

The Letter*

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Autumn 2014 Issue 10

Landlords may become new 'border police'



Under the new Immigration Act 2014 which comes into force in December, landlords have to ask prospective tenants to produce evidence of their permission to be in the UK before granting them a tenancy. If documents cannot be provided, the landlord must not let the property to them and if the landlord lets to someone who does not have lawful residence in the UK there will be a fine of up to £3,000.

Landlords will now be turned into a form of border police. The rules embody a requirement to check not only the documents of those on the Tenancy Agreement but the documents of all of those who are expected to be living in the household at the start of the tenancy. Where any of the occupants have temporary visas the landlords will have to conduct repeat checks.

The Government states that the intention of the scheme is to ensure that those without permission to be in the UK are "unable to

establish a settled life in the UK" and to create a "hostile environment" for them. The new rules are to be rolled out with the pilot areas to include Birmingham and Wolverhampton from January 2015.

The Landlord's responsibility to make the checks and face the fines can be transferred to a Letting Agent, but that must be done specifically in writing – suggesting that Agents will have to re-visit their standard contracts Terms and Conditions.

These measures are likely to have unintended consequences, affecting British citizens and other lawful residents. Some people tend to confuse issues of immigration status and ethnicity. Black and ethnic minority tenants may find it more difficult to find tenancies to rent and the legislation may well lead to breaches of Human Rights and Unjustified Discrimination.

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Portsmouth's own 'Shard' moves a step closer to being reality.



The redevelopment of Brunel House will be great for Portsmouth, not only complementing the historic heritage of the dockyards but also bringing in economic opportunities to the area.

Nicolas Guérin, Managing Director of Bouygues Development said:

“The submission of our Brunel House planning application marks an important step in our development plans to create a scheme which we believe will be great for Portsmouth, complementing the historic heritage of the dockyards and at the same time bringing economic opportunities to the area.

“Our plans are for the creation of a mixed-use development including a modern purpose-built student residence with over 500 high quality bedrooms, an iconic residential tower with over 300 residential units with a variety of sizes attracting local buyers and bringing new investment, as well as 10,000 sqft of retail at ground floor level. The scheme will provide a vibrant and exciting street frontage while assisting in the wider regeneration of the Hard.

“We look forward to working with the planners at Portsmouth City Council to achieve planning and bringing forward a scheme which will provide important jobs and an economic boost to Portsmouth and the wider area.

“Following the grant of planning permission, we will be looking to start on site the building will be built using local resources in our regional head office in Lakeside, Portsmouth.”

Planning documents for the “Portsmouth Shard” are currently being considered by Portsmouth City Council.

The next stage of Portsmouth's regeneration could see a 39-storey tower overlooking The Hard area. Bouygues Development are proposing to create a mixed-use development which will include a student block housing over 500-beds, a tower with in excess of 300 private residential units, as well as 10,000 sq ft of retail at ground floor level and car parking.

The scheme will provide a vibrant and exciting frontage while assisting in the wider generation of the Hard.

Being close to transport links it will help to reduce car dependency and contribute to sustainable development.

Calling all property investors....

Chinneck Shaw has in the past and may possibly in the future, have investment properties available for sale.

These include:

Vacant properties in need of refurbishment. These are available via our Sales Office. Properties already let on Assured Shorthold Tenancies, and Properties already let to long standing protected tenants.

If you wish to be contacted regarding any of these please call us on 02392 826731 or contact us via our website to provide us with your contact details.

Is your roof insurance watertight?

Did you know that it is a common condition of most building insurance policies that;

- a. Each flat roof is inspected at least once every two years by a qualified builder or property surveyor, and any defect identified by that inspection is repaired immediately.
- b. Any roof valley guttering is checked annually for blockages or defect, and any remedial action required is immediately implemented.



There is a strong possibility that if you fail to comply with these conditions, then a subsequent insurance claim may fail. If in any doubt we recommend you check the wording contained in the insurance policy documentation, and seek clarification from the insurance company/broker.

Newsletter mailing list

If you would like to be added to our newsletter mailing list, please provide us with your name and address, and we will make sure that we send you a copy of The Letter each quarter.

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In brief:

Sharp rise in buy-to-let deals

The number of buy-to-let (BTL) mortgage products on offer has risen to highs not seen since 2008, according to moneyfacts.co.uk. Research into BTL product numbers shows that there were 655 products on offer in July, up 42.7% on the 466 recorded in June 2013. At the same time, average interest rates charged for both fixed and variable deals have fallen to the lowest levels ever at 4.17% for the average fixed rate, and 4.03% for the average variable rate. "Lender interest in the BTL market may be fuelled by the knowledge that it falls outside of the recent Mortgage Market Review", said Silvia Waycot of Moneyfacts.

House prices

The Nationwide House Price Index for August 2014 showed house prices edging up by 0.8% in the month, making for annual growth of about 11%. Whilst still growing, it does represent lower growth than the peak of 11.8%, reported in June 2014.

Although there are reports of people having problems buying with the Mortgage Market Review rules, it does not yet seem to have had an adverse effect on prices, although there are concerns about dropping transaction volumes for the first half of the year.

Nationwide now reports the average house price as being £189,306.

Justifiable evictions

In August the Residential Landlords Association published the results of a survey carried out amongst 1,760 landlords where it examined the reasons for evicting tenants. Of the 56% who had evicted tenants, 90% reported that it was due to rent arrears. 43% quoted anti-social behaviour, 20% quoted drug-related issues, and under 30% wanted the property back in order to sell.

Rose in June – charity beerfest

Chinneck Shaw were once again delighted to sponsor the annual Charity Beerfest in aid of Motor Neurone Disease.

The beautiful sunny weather brought out the good people of Portsmouth helping to raise a record breaking £3,500 for charity.

Positive press

In an unusual article in the Daily Telegraph on 9 September 2014, Matthew Lynn makes the point that landlords are entrepreneurs and should be encouraged.

He questions why landlords are almost universally tarnished when other businesses, such as restaurants, often have poor operators, and yet are not criticised as an industry. Why does renting attract price controls, targeted restrictions to borrowing, the wish to licence every operator and HMRC tax avoidance campaigns? Other industries may attract one or more, but renting seems to attract them all.

He quotes an average rent outside London at £723 per month, making the market worth about £33 billion a year. As Matthew points out, it is a bigger industry than fashion, and slightly smaller than the restaurant industry.

Whilst he acknowledges there is some justified criticism, he questions if landlords are really the root cause of the problems. Should they really be unpaid policemen dealing with anti-social behaviour? Would garage owners have to make sure that the tyres they sell are not used on a getaway car, or restaurants needing to check the immigration status of their diners!

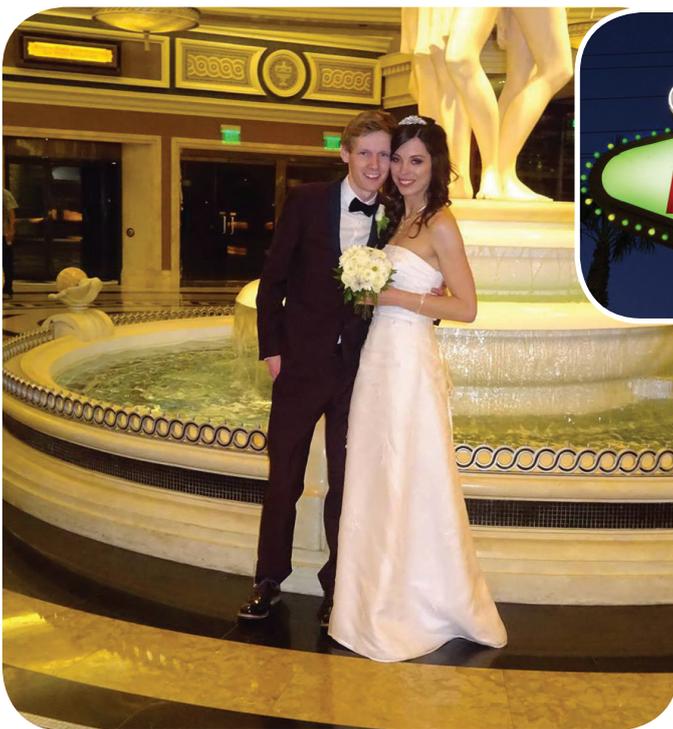
<http://bit.ly/1ulqbRb>

Knee-jerk rental

The landlord of a house in London has been fined by Willesden Magistrates' Court for letting out a room that could only be accessed on all fours on account of the low ceiling height. Due to the low ceilings (between 0.7m and 1.2m) the door through which the tenant had to enter was also reduced in height. Barnet Council took the landlord to court after he ignored a prohibition order preventing him letting the property. Mr Marom was fined £1,500, £1,420 in costs, and a victim surcharge of £120.



Viva Las Vegas – viva James & Twyla



In June, Chinneck Shaw's Property Manager James Moran married fiancée Twyla Kirkdale at The Wedding Chapel in fabulous Las Vegas.

After their wedding James & Twyla went on honeymoon travelling the west coast of America. Congratulations to Mr & Mrs Moran and we wish them all the best for their future together.

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'Chinneck Shaw are regulated by the Royal Institute of Chartered Surveyors meaning we are bound to comply with their professional, ethical and business standards. This offers protection and peace of mind for both our landlords and tenants.'



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