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Welcome

To the 15th Edition of 10 2010

the London Landlord 



Welcome to this edition of the newsletter for accredited landlords and agents

A thank you to all members who responded to the e-mailed questionnaire about the possible affects of the recently announced changes to the housing benefit regime. The results have helped inform Councils and the Government of the likely impact of the changes. It is clear that many landlords are concerned about the proposals and the full report can be viewed at www.londoncouncils.gov.uk and search for housing benefit.

Other questionnaire will be sent out from the LLAS from time to time and although we appreciate that you are all busy people we would urge you to respond as your views and opinions are very important and can influence proposed changes and policies. In addition you can claim points towards your continuous profession development (CPD) requirement.

There have been two significant changes to the law affecting private landlords in the last few weeks.

The first will affect landlord who have any tenancy agreements with a rental income of between £25,000 and £100,000 per annum. From 1 October such agreements will be covered by the Housing Act 1988, becoming assured shorthold tenancies (AST) even if the agreement was signed before October. This means that to gain possession the landlord must follow the requirements of the Act and not the possession clauses in their contract. In addition any deposit provided by the tenant at the beginning of the contract, if it was taken on or after 6th April 2007, must be protected under one of the tenancy deposit schemes. There are no transitional arrangements and failure to comply with the requirement of the Act can result in severe penalties. This change will affect many landlords, particularly in the London area who let shared houses on a single contract.

The Equalities Act 2010 also came into force on 1 October 2010 and affects all landlords and agents. The Act consolidates and strengthens the protection for tenants against both direct and indirect discrimination. The Act will amongst other things affect the way a landlord should treat requests for alterations to premises to allow for disabled access and in some cases gaining possession may be more problematic in some cases.

I hope you enjoy this edition

Regards

Dave Princep

Chair of London Landlord Accreditation Scheme (LLAS)

Inside this issue

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The Thames Gateway South Essex Landlord Accreditation Scheme Launches

On Monday the 6th of September 2010 the Thames Gateway South Essex Region, which includes Southend, Basildon, Castle Point, Rochford and Thurrock Councils, launched the TGSE Landlord Accreditation Scheme. The scheme links directly to the London Landlord Accreditation Scheme.

The launch took place at the Freight House in Rochford and over 800 local landlords and agents were invited to attend.

The TGSE Accreditation Scheme will primarily accredit landlords but will also be available to Managing/Letting Agents, partnerships and sole traders. The intention is also to develop the scheme to promote energy efficiency in the private rented sector and to link in with fuel poverty and housing strategies generally. The development of the accreditation scheme will help to raise the standard of housing and encourage landlords, agents and other members to improve energy efficiency. The TGSE Accreditation Scheme aim to achieve this by providing the opportunity for accredited landlords, agents and other members to accredit their individual properties progressively over time. An Accredited Landlord will have the option of accrediting a property to either a Bronze, Silver or Gold star rating. The rating achieved will depend on the standard of accommodation based on general amenity provision, annual gas safety records, type of heating provision, level of insulation, draught proofing amongst other factors..

An official LLAS accreditation Course has been arranged for **Monday the 1st of November 2010** at the Civic Suite, Victoria Avenue, Southend on Sea, Essex." Please visit www.londonlandlords.org.uk to book on the course

Grant Shapps Promises No More Red Tape' For Private Landlords

Housing Minister Grant Shapps has today promised England's one million landlords that the Government has no plans to introduce new regulations on the private rented sector.

New regulations were proposed by the previous administration in response to the Rugg Review of the Private Rented Sector, but have been judged by the new coalition to introduce too much additional red tape. These included a National Register of Landlords, regulation of letting and managing agents, and compulsory written tenancy agreements.

Speaking at the first Communities and Local Government questions since the formation of the Coalition Government, the Minister confirmed that the legal framework already in place strikes the right balance between the rights and responsibilities between landlords and tenants - with the vast majority of private tenants reporting they are satisfied with the service they get from their landlords. Instead, Mr. Shapps called on councils to use the wide range of powers already at their disposal to tackle the minority of rogue landlords that fail to provide good quality accommodation and blight local neighbourhoods.

Councils already have powers to require landlords to take action to rectify hazards in their property and where landlords resist, to make and charge for improvements, and to prohibit use of the affected parts of the property. Local authorities also have discretionary licensing powers to tackle areas blighted by poorly managed privately rented stock.

He said:

"With the vast majority of England's three million private tenants happy with the service they receive, I am satisfied that the current system strikes the right balance between the rights and responsibilities of tenants and landlords

."So today I make a promise to good landlords across the country: the Government has no plans to create any burdensome red tape and bureaucracy, so you are able to continue providing a service to your tenants.

"But for the bad landlords, I am putting councils on alert to use the range of powers already at their disposal to make sure tenants are properly protected."

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 Camden

Solicitor Tessa Shepperson answers landlords FAQ, This issue: My tenant has not left at the end of the fixed term. Does this make her a squatter?

Contact Tessa with any Landlord queries that you have, headed 'LLAS FAQ'

There is a lot of misunderstanding about this. There was a high profile case recently where a tenant who stayed on in a property at the end of her fixed term when her landlord wanted the property back, was persistently referred to in the press as a 'squatter'. But she was not.

Fixed and periodic tenancies

When you rent a property to a tenant, this is normally for a fixed period, traditionally either six months or a year (although actually it can be for any period of time you wish). During this period the tenant will be paying rent probably monthly or weekly, and will have a tenancy agreement setting out various terms and conditions of the contract.

At the end of the six months (or whatever period is given in the tenancy agreement) this fixed term ends. However the law intervenes here and creates a new tenancy to take its place. This new tenancy is for the same rent, and the 'period' of the tenancy will depend on how the rent was paid. So if rent was paid monthly, the tenancy will run from month to month. If rent was paid weekly it will run from week to week. All other terms of the tenancy will be exactly the same as the tenancy agreement for the preceding fixed term.

This type of tenancy is known as a 'periodic' tenancy as opposed to a fixed term tenancy. There are many, many periodic tenancies, and many of them will run on for years. It is not unknown for periodic tenancies to last for thirty years or more. So it is quite wrong to refer to a tenant who stays on as a squatter. Just because YOU want her out does not mean that she does not have any rights.

Squatters

A squatter on the other hand is someone who is there without authorisation. The word 'squatter' is not a legal word, but it generally refers either to someone who has entered the property as a trespasser, and has stayed there without your permission.

It is very important to know the difference, as there are different rules which apply.

The different rules

If the person in the property is a tenant, then you must get a court order for possession using (assuming it is an AST, which is most cases it will be) either one of the grounds for possession set out in the Housing Act 1988 or the procedure set out in section 21.

During the time the tenant is in the property you have legal obligations towards them, for example to keep the property in repair and to allow them to live in the property without disturbance.

If the person in the property is a squatter, they do not have these rights. All they have is the right under the Criminal Law Act, not to be evicted by force if there is someone in the property who objects (and there are some exceptions to this), and the basic rights given to trespassers regarding injury on the property.

In many cases it is necessary to get a court order for possession against squatters, but there is a different and quicker court procedure for this. Also, if you are lucky enough to find that they have all gone out, you can go in and change the locks and refuse to let them back in again.

If you do this with tenants, it would be unlawful eviction. This is a criminal offence plus your tenant could take you to court for an injunction letting them back in again and compensation.

So be aware of the difference. Once you let someone in as a tenant, they will remain a tenant however long they stay after the fixed term has ended.

© **Tessa Shepperson 2010**

Tessa Shepperson is a solicitor and author, and runs the popular Landlord-Law site at www.landlordlaw.co.uk. She also blogs at www.landlordlawblog.co.uk and offers a service to land owners with squatters at www.evictingsquatters.co.uk.

CAPITAL GAINS TAX AFTER THE EMERGENCY BUDGET

This is a further article in this series on the taxation of the ownership of residential property, written by David Kibel FCA.

The recent 'emergency' Budget by the coalition government introduced major changes to the Capital Gains Tax (CGT) regime.

Whilst CGT on the sale of trading businesses was surprisingly eased by the increase of Entrepreneur's Relief from a £2m threshold to £5m, other assets became subject to heavier taxes. Against the previous single CGT rate of 18% for profits made on the sale of investment assets, there is now a potentially higher rate of tax of 28% payable on gains realised on or after 23 June 2010.

The Chancellor, George Osborne, said that the 28% rate would only be payable by higher-rate tax payers and that standard-rate tax payers would still pay the existing 18%, but this was typical political double-speak. What he didn't say was that if a capital gain takes a taxpayer's taxable income above the basic rate band, then only the unused part of the basic rate band can be used to tax the gain at 18%, so that the balance is to be taxed at 28%. As capital gains on properties can often be quite big numbers, this means that for most such taxpayers, a large part of the gain, if not all, will become taxable at the new higher rate.

Any gains realised on or before 22 June 2010 are still taxed at the 18% rate, and do not count towards the calculation of whether or not the higher rate applies for any gains realised after that date.

The basic rate limit for this tax year 2010/2011 when the new rules take effect is £37,400. As the standard personal allowance is £6,475 this means that gains will only be taxed at 28% if an individual's total income plus taxable capital gains exceeds £43,875.

The figure for total taxable income and gains is to be calculated after deducting any reliefs, any capital losses as well as the CGT tax exempt amount which has happily remained unchanged at £10,100 per individual.

Individuals can use their losses and annual exemption and other reliefs in the most tax efficient way that keeps the overall CGT liability to a minimum. For example, tax losses brought forward or incurred at any time in the 2010/11 tax year can be set against post 23 June 2010 capital gains in preference to those realised before that date. Similarly, the annual exempt amount (AEA) can be offset against gains realised after 23 June 2010.

It is interesting to see HMRC's own example as to how this would work in practice: –

In 2010-11 X's taxable income, after all allowable deductions and the personal allowance, is £27,400. The upper limit of the income tax basic rate band is £37,400. X sells an asset in May 2010 and realises a chargeable gain of £17,000. In November 2010 X sells another asset, realising a chargeable gain £25,100. X has no allowable losses to set against these gains, and the AEA for 2010-11 is £10,100. Neither of the gains qualifies for entrepreneurs' relief.

X's taxable income is £10,000 less than the upper limit of the basic rate band (£37,400 - £27,400). X sets the AEA against the later gain (because part of that gain is liable to tax at the higher CGT rate), leaving £15,000 taxable (£25,100 - £10,100). The first £10,000 of the £15,000 is taxed at 18 per cent and the remaining £5,000 is taxed at 28 per cent. The £17,000 chargeable gain X realised in May 2010 before the change of rates on 23 June 2010 is taxable at the old 18 per cent rate.

For Companies no changes have been made in the way that capital gains are taxed. Such profits can still benefit from indexation, and are treated as part of the company's income in determining the amount of corporation tax to be paid on any gains.

For trustees and personal representatives of deceased persons, the CGT rate will be 28% for all gains on investment assets arising on or after 23 June 2010.

It is somewhat surprising that many of the available CGT reliefs have remained unscathed. For example, the CGT personal residence election for second homes remains.

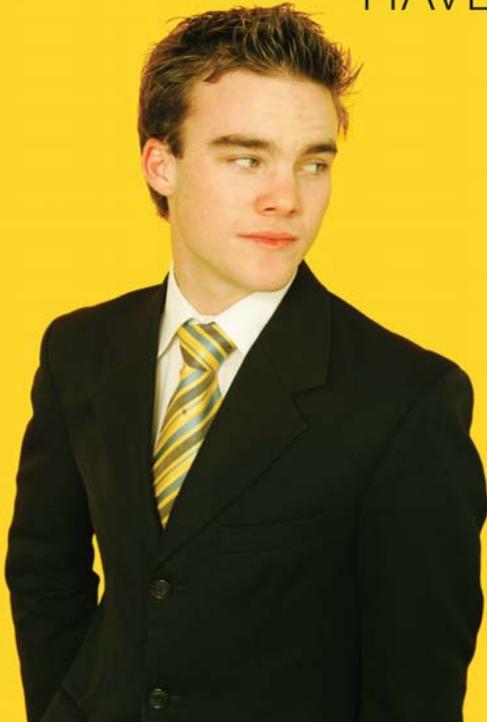
This was widely used by Members of Parliament to reduce their tax liabilities and was the subject of much adverse press comment. Nevertheless, opportunities still remain for such elections to be made which can be very beneficial from a tax point of view. Equally, the Lettings Exemption of up to £40,000 per individual per property has not been touched and this remains a particularly valuable (and often little known) relief.

The above article was written by David Kibel FCA, and is intended solely as a guide to the new Capital Gains Tax regime. As each individual case is different, readers should take their own professional advice in all cases. No liability is accepted from action taken in relation to matters discussed in this article.

David Kibel is an independent Chartered Accountant based in Stanmore, Middlesex. He can be contacted at david@kibel.co.uk or by telephone 07974 924814.



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** August 2010 figures = 20.2 enquiries per property

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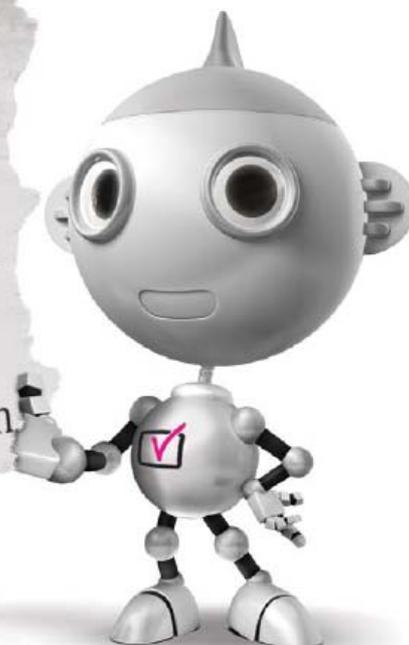
Landlords and Agents can advertise their services with the LLAS at discounted rates in the LLAS Newsletter and on the LLAS website.

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For more information visit digitaluk.co.uk/propertymanagers or call **08458 455 455***.

get set for digital 

*Calls are free for BT customers within inclusive calling plans. Call charges from other providers may vary. The standard business hours for Digital UK's contact centre are 9am to 7pm Monday to Friday and 10am to 4pm on a Saturday. Opening hours will be extended during the switchover in each area.

Switchover to digital television has started

At the end of last year 25,000 households in the Cumbrian town of Whitehaven and the surrounding area had their analogue television signal switched off for good, so becoming the first area to switch to digital only. The next will be for viewers served by the Selkirk transmitter group in the Border television region, which will go fully digital from November this year. It will be followed by 14 switchover affecting 4.6m households during 2009, with the rest of the UK switching to digital television by the end of 2012.



Whereas many individual houses are now prepared for the change, flats are usually dependent on a communal television system and so reliant on the landlord or managing agent to ensure they are digital ready. Unless adequate provision is made ahead of switchover residents may be at risk of being, faced with Blank

screens, when the analogue signal is switched off.

Research conducted by Digital UK and Ofcom showed that while 90 per cent of people are now generally aware of the switchover, of people living in flats, only 60 per cent understand what they need to do to be ready. Flats also have the lowest figures for main set conversions, some 10 per cent behind the national average. Digital UK is the independent, non-profit organisation leading the process of digital television switchover in the UK. It estimates that 20 per cent of UK households receive their television signal through a communal television system and that overall there are still an estimated 40m television sets that will need adapting or upgrading to digital.

Talking about the support available

“We know sorting out the television system is just one of many responsibilities faced by landlords and property managers”, said Pascal Wharton, head of Sky Communal Solutions. “That is why we’ve set up a dedicated website and team of experts who can advise on digital switchover and go through what systems are available. We have local specialists who know your area and are familiar with the buildings”.

Recognising this knowledge gap, Sky has set up a dedicated team of experts to offer free advice on preparing flats for switchover. Residents and landlords can visit www.sky.com/communaltelevision or call **08442 410331**

“We will help as little or as much as you need, whether you want us to project manage a complete installation or carry out specific activities such as consulting residents or providing details of approved installers in your area. We will work with you to put together a plan of action that makes the whole switchover process as simple, hassle-free and cost effective as possible”.

Gravesham & Dartford Landlord Forum

The next landlord forum to be held at Gravesham Borough Council will take place

On: Tuesday 23rd November 2010.

Time: Registration for the forum is at **4.45pm** with talks commencing at **5.30pm**.

The theme for this forum is crime and disorder. You are advised to book early as places are limited

For further details and to register your interest please telephone Gravesham Borough Council's Private Housing Team on

Tel: 01474 33 74 66 or

Email private.housing@gravesham.gov.uk.

Do you have a property to let?

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Deposit Rule Breaches

There are hefty penalties for landlords who do not comply with deposit protection rules introduced over two years ago. But there are a good number of landlords who are putting themselves at risk by breaching the rules.

Since 6 April 2007 it has been compulsory to pay tenant's deposits into one of the protection schemes. This must be done within 14 days of taking the deposit and Landlords must also notify their tenants of the scheme details within 14 days. Despite hefty penalties for not adhering to the scheme - compensation for the tenant of three times the value of the deposit and restrictions on obtaining possession of the property while the deposit remains unprotected - some landlords remain unaware of the law.

If you appoint a managing agent to deal with your let, ask them whether they are a member of one of the insurance based schemes. Most professional letting agencies are, and will usually register your tenant's deposit with the scheme for a small premium. The agent will keep the deposit once registered and it will be returned to the tenant at the end of the tenancy less any agreed deductions. If you can't agree on how much to deduct, the schemes provide a free adjudication service to avoid having to take the matter to the small claims court, which usually takes more time and expense than the value of the deposit warrants.

If you're managing your own let, you will generally need to lodge the money with a custodial scheme, again within 14 days of receiving it, and notify your tenant in the usual way when this has been done. The insurance based schemes are also open to private Landlords and you can register the deposit and obtain your certificate online.

If you don't do this, a clued-up tenant can make an application to court to ask for an order that you pay them 3 times the deposit. With average deposits at around £800 it can be an expensive lesson. Complying with the scheme after the application to court is made but before the hearing won't necessarily get you off the hook either. **Protect your deposit as soon as your tenant pays it over.**

Are you protecting your tenant's deposit?
www.direct.gov.uk/en/TenancyDeposit/DG_066385

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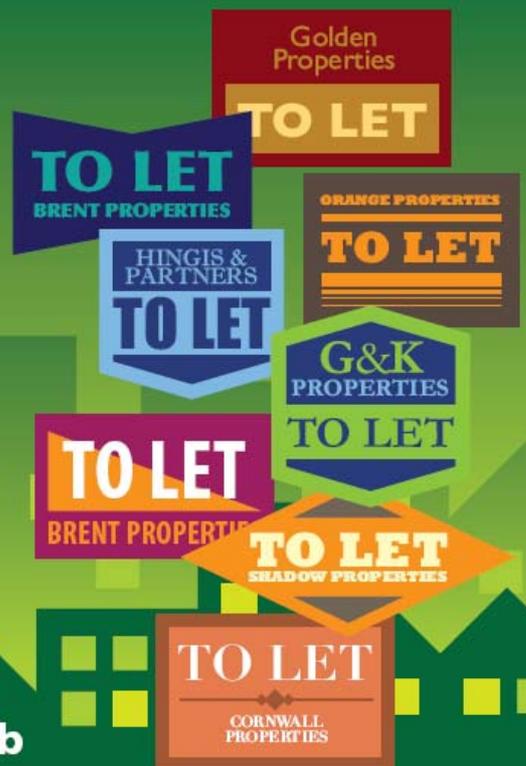
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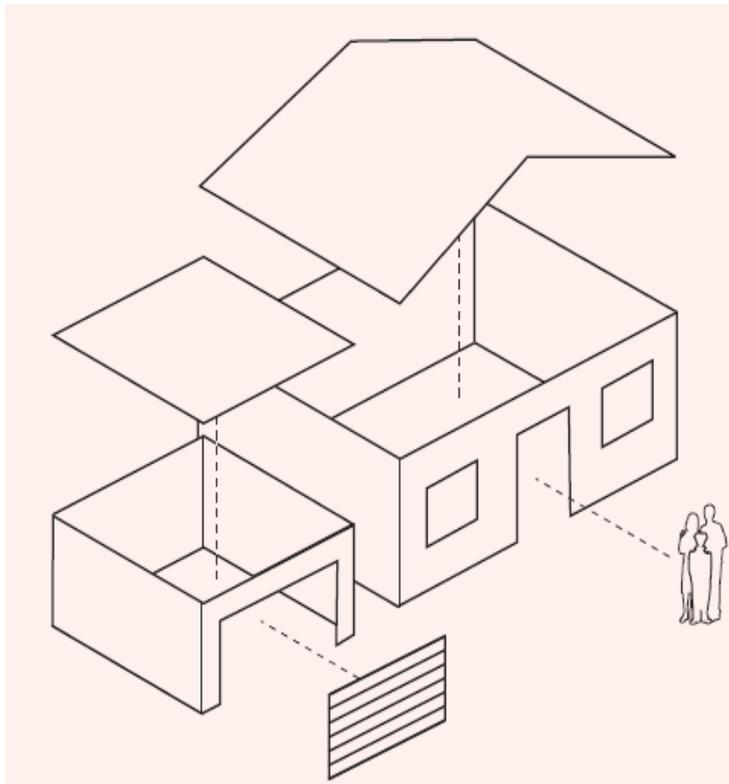
- We find a tenant for you
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Visit www.brent.gov.uk/rwb





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LB Hammersmith & Fulham Direct Letting Scheme

The Direct Lettings scheme is a successful rent deposit scheme based in Hammersmith and Fulham. The scheme helps homeless households find accommodation in the private rented sector. We are looking for landlords who own or manage property in the borough to offer their flat/house in exchange for:

- one month's deposit guaranteed and
- housing benefit paid directly the landlord.

The landlord will decide who signs up to their property and can rest assured that those potential tenants have been vetted. Direct Lettings in Hammersmith and Fulham are especially keen to hear from landlords who have been accredited under the London Landlord Accreditation Scheme (LLAS).

If you are accredited and would like to join the scheme contact the Direct Lettings team on

Tel: 0208 753 4166 or

e-mail direct.lettings@lbhf.gov.uk

HARROW COUNCIL

Landlords with properties in Harrow are invited to attend our Landlord Conference.



On: Friday 3rd December 2010

At: Civic Centre, Station Road, Harrow HA1 2XG

Time: 10.00 am to 1 pm.

For more information contact Marie O'Shea on the Help2Let Team Tel: 020 8424 1862

marie.oshea@harrow.gov.uk

South East London

housing partnership

The South East London Landlord Day in Association with **London Landlord Accreditation Scheme (LLAS)**

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Knowledge is profit – especially in property!

Tony Victor, property and LHA consultant, reviews the important aspects of why knowledge is profit - especially in today's tough property market

When it comes to property investment, knowledge is everything!

As landlords, once we have established our business models, we can all sometimes be a little guilty of becoming a little complacent with what we know (or think we know!). Therefore we can often miss out on ways to improve our profitability, by failing to keep up with new knowledge about the property market. Over the years this can add up to **hundreds of thousands of pounds of missed revenue**

Indeed, if you study the profiles of super-successful property investors, you'll find they all have one thing in common: a never-ending quest for constant improvement. Property investors who are at the top of their game are there because they make learning about their industry a priority.

Below is a list of 'did you knows'. If you only know a few of the items listed below, then a very important question you need to ask yourself is:

How much money am I leaving on the table without the knowledge below? And on each property!"

- ✚ **Did you know** that 90% of council LHA claw-backs to landlords are not enforceable?
- ✚ **Did you know** using Credit Union can allow you to get paid by the council directly?
- ✚ **Did you know** that it is possible to dramatically increase your normal rental profits by as much as 30% using a simple strategy?
- ✚ **Did you know** you can get buy-to-let insurance for only £0.80 per £1000?
- ✚ **Did you know** you can get buy-to-let emergency house insurance for only £32 per year?
- ✚ **Did you know** there are ways to sell negative equity properties and still make a great profit?
- ✚ **Did you know** there is a simple way to prepare in advance for the new LHA capping rates to ensure your properties continue to be profitable?
- ✚ **Did you know** that you can get a FREE review for an LHA tenant claim problem?
- ✚ **Did you know** that there are several very profitable reasons to become an accredited landlord - some involve free money!

✚ **Finally..... Did you know our FREE newsletter and website has lots more gems of advice like the 9 tips listed above?**

OK, be honest! How many did you know already? If these new tips have given you a taste for the sort of information that can help make your property business more profitable whilst making your life much easier, you've come to the right place.

For further information and lots more, simply sign up for **FREE** membership and Newsletter today at www.landlordpropertysolutions.co.uk

Tony Victor is a landlord, property and LHA consultant, author and runs Landlord Property Solutions

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- Accreditation – landlords accreditation scheme.



To find out more please contact:

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or you can email: PSTS@barnet.gov.uk

LORD of the LAND – A change in Perspective

I recently attended a meeting of the Housing Law Practitioner's Association. There was discussion there about the coalition government's abandonment of the Rugg Report recommendations and Housing Minister Grant Shapps' announcement that there were ample legal safeguards in place to deal with rogue landlords.

HLPAs members discussed the viability of sending a letter to the government urging them to lean on local authorities to be more zealous in this respect.

This piqued my interest, not least because I work as a Tenancy Relations Officer, the ones within the local authorities whose job it is to investigate and prosecute cases of harassment and illegal eviction, and I thought the rousing and indignant call to arms were complete rubbish (Not the word I would actually like to use). For 2 reasons:

- The practical and logistical difficulties of getting a successful prosecution.
- The effect individual prosecutions would have in eradicating the problem as a whole.

Getting a case into court.

For the first 6 years of my life as a TRO, my colleague and I actively pursued rogue landlords with a view to prosecution. We didn't give any advice to the landlords we spoke to, advising them to seek the advice of a solicitor and we didn't negotiate much, preferring a rigorous, no nonsense, Dirty Harry approach.

It was a large London authority and we had between us possibly 10 cases a week to investigate. If we were very lucky we got 2 of these cases in court a year and if we were very, very, very lucky we actually won.

Why so few? Well offences under the Protection from Eviction Act 1977 are criminal offences and as such you need a criminal standard of evidence and because of the nature of offences, particularly harassment cases there are often no witnesses to the alleged offence, which is often threats or assaults at 1am when nobody is around.

Two other problems loom large. A landlord being tried for these offences can opt to be tried in front of jury and the matters in hand can often be so arcane and complex that the jury's don't understand what is going on and secondly, even in the magistrates court it can take so long to get a trial date that the original complainant tenants have long since moved on and lost interest.

Apart from some rare and high profile cases fines are often pathetic nominal affairs too and the tenants regularly fail to behave well in response to the incidents, understandable but difficult when you are trying to get a conviction when it looks to the judge like six of one half a dozen of the other.

Also, even the high fines don't really come to the attention of the wider landlord community and those who are the worst offenders couldn't care less anyway, because violence and intimidation is their business.

Creating a perceptual shift

The answer doesn't lie in more robust prosecutions but in a slow and deliberate campaign to change the attitudes of both landlords and tenants towards renting.

The very term 'LANDLORD' is so mediaeval in concept. The "**LORD of the LAND**" I would imagine that if you were to present anybody with a set of 15 or 20 pictures of individuals and asked them to point out 3 people who they think are landlords they would automatically opt for the ones who look the meanest or the most surly and untrustworthy. Its hot wired into us and yet in practice most of the landlords I meet look nothing like that. Not a camel hair coat or cigar in sight.....usually.

Renting properties is a double back-scratch opportunity. The tenant gets a home to live in and the landlord earns some money. That in effect is all both parties want from the relationship.

I have long been aware that the intricacies and minutia of housing law mean nothing to either party to an agreement or to what either of them are trying to achieve.

Housing professionals can argue for hours about the meaning of section 212, or the implications of Lower Street Properties v. Jones, but to most landlords and tenants you might as well be communicating Japanese arithmetic for all the relevance it has.

The role of agents

People tend to get into the property business to earn money from renting. They don't tend to do it because they have a natural attraction for ridiculously complex housing law. And why should they?

This is what a landlord should be paying an agent for. To make sure all the paperwork is done properly, rent matters are managed and any other day to day problems are dealt with, leaving the landlord to get on with other things.

I totally agree with critics of Rugg who said too much regulation and legislation may deter investment in the letting business but I don't think that argument applies to accommodation agents, who are still totally unregulated.

They should provide the professional interface between landlord and tenant and do you know what? The vast majority of accommodation agents that I deal with on a daily basis are completely incompetent, ripping off landlords and tenants alike.

Why should a professional firm, involved in complex legal affairs that could leave the landlord seriously out of pocket be totally unregulated? Nobody would go to somebody operating as a solicitor who set themselves up without any qualifications or regulatory bodies. You wouldn't take financial advice from Dave down the pub, and yet every year, vast numbers of landlords and tenants place themselves in the hands of amateurs with fancy shop fronts.

The aim of the Rugg report was to promote professionalism in the rental sector. Now that has gone. The issue is, not pursuing daft criminal prosecutions but in working with landlords and tenants to create a proper relationship and regulating those companies who are out there pretending to do something they don't actually know how to achieve.

Ben Reeve (Tenancy Relations Officer)

Harrow Landlords

Do you have a property to rent?

Help2let are here to help and assist you in letting your property

- We work with Housing Benefits to arrange for you to get direct payments
- Ready supply of Tenants
- Committed Professional Staff
- Expert Advice
- We work with you and your tenant to ensure a successful letting

We have clients waiting to move into your property

"Competent and Knowledgeable"

"Thank you for the support you have given us"

"Professional"



See our website for more information www.help2let.co.uk

Call us on **020 8424 1605**

Or email us on mail@help2let.co.uk

Helping Landlords and Tenants

Let's turn empty houses into homes

For every family who are homeless there are four properties lying neglected and unused.* That's over 15,000 potential homes across Barnet, Camden, Enfield, Haringey, Islington and Westminster - empty and abandoned.**

We can help owners with the following:

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Remember, we have powers to make you sell or lease your property to us, if you continue to neglect it. Empty properties don't benefit anyone. Help us put them to good use.

If you see an empty property in north London, or for advice, contact us on **0800 953 6305** or **www.nlep.co.uk**

BARNET
LONDON BOROUGH

 **Camden**

ENFIELD
Council 


Haringey Council


City of Westminster

 **ISLINGTON**

*Data taken across England. Source: Empty Homes Agency, 2001.

**There are 15,634 empty private properties across these six boroughs. Source: Department for Communities and Local Government, April 2005.

Councils to Decide HMO Regulation

The Housing Minister has announced that local authorities are to be given the power to decide whether Houses in Multiple Occupation (HMOs) will require planning permission. Currently, landlords have to apply for planning permission when turning any property into an HMO: the Minister has said that relaxing this requirement could cut 8,500 applications from the system.

Grant Shapps said: "Councils understand their local area best, and they don't need burdensome rules that assume housing issues in every town, village and hamlet are exactly the same. I am also committed to safeguard the supply of rented housing – shared homes are vital for people who want to live and work in towns and cities, and are important to the economy.

"That's why I'm giving councils greater flexibility to manage shared homes in their local area. Where there are local issues with shared homes, councils will have all the tools they need to deal with the problem – but they will avoid getting bogged down in pointless applications, and landlords won't be put off renting shared homes where they are needed."

The changes mean that landlords will be able to turn dwelling houses into HMOs without requiring planning permission, unless the local authority has decided there is a problem with HMO proliferation in the area. Landlords will still, therefore, need to be aware that this is a regulation that might apply to them, and check before they change a property's use. We're all for less red tape – goodness knows, the PRS has enough of it – but there is still potential for confusion here, especially for landlords whose properties span more than one area. Landlords letting in London, for example, could easily find that practically neighbouring properties are governed by entirely different regulations.

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Maximise your rental property

with the West London Better Homes Grant

Rent your property via any of the London boroughs listed below and receive a generous grant to help with small repairs for

Central heating systems

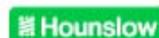
Kitchens

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Health and safety hazards

To find out more please call the borough where your property is located.
Call now - you have nothing to lose but a lot to gain!

Brent 020 8937 2535 **Ealing** 020 8825 6185 **Hammersmith & Fulham** 020 8753 4166 **Harrow** 0800 371 067
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CONFESSIONS OF A LANDLORD

“Don’t panic Mr Mainwaring”

The immortal words of Mr Jones in ‘Dads Army’ is one I always remember especially when a flat gets flooded or a ceiling caves in. Over the years I have learnt to step back from a property disaster and analyse it with a calm and confident manner which 9 times of 10 provides the right solution for me. The alternative is to panic and provide a knee jerk solution which 9 times of 10 is the wrong one. This has been firmly lodged into my synapses over a few decades ever since I picked up a book called ‘Think and Grow Rich’. Luckily, I haven’t since my last article, had to step back from any disasters, however, there have been a few episodes of Mr Mainwaring ‘You Stupid Boy’.

Unfortunately, our Croydon house is still on the market partly due to fears of a double dip and partly due to the dilapidated appearance of our neighbours house, however, I am still confident we will find a buyer in the next 2 weeks be it a lower figure. However, I did sell two properties, one in Peckham and one in New Romney. The Peckham flat was nearly a ‘You Stupid Boy’ moment. Cheap, 2 floors and lots of square footage but...location was much to be desired and the block’s architect must have taken inspiration from HM Prisons. It got to the point when I thought of finding a tenant when out of the blue a professional first timer couple fell in love with it. It just goes to show someone’s nightmare is someone’s dream! The New Romney bungalow sold after 6 weeks to a cash buyer and the whole process was painless! A 1 bed flat in Croydon I bought 6 weeks ago to sell is struggling to find interest so I have decided to place a tenant in at £650 pm for 6 months. I found the tenant in 5 days via my accountant for a nominal fee so in this market Landlords can easily source tenants themselves. I usually give the sale process 6 weeks in Greater London and revert to a tenant thereafter. All is not lost as the Croydon flat will produce a gross income of £200 pm and I will then look at the market in spring 2011 with the hope of a more buoyant sales period.

I think one of the musts for every Landlord is to have more than one exit strategy, even when I am trading, which I think every Landlord should be doing alongside their portfolio management, I look at the scenario of renting and if it doesn’t produce at least 6% yield I will pass it on for a finder’s fee. Of course there are exceptions, if the sales market is particularly strong or my end buyer is a foregone conclusion then I may dismiss the rental side. Having various other exit strategies such as the auction route or Joint Venturing enables you to stop going into panic mode and deal with the unexpected with a cool calm resolve, well as close to it as possible! Another property that’s sticking is a 3 bed semi in Cambridge which I bought 4 weeks ago and again the notions of a double dip are playing havoc with buyers – to buy or not to buy. However, this will still cash flow nicely after 6 months if I remortgage at £400pm if rates stay at their current levels so my investor will get his money back as well as mine plus a bonus.

Now for my ‘You Stupid Boy’ moment! I found a 3 bed End of Terrace house in a lovely part of Godalming which had a 200 foot garden. There was development potential here, however, the covenant said the land can only be used as 1 dwelling but according to my solicitor the authority who built the houses would not have a problem in removing it, for a small fee of course. I negotiated a good price on the house as it needed around £15,000 to make it rentable which would generate me around 8% yield and of course I had the potential gold mine at the bottom of the garden. During the usual conveyance process we came across a ‘right of way’ covenant which gave the neighbour the right to walk past the kitchen window from the road, very odd. According to the owner this right of way had not been used in over 20 years, however, it stopped me putting an extension onto the house which in effect would affect the marketability of the house if I ever decided to sell it. So in my wisdom I decided to contact the owner of the neighbouring property who turned out to be a Landlord, guess what happened next. The vendor of the property I was buying backed out saying his circumstances had changed and he no longer wanted to sell. Clearly, the neighbour had put in a higher offer and at this point I had spent around £1000 as I was paying his solicitor fees. However, I reminded him he had signed an option agreement giving me the right but not the obligation to buy the house at the price we agreed, clearly his greed had suppressed that memory. So now it’s in the hands of the solicitors, time will tell. So my impatience may have cost me dearly as I should have completed the sale and then communicated with the neighbour as with or without the ‘right of way’ I would still have bought it!

I passed on a deal to my business partner for a finder’s fee as it wasn’t my cup of tea at the time, and I can definitely see more progress with the partnership especially with setting up a more substantial joint portfolio which would focus more outside Greater London.

It is evolving in the right direction and we know we are both benefiting from it, and as I've said before its vital Landlords network and form JV's otherwise it can be a lonely place.

Talking of partnerships The Property Boardroom Ltd has now an added member, my long term property investor. It's great for him as he now has access to more deals and he's closer to his money but for us it's great as we now have access to more cash. Being a cash buyer now, especially since BM has restricted their criteria to 3 mortgages, gives us a huge advantage to get the better deals. As a Landlord we have to always look ahead and analyse the ever changing property market, and it would seem we are yet again facing challenging times, however, quoting Warren Buffet, "Be fearful when others are greedy, and be greedy when others are fearful". Maybe it's time to be greedy!

Have I panicked recently, no, has my jaw dropped when hearing about Lloyds and BM, yes, am I worried the rest will panic, yes. What with strikes looming, lending down, double dip possibilities, economy stalling, ah don't you love the press coverage, it is the public reaction we have to be fearful of. Enough I hear you say, what about the surge in rents and tenant demand, yes its very good news for us Landlords. Decrease in voids and increase cash flow will suffice for now so 'make hay while the sun is shining' and please 'Don't Panic' when the sun stops shining.

Tim Hodges
Private Landlord



**Do you require tenants for your empty property?
Do you have property ready to let out?**

Newham Council can find you tenants ready to move in
We will pay you a one off fee of up to £1,000*
A damage deposit bond will be issued – Newham Bond Scheme

Property size	Non-refundable incentive payments paid to the landlord (properties in and outside of the borough)
1-bedroom	£1,000*
2-bedrooms	£1,000*
3/4/5 bedrooms	£500*

- Market rents paid for properties (Local Housing Allowance rates).
- Landlord or agent to provide a 12 month assured shorthold tenancy agreement.
- Landlord responsible for management of property and tenant.
- Damage deposit bond certificate issued is equivalent to 4 weeks rent.

For further details contact:
Initiatives Team, Housing Options Centre
3 Prugel Street, Plaistow E13 9HB
Tel: 020 3373 8667 / 8367

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A New Door Opens

Lambeth Lettings First formerly based at 15-16 The High Parade, Streatham High Road, London SW16 1EX, has relocated to **2-7 town Hall Parade, Brixton Hill, London SW2 1RW.**

A reorganisation has seen Lettings First undergo significant change resulting in a new team and office location. The processes have been streamlined to eliminate duplication in the RDS. Clients can view properties at the options interview centralised property search and inspections are carried out to all Lambeth Properties on the RDS to ensure quality properties are procured for our clients and value for money for all our services.

The Lettings First Agency deals with customers who wish to rent or let property in the private rented sector. They also administer the Rent Deposit Scheme (RDS) in Lambeth, offer advice and assistance to both Landlords and Letting Agents and co-ordinate the London Landlord Accreditation Training in Lambeth.

If you have a property to let in Lambeth, are interested in renting your property via the RDS or simply require more information about what we do, contact our Letting Agents:

Paul Arobag and George Knight
on **0207 926 2980** or
Email info@lettingsfirst.com

Advertising opportunity With the LLAS

Landlords and Agents can advertise their services with the LLAS at discounted rates
For further information, please email
LLAS@camden.gov.uk or Tel: 020 7974 1970

Do you have a property to let in or around Croydon?



Properties urgently required for our Landlord Bond Scheme - good quality studios, 1, 2, and 3 bedroom properties

Our free service includes:

- rent payments directly to the landlord
- professional independent inventory
- property inspection
- assistance with all necessary paperwork
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Properties must be ready to let and will be managed by the landlord or agent.

For more information:

visit: www.croydon.gov.uk/housing/privatehousing/empty/

call: 020 8726 6100 ext 61870

email: hsg-landlordlettings@croydon.gov.uk

CROYDON
www.croydon.gov.uk

Got a property to rent?

If you're a homeowner and want to earn a regular income, even when your property is not tenanted, Lewisham's Private Sector Leasing scheme may be right for you.



Lewisham Council is offering private landlords

- **Guaranteed rent 52 weeks of the year**
- **No voids or bad debts**
- **Professional housing management services**
- **Minor repair service up to a fixed sum**
- **Regular property inspection**

We are currently looking for mainly two- and three-bedroom properties in these areas of Lewisham borough; SE3, SE4, SE8, SE10, SE13, SE14, SE15, SE16, SE23, BR1 5RU, BR1 5SF, BR1 5SG, BR1 5SJ, BR1 5SQ, SE12 0RG, SE12 8AA, to SE12 8TQ, SE26 and most of SE6

If your property is outside of these areas, or is a one-bedroom property, we may be interested in using it under a different scheme called the Rent Incentive Scheme. Contact us for more details.

**For more information call 020 8314 6299
or send an e-mail to _psl@lewisham.gov.uk**

Properties must be in good, habitable condition, have approved gas, electrical and energy performance certificates and three star central heating breakdown cover.



Useful Links

RLA: www.rla.org.uk

LHA <https://lha-direct.therenterservice.gov.uk/Secure/Default.aspx>

Landlordlaw:
www.landlordlaw.co.uk

TDP (Tenancy Deposit)
<http://www.depositprotection.com/Default.aspx>

Landlordzone
<http://www.landlordzone.co.uk>

Accreditation Network UK (ANUK)
<http://www.anuk.org.uk/>

Landlords UK
Links, guides, forums and information
<http://www.landlords-uk.net/>

Fire Protection Centre
<http://www.fireprotectioncentre.com/>

LLAS
www.londonlandlords.org.uk
DCLG:
<http://www.communities.co.uk>

Direct.gov.uk
Advice for tenants/ landlords on various issues
<http://www.direct.gov.uk/HomeAndCommunity/fs/en>
NLA: <http://www.landlords.org.uk/>