

NEWSLETTER

'Run by landlords for landlords'

SWLA - Chairman's report for the year

2007 has been a very challenging year for your Association. The pace of change for all landlords continues to accelerate with the implementation this year (April) of the LHA (Local Housing Allowance). Plymouth City Council will be providing a speaker on this subject at the forthcoming AGM. In addition, the Energy Performance Certificate requirement for all let properties comes into effect next year.

April 2007 saw the introduction of the Tenancy Deposit Protection Schemes which had a major impact upon landlords, to date the feedback received has been mostly positive - we await the End of Term results from the student sector with interest.

Last year saw SWLA join the British Property Federation, which has a strong lobbying presence. We will be asking the BPF to look at the issue of recovery of costs after a court award. Whilst an attachment of earnings may be possible if the defendant is employed, no such mechanism exists where the defendant is on benefit.

Following on from the very successful Landlords EXPO at the Plymouth Guildhall in conjunction with Plymouth City Council, another will be held later this year.

PROBLEM TENANTS - Members are reminded that the SWLA maintains a very useful "Problem Tenant" list which we call Form 77.

Before you let a property do remember to check this list. (Either online in the Members Area of our website at www.landlordssouthwest.co.uk or by emailing / calling Alan Shennan in the SWLA Office.)

Also, don't forget to let us know when you have a "Problem" Tenant- You can complete the form either online or by ringing Alan.

Your input is essential to ensure your "Problems " are not simply exported to another Landlord when you get repossession.- Please take a few minutes to let us know.!

As always, your Association has continued to provide lobbying and campaigning for landlords' interests with both local and national bodies. Our hardworking Office Manager Alan Shennan is continuing to provide all members with essential backup and updated landlords' stationery, newsletters, website, members meetings etc. In addition a telephone and email support service is available to all our members.

The SWLA will continue to provide support and advice for all our members. I believe that in the future more regulated environment, membership of the South West Landlords Association will be even more relevant.

Trevor Anderson
Chairman

12 Radnor Place
PLYMOUTH
PL4 8DW

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In this issue

- Chair's report
- Student Accommodation
- Administration/ setup fee
- Condensation guide
- Drug awareness
- HMO licensing harming buy-to-let
- Proposal from Foot-Anstey
- "Mr. D"
- Energy-saving items

Diary dates 2008

Plymouth meetings

March 20th
May 15th
July 17th
Sept 18th
Nov 20th

Bristol meetings
To be advised

Growing demand for student accommodation

With the closure of the Exmouth campus in July 2008, there will be an additional 1,200 students studying on the university's Plymouth campus.

This means that the high demand for all types of student accommodation experienced in Plymouth this year will be sustained and increased for 2008.

The university's Student Accommodation Office maintains a database of over 5,000 rooms in privately managed accommodation. Landlords on our database sign up to a charter and our team inspects each property on an annual basis. The Student Accommodation Office can mediate between students and landlords and help resolve difficulties within database properties.

With the expected increase in student numbers, we are looking to increase the number of rooms on our database.

We are looking for flats, student share houses and family houses.

Current popular areas for accommodation include Mutley, Greenbank, Lipson, St Judes, Pennycomequick and Peverell. However areas such as Mannamead, Mount Gould, Stoke and Stonehouse are beginning to attract students. Distance from the campus is less of an issue if the property is on a frequent bus route. Similarly with an increasing number of courses being delivered to the north of the city, properties on bus routes to Tamar Science Park and Derriford will be welcomed.

All properties must have all the necessary fire precautions and, if there are gas appliances, hold a current gas safety certificate. HMO's must be licensed.

More information on our service can be found at:

**www.plymouth.ac.uk/accommodation/landlords
or by contacting our office on 01752 232062 /
email landlords@plymouth.ac.uk**

Administration / reservation fee

There has been much discussion about the application of an administration / reservation fee by a landlord.

Many letting agents apply such a fee, some more punitive than others. It is for this reason that it must be an individual decision on the part of a landlord to apply a fee. It should also be stressed that this is *not* a way around the Tenancy Deposit Protection Scheme.

Consider the amount of time spent by a landlord vetting the prospective tenant, and loss of revenue when the tenant decides not to take the tenancy. The property must be re-advertised (unless there is a queue at the landlord's door!) and the vetting process started all over again for the new tenant.

On the facing page is a *suggested* document for use should you decide to apply a fee.

Again, it is an individual business decision.

SOUTH WEST LANDLORDS ASSOCIATION

A suggested format for an ADMINISTRATION / RESERVATION FEE if applied by the landlord

Landlord's name

.....

Landlord's address

.....

.....

Tenancy address

.....

.....

Received from

.....

The sum of

.....

This fee is taken as a reservation fee to hold the property mentioned above, whilst references etc. are verified.

You are not obliged to take the tenancy, but if you do not, then you may not have some or all of the fee returned to you.

The fee is accepted under the following criteria.

- If the references are unsatisfactory, the reservation fee will be returned in full and the tenancy will not be granted.
- If a tenancy is granted, the fee will be used to disperse the landlord's reasonable administration costs incurred in, but not limited to, reference checking, guarantee checks (where applicable), production of an inventory (where applicable) etc. The fee is **not** returnable at the end of the tenancy.
- If the person paying the fee withdraws from taking the tenancy, or if a requested guarantor knowingly makes a false statement, the reservation fee will be used to offset the landlord's reasonable costs incurred until the property is re-let

Signed (landlord)

.....

Dated

.....

SOUTH WEST LANDLORDS ASSOCIATION

SWLA Committee member Iain Maitland provides the following advice on condensation.

Condensation - a simple guide

With the arrival last month of the festive season, many homes, along with the holly and the ivy, were decorated with black-spot mould and mildew.

Over 90% of domestic dwellings in the UK are affected by condensation.

Condensation and the associated problems caused can be detrimental to the health of the occupants, the building and its contents.

Condensation is caused by warm moisture-laden air giving up that moisture when it meets relatively colder surfaces. Some sources of moisture are:

Cooking, bathing, drying clothes, overcrowding, and portable gas heaters.

We can quite easily reduce and control condensation levels using some of the following methods:

- Employ adequate background heating and avoid temperature peaks and troughs.
- Install mechanical ventilators in bathrooms and kitchens.
- Install tumble dryers for drying clothes preferably with an external exhaust pipe
- Open windows on fine days to encourage air flow
- Install passifier vents (or similar) to external walls

Use a portable dehumidifier for bedrooms and living areas. (Remember when using a dehumidifier to close windows and doors and raise the ambient temperature in the space to be dried).

By using some or all of these methods you can reduce condensation levels.

The resultant advantages are:

- No complaints of damp accommodation
- Low moisture levels of internal timber (no wet or dry rot)
- No musty smells or discolouration by mildew and mould.
- Less decorating of ceilings and walls

Longer life for furniture, furnishings and fabrics

Have a happy condensation-free New Year!

SOUTH WEST LANDLORDS ASSOCIATION

HMO Licensing Scheme Is Harming The Buy-To-Let Market *taken from ARLA Agreement December 2007*

With a year since the government introduced licensing requirements for some HMOs, a survey by property finance experts Heritable Bank has shown the following:

- There are huge inconsistencies in local authority licensing requirements
- Landlords are being put off from investing in this sector due to licensing requirements
- Almost 1 in 4 still knows little or nothing of the HMO licensing scheme.

This has led the Bank to call for an overhaul of the entire HMO licensing scheme.

Heritable Bank surveyed 60 local authorities across the UK, and discovered that licence fees range dramatically from £80 in Hillingdon, West London, to a huge £1,100 in Newcastle. The average basic licence fee for a standard three storey, five unit HMO property is £563. This means that landlords will “shell out” £56 million in licence fees this year, which is the equivalent of £2,500 per landlord, based on the Dept for Communities and Local Government (DCLG) initial estimate of the average number of properties and landlords affected.

In addition to the added expense faced by a landlord, the report reveals the complexity of the HMO licence scheme. Since last year, 38% of the councils have changed the way they administer HMO licences. Most of these changes have involved further development restrictions and caveats, but 17% of the councils have increased licence costs, compared to 12% where fees have come down.

The survey also revealed that there are eleven different approaches to structuring fees. Some of the councils charge for additional services such as the requirement for a “fit and proper person” check to approve a licence or assistance in making an application.

The cost and complexity of the licensing scheme is creating an impact on landlords. The Bank’s recent survey asked over 200 property investors how this situation is taking a toll on their appetite to buy or hold on to HMO properties. Asked specifically whether the introduction of licences has had any effect on the type of properties in which they invest, 43% of those responding who would normally consider investing in an HMO property said that they had actively avoided doing so, while a further 6% said that they had sold stock. Only 4% of respondents had been spurred on to buy HMO property, but perhaps most worrying of all, is that nearly one in four still knew little or nothing about the licensing scheme.

Mark Sismey-Durrant, Ch.Ex. observed that “This scheme had the laudable intentions of raising the quality of the lower value end of the private rented housing sector, but was introduced with no central guidelines on cost or structure and the results were entirely predictable; it has become a revenue earner for local authorities, instead of a method of improving standards in the private sector. The government must urgently review the framework for licensing HMOs, so that all parties know what is required of them and what the likely cost to them will be. This will enable professional landlords to budget both the time and money needed for the successful development of the HMO letting market.”

As the basic licence fee varies between the surveyed councils, the Heritable Bank warns **all** landlords to check the small print, as 26 out of the 60 would levy additional fees and costs for properties with extra occupied rooms or survey requirements. The government is urged to create clear licence fee guidelines for councils and landlords, and to reconsider a cap on licence fees.

Other facts from the report include:

- Councils’ licence fees vary between 1, 3 and 5 year deals
- The cost of a licence is not determined geographically

Wandsworth (London) proved to be the most complex licence depending on number of levels and occupied rooms.

SOUTH WEST LANDLORDS ASSOCIATION

Greg Yates of Foot-Anstey has made the following proposal to SWLA members

Our current charges for SWLA members with effect from 1 January 2008 are:

	SWLA	Non SWLA
Drafting notice seeking possession	£55 including VAT	£65 including VAT
Accelerated Possession	£295 including VAT + Court Fee	£325 including VAT + Court Fee
Possession Cases involving one hearing	£365 including VAT + court fee	£395 including VAT + Court Fee
Assisting with bailiff service	£135 including VAT + court fee	£155 including VAT + Court Fee

To take advantage of our fixed fee system we need, as you are aware, the following:

Suitable evidence of ID, Copies of the tenancy agreements, Details of any rent arrears, payment of the amount required including court fee prior to starting work. Evidence of membership of SWLA is also required.

We reserve the right to move away from the fixed rate in the event that there are complicated issues. However, I can say that at the date of this proposal I can only recall one case where that has occurred.

Wills

In relation to a simple Will that does not involve tax planning our charges are as follows:

Single Will	£150 + VAT
Husband & Wife mirror will	£225 + VAT

However for SWLA members we propose to charge

Single Will	£130 + VAT
Husband & Wife mirror will	£190 + VAT

Again to take advantage evidence of SWLA membership will be required.

Fixed Price Conveyancing

We do offer a fixed price conveyancing service involving web tracking and text messaging. No completion no fees other than fees paid to other parties.

Greg Yates
Consultant
Foot-Anstey
01752 675536

SOUTH WEST LANDLORDS ASSOCIATION

Drug awareness

Following on from the *General Meeting* presentation on drug awareness by DC Stuart Payne, if you have worries or need advice, then you can telephone the Devon & Cornwall call centre at 08452 777 444 and leave a message for DC Stuart Payne 4372. The police also maintain a landlord register of key holders. This register seeks to minimise damage and forced entries by the police.

The Harbour Centre at 9 Ermington Terrace (Plymouth 267431) will take in and dispose of drugs paraphernalia, and they will collect **if** within the city boundary.

Plymouth Council have also advised that sharps bins have been installed in some areas of Stonehouse where there is a problem with sharps being found on the street etc., and Outreach teams are trying to get people to use them. Conversely, paraphernalia will **not** be collected under the Council's Landlord Collection Scheme.

Beware! Mr D is in town

Mr D is a 41 year-old, born in the west country, who approached me having been told by an ex-tenant that I had accommodation to let.

He came wearing a suit, collar and tie (unlike my own usual working attire), explained that he was desperate as he had returned to his accommodation to find his partner with another man. He had walked out rather than have a confrontation, with just a holdall containing his personal effects.

He was working at the local office of a national home improvements company (this checked out).

Having walked out of a relationship funds were limited but he did make an initial payment upon moving in. Over the next week we discussed his start anew, his approach to his sales job etc. etc.

Then came the day he was to get paid and then pay his rent.

“I’m not going to pay any rent and there’s nothing you can do about – take me to f***** court!”

During his ‘tenancy’ items had been stolen from the property and the police were involved. A lady visitor alleged rape, but declined to involve the police. Two of her male ‘friends’ paid a ‘visit’, broke a window, tore an internal door from its fixings, damaged another door and its surround etc. etc., and again the police were called. Another tenant and I have both been threatened.

The electric pre-payment meter has yielded nothing.

I applied to the courts on-line using the PCOL website, a comparatively simple procedure, and this claim was confirmed automatically with the date and time of the hearing – the fee being £100 instead of £150 for a paper based claim. In court the judge asked for a copy of the notice I had served for the court file (this would have been provided prior to the hearing in a paper based claim), otherwise the procedure was the same.

I requested possession in ten days rather than the usual 14 days but was told it was not possible.

A small plus – later in the day of the hearing another tenant in the same property told me that “Mr. D” had moved out so I did not have to wait and pay for the bailiff.

On clearing the accommodation, I found needles, etc., and a blackened spoon.

I entered his details on the SWLA Form77 prior to the hearing and will add details of the CCJ.

The SWLA need your input if you have been unfortunate.

On-line possession application to the courts is straightforward and will save you money.

Local Housing Allowance, from April 2008, will generally be paid to the HB claimant. Let’s hope there are not too many Jekyll and Hydes out there.

Bob Usher SWLA Committee member

From the Association

In the last Newsletter there was mention of the Prescribed Information which a landlord must give the tenant when taking a deposit. For those of you who do not have internet access and need the Prescribed Information, you can contact our office (Plymouth 510913) and **one** printed copy can be sent to you.

A committee member suggests that you check your insurance policy renewal in case there are calculation errors. Keep in mind that there has been a 5% indexation increase over last year i.e. last year plus 5%.

Some of our members have reported having problems making contact with the Deposit Protection Service. Have you had any problems with the custodial service which they offer? If so, please report them to our office by letter or email.

CLASSIFICATION OF ENERGY SAVING ITEMS

Floor insulation has been added to hot water system insulation, draught proofing and solid wall insulation as an "item of an energy-saving nature" for the purposes of the Income Tax (Trading and Other Income) Act 2005 by the Energy-Savings Items Regulations 2007 / 831, ISBN 0 11 076678 2, £3 from The Stationery Office (tel 0870 600 5522) (<http://tinyurl.com/2ko2y3-pdf>) which came into force on 6th April 2007 in the UK. An explanatory memorandum is available at [http://tinyurl.com/36vmmx\(pdf\)](http://tinyurl.com/36vmmx(pdf)).

This means that all the energy savings items on which landlords paying income tax can deduct expenditure when calculating their profits have been brought into one set of regulations. The maximum amount of expenditure for which a tax deduction can be made is also specified as "£1,500 per dwelling house per tax year" instead of "£1,500 per building per tax year, thus allowing expenditure on acquiring and installing energy saving items in each flat in a building to be calculated separately.

Contribution from Committee member Iain Maitland