy "prescribed statement" which sets out the name of the landlord, the rented property address, the name of any third party and a host of other complicated information. It has to be signed by the landlord and tenant.

Unless a landlord has issued these, within 14 days of receiving the deposit, they may be already falling foul of the new law.

Form 88 — (Problem Tenants List)

This is a register where you may place a tenant's details on, who has caused you problems during their tenancy with you.

Don't let your fellow landlord suffer also place them on Form 88 so others can be made aware.

Available either online at:
www.wlainfo.co.uk/form88.htm

Or submit a 'hard copy' form available on request.

Revised Tenancy Agreement

We have revised the Assured Shorthold Tenancy Agreement to take into account the requirements under the new Tenancy Deposit Scheme "Prescribed Information".

* Another new Service *

Inventories for your Lettings

WLA are now providing our members with what we consider to be a satisfactory and comprehensive inventory, we encourage members to use this, thus avoiding any disputes regarding the deposit held in whatever scheme is used at the end of the tenancy.

This can be found in the **Members Download Centre** — **Form: 17** 'Hard copies' can be provided on request (01752)242980 for those not connected.

WestcountryLandlordsAssociation

Membership Application Form

Please complete the details below and return with a cheque for **£35** (This amount includes a "one-off" joining fee of £10) payable to "Westcountry Landlords Association"... Or join online at www.wlainfo.co.uk

After Completion return to

WestcountryLandlordsAssociation
P.O.Box454
PlymouthPL34WL

Trading Name:

Surname (Mr/Mrs/Ms/Dr) etc:

Christian Name(s):

Partners Surname (if applicable):

Partners Christian Names):

Address:

Postcode:

Telephone No. (Day):

Telephone No. (Evening):

Email Address:

Preferred password:

For members are a website access

Where did you hear about us?

Signed:

Dated:

Above information will be held on a computer system and shall be kept Private & Confidential.

Membership year runs from 1st January — 31st December

CUT HERE



NewbuildingregulationsinScotlandtocutenergyemissions

NewbuildinglawscameintoeffectinScotlandyesterdaythataimtocutenergyemissions fromallnewhomes.

UndertheRegulations,whicharetheequivalentofPartLenergyconservationBuilding Regulations,testsarenowrecommendedonallnew -buildresidentialpropertiestodeterminehow energyefficienttheyarebycheckingfor'leaks'fromgapsandcracksinfloors,walls,window sanddoors.

PeterChapple,air -tightnesstestingconsultantatGlasgow -basedLKAcredit,asubidiary ofenvironmentalengineeringfirmLeydenKirbyGroup,says:"Housingaccountsformorethana quarteroftheUK'scarbonemissions.

"Poorlyfittedwindowsanddoors,andinferiorbuildingmaterialsarethemostcommonwaysfor airtoescape.Butairleakagepathsaren'talwaysvisibleandareoftenobscuredbyinternal finishesorexternalcladding.Thetestissosensitiveitcanpinpointvulnerableareasinthe buildingdesignormaterials.

"New-buildshaveacriticalroletoplayinreducingdomesticemissions.Developersaretakingthis seriouslybecausetheyrecognisethatprovingtheirgreencredentialsmakesgoodbusiness sense.They'reharnessingthenewrecommendationstotheircommercialadvantageandusing theirairtightnesstestcertificatesasamarketingtooltoselltheirpropertiestoenergy -conscious buyers."

BristolNews

TheBristolExpoheldonthe17thMaywasanabsolutesuccessforyourassociation — ourcongratulationsgotoPhilGilbertfororganisingthisevent.

InnovativenewtelephontechnologyhasbeenintroducedatBristolCityCounciltocutdownon waitingtimesforpeoplecontactingtheCustomerServiceCentre.

Thenew'VirtualHold'callmanagementtechnologywasintroducedinresponsetocustomer feedback.Customerstoldthecounciltheyfeltfrustratedatsometimeswaitingalongtimetoget tospeaktosomeoneonthephone.

**Havingaproblemreadingthisnewsletter?
Largerprintversionavailableonrequest**

**DoYouhaveanyarticlesforyournewsletter?
Sharethemwithothers**

Pleaserecommendafriendtojoin YOUR association..
Or,ifyouwishtojoinpleaseusetheformoppositeorjoinonline... →
Manybenefitsincluding:Discountedinsuranceratesthroughthe
BatemanGroup,SupplierDiscounts,Newsletters,Meetings,Interactive
Website,FreeDownloadableStationery...andmuchMore.....

Landlordsmayaxedeposits

Shropshirepropertylandlordsmayconsideraxing traditionaltenantdepositsratherthantakepartin anewprotectionscheme.

Thenewrulesintroducedearlierthismonthmean alldepositstakenbylandlordsforassured shortholdtenanciesinEnglandandWalesmust beprotected.

SarahHeath,wholeadsthecommercial propertyteamatMartin -KayeSolicitors,in Telford,saidtherulingwouldaffectthousandsof propertyowners.

"Anationalsurveyhasshownthatlarge numbersoftenantsclaimtohavebeencheated bylandlordsrefusingtopaybacktheirrent deposit.

"Butnow,underthenewregime,landlordswill havetochooseeitheracustodialoraninsured scheme,andprovidetheirtenantswiththe contactdetails."

Underthecustodialscheme,thetenantpaysa deposittothelandlordwhoas14daystosendit tothescheme.Attheendofthetenancy,the schemereturnsthedeposit.

Underthealternativeinsuranceschemes,the tenantpaysthedeposittothelandlord,who retainstheamount,butthelandlordmustalso payapremiumtotheinsurer.Bothschemes featurealternativedisputeprocedures.

"Butmanylandlordsarelookingforalternative waystoapproachthequestionoftenant deposits,ratherthantakingpartintheschemes simplynotaskingforonethoughmeansthe landlordhasnoprotection,"saidSarah

"Youcouldconsidertakingpostdatedcheques, orchargehigherrentsandofferacashbackatthe endofthetenancyiftherearenoproblems.Both theseoptionsthoughwouldrequireyoutotake partinthe tenancyprotectionscheme.

"Onesolutioncouldbetochargetwomonths' rentinadvance -butalthoughthismaygivethe landlordssomesenseofcomfort,therent in advancecouldnotbeusedtorepairdamagein thefuture.

"It'sclearthatlandlordsneedtobefullyawareof theimplicationsofthenewrules,andensuretheir proceduresmeettheguidelines.Takingcareto drawuptherightagreementinthefirstplacewill helppreventdifficultiesinthelongterm."

HomeInformationPacks(HIPS)
(Informationcorrectattimeofgoingtoprint)

InitiallyHIPSwere duetobecome compulsoryfrom1stJune2007.

However, followingalegalchallengebythe RoyalInstituteofCharteredSurveyors (RICS)theHomeInformationPack(HIPS) introductionhasnowbeendelayeduntil1st August2007.RuthKellyMP(Communities Secretary)toldMP'sthatthepackswould be'phasedin'.

Moreenergyassessorsarerequiredwhich apparentlythereiscurrentlyashortage.

Initiallysellerswouldonlyhavetohave commissionedthepacksratherthanhavea completedone,beforemarketingtheir property.

Theemphasisappearstobeonenergy performancecertificates.(thishasbeen theMinistersjustificationofsuchpacks).

Packswillinclude:

- (A) Evidenceoftitle
- (B)Copiesofplanning,listedbuildingor buildingregulationconsents
- (C) Alocalsearch
- (D) Guaranteesforanyworkonthe property
- (E)Anenergyperformancecertificate

Whoisaffected?

Propertieswith4ormorebedrooms(thisonly affectsafifthofthemarket).

IfyoumarketyourpropertythroughanEstate Agentormarkedviaanewspaperadvert.

Thosenotaffected:

Propertiessaywith3bedroomsplusan office/studyetc.

Persons 'approached'byprospective purchaser.



Waste Disposal
(01752)369843
07799856663

Already Property Services
www.alreadyproperty.co.uk

Tenantdemand'hitsnewpeaks'

Landlordsareexperiencingincreasing levelsoftenantdemand,with92percentof respondentstoParagonMortgage'slatest quarterlymarketsurveysayingthatdemandis eitherstable,growingor'booming'.

Thismarksthesesecondhighestlevelof positivefeedbackonrecord,anddemonstrates thecontinuedmovetowardsanevolving housingmarket,'withmanypeopleincreasingly choosingprivaterentedaccommodationfor flexibilityandaffordability',saidParagon managingdirectorJohnHeron.

Thesurveyalsofoundthattheaveragevoid periodonaprivaterentedpropertyhas dropped2percentonthelastquarter.On average,landlords'propertiesareemptyonly 2.96weeksayear.Paragonbelievescontinued highdemandmeansthisfigureislikelytofall evenfurther.

'Wehavebeenrunningthissurveyforfive yearsandhaveseenaverystrongtrendof growingtenantdemandthroughoutthisperiod', saidHeron.'Butrecently,inbothourown researchandthatofothers,we'veseen demandforprivaterentedaccommodationhit newpeaks.Demographicinfluenceshat underpintheprivaterentedsectorareall continuingtorise,whichbodeswellfor continuedhealthygrowthofthebuytolet sector'.

Paragonfoundrentshavemovedupby8.2per centoverthepastthreemonthswhileaverage totalreturnsgeneratedbylandlordshave reachedtheirhighestlevelinfivemonths - 12.9percentonungearedbuytolet investments.

Buy-to-letbooming

Thenumberofbuy -to-letlandlordsinvestingin the UKProperty marketlookssettorocketin future,anewreportsuggests.

Accordingtoresearch,onemillionhomeowners saytheyareplanningtoinvestinthebuy -to-let marketwithintheneextthreeyears.

Ifthisdoesindeedoccur,reportssuggestthat thenumberoflandlordsintherentalmarketwill doublebytheyear2010.

Cont. →

Theresearchcompany(Mintel)alsopredictsariserovertwoover50percentinthebuy -to-let marketby2011.

PaulDavies,Mintelseniorfinancialanalyst commented:"Itisclearthatthesedays,buy -to-letisnolongertheexclusiveofprofessionalportfoliolandlords.

"Increasingly,propertyownersareseeingthe benefitsofinvestinginbricksandmortarand oftenregardthesesecondhomesmarketasa goodalternativemeansofsavingforretirement.

"Aslongasthesetrendscontinue,futuregrowth inthismarketshouldbeguaranteed."

Thenewscomesaspropertyindustry commentators,BuyAssociationrevealedalarge proportionoffirst -timebuyersareheadingnorth tobuycheaperpropertiestorentout.

Thisisamovewhichallowsthemtobreakinto the UKProperty market,whilestilllivingdown southforworkcommitments.

MakingMoneyin"BuyToLet"

DavidLawrensonofwww.lettingfocus.comsays: -

"Landlordsshouldalwaysbuywisely;youcanmake alotofmoneythisway.Thismeansyouneedto spendtimeidentifyingareasataregoingto appreciateinvalueinthelongtermandthatwill alsobeeasytoletovertheshortandmediumterm. Toidentifyplaceshatwilldowellinthefutureyou shouldaccesstheplethoraofinformationavailable ontheinternet.Sitesuchas www.upmystreet.co.ukareuseful,whilecentraland localgovernmentwebsitesalsohavealotof informationonareasataregoingtoreceive regenerationmoney.Youshouldalsocheckoutthe leveloftenantdemand.Ultimatelythebestwayto checkthisistoruna'testadvert'forapropertyyou haven'tyetbought.Iftherearenocallsfrom prospectivetenants,thenyouneedtothinkagain aboutwhetheryourpurchasemakesense.

Alwayschecktenants'referencesverycarefullyor makeabsolutelysureyourlettingagentisdoingit foryou.Therisnothingasstressfulashavingto removeabadtenant,asyouwillprobablylosefour monthsrentandfaceotherhassles.Don'tbea'me too'investor,buyingyetanotheridenticalflatina blockthatisalreadyover -saturatedwithother landlords,asyouwillendupcompetingwiththem fortendants.Readuponyoursubject,theraisalot toknowviawebsitesandbooks.Finally,readthe propertysectionsinthebroadsheetpapers".

TothisendhehadregardtotheCourtofAppealauthorityofLevy -v-SecretaryofStateforWorks& Pensions[2006]EWCACiv890@19 -23whereLordJusticeDysonhadbeenminded(aswasLady JusticeHallett)toholdthatregulation6(1)oftheSocialSecurityClaimsandPaymentsRegulations 1987wasultravires.5(1)oftheSocialSecurityAdministrationAct1992becausewhilsts.5(1)(a) spokeofregulations"...requiringaclaim...tobemade...insuchamanner...",regulation6(1),which providedforthedatewhenaclaimwouldbetreatedashavingbeenmade,didnot"require"anything ofaclaimanddidnotrelatetothemannerinwhichaclaimwasmade.

Inthatcase,MrsLevyhadclaimedwidow'sbenefitbypostonthe4/7/00butitwasnotreceivedby theBenefitsAgencyanditwasnotuntila2ndclaimwassubmittedandreceivedonthe29/10/01that benefitcouldbepaid(theclaimbeingtreatedasstartingonthe29/7/01).Herappealagainsthe refusaltotreather1stclaimashavingbeenmadewasrejectedbytheCommissioner,andonappeal totheCourtofAppealhercounselforthefirsttimeraisedtheargumentthatregulation6(1):

"...thedateonwhichaclaimismadeshallbe (c)inthecaseofaclaimwhichmeetstherequirementsofregulation4(1),thedateonwhichitis receivedinanappropriateoffice."

wasultraviressection5ofthe1992Act:

"(1)Regulationsmayprovide

forrequiringsuchaclaimforbenefittowhichthissectionappliestobemadebysuchperson,insuch mannerandwithinsuchtimeasmaybeprescribed;

fortreatingsuchaclaimmadeinsuchcircumstancesasmaybeprescribedashavingbeenmadeat suchdateearlierorlaterthanthatatwhichitismadeandmaybeprescribed."

However,theCourtofAppealacceptedtheSecretaryofState'sargumentthats.189(5)[@23,25& 38]:

"23...couldhardlybeofwiderscope.Itpermitsthemakingofsuchsupplementaryregulationsas appeartotheauthoritymakingtheregulationstobeexpedientforthepurposesoftheregulations. Itisfundamentaltotheproperandefficientworkingofthislegislationthattthedateonwhichaclaimis madeshouldbeascertainablewithcertainty..."

25.Section189(5)wasintroducedasasweepingprovisionpreciselytocaterforthepossibilitythat therewasalacunainthespecificrulemakingpowerscontainedinsection5..."

Conclusion

Thisarticleisnotintendedtocoversituationswherethelandlordand/ortenantcanchallengeeither theallegedoverpaymentoritsrecovery,butmerelytoclarifythecurrentstateofthelawinthisall commonareaofdispute. -too-

Landlord'sDutyLimited

Atenantwhosoughttoclaimfromherlandlord,aftersheWascutbybrokenglass,foundthatthe CourtofAppealdidnotagreethatherlandlordwasliableforherinjury.

ElaineAlkerhadbeeninjuredwhentheglassinherfrontdoorbroke,causingaseriousinjurytoher arm.Theglassconcernedwasordinaryglass,notsafetyglass.Shearguedthattheglass,whichwas undamageduptothattime,shouldhavebeenreplacedwithsafetyglass,asthedangersofusing un-reinforcedglassindoors arewellknownandhavebeensoformanyyears.Shearguedthather landlord'sfailuretoreplacetheglasswasabreachofhisdutyunders.4oftheDefectivePremisesAct 1972.

Incourt,itwasruledthatthelandlord,CollingwoodHousingAssociation,wasinbreachofits obligations.TheHousingAssociationappealed.

TheCourtofAppealdidnotagreewiththefindingofthelowercourt.Thedoorpanelitselfwasnotin disrepairandthusneedednomaintenance.Althoughtherewasarepairingcovenantinthetenancy agreement,thelandlord'sdutywastomaintainorrepairthepremises,whichisnotthesameasaduty tokeepthemsafe.Thatwouldbeanunjustifiedextensionofthestatutorylanguage.

Landlord's Repayment of Housing Benefit Overpayment and Treatment as "Rent"

The issue Regulation 95(2) of the Housing Benefit Regulations 2006 ("the 2006 Regulations") provides that:

"Any payment of rent allowance made to a landlord pursuant to this regulation or regulation 96 (circumstances in which payments may be made to a landlord) shall be to discharge, in whole or in part, the liability of the claimant to pay rent in respect of the dwelling, except insofar as –

the claimant had no entitlement to the whole or the part of that rent allowance paid to his landlord; and the overpayment of rent allowance resulting was recovered in whole or in part from the landlord." (my emphasis)

In other words, if a non-local authority landlord has been receiving direct payments of housing benefit from the local authority and it later transpires that there has been an overpayment of such benefit then (subject to the usual rules and rights of recovery) the landlord may find themselves being required to repay the overpayment. Of course, that would mean that the tenant would owe the landlord the overpayments but that may be of little practical benefit to the landlord if it is to be treated as a mere debt rather than rent arrears.

The common law position The common law position is as set out in the decision of R – v-L B of Haringey, exp Ayub (1993) 25 HLR 566 – namely that once there has been paid by means of the original housing benefit direct payment that the rent liability for that same period is extinguished once and for all.

Regulatory change Regulation 95(2) referred to above clearly purports to change the previously established common law position in this area, and for some time it has been suggested *ultra vires* as the enabling legislation does not provide the Secretary of State with the authority to make such a provision. Section 5(1)(p) of the Social Security Administration Act 1992 ("SSAA") merely provides that regulations may provide:

"...for the circumstances and manner in which payments of such a benefit may be made to another person on behalf of the beneficiary for any purpose, which may be to discharge, in whole or in part, an obligation of the beneficiary or any other person". (my emphasis)

The argument presumably goes that the declaration that a repayment of a housing benefit overpayment does not extinguish the rent previously paid by these means does not come within the definition of "circumstances and manner".

Case-law It is perhaps surprising that there has been no reported decision on this question despite it being raised by CPAG on a number of occasions. I had cause to argue the point at the Clerkenwell & Shoreditch County Court on the 26th October 2006 before HHJ Cotran in circumstances where the majority of the £5000 plus rent arrears outstanding at the time the possession claim was issued consisted of a £4979.00 repayment by the landlord to the local authority in respect of a 2001 housing benefit overpayment. –2003

The Judge was asked to determine the point as a preliminary issue and concluded that the £4979.00 did represent "rent lawfully due" and regulation 95(2) (he was in fact considering the same – worded predecessor regulation 93(2) of the Housing Benefit (General) Regulations 1987) was to be applied and was not *ultra vires*.

He effectively found in an ex tempore judgment that s.5(1)(p) was sufficient for these purposes and in any event s.189(5) of the same Act provided that:

"Without prejudice to any specific provision in this Act, a power conferred by this Act to make an Order in Council, regulations or an order... includes power to make them by such incidental, supplementary, consequential or transitional provisions as appear to Her Majesty, or the authority making the regulations or order, as the case may be, to be expedient for the purposes of the Order in Council, regulations or order." (my emphasis)

Cont. 

Diversifying Your Property Portfolio and Investments

Whether you are just starting out as an investor in property or already have a substantial portfolio it is essential to consider diversification of the type of property investment you hold and to consider the relevant risks and returns for each.

Some investments are potential capital gain investments only and therefore speculative, some are investments producing a healthy yield but without necessarily intending to gain in the capital value. Ideally though your investments should have both attributes as a high yield on a property going down in value is not a particularly sound proposition.

Off Plan Property Investments

Off plan residential investments are very popular and have recently been producing capital gain returns in excess of 100% per year based upon the 15% typical deposit required to buy the property. This is both due to the bulk buying discounts available on properties not yet built via property investor clubs and the fast price rises seen in the past few years. However with price rises slowing it pays to be much more careful on these types of investments in the future, particularly if the property rent forecast barely covers the mortgage payments making the purchase as speculation on future prices rather than a true investment. Always buy through a reputable club obtaining genuine discounts and with well researched rental forecasts.

Many new investors have concentrated entirely off plan and if purchased carefully this is an important factor of an active portfolio as it can provide short term trading income if successful. It should however be balanced with one or many of the other property investments available.

Refurbishment Rentals

A faster way to get a property bought and rented is to buy and refurbish an existing property however with recent price increases established landlords confirm these are getting harder to find in quality areas. In some less desirable areas property is still cheap but with this comes the likelihood of lower quality tenants and hence riskier returns.

Commercial Property

This offers the investor an opportunity to achieve usually much higher yields than usually possible today in the residential sector, combined with a strong tenant rent commitment and longer leases. Commercial property can offer yields from 6 to 16% plus depending on the quality of the building and tenant. Funding is available up to 80% of the property price for new build and the yield can easily cover a repayment mortgage: – a very important piece of protection if prices were to slow in the next few years as it ensures that you are equity increases in the property at the expense of your tenant not just as a result of property inflation. An added bonus is that commercial properties attract a taper relief on capital gains producing only a 10% tax rate after two years.

Land Investments

Land can offer some good speculative returns on a long term basis. Land without planning permission is significantly cheaper than land with planning permission whether for residential or commercial use. For the speculative investor careful selection of land in urban fill areas, industrial estate expansion zones and green belt land likely to be landlocked by future highway expansion can offer exciting but probably long term gains.

Holiday Lets – UK and Overseas

This is another property investment which is usually treated as a business asset and hence attracts a taper relief on capital gains again. Holiday lets in the UK are getting more difficult to make profitable with the recent price gains seen in this country however overseas it is still possible to achieve up to a 10% yield on investment from rental income. Considering mortgages in overseas countries are well under 5% it is very achievable to operate a 12 to 15 year repayment mortgage and own the property outright at the expense of the tenant after this period. You are relying on a different rental income type to normal residential rentals as you are taking money from people's holiday budget instead. Popular countries where buy to let abroad works well include Spain, France and the US (Florida) where demand and rentals are high.

PropertyInvestmentFunds

Finallyifallthisdiversificationsoundsabitrichforthesizeoffundsyouhaveavailablebutyoustill haveawishtospreadyourinvestmentsandriskscrossanumberofsectorsthen property investmentfunds maybeforyou.Forasmallinvestmentforsay30,000poundsupwardsyoumay investinafundthatwillpoolyourinvestmentwithotherinvestors,addsomegearingwithbank fundingandtheninvesttheproceedsinaspreadofinvestments.Thistypeoffundworksinmuchthe samewayasaunittrustbutwiththeassetsthatbeinginvestedinbeingpropertynotshares. Investordemandforthesenewtypeofpropertyfundsisprovingsubstantialastheresponsibilityfor theinvestortomakeallthedecisionsandtomanagetheportfolioismovedtoprofessionalmanagers andthediversificationcanbemuchbetterthanthatwhichasingleinvestorcouldnormallyachieve withlimitedfunds.

PerhapsPropertyInvestmentFundsarethewayforwardsformanyinvestorswhounderstandthe needfordiversificationanddonothavethefundsorthetimetoreachit.Diversificationreduces risksandexposestheinvestortoawiderangeofmarketplacesandpotentialreturns -asoundand profitablesolution.

Increasinglifeexpectancyimpactsonhousingmarket

Goodnewsformortgageintermediaries -Alliance&Leicesterispredictingthatincreasinglifeexpectancy willresultinmorefamiliesmovinghousemoreoftentocopewithadultchildrenremainingathomeaswellas dependentelderlyrelatives.

Thereporteddemographicshifttoalowmortality/lowfertilitysocietyisleadingtothecreationofnew generationsofhomeowner,accordingtoareportbyAlliance&LeicesterMortgages.

A&L'sChangingUKHouseholdMarketreport,undertakeninconjunctionwiththinktankCentreforFuture Studies,showsthatasthepopulationislivinglonger,peoplearespendingmoretimeatcertainlifestages andlivinginmorehousesthaneverbefore.

'Ourresearchdemonstratestheappetiteformovingwillincreaseinthefutureasnewgenerationsof householdersemerge,keepingthehousingmarketfulloflife,'saidStephenLeonard,directorofmortgages atAlliance&Leicester.

'Changingdemographicsandsocialattitudeswillinevitablyhaveaneffectonthehousingmarketinthe future.Forexample,thenumberoftimeshatpeoplemoveintheirlifetime,orthetheincreaseordecreaseinthe typeofhouseholdtheylivein.Thesetrendsarepredictedtochangedramaticallyinthenext20years.'

By2026,thereportpredictstheoverallnumberofhouseholdswillincreaseasareultofchangesinthe make-upofthehousingmarket,withmorepeoplelivingontheirownandanincreaseinone -parent householdsasdivorcecontinues. Thesetrendsarealreadywelldeveloped.

Therewillalsobemoremulti -personhouseholdsasareultofthenumberofstepfamiliesandmulti - generationalthouseholdsgoesup.Butmaritalhomeswilldecreaseasco -habitinghouseholdsincrease. Thelargestincreaseswillbeinco -habitingcouples -up83%by2026andsinglehouseholdsup53%,the reportpredicts.

Thereportpredictsthecreationofthe'adkid' -adultchildrenprolongingtheirtimeintheparentalnest. By2026anestimated78%oftheadultpopulationwillhaveearnedthetitleof'adkid'.



The report says that 'adkids' staying at home lead to a 'Peter Pan' attitude never wanting to grow up and being quite happy to rely on mum and dad for longer according to the report.

This, in turn, leads to an increase in the age at which 'Peter Pans' leave home, get married, have their first child, and so the knock -oneffect begins for future generations. For example, women now have their first child at an average age of 26.7 years, and by 2026, this will have risen to around 29 years. The 'adkid' generation could affect older generations, because it is predicted that parents will spend less time being 'empty nesters' but more time in the 'sandwich' generation -having simultaneous demands from both their elderly parents (who are living longer), and the 'adkids' who have never 'left home yet'.

Some useful Questions and Answers

Q: My tenants wish to extend their AST agreement by 3 months to cover the summer period. Can I do this or does the extension have to be for 6 or 12 months to be valid?

A: No, there are no rules about the length of time a tenancy agreement, or extension of a tenancy agreement, has to be. In fact for a short three month extension it may be better not to give them a new tenancy agreement but just allow them to continue under their existing agreement, which will automatically continue on a month by month (or week by week) basis depending on how they pay rent.

Q: I have a tenant who has not paid rent since last October 6th. My letting agent has not followed correct procedure, and doesn't seem able to remove the tenant. I don't understand why, the agency had a good reputation, and is run by a firm of solicitors. I did not query it for a long time because I completely trusted them. Can I claim compensation for loss of rent due to their incompetence?

A: You need to take a look at your agency agreement to see what your agents have contracted to do for you. Generally an agency contract does not include arranging for evicting tenants which, if the tenant refuses to move out, can only be done via the courts and has to be paid for separately (unless the landlord has taken out legal expenses insurance). I would suggest you have a chat with your agent about evicting the tenant and ask them if something they can arrange for you. Even though they are a firm of solicitors this does not mean necessarily that they deal with eviction work. I agree though that it looks as if they should have discussed this with you earlier. The important thing right now though is evicting your tenant rather than obtaining compensation from your agents. You will need your agents' cooperation for this. However once your tenant has gone and the problem has been resolved, you may be able to claim compensation if your agents have acted in breach of their agency agreement and caused you financial loss as a result of this breach.

Q: Are there any specific laws that apply to Houses of Multiple Occupation?

Cont

A: Houses of Multiple Occupation are covered by specific laws about how they are run and whether they are fit to live in, including the number of bathrooms, toilets, kitchens and fire escapes, and whether they are overcrowded.

Q: What is a 'decent home'?

A: A 'decent home' is one that meets the following conditions.

Fitted in

This means that it must be structurally sound and free from serious faults and dampness. It must have enough lighting, heating and ventilation (air circulation), and have water and drainage services. It must have a kitchen with hot and cold water, a toilet, and a bath or shower with hot and cold water.

In a reasonable state of repair

Has a reasonably modern kitchen and bathroom.

This means the kitchen must be no more than 20 years old and have enough space and a safe layout. The bathroom must be no more than 30 years old and be in the most appropriate place for you.

Is reasonably warm

This means that there must be heating and insulation so that you are kept reasonably warm in winter.

Q: Inventories are going to be very important to assess deposit disputes - will it be mandatory to have one on every AST?

A: This has not yet been decided, there are arguments for and against making it mandatory to have an inventory. A decision on this will be made later in the year.

Q: How Often Can The Rent Be Put Up?

A: In general terms, rent of an existing tenancy can only be increased once every twelve months. Where an assured short hold tenancy holds over as a statutory periodic tenancy, a specific prescribed form (a section 13 notice) must be used to notify tenants of a proposed increase in the rent.

Thus only if the tenancy is expressly renewed by a new agreement will the deposit have to be dealt with under the TDP.