

## LETTINGS AND MANAGEMENT NEWSLETTER SUMMER 2011

Welcome to our summer newsletter, specifically for Landlords. We hope you will find the articles of interest and should you have any questions, please contact your local Perry Bishop and Chambers lettings team.

### MARKET VIEW

The UK housing landscape has undergone a major transformation in the last three years. The uncertain economic climate and restrictive access to residential mortgage finance for first time buyers has resulted in more people turning to rental accommodation, not always by choice. There has also been an increase in "reluctant landlords" many of whom have rented out their existing home and either bought a new property which fulfils their needs or even rented accommodation in another area.

The number of buy to let mortgages available has risen to the highest level since October 2008 as lenders respond to increased pressure for rented homes.

Initially, during the recession, there was a reduction in rents as tenants took advantage of the new economic realities to force landlords, who may have been facing their own economic pressures, to reduce their rent even on existing tenancies.

This year we are seeing a steady rise in the number of residential sales overall but limited first time buyer activity. The number of prospective tenants is still outstripping the supply of property available for renting and there is now more upward pressure on rents, particularly for good quality family properties.

### LEASE EXTENSIONS AND ENFRANCHISEMENTS

Landlords owning leasehold property need to be particularly aware of the falling value of their asset during the life of their leasehold interest. It is increasingly difficult to raise mortgage funds on any property with less than 70 years unexpired. In these circumstances landlords should consider taking up their statutory right to extend their leases, in accordance with the 1993 Leasehold Reform Act, or to come together as a group of leaseholders to purchase the freehold interest in their block.

You can obtain an approximate idea of the cost of a lease extension by using a calculator on the Leasehold Advisory Service website, [www.lease-advice.org.uk](http://www.lease-advice.org.uk). Ian Perry, who has been a valuer on the Leasehold Valuation Tribunal since 1986 and a Valuer Chairman since 1999 can offer more specific advice, including valuation and negotiation, to those leaseholders or groups of leaseholders considering an extension to their lease.

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### CONDENSATION IN RESIDENTIAL PROPERTIES

We are increasingly being asked to advise landlords and tenants on condensation problems. Modern homes have better insulation and heating and better fitted windows. This has reduced ventilation and lead to an increased problem of condensation. Condensation is a ventilation problem and is caused when water vapour is generated from a multitude of normal household activities including cooking, washing up, laundry and even indoor plants.

Before the arrival of double glazing, it was typically windows that were the coldest part of the room and therefore showed signs of condensation, but now the reduced air movement tends to result in air stagnating behind furniture. The effects can go un-noticed until the furniture is moved and a mould growth or rotting material is exposed. The risk of mould growth and condensation can be reduced by improving thermal insulation, increasing heating and ventilation and by reducing the moisture content of the air.

The most common advice to tenants is to ensure that they ventilate the property properly and do not cover fans or air bricks. They should also close kitchen and bathroom doors and ensure that windows are open for a period to ensure that the water vapour evaporates.

### RICS AUDIT

Congratulations to our Client Accounts Department who recently passed their RICS Client Account Audit with flying colours. The auditor commented that the department was classified as "top of the range" and they have been asked whether they would be prepared to speak to other member firms to discuss how they operate.





From left to right:

- Sophie Searis** (Administrator)
- Lisa-Marie Harrington** (Lettings Negotiator)
- Lisa Cox** (Property Manager)
- Sharon Jackson** (Manager)

## MEET YOUR LOCAL TEAM!

In Faringdon, the Lettings team is experienced and dedicated to providing a first rate service for both Landlords and Tenants. Sharon Jackson, lettings manager is responsible for the day to day management in addition to carrying out valuations and marketing properties. Lisa Cox looks after all the maintenance issues on managed properties including ensuring that gas safety certificates are valid and carrying out routine inspections. Lisa-Marie Harrington's primary role is to negotiate letting properties including registering applicants, carrying out viewings and providing feedback to landlords and tenants. As lettings administrator, Sophie Searis prepares all the legal documentation and notices required throughout the life of a tenancy.

Sharon Jackson comments: "In the Faringdon area, the lettings market is currently very buoyant with a 35% increase in new tenancy starts this year. We are also finding that most tenants also seem to want to commit to a 12 month contract rather than the traditional 6 month tenancy for security and to reduce the disruption for their families of too many house moves. We pride ourselves on offering quality properties which appeal to a high quality tenant. We are also working closely with our landlords to ensure the maximum rent is achieved."

“ Just a quick note to thank you for doing such great work on our house managing current and next tenants. I know mostly people put "pen to paper" to complain (I'm no exception) so hopefully this message is a pleasant change.  
KD

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### TENANCY DEPOSIT SCHEME

The Tenancy Deposit Scheme (TDS) was implemented in 2007 as an attempt to protect tenants from unscrupulous landlords and agents. All landlords and their agents are now covered by the scheme and thankfully we have had very few cases referred to the TDS. What is apparent from those that have been referred is that the TDS adjudicators are relying heavily on the written and photographic evidence provided. The following is an extract from one of the TDS's case studies to highlight how they might reach a conclusion:

*Is the landlord claiming more than is reasonable, taking account of the property's condition at the start of the tenancy?*

- The tenancy agreement requires the tenant to pay for professional cleaning at the end of the tenancy
- The check in states that the property was cleaned to a domestic standard throughout
- The check out says that the property was in need of further cleaning
- The landlord has supplied invoices for £200 for a full professional clean

### THE ESTATE MANAGERS GOES FROM STRENGTH TO STRENGTH!

Our Leasehold Block Management business, The Estate Managers, welcomed a new manager in 2011 with the arrival of Mathew Webb. Mathew is a General Practice Surveyor with 10 years experience of commercial and residential property and asset management.



Generally the management of the structure and external parts of any block of leasehold properties is undertaken by the freeholder and paid for by the leaseholders through a service charge arrangement. This is a specialist area of management with complex legal and property management issues. The Estate Managers manage prestige properties throughout the Cotswolds and would be delighted to assist any landlord's who need advice on the management of a block in which they have a leasehold investment.

**For more information, contact Mathew on 01242 580099.**

The landlord is unlikely to succeed with the full claim because the property was not professionally clean at the start of the tenancy. Depending on the detail of the check in, check out and invoices, the landlord is likely to receive an award to return the property to a domestically clean condition (i.e. to return the property to the same condition as at the start of the tenancy).

If there is insufficient detail, the award is likely to be more limited since it will not be possible to establish the extent to which cleanliness had changed.

### ENERGY PERFORMANCE CERTIFICATES

New rules coming into force from 1 July will mean that all residential property being marketed for let MUST have a valid EPC on order and available for viewing by prospective tenants within seven days. An EPC indicates how energy efficient a property is. It can only be carried out by an accredited Domestic Energy Assessor who is required to collect information on the property including its size, construction and its hot water and heating systems.

The report gives the building a standard energy and carbon emission efficiency grade from 'A' to 'G', where 'A' is the best. It is valid for ten years on let properties, although if changes are made to a property which may affect its energy efficiency a new EPC should be commissioned.



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