

The London Landlord

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Home Information Pack (HIP) Better Buying – Simpler Selling

Buying a home can be like trying to find your way through a legal, financial and administrative maze. Currently, buyers have to make a formal offer before seeing important information about a property. The Government's new Home Information Packs is still compulsory for anyone marketing a home for sale from **1 June 2007**, will allow this essential information to be made available up front.

Better Buying

As from **1 June 2007** all home owners in England and must arrange for a Home Information Pack to be prepared before putting their homes up for sale. The Packs will contain an Energy Performance certificate, searches and legal documents, which will be mandatory. A Home Condition Report may also be included by sellers on a voluntary basis.

Simpler Selling

Selling a home can be stressful and prone to delays and failure under the current system. Currently one in four property transactions break down due to information coming to light after a formal offer has been made. Home Information Packs will reduce this costly inefficiency and make selling simpler.

Both sellers and buyers will benefit from the changes to the system. To find out more about Home Information Packs visit:

www.homeinformationpacks.gov.uk

Welcome to the third edition of The London Landlord. The feedback from the second edition was very positive but we would welcome your comments or requests to improve the newsletter.

A recent annual report comparing renting to buying from Abbey National found that renting is cheaper in the short term in 5 of the 12 regions - London, Wales, the North, East Anglia, and the South West. In London, where property is the most expensive, renters would save £8,000 over a 25 year period.

With the continuing high property prices, shortage of social housing and a relevant buoyant economy there will continue to be a strong demand for privately rented properties. But a major concern for private landlords is the risk of over regulation and the new Housing Act continues to cause concerns amongst landlords.

Unfortunately while a small group of bad landlords continue to operate, there will continue to be pressure for more rules and regulation. A major aim of the licensing requirement of the Act is weed out bad HMO landlords and whilst it should work, it also affects good landlords.

You can take positive action yourself to help get rid of the bad element. Landlord organisations are as keen as the enforcing organisations to drive the damaging and unscrupulous section out of the rental market. By joining a recognised landlords organisation you not only help satisfy the LLAS' continuing development requirements, and benefit from their services but you enable them to represent the views of increasing number of good landlords. If you aren't a member, join a landlord organisation today and help yourself and the private rented sector as a whole.

Hope you enjoy this newsletter

Dave Princep – Chair of the London Landlord Accreditation Scheme

LLAS Continuous Professional Development (CPD)

Individuals accredited with the London Landlord Accreditation Scheme (LLAS) will be re-accredited after 5 years providing they

- Continue to be Fit and Proper Person
- Have compiled and continue to comply with the Code of Conduct
- Have taken steps to maintain and update their knowledge during the 5 years

The Code of Conduct states that individuals must maintain and improve their knowledge of current relevant legislation and good practice. This is commonly known as **Continuing Professional Development (CPD)**.

Activity	Conditions	Guide to CPD points Awarded
LLAS Accredited (Attended the LLAS Accreditation Scheme Course, Agrees to code of conduct & is a Fit and Proper Person)	CPD awarded once during period landlord/agent is accredited (If Landlord/Agent is expelled from LLAS for any period of time, then no points will be awarded)	5 Points
Membership of Private Landlord Association	CPD awarded for each membership year. (Additional CPD points will not be awarded for multiple memberships in one year)	5 points
Membership of recognised professional body that has an enforceable code of conduct and encourages good practice	As approved and agreed by LLAS	5 points
Additional training provided by LLAS	CPD awarded for each session attended	4 points
Attendance at the Annual London Landlords Day	No conditions, but strongly recommended	3 points
Attendance at your local council or other landlord forum or event	CPD points will be awarded for each event attended	2 points
Seminars on topics relating to Landlord tenancy issues, Housing Act, Property improvement and other relevant topics	Details to be submitted to LLAS for approval. Once approved the event will be added to an approved list (Number of points will depend on hours committed and level of relevance)	2-5 points
Local Authority participation (responding to questionnaires, taking part in landlord forums and feedback sessions)	Local Authority will determine which events will be awarded CPD and how many points will be awarded per event and advise LLAS accordingly (CPD certificates to be awarded by LA)	1 point

Other Conditions of obtaining CPD with LLAS

- Landlords and Agents must retain evidence of attendance at events and activities as these may be requested at time of re-accreditation, Landlords will be able to record their CPD details on the website in the near future
- Local Authorities may issue CPD certificates to individual who participate in local authority events
- Penalties for provision of false information or miss-recording may include expulsion from LLAS
- If insufficient CPD undertaken in the 5 years leading up to re-accreditation then the individual will need to reapply for accreditation, attend and pay for the LLAS course

Any request for CPD to be awarded for activities other than those included above should be submitted in writing to **London Landlord Accreditation Scheme, C/O Environmental Health TeamTown**

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Modern Legal framework for Renting

A third of the population of England and Wales rent their homes, the law governing their relationship with their landlords has been complicated. The final report from the Law Commission with recommendation to government was published on 5 May 2006. The report recommends a new legal regime built on a consumer approach to the law, under which everyone renting a home would have access to a definitive written agreement clearly setting out their rights and obligations, the key features are:

- Identical contracts for council and housing association tenants. This will increase the security of the nearly 1.5 million housing association tenant households
- Improvements to council and housing association tenants rights e.g. better succession rights, the right to apply to add a partner or flatmate to the contract
- Government approved model contracts to make private renting easier, cheaper and more flexible
- Compulsory written contracts for all who rent, clearly setting out the rights and obligations of both landlords and occupiers
- A clear and practical legal framework for supported housing, which provides accommodation for people with drink, drug or mental health problems, women refugees etc.

The recommendations would allow for the abolition of:

- Secure tenancies
- Assured and Assured shorthold tenancies
- Assured shorthold tenancies
- Introductory tenancies
- Demoted tenancies and various common law tenancies

The recommendations deliver better regulation, giving government new flexibility to provide and deliver social housing. They also make clear the rights and responsibilities of landlords and renters. For more information see http://www.lawcom.gov.uk/renting_homes.htm

LACORS-helping to improve private sector housing

Local authority private sector housing services will now be more coordinated with the help of **LACORS**, (Local Authorities Coordinators of Regulatory Services) which is a local government central body that works on behalf of the Local Government Association (LGA) in providing advice, guidance and support to local authority regulatory and related services. Its remit started with Council Trading Standards services and over the years has widened to include other services

A recent review of the organisation has brought about the expansion of its remit to include Private Sector Housing. The team at LACORS aims to help LA with the practical implementation of the Housing Act 2004. LACORS is also liaising with Membership bodies such as NLA to ensure that landlords are provided with the best services possible. For Further Info email:

housing_lacors@lacors.gov.uk

Brent Landlords Conference

Date: 9 November 2006

Venue: Bridge Park Community Centre, Brentfield, Harrow Road, NW10 0RG

Time: 6pm -8pm

Nearest station: stonebridge Park-Bakerloo/Silver Link

For further info Contact:
Anamika Desai on

Tel: 020 8937 2786

Email: anamika.desai@brent.gov.uk

Balancing A Property Portfolio

By propertyinvestors.co.uk

Investors should look to balancing their property portfolios by purchasing several investments across a range of markets in order to spread the risk, advice experts.

As with other investments, property investors should be aiming to diversify their portfolios to ensure that the risk factor is reduced. Whether the portfolio is made up of overseas investments or those within the UK market, diversification balances a portfolio, allowing the investor to attain better risk-adjusted returns and benefit from economics of scale.

Simon Zutshi, managing director of the Property Investors Network commented on the recommended structure of an overseas property portfolio: 'Sound overseas property portfolios should ideally contain investments spread over several markets with different levels of maturity as this protects against market changes or instability'.

"Properties in a more mature market such as France or the UK have higher prices than in other countries but carry a lower level of risk. An investment in one of these traditional markets could therefore be balanced by investments in an emerging market such as those in Eastern Europe where properties are less expensive and potentially offer capital returns, but higher risks.

Investors should also consider both residential and commercial properties in their portfolios if they want to spread the risk. Commercial property can commonly provide yields of around 10% per year and has produced strong returns on investments for many in the past.

Investors should consider diversifying into offices and retail space, with student lets also a popular choice. With REITs set to be introduced next year, which allow investment in commercial property funds that are exempt from corporation tax, investment in commercial property is likely to increase considerably.

Ranjan Bhattacharya, founder of Your Property Empire.com, commented, "When people think about diversification in the UK, they tend to assume that they need to choose different locations to invest in. Instead I would encourage them to stay in one area but to invest in different types of property that appeal to different tenant types. For example owning a shop, a student flat and a family house all within the same area will give you all the diversification your portfolio needs. This way investors have the advantage of knowing the area and not having to start from scratch in each new location,

whilst successfully spreading the risk and benefiting from economics of scale.

Nick Clark, managing director of the Property Investor Show said: "Research conducted after the Last Property Investor show revealed that 75% of visitors already own at least four properties, and a recent survey indicates that almost half of these (45%) have purchased properties in a diverse range of markets."

"It is encouraging to see that investors are already starting to balance their portfolios, realising the importance of spreading the risk. This is a trend that we are likely to see more of in the future as the property investment market continues to develop and mature."

For further info visit

www.propertyinvestor.co.uk

Housing Benefit Reform Update

By Shelter

Most private landlords will be aware that there have been changes proposed to the way in which housing benefit (HB) is paid and the introduction of a flat rate 'Local Housing Allowance' (LHA)

Many landlords have approached the project with fears and concerns about how these possible changes will affect them and their tenants, and last year Shelter produced a report, which revealed the findings of landlords and Local Authority Pathfinder areas

Summary of findings

Paying HB direct to tenants has not created a significant increase in rent arrears.

This was the number one fear among landlords, the report showed only a few isolated cases of tenants failing to pay rent.

Rents have not increased as feared. In fact LHA rates advertised by the local authorities gave landlords a clear picture of what rents to expect for their properties.

Processing times are not better or worse than they were on the old system

For more info visit www.shelter.org.uk

REITs: What are they?

By UK Property Advice

REIT stands for real estate investment trust. They are collective investments, which pool investor's money. Basically buying shares in a REIT would you to invest in various types of property without the hassles of physically buying into bricks and mortar. The investment trust invests in properties, which are then leased, sort of like buy to let, but on a far bigger scale. These trusts are already popular in other countries such as the US, France, Australia and Japan and will be introduced from January 2007.

What Sort of Properties Will The Trust Invest In?

Probably commercial property, such as shopping centres, office buildings, cinemas, industrial units etc, in the United States, they invest in hospitals and prisons, but it is unlikely this will happen in the UK version.

REITs can also include residential property, and one of the ideas behind them is to promote investment in UK property as part of a wider plan to increase the supply of housing in the UK.

So can you buy into property without actually buying properties?

Yes. The trust would aim to pass on returns at the same level, as investors would see if they owned the properties directly.

Even better, you could benefit from a portfolio of buildings rather than investing directly in one property to let and if you wanted to sell your investment, you could only have to sell the units in the REIT, which would be far easier than selling a house.

So what is the catch?

One sizeable risk would come from putting all your eggs in one basket. If your main investment is your own home and you only have limited investments in the stock market, you would be particularly at risk from any problems in the property market. Your home could lose value and so could your shares in the REIT.

For further info, visit

www.ukinvestmentadvice.co.uk/reits-uk.htm

Advertising Opportunities in future Editions
With special rates for Accredited Landlords
Email: LLAS@camden.gov.uk,

What is Rent Repayment Order? (RRO)

A Rent Repayment Order (RRO) is a financial penalty that can be imposed upon a landlord who without reasonable excuse, manages or lets a property, which ought to be licensed under Part 2 or 3 of the Housing Act 2004, and is not licensed.

An application to the Residential Property Tribunal for an order may only be made if the landlord has been convicted of the offence of operating a licensable property without a licence, (see sections 72 and 95 of Housing Act 2004), or the local authority is satisfied the offence has been committed (even though the landlord has not been prosecuted for the offence). The Residential Property Tribunal may make an order if it is satisfied that the landlord has been convicted of the offence or that he has committed it.

Financial impact of RRO

The Residential Property Tribunal has the power to make an RRO for an amount equivalent to any rent received during the period of the offence up to a maximum of 12 months.

Who can apply for RRO?

- A Local Housing Authority (LHA) may apply for an order where housing benefit has been paid to that landlord during any period when such an offence was being committed. Different rules apply to decisions in respect of those applications depending on whether or not the landlord has been convicted of the offence.

- Occupiers (including former occupiers) are also permitted to make an application to the RPT for RRO where an order has already been granted to an LHA in respect of the same property or where the landlord has been convicted of the offence. Any order made in favour of an occupier cannot relate to any sums paid by means of Housing Benefit.

Any sum ordered to be paid under a RRO is recoverable as an ordinary civil debt. Sums owed to the LHA under RRO are local land charges. Section 73, 74, 96 & 97 of Housing Act 2004 deals with Rent Repayment Orders.

For further info www.communities.gov.uk

Selective Licensing

By Shelter

Since April all larger shared houses must be licensed. This means that the landlord involved must successfully apply and pay for a licence for each property they own. Local authorities have a duty to ensure that these landlords are fit and proper people and that their property management and conditions meet some basic criteria.

Options to license other areas and types of houses are now available under the Housing Act 2004. Additional Licensing applies to HMOs of any size within a local authority area but Selective Licensing applies to all privately rented properties within a selective area.

Not just any area can be selected. Local authorities can only apply to use Selective Licensing when the area in question is suffering persistent antisocial behaviour or low demand. The first local authorities, which have been invited by the government to apply for Selective Licensing, are all Housing Market Renewal Pathfinder areas. These are areas with long-acknowledge problems. However, it is envisage that future applications would be made from other authorities keen to target specific problem areas.

For those landlords who let their properties responsibly, Selective Licensing has many advantages, not only does it drive out unfair competition from bad landlords who undercut their rental prices, but the duty placed on landlords to tackle antisocial behaviour and improved general management practice should result in neighbourhood improvements. This will in turn lead to increased demand and property prices, leaving good landlords with a healthy return on their investment as well as attracting a wider spectrum of tenants willing to live in the area.

Selective Licensing has the potential to support existing measure to reduce antisocial behaviour and neighbourhood dilapidation by forcing landlords to take responsibility for their properties in the area and for the consequences of failing to deal with renting problems such as frequent eviction and antisocial behaviour. Selective Licensing is designed to be an option of last resort. Many local housing authorities across the country have already developed

highly responsive tools to help improve the private rented sector, these range from incentivising membership of good practice projects and accreditation to providing a suit of free support and training in e.g. tackling anti-social behaviour. The applications procedure for Selective Licensing is not easy. It requires evidence of all the other measures tried and a proof of low demand or persistent antisocial behaviour. To find out more please contact sara.mitchell@shelter.org.uk

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Date: Thursday 19 October 2006

Venue: The Old Baths, 80 Eastway, Hackney, London E9 5JH

Time: 9:30 -12:30 or 1:30 - 4:30

(nearest train station -Silver Link from Highbury & Islington or from Kentish Town West to Hackney Wick)

For further info www.londonlandlords.org.uk

Email: LLAS@camden.gov.uk

Tel:020 7974 1970

ATTENTION LANDLORDS

Are you paying more tax than you need to on your property?

Income Tax, Capital Gains Tax, VAT, Stamp Duty Land Tax, Inheritance Tax...
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Tenancy Deposit Schemes Provide Protection for both Tenants and Landlords

From April 2007 all deposits taken by landlords in relation to Assured Shorthold Tenancies (AST) will be protected. Landlords will be required to place deposits in a holding account (Custodial Scheme) or will keep the deposit and pay a premium to a third party (Insurance Scheme) to assure it is protected.

Tenants frequently report that deposits are withheld without good reason and landlords have problems when tenants do not pay their last month rent or cause damage to the property.

From April 2007 landlords will not be able to take deposits in respect of an AST unless it is covered by one of the Schemes. Landlords will have to comply with initial requirements of the chosen scheme and give the tenants information relating to the deposit within 14 days of receiving the money.

The Scheme will be independent and will be supported by an Alternative

Dispute Resolution (ADA) Service to avoid disputes having to go to court. It is important to note that unless deposits are safeguarded by the scheme, the court will not grant possession of the property to the landlord.

Landlord Grants

The Government have this year provided funding to all London Local Authorities to fund works to the homes of low income and disable occupants in the private sector to meet an advisory standard called the Decent Home Standard. Although the exact eligibility rules will vary from one local authority to another it is worth enquiring of your local authority as to whether any of your properties can be upgraded using this funding. Most local authorities are concentrating this funding on works to improve heating systems and insulation levels.

Tessa Shepperson's Landlord FAQ: Can I grant a tenancy for less than six months

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

Before February 1997 Landlords had to be careful to make sure that their tenancy agreements were for fixed terms of at least six months. If they did not, the tenancy would not be an assured shorthold tenancy and the landlord would find it difficult to evict the tenant if this became necessary. However the Landlord and Tenant Act 1996 did away with this rule and now a landlord can grant a tenancy for any period of time he wants, and it will automatically be an assured shorthold tenancy.

Sometimes it will be convenient to grant a tenancy for a short period of a few months or even weeks. There is nothing now in law to prevent a landlord from doing this. However there are two points he should bear in mind:

1. If the landlord wants to evict the tenant under section 21 of the Housing Act 1988 (where the landlord can obtain an order for possession without having to give a reason, so long as he follows the proper procedure), the Judge is not allowed to make the order effective within the first six months of the initial tenancy.

2. Although the fixed term will end at the end of whatever period is stated in the tenancy agreement, the tenancy itself will not, and the tenant is legally entitled to stay on if he wishes. This is because section 5 of the Housing Act 1988 provided that after the end of a fixed term, a new "statutory" tenancy will come into being, on the same terms and conditions as the preceding fixed term tenancy, but running from month to month or from week to week depending on how the rent is paid. He will still be a tenant and will not be a "squatter". The only way this periodic tenancy can be ended, if the tenant does not want to leave, is by obtaining a court order for possession.

So although a short fixed term can be granted, in reality only the tenant can take advantage of this. He will be able to leave without penalty at the end of the fixed term, but if he wants to stay on, he is legally entitled to do so.

Tessa Shepperson 2006



Email: tessa@landlordlaw.co.uk

For more information on these proposals visit www.law-reform.co.uk

Accredited Landlords can claim **20% discount** off their first year's membership of Landlord-Law (not to be combined with any other offer). For further info write "LLAS Discount" in the subject box.



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Tessa Shepperson is a solicitor and author, and runs the popular Landlord-Law site at www.landlordlaw.co.uk

Camden Council Landlord Forum

End of Nov or beginning of Dec. 2006

To discuss issues that affect you as a landlord.
To express your interest please

Email: env.health@camden.gov.uk

Tel: 020 7974 2090

Letter to: the Environmental Health Team, London Borough of Camden, The Town Hall Argyle Street, London WC1H 8EQ

Renting for the first time – Landlords Lettings Checklist

By Lettings-Landlords

A useful list of some of the main issues which landlords should consider when letting a property:-

- Organise 3 valuations from local Estate Agents-log date & time
- Make notes on the agencies await the valuation letter
- Read agency terms and conditions
- Decide on an agency to use. Seek permission from mortgage company-if applicable
- Seek permission from freehold – if applicable
- Make a list of any redecoration or updating that needs to be done
- Decide on a date to start letting the property from
- Instruct letting agents
- Chase up permission required
- Organise for any works to be carried out by contractors-get quotes
- Arrange for Gas safety Report to be carried out close to start date
- Ensure all upholstered furniture conforms to regulations
- Make a list of any furnishings that need to be replaced
- Ensure that electrical inspection is carried out
- Arrange for any works regarding the electrics and gas to be done
- Chase up the letting agents and pay them on the spot visit
- Ensure property is ready to be viewed
- Keep a record of any keys given out and get the agents to sign for them
- Make sure you see all the references on all tenants
- Arrange for an inventory to be carried out
- Make sure tenants can afford two months rent as a deposit
- Make sure you have the Gas Safety Certificate
- Inform all the utility companies
- Inform the telephone and cable etc companies
- Make sure you keep a reading of the meters
- Read through the draft contract
- Check upon any clauses that you are unsure of
- Make sure the move in date is convenient to all parties
- Confirm the inventory preparations, date and time

- Arrange for the property to be professionally cleaned
- Ensure the tenants have cleared funds to pay you the rent and deposit-no cheques
- Get enough sets of keys cut-collect keys from agents
- Sign the contract and allow the inventory to take place
- Make sure you get the final bills from the utility companies

www.lettings-landlords.co.uk

Recognition For LLAS Landlords

Accredited landlords who have notified LLAS of their properties are entitled to advertise their property with a brand new prominent ad-style, designed to include the LLAS branding in **Loot**. This will promote your status and your property all for the same price of a Power Ad or Photo Ad.

LLAS Photo Ad



For maximum impact, couple the LLAS brand with a photo of your property. Use up to 280 characters. The LLAS Photo Ad costs £50 for one week (5 issues) plus five days advertising on loot.com

LLAS Super Power Ad



Boldly advertise your property with the LLAS brand. Use up to 280 characters. The LLAS Power Ad costs £40 for one week (5 issues) plus 5 days on loot.com



This offer is only available to members of the London Landlord Accreditation Scheme. You may book your ad today by calling Loot on: **08700 43 43 43**

Electrical Safety – Shocking Information

By NUS

Landlords are responsible for maintaining the electrical installation in the premises and for having it periodically inspected and tested at least every 10 years to check its condition

Danger signs include:

- Old, badly worn or broken switches and socket outlets
- Fuses blowing or circuit breakers/RCDs tripping
- A burning or 'marzipan' smell from overheating wiring
- Cracked or damaged cases on plugs or appliances
- Frayed, cut or damaged leads
- Signs of overheating on plugs, leads or appliances
- Blowing fuses
- Loose or ineffective cord grips in plugs or appliances

Socket-outlets that may power electrical appliances used outdoors e.g. drill; mowers etc should be protected by a residual current device (RCD) to provide extra protection against electrical shock. Other socket-outlets within the accommodation may also be protected by RCDs either fitted in the consumer unit (fuse box) or in the socket-outlet itself. These RCDs should be tested at least quarterly in accordance with the instructions on the RCD. If they frequently trip out in normal use the cause should be investigated.

Do not attempt to extend, repair or replace damaged or worn-out parts of the electrical installation yourself. Instead, employ a competent electrical contractor, preferably one approved by NICEIC.

The National Inspection Council for Electrical Installation Contracting is a voluntary electrical safety regulatory body for the industry. It was set up in 1956 to protect consumers against unsafe and unsound electrical installations. The NICEIC is an independent non-profit organisation and maintains a Roll of Approved Contractors that are inspected annually to ensure they meet safety standards. For more information go to www.niceic.org.uk

While the risks of electrical shock or electrical fire are usually small, electricity is potentially dangerous and can kill. Whatever type of accommodation you are renting, you should be aware of the danger signs.

The safety of appliances your tenants bring into your accommodation are their responsibility. If you are in any doubt about the safety of an appliance **GET IT TESTED**

Fuses in plugs that blow repeatedly indicate a problem- NEVER replace the fuse with one of a higher than recommended rating or some other conductive material as this may lead to overheating and a possible fire

Do not attempt to insert anything other than a BS 1363 plug. Other appliances should also be fitted with a plug conforming to BS 1363; if your plug is not marked as conforming to this standard get it replaced.

Never use any electrical appliances with wet hands and when in the bathroom never use electrical appliances plugged into the mains. Never overload socket-outlets by using too many adapters. If your tenants have insufficient socket outlets, you may need to install more.

Use appliances outdoors only if they are connected to a socket-outlet you know is protected by a residual current device (RCD) and never run appliance leads or extension leads under carpets or rugs, through doorways or in other vulnerable locations and always fully unwind an extension lead before using it.

Never place an electrical heater close to furniture or fittings and never obstruct ventilation grills on appliances or cover an electric heater. For more information visit www.nusonline.co.uk/info/housing

Croydon Council Private Sector Housing Forum

Date: 4 December 2006

Time: 4pm to 7pm

Venue: Croydon Town Hall, Katherine Street, Croydon, CR0 1NX

It is a free event for private landlords

For further Info: Lorna Brooke or

Mahmut Aydogan on

Tel: 020 8726 6100

Email: lorna.brooke@croydon.gov.uk or mahmut.aydogan@croydon.gov.uk

Are you paying more tax than you need to on your property?

By LGK

Property taxation can be a minefield for landlords. Not only can your property make you vulnerable to a tax investigation but you might also be missing out on tax reliefs, deductions and special allowances, paying too much tax and reducing the return on your investment. To get the most from your property, it is vital that you understand both what your responsibilities are and also where you can save money.

As a landlord, income tax is not the only tax to consider. There is also the question of Capital Gains Tax, VAT, Stamp Duty Land Tax and Inheritance Tax. Other issues also come into play at this juncture, such as whether the HM Revenue & Customs will treat you as a property investor or a property trader, whether your property qualifies as a furnished holiday letting, or whether you are resident or non-resident in the UK.

To avoid putting yourself at risk, as a new landlord you must notify HM Revenue & Customs that you are potentially chargeable to tax as soon as possible. The Inland Revenue is known to be targeting landlords who do not declare income by reviewing Land Registry and other information, so it is important to get things right from the start. You also need to consider how to structure holding your property, whether to hold it in your own name, jointly with your spouse, partner or children, or perhaps using a Limited Company.

When submitting your Tax Return, income tax is payable on the difference between rents received and expenses. Such as repairs (not improvements), insurance, ground rent, mortgage interest, reasonable travelling costs, professional fees and, if the property is furnished, a 10% Wear and Tear allowance. Income from all of your properties is aggregated on this basis and tax will be paid on the net amount.

To maximise the return on your property investment, you need to ensure that you claim all of the tax reliefs and deductions available. One area where landlords often miss out is on the many allowances available for Capital Gains

Tax For example, we have advised on a situation where the reliefs available meant that a capital profit of £240,000 did not give rise to any Capital Gains Tax at all. Normal repair expenditure is deductible against rents but improvements are not. However, the cost of improvements can be set against any Capital Gain on the property and you should therefore make sure that you keep full records of such money spent. It is worth noting that certain improvements may be subject to special 100% capital allowances, which could be set against rents and even your other income.

One of the most important things as a landlord is to keep careful records and to stay up-to-date on regulations and reliefs. If in doubt, it is always best to seek professional advice on how to navigate the taxation minefield and get the most from your property.

For more ways to save tax and improve your investment returns,

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with FREE PROPERTY REPORT in the subject header or contact David Kibel at Lawrence Grant Kibel Limited to discuss your specific situation.

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Landlords Monthly Socials with SPLA

First Tuesday in the month from 5.30pm onwards **at The Counting House, 50 Cornhill London EC3V 3PD- (nearest tube, Bank)**

This is a great opportunity for landlords to network, discover the tricks of the trade and discuss business opportunities. So do come along, grab a tea, coffee or something stronger from the bar, and meet friends old and new. You don't have to be a member to attend so please feel free to invite any fellow landlords you know, or aspiring landlords looking to let for the first time.

As part of the process of monitoring the introduction of HMO licensing, the Association would like to hear your experiences good or bad in order that these might be reflected in the feedback and discussions process with the Department for Communities and Local Government 9DCLG). Comments by email or letter to SPLA, 8 Wellington House, Camden St. Portslade BN41 1DU, Email: info@spla.co.uk Tel: 020 7582 8060

SPLA Landlord Events

The London region of the Southern Private Landlords Association (SPLA) has three formal meetings planned for the remainder of this year

Monday 9 October 2006

Venue: The Washington Arms, Englands Lane, London NW3 4UE

Nearest Tube: Belsize Park, Northern Line

Phil Alker from the Department for Communities and Local Government will be outlining the latest position and provisions for the Tenants Deposit Scheme, which is scheduled to come into operation in April 2006

Tuesday 24 October 2006

Venue: Jack Carter Pavilion, Redbridge Sports Centre, Forest Road, Hainault, IG6 3HD

Nearest: Fairlop, Central Line

Back to Basis- Any questions? Come and ask your panel of experts about all those issues you don't fully understand or want to know more about

Tuesday 14 November 2006

Venue: Oakley House, 358 Bromley Common, Bromley, BR2 8HA

Nearest British Rail: Bromley South, then take bus 61,320 or 358

Energy Efficiency Certificates and the implementation of HIP (Home Information Packs) following the government's U turn.

All meetings start 7pm, free to members. £10 to non-members, which is fully refundable if you join SPLA within one month of the meeting

Islington Landlord & Tenant Forum

Date: 7 December 2006

Time: 6pm to 8pm

Venue: The Resource Centre, 356 Holloway Road, London N7 6PA

Food and refreshments provided

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Tel: 0870 1121547 Fax: 01603 218071 e-mail: landlords@abib.co.uk

The new Code of Practice from Commission for Racial Equality

The Commission for Racial Equality (CRE) has published a new, revised code of practice on racial equality in housing. The code is important because it is a statutory code; which has been approved by Parliament. This means that the Courts have to take account of the code's recommendations in cases alleging racial discrimination.

The code applies not only to local authorities and housing associations but also to private sector bodies such as lettings agents and private landlords. The code is in two main parts. The first explains what landlords need to know about discrimination; the second makes recommendations about how they can avoid it.

For example, discrimination is not just letting to one tenant rather than another because of their race, colour or ethnic origins, it may also occur when landlords let only to people their existing tenants know and don't give a wide range of people the chance to apply; or when landlords refuse to consider tenants on benefits. The first kind of discrimination – direct - is unlawful, full stop. The second may be unlawful if a landlord does not have legitimate reasons for the practice. It's also against the law for landlords to get lettings agencies to discriminate on their behalf or to allow racial harassment of one tenant by others to go unchecked.

The steps recommended by the code to prevent discrimination are mostly common sense. Key steps for landlords are to

- have a written equal opportunities policy or statement saying what they will do to ensure fair and equal services
- check that the methods and criteria used to attract potential tenants are not biased against some groups and favour others and that tenancies are as widely advertised as possible
- tell lettings agents, contractors and anyone else about their policy
- make sure all tenants know about the policy and that if they discriminate against or racially harass others that would be grounds for eviction
- check from time to time that the policy is working

Following recommendations such as these will not only help to prevent discrimination but also promote a landlords' business interests by, for example, ensuring a wide choice of suitable tenants, strengthening a landlord's reputation for fair treatment and meeting the expectations and standards of independent registration and accreditation schemes.

To find out more about the CRE code including a shortened summary for landlords and other private sector bodies or to download a copy go to the CRE website at www.cre.gov.uk/gdpract/housing_code.html

Learn how to lawfully repossess your properties without a solicitor! Save hundreds of pounds!

From serving notice under section 21 to filling out the court forms, this practical course will walk you through the whole process. You will realise that you can do the notice service and the court application savings hundreds of pounds. At some stage, most landlords will need to gain possession of a property.

Doing this lawfully is essential as there are heavy fines and criminal proceedings awaiting those who try to shortcut the law. Come and understand how easy it is once you have a little basic training.

The course will be run on behalf of LLAS by **Training for Professionals**, an experienced training provider who wrote and will present this course and are one of the training providers running the accreditation training days for LLAS. For accredited landlords, this course counts towards your CPD requirement and is discounted.

Currently we have the following dates and venues:

24 November 2006	Brent
27 November 2006	Camden
28 November 2006	Islington
29 November 2006	Hammersmith
6 December 2006	Waltham Forest
7 December 2006	Tower Hamlets

See the web site www.londonlandlords.org.uk for MORE dates. Book online at just £75 Inc VAT for accredited landlords and £95 Inc VAT for those who are not yet accredited.

No internet access? Phone Wendy on 01258 85 85 85 to book off line or if you need any further info.

Useful links and contacts

Department for Communities & Local Government

The Department for Communities & Local Government is responsible for policy on housing, planning, regional and local government and the fire service.

<http://www.communities.co.uk>

Direct.gov.uk

Advice for tenants and landlords on various issues including tax and other general housing advice

<http://www.direct.gov.uk/HomeAndCommunity/fs/en>

Residential Landlord

Free information and advice for landlords and property investors

<http://www.residentiallandlord.co.uk/>

National Landlords Association

Information and advice for residential landlords operating in the private rented sector throughout the country

<http://www.landlords.org.uk/>

Landlord Zone

Information for landlords, tenants & agents in the rental property

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

National Federation of Residential Landlords (NFRL)

The largest professional landlords organisation recognised by the government in the UK. The NFRL represents and protects the interests of private residential landlords across the whole of the UK

<http://www.nfrl.org.uk/homepage.htm>

Accreditation Network UK (ANUK)

ANUK is a network of professionals and organisations that promotes accreditation in private rented residential accommodation.

<http://www.anuk.org.uk/>

The Southern Private Landlords Association (SPLA)

The SPLA seeks to protect and promote the interests of private residential landlords and encourages the supply of good quality accommodation and professional standards of management.

<http://www.spla.co.uk>

Landlords UK

Links, guides, forums and information

<http://www.landlords-uk.net/>

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- Take advantage of discounts and buy a new, more energy efficient washing machine, fridge or freezer

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Energy efficiency can help you meet your legal requirements, whilst supporting your reputation as a landlord who takes the quality of their property seriously and delivers a professional service for tenants

A network of Energy Efficiency Advice Centres operates across the UK, to contact your local centre, simply call 0800 512 012.

Visit www.cen.org.uk/landlords for further info.