

SOUTH WEST LANDLORDS ASSOCIATION NEWSLETTER



'Run for landlords by landlords'

January 2010

**Don't forget the AGM 19th January 7:30 pm Plymouth
Novotel**

Are YOUR Finances Healthy ?

Or, do you, like most of us, have finances that need looking at right now?

Take a look at the list below and see how you shape up >>

Cash Reserves / Rainy Day Fund

Have you got adequate cash reserves?

Ideally, to ensure you are protected in the worse case scenario, you should hold around 3 to 6 months (Yep – SIX MONTHS) pay or living expenses in cash reserves somewhere.

Golden Rules for Cash

- Always make sure as much as possible is in a tax shelter such as a Cash ISA's or deposited in the name of the lowest taxpayer for couples.
- Always keep your eye on the interest rates – most interest rates out there at present are around the 2 / 3% level if you're lucky. If higher, then almost certainly it's a "Teaser" or intro rate for say 12 months. Very likely they will be very uncompetitive in a years time and they're counting on you being too lazy to move your account.
- I'm often asked where to go to get the best interest rates / return – It's important to realise that we've all been spoiled for the last few years with artificially high savings rates that paid a "Real" return – that is, a return over and above whatever the inflation rate is.
- Historically, this has been very unusual with the normal rate of return from deposit funds usually below the level of inflation
This return to the norm is very likely to drive a return to the stock market over the next year or so as Savers chase income. When you consider that you can buy shares with an annual dividend payment of 5%+ -- and in addition, have the prospect of capital growth. But at some risk! (Obviously the value of those shares can rise and fall)

Many savers will, I believe, start to get back into the market to get a decent income.

Bank Account & Credit Cards

Are you paying too much for your banking and / or credit? Or do you arrange your affairs so that you don't pay any bank charges at all?

By taking advantage of the various Personal and Business accounts on offer (including online banking) I haven't paid a penny in bank charges over the last 10 years.

As the banking market contracts and the banks start to rebuild their margins to meet the new government required solvency levels (The level of profit they make from you – the customer) a lot of banks are pushing their "Paid For" type accounts, often with bundled goodies such as free holiday cover etc. In addition, the rates on most credit cards have not fallen in line with the reduction in bank rates. On the contrary, they are raising rates and credit in general is both getting more expensive AND harder to come by.

- Do you actually use or need the extras if you have a "paid for" account? – If not, then move back to the basic account for free banking.
- Do you pay "per transaction" on your personal and/or business account – maybe a change of bank (or at the very least a review of your charges) would cut costs.
- Check - if you go overdrawn each month and pay a lot for the privilege then perhaps a different type of account is better for you.
- Always pay down debt whenever possible – and always clear the most expensive card/loan first! – Remember to pay off any loans / debt that attracts tax relief last.

- Always shop around – don't just assume that your account/credit card is the best value – it almost certainly isn't!

Are You Paying Too Much Tax ?

Are you using all of the tax breaks available?

- Is all your cash in ISA's or other tax free savings? In April 2010 the amount you can each invest goes up to £5,100 each in cash ISAs and a further £5,100 in Stocks & shares ISAs each year (current rates are £3,600 cash & £3,600 each for the under 50s) – We all keep cash in reserve, this should be held tax free where possible.
- If a couple - Do you always keep your cash in the lowest taxpayers account?
- Do you use your annual Capital Gains Tax exemptions/allowances? – Remember that you can transfer assets between spouses **at any time** with no tax to pay – i.e. you should ensure any asset/property is in joint names before any sale.
- Have you make sure that any shares you hold are in the lowest taxpayers name – Otherwise an additional tax charge is due on any dividends – Plus, of course the hassle of putting them on your tax return.
- If possible, do you employ your spouse to use up any Nil rate tax band?- Remember that NI contributions are payable per employment. IE you could have 4 separate jobs each paying £5,000 per annum and pay no employee OR employer NI Contributions.
- If you are paying into a pension and are an employee then ask about “Salary Sacrifice”. This is where you give up a part of your pay and then your employer pays the “Give up” or “Salary Sacrifice” into your pension for you. This means that there are no NI contributions payable on that pension payment either by you, OR your employer – A saving of over 25%, an extra which could be paid into your pension at no cost!
- Are you paying into a pension? – Remember that you get an additional 20% reclaimed and reinvested for every premium you pay (Higher rate taxpayers get relief at their highest marginal rate (40% or soon to be 45%).

That's an immediate investment return of at least 20% from day one – When you compare that to the interest rates available then you should give serious thought to building up a pension pot.

Are all your Eggs in one basket ?

Many landlords have all their assets in property because that's where their expertise and experience has served them best in the past. Indeed, many new(ish) landlords got into the “Buy To Let” market in recent years to provide an income or property “Pension” in retirement. We all saw many of these types of adverts / articles / TV programs etc at the height of the property price boom. Regrettably, this has failed in an increasing percentage of these, with an ever increasing number of “Buy to let” repossessions and an even higher number of court orders granted instructing any rents from tenants to be paid direct to the lenders. Property prices have fallen and the rents have not covered costs in many cases – Many had little or no cash reserves and any change of circumstances (bad tenant, rent arrears, loss of job etc) has provoked the sale of the property.

Also, many business owners consider their business as their pension – Hopefully this will turn out to be the case, but a very large percentage of businesses fail with the loss of everything – Pension plans are usually protected when a business fails.

Ideally you should have a wide spread of **different** assets so that you are not exposed to any particular cycle. When one type of asset goes up, another usually goes down.

We've all had a very good run with property prices. At present though, property as an asset class is not attractive any more and a lot of people are bailing out. It's important to remember that even with prices falling most long term owners are still showing a healthy capital gain on their purchases and the rate of Capital Gains tax is now only 18% . *On a personal note, I sold one small flat every year since 2003 (the last one in April 2008) to realise the profits and to use up annual personal Capital Gains Tax Allowances each year. - Maybe I'll start buying again in 2010/2011 -- if prices fall far enough to make it worthwhile!*

Asset Holdings / Investments-Subject to preferences, age, etc etc you should consider holding a mix of:-

1. Cash on deposit– (Just now, Cash is King!)

National Savings / Premium Bonds (Guaranteed security)

2. Property – But remember that usually a very large part of your assets is already held in property (Your Home!). Ideally, some kind of holding in commercial property would be a good idea, even if held via an ISA or Property shares

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3. Equities/ Stocks and shares either direct or as a Stocks and Shares ISA. I always recommend that where possible any Stocks and Shares ISA should be drip fed by paying a monthly amount rather than a single payment. A little more hassle to ensure there is always cash in the bank to pay each month – but gives you far greater control and lowers the timing risk.
4. Low risk Insurance / Investment Bonds (Often With Profits Plans) –Many hold these as a low risk lump sum asset –They have many built in tax advantages. The strongest companies have performed well over the years. Most have early redemption penalties within the first few years. The recent stock market gains means that the redemption penalties often charged (MVR- Market Value Adjusters) have been reduced or removed.
5. Pension Plans – If a couple, then you should BOTH have one to balance out retirement income. Even with no net relevant earnings (Residential Property Income is not classed as earnings) you can each contribute up to £3,600 Gross Each Tax Year -(You only pay £2,880 NET) and the tax is reclaimed from the taxman with any 40/45% relief's given via your tax return.
Remember that in 2010 the law changes and the new minimum retirement age will be age 55 (Currently it's age 50)
6. State Pension -Ensure you have fully funded your State Pension even if it means that you pay voluntary contributions and ask about paying back contributions if applicable.
BUT - SEE BELOW – make sure you don't over contribute if retiring after 2010 – **You won't get a refund!**

Remember that in April 2010 the new minimum NI contribution years (For Men & Women) required to get a full state pension will fall to 30 years. – Currently it's 39 years for women and 44 years for men for anyone reaching age 60(Women) and 65(Men) before April 5 2010.

Are you paying too much for your Mortgage?

After the recent bank rate reductions you may be paying very little. But for many their Lender hasn't passed on the reductions or they are still in a high fixed rate etc.

My usual advice to any would be re-mortgager is to always check what's on offer with their existing lender first! – Often it's better to stay put and take advantage of their standard variable rate now that the bank rates have come down so much.

1. Think VERY carefully before any re-mortgage deal and do your sums – check the payback time (How long does it take to recoup the set-up / switching costs).
2. If you add penalties/and/or fees to the loan the monthly rate may be lower, but you'll be paying interest on a higher loan for the duration of the mortgage!

Remember that Mortgage *Interest* on a let property is tax relievable against letting income. – So pay off any domestic/home mortgage first!

If you have a domestic/home mortgage then consider rearranging your loans when you can to ensure all the lending is tax relievable. (You can get tax relief on the interest of 100% of the initial value of your let property (Purchase costs + any improvements made before it was let)

Are you paying too much for your Insurances?

It's a very competitive marketplace out there with insurance companies vying for your custom. As usual, **shop around** – Don't assume that because it was set-up online it's the best or cheapest!

Check

- Car insurances- I usually do mine online, but this year I got a much better quote from a small local broker! – And a far better service!
- Household Cover – Don't assume you are getting a good deal on your existing cover. Many banks/firms/building societies etc often offer a 50% first year reduction to get new customers - Don't forget to move later if it's not
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competitive at renewal time – That’s when they rebuild their profit margins and increase the premiums – As usual they are banking on you being too lazy to check/move!

- Employers liability if applicable-Always shop around!
- Life Insurance (But watch out for increased costs on any Critical Illness Cover you hold – Rates have been rising steadily each year so its very unlikely you can get new cover anywhere near the same cost as an existing Policy.).
- If you have Mortgage Protection insurance the cover usually reduces each year in line with your repayment mortgage but the premium stays the same. If you’ve had it for more than 5 years it’s often cheaper to rearrange. (But see above if it has any critical Illness cover built in) Also, never cancel the old one until any new plan is in place.
- Holiday Cover – Any cover you buy attached to your holiday is usually MUCH more expensive than buying it separately. Always check the conditions/exclusions as these can make it worthless. Online is usually much cheaper.
- Landlords Cover for your let property – If you are not using our SWLA Landlords Direct Policy - Then get a quote! – You will almost certainly save money. To date, I haven’t heard of a better value Policy.

Finally, –don’t forget all those Utility Bills – SWITCH suppliers and get a better rate using one of the online switching sites such as www.switchwithwhich.co.uk

If everyone switched Phone, Broadband, Gas and electric Companies more often then all our bills would be lower.

Trevor Anderson Cert PFS, CeMAP
Principal
Anderson Financial Planning
(Independent Financial Advisers)

Stamp duty change comes into effect on 1 January

Britons planning to purchase residential properties early in 2010 may find themselves paying an extra 1 percent in taxes, thanks to changes to the country’s Stamp Duty. Ever since September 2008, those purchasing residential real estate valued between £125,000 and £175,000 enjoyed a stamp duty waiver, but all of this is changed in January. Starting in this year, anyone purchasing a home valued at more than £125,000 will be required to pay the 1 percent stamp duty.

The stamp duty holiday was initially conceived when property prices in Britain started to show a marked downward trend. The goal was to limit the damage to the real estate sector, when prices started collapsing in September 2008. While prices are no longer falling by such proportions in much of the country and as values start to stabilize, the market is looking healthier than it did a year ago. But those who support an extension of the stamp duty waiver note that the real estate sector is currently in a protracted period of stagnation, and therefore is not out of the woods just yet.

There is some disagreement as to precisely how much the stamp duty waiver cost the government in lost revenue. According to the government’s own estimates, this amount may have reached £615 million. But the Council of Mortgage Lender’s figures are much lower—the organization believes that the total amount probably stands at around £500 million. This is mostly due to the fact that the property market has been sluggish for much of the year, with relatively few sales. *From the RLA website news page*

From a member of SWLA

I was interested in EcoWarm heating, but worried about the security aspect of the moveable radiators. I had a meeting with Michael Skinley to discuss it. He conferred with a firm who deals with this, and he has come up with a system of securing the radiators with cable ties, and combination padlocks. I was debating on having gas CH installed, but it was going to be 3 or 4 days of upheaval, with bedroom floorboards being taken up, etc. So I have gone for the EcoWarm, which was completely installed in 2 hours, with no upheaval. The heating is very good, and the cottage concerned is costing £3-75 per day to heat. It is a small 2 bed cottage. The warmth is lovely. I found the EcoWarm firm to be very professional, helpful and prompt.

Regards Anna

Water charges review update

A report to the government (the Walker review) has said that landlords should not become automatically liable for tenant's unpaid water bills.

The Residential Landlords Association (RLA) has campaigned against the proposal that water companies should be able to recoup their losses from landlords if the tenant leaves without settling their bill.

Water companies, unlike energy suppliers, have not been allowed to disconnect users since 1999, since then they have seen bad debts rise to £1.2bn. The bad debt adds £12 to every bill-paying customer. Another flaw is that water users do not have to give their personal details to obtain a supply of water or sewerage services. It is possible for the suppliers to install trickle valves to reduce the water supply to a property whilst still allowing sufficient for hygiene purposes. The government appear adamantly against disconnection.

The RLA suggests that the legislation be changed so that water users are named when responsible for payment of the bill. If they left without settling the water supplier would have enough information to pursue them through the civil or criminal courts. All that remains to be seen is **whether the government will actually take action on** the Walker review findings.

LHA

The Conservatives have made it clear that they will reform Local Housing Allowance if they get in to power. Meanwhile in a surprise move, the government is to examine the impact of LHA on both tenants and landlords to see if it is really working.

The Work and Pensions Select Committee will conduct an enquiry into how the system is working, and whether the system incentivises landlords to raise rents to LHA level. It will also consider the proposal to scrap the £15 excess payments to tenants who pay lower rents. Alan Ward, RLA chair said "Payment direct to tenants who are then on trust to hand it on to the landlord, has not worked. Many tenants fail to hand over any money. Once there is more than eight weeks in arrears, the landlord can apply to have the payment made direct to them, but that means that an average of £2,000 in owed rent is effectively lost." Many landlords have become vary wary of accepting housing benefit tenants. A handful of local authorities understand landlords' concerns. Harrow's Letstart scheme offers LHA landlords a non-refundable deposit of £250 as an incentive, plus fast-tracking of applications not just in Harrow but in other West London boroughs. There is also a Rent Arrears Bond offer which is the equivalent of four weeks' rent for the first 12 months: it pays out if the tenant falls into arrears, so there is no need for the landlord to rely on the LHA system of having to wait for eight weeks' arrears before being able to claim. Harrow, however, is the exception not the rule. The LHA system has been widely criticised and not just because of the way housing benefit is now paid direct to the tenant. Newspapers have highlighted examples of families housed at huge cost to the taxpayer in large private houses. Intrinsic to the system is the way that allowances are set. LHA is calculated for individual areas known as Broad Rental Market Areas (BRMAs). The amount payable is set on the median (middle of the range) rental figure for the area. As it is the middle of the range, LHA is often different from what landlords charge for rent. Currently if the rent is lower than the LHA, the tenant can keep up to £15 per week, without it affecting other benefits. Buy-to-let author Daniel Lawrenson says:"In our patch, LHA rates are some way above the private market rents. Here the local authority pays tenants the equivalent of £996 per month for a two-bed property. But if you tried letting to private tenants not receiving

benefit, it is not easy to get much over £870.

Recently I have seen ads saying something along the lines of "If you're interested in letting to LHA tenants and are willing to say the rent is higher than it really is when I make a claim, so we can share out the extra, please contact me". This sounds like fraud. Over-high LHA rates are making sure the taxpayer is being well and truly ripped off. The £15 excess is likely to be scrapped in next spring's Budget, which may trigger more landlords to raise their rents to LHA levels.

LHA has come under attack because benefit is paid in arrears whereas landlords want rent in advance, and stipulate this in their agreements. Regulation 95 Housing Benefit Regulations provides that where the tenant is in arrears of eight weeks or more, payment should be made to the landlord. However a landlord's interpretation of what arrears means is not necessarily the same as a council's. DWP guidance is that 'a person cannot be in rent arrears in respect of a period that has not yet been served'.

However, on October 5th a Housing Benefit Tribunal decision upheld a landlord's claim that a tenant's arrears begin as soon as the date on which rent was payable has passed. The chairman of the Coventry Appeal Tribunal disagreed with the DWP guidance and said that rent is in arrears once the contractual date for payment has passed, irrespective of whether rent is due in advance or arrears. In this case, rent was payable monthly in advance.

When the tenant twice failed to pay, the landlord wrote to the council saying that the tenant was eight weeks in arrears due to the two missed payments. The council maintained that the tenant was not eight weeks in arrears and continued to pay benefit to the tenant. Later the council conceded that it should have made payment to the landlord, but it could not do so as it could not pay twice even if the first payment was made in error. The Tribunal said that the case had been beset with errors by the local authority and ordered compensation.

In the Budget 2009 it was announced that the government will remove the ability for tenants to keep up to £15 a week where their rent is lower. In the latest Pre-Budget the government states that they will **not** remove the £15 excess and will delay reform until 2011. Bit of a u-turn then.....

Tenancy Deposit Schemes update

Major differences have emerged in how the three tenancy deposit schemes are working.

According to Mydeposits (insurance based scheme) just 0.61% of cases end in dispute whilst The Tenancy Deposit Scheme (TDS run by the Dispute service and RICS and RLA) believes that 2% of cases this year will end in dispute.

There appear differences in the outcomes of disputes, all of which legally have to be resolved by the independent process of ADR (Alternative Dispute Resolution). The TDS says that the results break down as 50:50 in favour of tenants and landlords/agents, both where disputes are found wholly in favour of one party or another, and where amounts within the deposits are split between the parties. However Mydeposits (insurance based) says that 55% of disputes are found wholly in favour of the tenant, with only 18% found wholly in favour of the landlord. The remaining % of disputes are split but Mydeposits has not said how.

The third scheme, Deposit Protection Service (custodial) says that only 18% of adjudications were awarded fully to the landlord or agent, whereas 38% have been awarded fully to the tenant. They also say the remaining % were split but the DPS did not say how.

Rises in tenancy deposit costs (TDS)

Anyone using the Tenancy Deposit Scheme (TDS run by the Dispute Service and RICS and RLA) may experience large rises in subscription when a new charging system comes into force. With the TDS largely designed for **agents** it is inevitable that rises in costs will be passed to the landlords. Both the legislation and the scheme specifically allow for this. However agents will be unable to advise what extra costs will be. Currently, all that is known is that there will be no more flat fees, with subscriptions varying from firm to firm. Details coming out in January. The changes are because of the huge rise in disputes having to be determined by the ADR service offered under the scheme.

All external case examiners, who were a mix of freelancers and contract workers have been dispensed with, with some 70 posts affected, and leaving just 12 case examiners. Thus disputes under the TDS may take longer. Letting agents and landlords are urged to resolve smaller disputes over tenancy deposits. In one dispute the amount involved was just £4.20. This kind of misuse of the dispute scheme is the overwhelming reason why the costs have risen. Mydeposits (insurance based) has not announced a rise in costs. The DPS (custodial) is paid for by the interest on tenants' deposits which are physically handed over and place in a ring-fenced account.

Landlord Manual

The second edition of the LACORS landlord manual is now available on the internet.

The first link shown below will take you straight to the manual (be careful- it's 90 pages).

The second link shown below will take you to the LACORS site where you can download chapter by chapter (5 in all).

http://www.anuk.org.uk/Information/LandlordHandbook/Landlord_trainingmanual_web.pdf

<http://www.anuk.org.uk/Information/LandlordHandbook/default.asp>

Housing benefit reform consultation document

The DWP (Department of Work and Pensions) has issued a consultation document on the internet. The document sets out the government's view of possible reforms to Housing benefit and Local Housing Allowance (no mention of tenant's choice to pay landlord direct).

The internet link is shown below (it's 44 pages).

Look at page 32 Sections 6.10 and 6.11 and questions 13 and 14 where there is the mention of linking direct payments with, possibly, energy efficiency and HHSRS (Housing Health and Safety Rating System).

http://www.housingbenefitconsultation.co.uk/file.php/1/HBReview_Web.pdf

SWLA choose EcoWarmth

SWLA has chosen EcoWarmth for heating at the Dale Road offices opening soon.

Tenancy Deposit schemes—Single Claim—Statutory Declaration

If you need to make this declaration it must be sworn by an officer of the court, or a solicitor.

In Plymouth, Greg Yates of Foot Anstey offers this for a standard £5.
Contact Greg Monday—Thursday on 01752 675536 for an appointment.

In Bristol, Richard Gore of Gregg Latchams LLP (56 Queen Street Bristol) offers the same facility.

Contact Richard on 0117 9069 424 for an appointment.

Remember that any "exhibits" attached to the declaration are an additional £2 per exhibit.

A brothel ? Not in my backyard.....

But one might be even closer than that—possibly in a property you let.

People often have an image of a brothel as a down-at-heel property in a seedy area, but this image is far from the truth. Brothels can be found across the entire private-rented sector. Landlords can be prosecuted if they know their property is or was being used as a brothel. Look out for tenants who want to make rent payments in cash (hiding identities) especially if they are looking to pay long periods up front. When visiting the property, does it look as though it's actually being lived in? The police say that other signs are sparse furniture inside the premises, little kitchen equipment, lack of personal effects in bedrooms and bathrooms. There may be numerous mobile phones lying around. Of course, these signs are common to a number of situations and do not necessarily mean there's a problem. If you have suspicions, gather more evidence—neighbours can give you vital information. Ask them if they have seen a range of people visiting the property or whether they can identify your tenants. A stream of different visitors at all hours of the day and night or a string of different women staying for a short time is likely to raise some eyebrows. If you think your property is being used as a brothel, don't challenge the tenants or try to throw them or their belongings out. Contact the police as soon as possible, they can gather further evidence and prosecute the offenders. You can seek to end the tenancy in the normal legal way. Don't worry if it turns out to be wrong. The police say false alarms are better than no alarms. Bear in mind that these situations could also apply where drugs are involved.

The Association provides assistance and advice. However, the Association does not hold itself out as providing specialist legal advice and therefore whilst written and oral advice is given in good faith, no responsibility can be accepted by the association, its officers or members for the accuracy of its advice, or shall the association be held liable for the consequences of reliance upon such advice.

Reply from HSE sent in by SWLA member Robert Leest

You asked two questions during the event which I imagine are still very relevant to you all. The reply is from our gas lead, Christopher Chambers, this is the HSE line.

Qu - Appliances marked as 'not to current standard' by gas engineers. Can you continue to use them as is, or do you have to put the appliance right or replace it and if so how quickly?

Ans - There is no requirement for Not to Current Standards (NCS) issues to be corrected, as these issues do not affect the safe operation of the appliance. The only exception is that the installer may decide that several NCS issues for similar items (e.g. ventilation) mean the appliance is at risk (AR) which would need to be addressed. So unless the appliance is marked as at risk (AR) it can still be used.

Qu - The differences between a gas appliance service and a gas safety check. Gas fitters called out to do gas safety checks, inform landlords that a gas appliance service is extra and vice versa. Does this mean that an appliance service is not sufficient enough to guarantee that the appliance is safe for use? What is the difference between a gas safety check and a service?

Ans - there are two distinct duties under Reg 36 - to ensure that appliance and flues are checked for safety every 12 months; and to ensure that appliances and flues are maintained in a safe condition. These are two distinct duties which are clarified in the Approved Code of Practice (ACOP). A safety check would not normally involve servicing or maintaining the appliance or flue and would simply check that it is operating safely on the day in question. A service would involve cleaning out any lint or debris and checking the appliance. It does appear that the installers are milking the system if they are servicing an appliance and then charging extra for a gas safety record as they are carrying out the same checks essentially. This is not true for the other way round as the safety examination is mainly visual and would only check the inlet pressure, etc.

I hope this helps.

Kind regards

[Helena](#)

Helena Allum
HM Inspector of Health & Safety

From the Association

Possession claims on-line (Section 8)

Possession claims for rent arrears (Section 8) can be submitted over the internet and costs £100 instead of £150 for the paper-based claim. It is still a requirement that you attend a court hearing in your local crown court, although the defendant does not have to attend.

The internet address is www.possessionclaim.gov.uk.

It has come to light that claims for **possession** only (Section 21) **cannot** be lodged through the on-line claim system.

SWLA stationery

SWLA stationery may change without notice so before using a document, make sure that you use the latest one on the SWLA website, by checking the issue date or check with the SWLA office at the email address or telephone number shown below.

Form 77 input

When you finally decide to rid yourself of the trouble tenant, first put their details on Form 77 **before** they leave the property so that another member doesn't inherit them.

Unwanted email and post

Are you receiving unwanted emails or newsletters in the post from organisations? If by post, simply return it with a note telling them not to contact you any more. There should be an unsubscribe link on the email – click on that to remove yourself from their lists. If there is no unsubscribe link, just reply saying that you do not wish to be contacted by them. They are obliged to remove your contact details.

Inventory and Schedule of Condition

The Deposit Protection Service recently reported that when deposit disputes go to adjudication, only 18% are awarded to the landlord. The burden of proof is on the landlord. At the start of the tenancy the landlord should complete an Inventory and Schedule of Condition that are sufficiently detailed, clearly set out, signed and dated by both parties. An Inventory can help measure any damage at the end of the tenancy and it pays to include condition and age of items in the Schedule of Condition. Also photographs can be a valuable form of evidence. Photos are increasingly used in Inventories and Check-outs as a comparison tool. So taking accurate, jointly verified photos at the beginning of the tenancy can help you to avoid a dispute in the future.