

April 2006 Issue 15



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Chairman

## HOW WE CAN HELP YOU PROTECT THE VALUE OF YOUR MOST IMPORTANT ASSET

The vast majority of new housing developments are now looked after on an ongoing basis by property managers, like ourselves, charged with co-ordinating all the various services required to maintain properties and protect their value on behalf of home owners like yourself.

Following consultation with developers about the range and cost of management services to be provided for each development, new home buyers should receive an information pack detailing all the services offered by a property manager, highlighting those relevant to each client.

Property management services usually include regular inspections, organising common repairs, cleaning, arranging the insurance, and paying all of the suppliers of services. It will possibly also involve arranging maintenance contracts for communal lifts, organising gardening contracts and arranging maintenance contracts for other services supplied to the property.

It is not uncommon for some home owners to be unfamiliar with the conditions laid down in the property titles. Your property managers will be able to advise on any problems of a common nature which you may encounter and ensure all requirements are adhered to in respect of maintenance and the supervision of

communal amenity areas.

Your property manager will ensure that not only are the terms laid down complied with, but will be able to give you advice whenever problems arise.

Since many aspects of a property may be common to several owners - such as the roof, outside walls, mutual division walls, foundations of the building, gutters, footpaths and stairs - it makes sense to have one insurance company that is common to all owners who share a mutual interest. That way, in the event of a claim having to be made, for example, in the event of a fire or flood, then there is only one insurance company to deal with and all the owners can rest assured that their neighbours have insurance cover.

A clause is usually written into the property titles that make it a condition that, at the point of purchase, you are required to contribute to a Common Insurance Policy. On your behalf, we have been able to negotiate a premium competitive with rates charged for a Single Domestic Building Policy.

Given that, for the vast majority of home owners, your property is your most valuable asset by a considerable margin, it makes sense for you to appoint a professional manager to protect the value of that asset on your behalf.

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## MAKING YOUR DREAM HOLIDAY COME TRUE!

Whether your dream holiday is lounging on a golden beach in the Caribbean, snorkelling along the Mediterranean coast, skiing in the Alps or cruising down the Nile, Ross + Liddell can help make your dream come true by giving you a chance to win a £750 holiday gift voucher - to anywhere in the world.

As a special thank you to our clients, we are holding another prize draw with the dream holiday gift voucher as the star prize and a free magnum of champagne for six runners-up.

The prize draw will take place on Friday 23<sup>rd</sup> June 2006. To be eligible

for entry into the prize draw, simply make sure that your account is settled, or that a satisfactory instalment agreement is in place by Wednesday 21<sup>st</sup> June 2006.

The lucky winners will be announced in our next newsletter. Good luck!



# SUMS INSURED ON RESIDENTIAL PROPERTIES SET TO RISE BY 5%

## Index Linking

Index linking is applied to the sums insured which is linked to the House Cost Index published by the Royal Institution of Chartered Surveyors and is adjusted annually in line with figures advised to us by Allianz Cornhill. This year the sums insured on most residential properties will be subject to an increase of 5%. This increase, whilst it may appear substantially above headline inflation, is comparable with that being applied by other insurers, and is also in accordance with the publications mentioned above.

## Sums Insured

The sum insured should represent the full rebuilding cost of the property as new, including professional fees and the removal of debris costs. It is the insured's responsibility to ensure that this amount represents the rebuilding cost of the property and we strongly recommend that the sum insured is reviewed on a regular basis and the insured makes any necessary adjustments.

If you require guidance on the correct sum to be insured, we suggest that you instruct a professional valuation to be carried out. The cost of this, however, would be incurred by the insured.

## Unoccupancy

Unoccupancy is defined by insurers as any period exceeding 30 consecutive days, during which time the building is not being lived in by you or any member of your household. Please refer to the policy booklet for full definition. The exclusions which apply are:

- Breakage of, or damage to, fixed glass and sanitary fixtures;
- Loss or damage, other than by fire or explosion, caused by theft or attempted theft, vandalism or acts of malicious persons;
- Damage caused by bursting, leaking or overflowing of water tanks, pipes or apparatus; and
- Damage caused by leakage of oil from any fixed heating installation, pipes or apparatus.

## Rating

The rating of all properties after inception is open to review at each renewal term. Every property insured is

## Graffiti

In the first instance you should contact your local council about the removal of any graffiti as some councils offer this service free of charge.

## Overflows

It is the responsibility of individual owners to ensure any overflows from their flats are not leaking. The repair of overflows is not a common repair and will not normally be dealt with by your property managers.

subject to re-rating at this time. The rating for each property will depend on a combination of the claims experience, size of the risk insured, the risks actually insured and the occupancy of the property.

Factors taken into account in considering the claims experience include the amount of claims paid, the number and frequency of claims and also the pattern of incidence that have caused claims.

As well as the factors relating to the property, the current market conditions, including competition between insurers and the overall profitability of the insurance companies, will play a large part in determining whether premiums for individual risks are subject to any increase or reduction.



# ARE YOU FIT AND PROPER?

Where's my rent? A public register? Fined for being a good landlord?

These may be some of the questions that spring to mind when talking about the new Private Landlord's Register.

**B**y now you should have registered yourself and the properties that you let out with your Local Authority. If you have not yet done so, then contact them immediately, as the principal fee of £55 may be doubled as a penalty for late applications.

Most of you will still be awaiting confirmation from your Local Authority that you are deemed a 'fit and proper person' and can continue to let out your property. However, don't worry - a backlog is inevitable as the Scottish Executive only finalised the registration process in February. Thousands of landlords in Scotland had only until the 30th April, 2006 by which to register, but so long as you applied, then no penalties will be incurred.

The objective of the national register is to help local authorities to remove disreputable landlords from the market and to protect tenants and their neighbours from the impact of antisocial behaviour. Your Local Authority will be able to offer advice and assistance, which is good news for landlords having to deal with problem tenants.

So we hope that you are all 'fit and proper', but, if you haven't yet applied, be warned! We've been told that once the register is up and running, then Local Authorities will be campaigning tenants with information on their rights and especially trying to get them to inform the Council of any Landlords that are letting without registration.

## THINK OF YOUR NEIGHBOURS:

### Laminated flooring

Before ripping up your carpets and laying laminate flooring, give some thought to the impact of the increased noise level and possible disturbance to your neighbours. Not only are carpets warmer, but they also serve as a sound barrier.

### Refuse

A number of owners have recently highlighted problems concerning occupiers not depositing their refuse correctly. This attracts vermin, and detracts from the appearance of your property. It is important for all owners to secure refuse bags which should be deposited within bins. Unwanted bulky items (such as cookers, wardrobes, carpets, sofas, etc) will be uplifted free of charge by your Local Authority, however these must be put out on the kerbside, on the appropriate day and time, which can be obtained by contacting the Environmental Protection Offices of your Local Authority. Please note, that it is an offence to put out bulk items at any other time.

### Tenement stair cleaning

The cleanliness of the common close/stairwell is the responsibility of ALL owners within the building and

non participation can cause a great deal of irritation amongst proprietors. Please make sure you take your turn. As a guideline you should clean the landing you live on and the stairs leading down to next landing.

### Looking out

Look out for your neighbours; if you are concerned about their safety or if you feel they need assistance, contact your local police office.

### Bogus caller

Be aware of bogus callers and take care when answering the door and always ask for identification from the person wishing access, if in doubt keep them out and inform the police and your neighbours.

### Bulk refuse

Contact should be made with your local council regarding bulk refuse uplift and you should deposit these items only when you have agreed a date and time for uplift. Under no circumstances should bulk items merely be dumped in the bin room or the vicinity of your property as this detracts from the appearance.

# ARE COMMERCIAL AND RESIDENTIAL PROPERTY MANAGEMENT ONE AND THE SAME?

Commercial property management is essentially the same as residential management, isn't it? Well, the answer to that is both yes and no. There are similarities, but there are also significant differences. Commercial management falls into two main categories, communal management and investment or asset management.

Communal management is similar to residential management, but it tends to be far more regulated. Recent and current legislation includes the Disability Discrimination Act, different Health and Safety Regulations, and the Fire Safety (Scotland) Regulations 2006. The way we deal with these is to have risk assessments undertaken by specialist companies. We then assess the recommendations, and plan a sequence of works to implement

them. Not everything can be done at once, but fire safety comes fairly high up the list of priorities. There can be a crossover between the requirements.

For example, some of our fire safety audits recommend the installation of smoke detectors and emergency lighting, even if the building already has a fire alarm system and a Fire Certificate. However, if there is going to be work done to the fire alarm system, then this will be a good opportunity to replace the sounders with flashing sounders, to meet the requirements of the Disability Discrimination Act. A lot of this is applied common sense – a deaf person can't hear the fire alarm, but that person can certainly see a flashing sounder.

We undertake investment or asset management for private and corporate investors, and for

pension funds. The asset managed can range from a single let shop to a portfolio of property worth in excess of £1m. The objective is, of course, to maximise the income and, hence, the capital value. Tenants generally occupy on full repairing and insuring leases, so our management can include: rent and service charge collection; inspection to ensure that repairs are being undertaken; dealing with the rating authority and utility companies; assignments; rent reviews; re-lets; sales; Schedules of Dilapidations; fire insurance assessments and more.

In both communal management and asset management, Ross + Liddell offer a comprehensive service, a one-stop property shop. Please contact Graham Ross to discuss your requirements, on 0141 221 9266 or by e-mail: [g-ross@ross-liddell.com](mailto:g-ross@ross-liddell.com)

## GRANT-AIDED REPAIRS

Some of our clients have taken advantage of the limited supply of grants available to implement very necessary common repairs to their property. Currently, we have major tenement repair schemes on site in both Glasgow and Paisley. Unfortunately, the availability of grant assistance from both Glasgow City and Renfrewshire Councils has, within the last few weeks, become severely limited, resulting in many projects in the planning stages being put on to long waiting lists.

However, the indications are that the projects that have been registered with the Councils for grant will, indeed, be considered for grant assistance once funds become available. If we have been trying to get a repairs scheme going for your building, and if you have not already returned your Mandate instructing us to proceed to prepare tender documents, then we would ask that you do so now.

This will enable us to continue with the application for grant to your Council, the objective being to have your application placed on their waiting list against the time when funding does become available.

The whole grant system is changing with the



introduction of the Housing (Scotland) Act 2005. Under this Act, Councils will be able to serve Repairs Orders on buildings to require repairs to be undertaken, but there would be no obligation to give grant towards the cost.

If you have any questions on this, please do not hesitate to contact the Head of our Building Surveying Department, Gerry Gilroy, either on 0141 889 8146 or [g-gilroy@ross-liddell.com](mailto:g-gilroy@ross-liddell.com)

# YOUR QUESTIONS ANSWERED

**Q** I have several properties which I let out, but with property prices slowing down, more first time buyers are more likely to buy rather than rent. Should I be looking to exit the buy to let market?

**A** The property market has indeed allowed more people to buy homes. However, for some there will always be a need to rent. The demand for rental properties does not solely come from first time buyers, but from a wide range of people, for whom renting gives them flexibility and financial relief. There is still a demand for corporate lets and short term tenancies for tenants who have just moved into the area. Additionally, people on low incomes and Housing Benefit cannot afford to buy.

**Q** I'm a private landlord with several properties. Do I have to pay full council tax on these properties when they are lying empty between lets?

**A** If a property is unlet and unfurnished, then a full 100% discount is applied for the first six months that the property is vacant. To receive an exemption, the Council will need to see internal photographs or utility bills that show no electricity or gas has been consumed within that period.

For furnished properties the discount is 50% unless the property was let wholly to students or limited number of specific trades or professions, where the discount will be 100%.

You should advise your local council of any changes in tenants and vacant periods etc. They will, in turn, send you an exemption form for completion before the discount will be awarded.

**Q** Why may I be required to insure my property in a Common Block Insurance Policy and what are the benefits?

**A** If you own a flat or other property where you share part of the fabric of the property, such as the roof, outside walls, foundations, gutters,

stairs, etc. participation in a Common Policy is often a requirement, detailed in your titles, to ensure that all of the property is adequately covered and that repairs following an insured incident will not be held up due to one or more of the proprietors failing to have adequate cover.

Other benefits to clients are that the policy can be tailored to the particular requirements of the property, premiums can be negotiated to obtain the optimum price and, where a claim arises, settlement will be realised faster than if the negotiations have to be conducted with each owner's separate insurer

## E Mail

The use of E-mail to communicate is not only helping us to respond to your enquiries faster, but also helps to contain our costs and hence the management fees we charge you. We would therefore request that, whenever possible, E-mail is used in preference to postal delivery.

We would also advise that it is our intention to issue much of the correspondence to you by E-mail

whenever we have the necessary details. This will initially be in addition to postal delivery but, where you agree, we will convert to issuing normal correspondence by E-mail only. Full details of our E-mail addresses can be obtained from our Web site at [www.ross-liddell.com](http://www.ross-liddell.com)



## Property Visits

We acknowledge that some of our clients find it inconvenient to visit our offices and would therefore remind you that your property manager will be happy to arrange to meet you at your property.

If planning to visit our offices, we would request that you arrange an appointment in advance to avoid disappointment.

# THE COST OF COMPLIANCE

Property owners should be aware that the cost of ignoring the raft of new legislation that has headed their way over recent years could far outweigh the cost of compliance.

Recent legislation includes the Control of Asbestos at Work Regulations, the Disability Discrimination Act, various Health and Safety regulations, and the Fire Safety (Scotland) Regulations 2006. While all this legislation requires property managers to advise clients about the implications, this advice is usually provided at no extra cost although there will, invariably, be a cost implication for property owners to make their properties comply fully with the requirements of the new legislation.

And comply they must if they are to avoid running the risk of incurring unnecessary expense - or even a fine. Even now, some two years after its introduction, there remains an alarming number of duty holders who have yet to comply with the Control of Asbestos at

Work Regulations. Apart from running the risk of a fine, there are various practical consequences.

For example, any sale of the property could be delayed while an asbestos survey is undertaken to meet the requirements of what has become a fairly standard condition in an offer. Alternatively, were there to be a fire then reinstatement could be delayed until an asbestos survey was undertaken.

Meanwhile, many service providers and employers remain either unaware of their requirements under the terms of the Disability Discrimination Act or are labouring under the misconception that it relates specifically to the building and will require expensive modifications to be made to the building's infrastructure - typically the introduction of a ramp to enable wheelchair access - in order to achieve compliance.

In fact, the DDA is about people, not property, and its definition of what

constitutes a disability is far broader than someone confined to a wheelchair.

DDA, Health and Safety, and Fire Safety audits, all require to be undertaken by specialist companies, and often their various recommendations interact. For example, the Fire Safety (Scotland) Regulations 2006 are set to replace the requirement for Fire Certificates with a fire risk assessment model. Some buildings will require emergency lighting, but when this fire safety work is being undertaken, the fire alarm sounders can be replaced to provide an additional, flashing warning and thus meet the requirements of the DDA.

Not only can property managers assist their clients by advising them of their obligations in relation to all these new regulations, but they can also advise on how to minimise both the cost of compliance and the disruption to occupiers. Compliance might be onerous, but failure to comply could be an expensive false economy.

## ESTATE AGENCY FOR BUY-TO-LET INVESTORS

We have extended our estate agency division for buy-to-let investors looking to buy or sell traditional or modern flatted properties.

Formed in response to a surge in demand for flatted properties at the lower end of the market, and in advance of the introduction of the forthcoming single seller survey system of buying and selling residential property, the extension of our estate agency offering means that we can now provide investors with a one-stop-shop property service under the one roof.

As an established property services company, we have a comprehensive range of in-house expertise that traditional estate agents are not configured to cover. And our wealth of knowledge and experience within the flatted sector allows us to provide a unique estate agency service to buy-to-let investors and developers.

The introduction of the single seller survey will require home owners to assemble comprehensive information about their properties in advance of a sale. As property managers, we are better placed than conventional estate agencies to furnish homeowners with all the necessary information about those properties we manage in a timely, efficient and cost-effective manner.

Rather than targeting our estate agency offering to traditional owner/occupiers, we are offering buy-to-let investors a range of services they simply could not access elsewhere, including surveying, arranging insurance, securing tenants and the ongoing management of the property on their behalf.

Our estate agency marketing activities include initial valuation advice on asking and target prices, production of sales schedules, posting details on different websites, circulation of a property enquiry register and newspaper advertising to an agreed budget.

And to get the new estate agency service up and running, we are offering existing clients the benefit of a loyalty bonus in the form of a discounted fee of 0.75% of a property's sale price - half the conventional estate agency rate.

### BE VIGILANT!

There's been a spate of recent break-ins in a number of locations where we manage property and, therefore, we would ask you to:

**be vigilant** and report any suspicious incidents to your local Police; be vigilant when entering/exiting the main building or garage areas. Please ensure that all gates and doors are securely locked;

**be vigilant** and only allow access to individuals via the door entry system if known to you. If in doubt, refuse entry; and shred all bank statements, credit card bills and receipts which you are discarding and placing within a bin store area. It is well known that such documents may provide sufficient information to those wishing to perpetrate fraud.

### PREPARATIONS FOR WHEN YOU ARE AWAY FROM HOME

**Always** leave a contact number with a neighbour or advise your managing agents of your forwarding address.

Alternatively, if letting your flat, advise your managing agents of the letting agent's name and number. You should also leave your home secure - **make sure** that all windows and doors are locked; **make use** of a time switch giving the impression that your property is occupied; **stop** all deliveries that would draw attention to the fact that the property is empty; and have your property checked from time to time.