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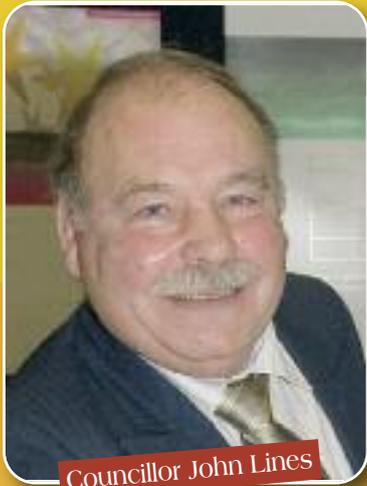
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ISSUE 2

MAY 2009



Welcome



Councillor John Lines

Welcome to the second edition of Accommodate, our newsletter for private sector landlords operating in Birmingham.

We recognise these are difficult times and that the housing market is a key factor in the climb out of recession and the future success of this city.

Birmingham: a global city with a local heart

Birmingham City Council's ambition is to take its place on the world stage at the same time as providing a place where people want to live and work. The standard and quality of housing in all sectors is critical to that aspiration.

I am incredibly proud to be able to announce that on 8 January 2009, the Audit Commission, the independent public spending watchdog, recognised Birmingham's Strategic Housing Service as a two star service with excellent prospects for improvement. To put this into some perspective, only two other local authorities out of the 56 inspected so far have achieved this result. You can read more about this achievement and the recognition of our work with the private sector on page 11.

This achievement recognised our positive examples of partnership working such as the Landlords' Forum, the accreditation scheme, legal interventions made through our enforcement role, and the way we communicate through methods such as this newsletter.

Where necessary, we are determined to use our legal powers to ensure the health and safety of residents in the city. The last few months have seen several prosecutions supported by the courts, in particular our first prosecution for failure to hold a mandatory HMO licence. You can read about this on page 4, and other examples of legal action we've taken on page 8. Hopefully, this kind of work and outcome is something that responsible landlords welcome and support.

If you are reading this newsletter, you're likely to be a landlord who is interested in providing good, safe accommodation in the city. We look forward to working with you in the future and offering you any help, guidance and support you may need. You'll find contact details for many of our teams inside this issue.

I hope you enjoy this edition of Accommodate and wish you all the best.

A handwritten signature in black ink, appearing to read 'John Lines', written in a cursive style.

Councillor John Lines
Cabinet Member for Housing



LANDLORDS' FORUM 2009

Joint Landlords' Forum success

We were delighted to see over 200 landlords from Birmingham and Sandwell attend the first ever Joint Landlords' Forum, held back in March at West Bromwich Albion Football Club. The event was hosted by Urban Living, working in partnership with Birmingham City Council and Sandwell Council and included a presentation of the results from the recent Landlord Survey. This will provide valuable information on the private rented sector which will help us improve the services we offer to landlords and tenants.

As well as a summary of the research findings, the event also featured:

- A presentation by Kate Faulkner, a leading business development consultant, on the buy to let market and its future.
- A presentation by Mary Latham, the Midland representative of the National Landlords' Association and a trainer for the regional accreditation scheme, on the Rugg Report.
- A presentation by Brian Mullan, from the Birmingham Landlords' Steering Group, about the work the group has done to tackle issues affecting landlords, such as Local Housing Allowance.
- Stalls and displays from various agencies involved in the private rented sector.

If you'd like to find out more, head to our website at

www.birmingham.gov.uk/privatelandlords.

There's a range of information and advice on there as well as details of events and back issues of Accommodate.



Landlords visit stalls at the forum

Landlords' Steering Group News

Birmingham's Landlords' Steering Group, set up to improve communication between the council and private landlords, has just celebrated its first birthday. In its inaugural year, the steering group has covered many issues including:

- **HMO – licensing, fees, new fire standards and enforcement policy.**
- **Student accommodation – planning issues/proposals.**
- **Energy Performance Certificates.**
- **Tenancy deposit schemes.**
- **Antisocial behaviour.**
- **Urban Living research.**
- **Private sector leasing proposals.**
- **Warmfront/Affordable Warmth – hostels, HMO.**
- **'Move On' – from supported housing schemes.**
- **Accreditation – Midland Landlord Accreditation Scheme (MLAS).**

At the top of the list of subjects covered, and one that crops up time and time again at steering group meetings, is the administration and safeguards surrounding Local Housing Allowance (LHA). The letter included with this issue gives an update on LHA from the Revenue and Benefits Service.

The group has had assurances from the Benefit Service that its website is being updated to provide more support to landlords. This is just one of the ways the steering group is working to tackle issues affecting private landlords.

They're keen to hear about general issues that affect Birmingham's private landlords and will raise matters with the city council and other agencies on your behalf.

You can email the steering group at: houprs@birmingham.gov.uk

We'd like to say a big thank you to all our steering group members for their commitment and hard work to improve the private rented sector. Their work to raise awareness of issues affecting landlords in the city, helps us to understand the sector and address your concerns.

The number of licences issued in Birmingham for houses in multiple occupation (HMOs) has now passed 1,100, thanks to the work of Birmingham City Council's dedicated HMO Licensing Team.



News from the HMO Licensing Team

This success corresponds with the launch of two dedicated area-based inspection teams. The North West Team will be located in the Waterlinks office complex and will cover the Handsworth, Soho and Sandwell wards. The Selly Oak Team located at our Botteville Road office, will cover the Selly Oak ward, which contains the largest concentration of HMOs in Birmingham.

You can contact the area-based teams on the following numbers:

Selly Oak Team 0121 675 2628

North West Team 0121 464 0247

These teams will provide a full spectrum of services for the private rented sector including inspection, advice and the enforcement of housing legislation. The Prosecution Team will work alongside the Selly Oak Team. Read about their first successful prosecution below.

HMO landlord prosecuted

Birmingham City Council has successfully prosecuted a landlord who failed to obtain licences for his houses in multiple occupation (HMOs).

Mr Mohammed Sajad Akbar pleaded guilty at Birmingham Magistrates Court and has been fined a total of £14,591. Mr Akbar had rented four properties to students in Selly Oak, without securing a licence and was fined £3,300 for each property and prosecution costs.

Since April 2006, there has been a requirement to licence houses of three storeys or more, occupied by five or more tenants, who have no family connection and share amenities such as a bathroom or kitchen. The licence covers basic standards and means of escape from fire to ensure safe housing for tenants in the private rented sector.

Mr Akbar had been contacted by the council on numerous occasions since July 2007, urging him to apply and provide the required information but he failed to comply.

Landlords who think their houses meet the criteria are being encouraged to call the HMO Licensing Helpline on 303 4009 as soon as possible.

Tenancy deposit protection news

The Tenancy Deposit Scheme will only provide deposit protection and alternative dispute resolution to letting agents who are members of recognised professional bodies from April 6 2009.

Only regulated letting agents and corporate and individual landlords will be covered by the scheme.

Landlords and tenants need to be sure that their lettings agents are members of one of the following bodies:

- The Association of Residential Letting Agents (ARLA)
- The National Approved Letting Scheme (NALS)
- The National Association of Estate Agents (NAEA)
- The Royal Institution of Chartered Surveyors (RICS)

The deposits will also be protected under one of the other government authorised deposit protection schemes: Tenancy Deposit Solutions (trading as mydeposits.com) or The Deposit Protection Service.

The Tenancy Deposit Scheme will write to tenants if their tenancy has been arranged through an unregulated agent to tell them of the change in protection.

On the theme of tenancy deposits, a landlord in Birmingham had to pay three times the value of a tenancy deposit of £500 for failing to put it in an authorised tenancy deposit scheme within 14 days of receiving it. The deposit was only placed in a scheme after possession proceedings had started and a counterclaim for disrepair had been made.

What students want...

Findings from research by students at Birmingham City University, working with Birmingham City Council, show that the demand for bespoke blocks of student properties will continue, but a significant proportion of students in their second year and beyond still want to live in small groups in traditional smaller rented homes.

The research also found that more students remain in the family home because of rising living costs, limiting the demand for large student halls of residence beyond those currently planned. This raises the issue of whether these properties could be put to alternative use.

We also discovered that some Birmingham students find the transport network confusing when trying to travel across or through the city. The limited number of dedicated cycle paths and safe walking routes between academic centres and the city centre was also highlighted.

In light of this, the Student Crime Working Group (made up of members including the police, Birmingham City Council, universities and students) will now request that developers make provisions for safe walking routes in the area around any new bespoke blocks.

Standards for registering planning applications will also be amended to improve the quality of information available about proposed new student accommodation. And, finally, to provide more support to students in the city, West Midlands Police have a new student crime officer, Sgt Jake Flanagan, based at the Gee Centre, Aston, replacing Sgt Emma Thompson.





Tracey Emerson-Smith

Birmingham City Council's Supporting People Team has commissioned a 12-month pilot scheme to help implement the council's 'Move On' strategy. Here, Tracey Emerson-Smith, from the 'Move On' Team, tells us more about this initiative to find homes for homeless and vulnerable adults in the city.

Get A Move On...

Accommodate: What does 'move on' mean?

Tracy: Birmingham City Council has adopted the Homeless Link's definition of 'move on' which is:

'A positive planned move from hostel or temporary supported accommodation, using one of a whole range of housing options as appropriate to the client'
(Homeless Link, Resettlement Handbook)

Accommodate: What's the aim of this new pilot scheme?

Tracy: The new 'Move On' Team, seconded from the voluntary sector, will work to reduce long term stays in supported housing schemes by 50 per cent and improve access to 'move on' accommodation. Hopefully, this will expand

the options available to homeless and vulnerable adults living in temporary and supported accommodation in the city.

Accommodate: What help do you need to achieve this?

Tracy: It's crucial that we access accommodation across the private rented sector (PRS). Stable and secure housing is the foundation of successful work with homeless and vulnerable people and the demand cannot be met by social housing alone. With appropriate safeguards in place, the PRS can provide an effective housing solution for many. However, from the research we've conducted (see below), there are barriers that we need to overcome as the PRS is not currently the preferred housing option.

'MOVE ON' findings

Research gathered from 82 voluntary and statutory accommodation services, which provide support to 2,184 homeless and vulnerable adults, showed:

- An estimated 1,655 residents would need 'move on' accommodation during a three month period). With only 932 currently registered, this leaves a shortfall of 833 units of accommodation.
- Of the 932 residents registered for 'move on' accommodation, only 44 were registered for private rented sector accommodation whilst 561 were registered for social rented sector housing.
- Only 7 per cent of residents identified private rented sector (PRS) accommodation as a preferred 'move on' option.
- Staff and residents identified the lack of access to rent deposit schemes and information about Local Housing Allowance as key barriers to accessing PRS accommodation.

We also need to look at how we can promote the benefits of getting involved to PRS landlords and encourage them to do so.

Accommodate: What are you doing to encourage PRS landlords to get involved?

Tracy: I attended the Landlords' Forum in December to start to consult with landlords and promote some of the national good practice models demonstrating how the PRS and the supported housing sector can successfully work together. I'll also be attending future events so that I can speak directly to landlords about the scheme and will be working very closely with the Private Rented Services Team over the coming months.

Accommodate: You mentioned national models of good practice in this area. Can you give us an example?

Tracy: I sure can: Passport Schemes. This is a set of items which residents living in supported housing need to provide as evidence to landlords that they would pose a low risk of tenancy breach or breakdown. These items can include:

- a named contact at an intermediary agency who can act as a referee
- a statement that an adequate professional assessment of need has been carried out
- confirmation that an assessment of eligibility for Housing Benefit/Local Housing Allowance has been carried out and that it will be payable
- a vulnerability assessment – to passport direct payment of Housing Benefit/Local Housing Allowance to the landlord if appropriate

- a statement that tenancy sustainment support will be provided, along with a contact name and number for the relevant service.

Accommodate: What about Private Sector Access Schemes, like Birmingham's Home Lettings initiative?

Tracy: Yes, that's a good example too, and landlords can find out more about Home Lettings by calling Sujata Parmar on 0121 303 1493. Private Sector Access Schemes provide a bridge between landlords and tenants. A good scheme should provide:

- financial security for the landlord against rent loss, damage, theft and so on
- a month's rent in advance and faster processing of benefit claims
- minimum standards for property conditions, management practices and tenancy length to make the home a more attractive proposition for potential tenants
- careful assessment of each tenant's needs to ensure their suitability for independent living
- support for both landlord and tenants to ensure a successful relationship.

Accommodate: How can landlords work with you or find out more?

Tracy: They're welcome to call me on 0121 675 8640 or email me at Tracy.Emerson-Smith@birmingham.gov.uk.





Fire protocol launched

A joint working protocol between Birmingham City Council and West Midlands Fire Service has been launched to improve fire safety in houses in multiple occupation (HMOs). This follows guidance issued by the Department for Communities and Local Government in May 2007.

Responsibility for regulating fire safety lies with local housing authorities under the provisions of the Housing Act 2004, and with fire and rescue authorities under the provisions of the Regulatory Reform (Fire Safety) Order 2005.

The National Protocol that has been produced has been developed and amended for Birmingham, with fire officers working alongside Birmingham City Council employees to produce this working document.

The protocol covers:

- the types of property for which each authority will take the primary enforcement role
- what standards will be applied
- consultation and data exchange arrangements
- timescales for compliance
- prosecution policy.

The protocol will be reviewed on an annual basis and you can have a read of the document online at www.birmingham.gov.uk/privatehousing

Ending

Since the last issue of Accommodate, Birmingham City Council has taken a number of significant legal actions, which serve as a reminder that it's important to follow the correct legal procedures when seeking to end a tenancy. The three cases below illustrate what can happen if the rules are broken...

CASE ONE

A Birmingham landlord has been ordered by Birmingham County Court to pay a total of £34,403.66 in compensation to his former tenant. The tenant told the court that he and his family had suffered harassment by the landlord during 2002. The landlord had previously been bound over to keep the peace by Birmingham Crown Court following a criminal prosecution brought under the Protection From Eviction Act 1977 by Birmingham City Council's Private Tenancy Unit in 2004. Tenants who allege they are experiencing harassment from their landlord or who have been unlawfully evicted can take civil proceedings to ask the court to award compensation for losses suffered, including any distress and discomfort caused. Harassment and unlawful eviction are also criminal offences under the Protection from Eviction Act 1977, which is enforceable by the local authority.

CASE TWO

Another Birmingham landlord has been ordered by Birmingham County Court to pay compensation to his former tenants after he unlawfully evicted them and their young daughter whilst they were away on holiday. The tenants returned to find that the locks had been changed and a new tenant was living in the house. The tenants complained to the Private Tenancy Unit who brought a prosecution under the Protection from Eviction Act 1977. At the trial, the landlord pleaded guilty and was fined £1,000 and ordered to pay costs of £1,250. The tenants then brought an action in the County Court for compensation and the court awarded a total of £9,956.52.

CASE THREE

A private landlord who was found guilty of harassing his tenant has been sentenced to 150 hours of community service at Birmingham Magistrates Court. He was ordered to pay £1,000 in compensation and prosecution costs of

tenancies: Don't get court out...

£5,081 following action by Birmingham City Council's Private Tenancy Unit.

Baljit Kumar (35) of Little Aston is the landlord of a property in Robert Road, Handsworth. He was found guilty at Birmingham Magistrates Court under the Protection from Eviction Act 1977 of harassing his tenant with the intent to force her to give up her tenancy.

The tenant took up her tenancy in Robert Road on 1 January 2007 and found that there were problems in the flat including damp, mice infestation and a leak from the flat above. Mr Kumar failed to remedy the disrepair and on 30 January 2007 the tenant reported the matter to the Council's Private Tenancy Unit. The Council wrote to Mr Kumar asking him to remedy the items of disrepair within 28 days.

It is alleged that Mr Kumar then made a series of abusive telephone calls to the tenant and made it clear that he wanted her to leave the flat. The tenant decided that she had to leave her home because she was worried for her safety.

Councillor John Lines, cabinet member for housing, said: *"This prosecution sends a clear message to landlords that they must not harass their tenants and must follow the correct legal procedures if they wish to evict a tenant. The city council seeks to work in partnership with landlords to provide decent and safe accommodation, but landlords who disregard the law as in this case will be prosecuted. Landlords who accept their responsibilities have nothing to fear from the council."*

The Private Tenancy Unit helps tenants who are threatened with eviction or who are being harassed by their landlord. It aims to help resolve disputes between tenants and their landlords so that tenancies can be maintained and homelessness prevented.

Tenants and landlords can call the council for advice on all aspects of renting in the private rented sector. You can reach the Private Tenancy Unit on 0121 303 5070 or find out more at www.birmingham.gov.uk/privatehousing



A day in the life of...a housing improvement officer



Clare Roberts

enforcement action.

The team uses its powers under the Housing Act 2004 assessing properties, using 29 potential hazards that may affect a tenant's health and safety.

Clare Roberts is one of the city's housing improvement officers. Here's what's involved in a typical day...

8.30am

I start the day by checking my emails and correspondence with tenants and landlords and follow up any actions. I then log on to our computer database, to check out my priority actions for the day and start calling the landlords to chase up work on properties.

10.30am

I go out to inspect and assess a property under 29 hazards using the HHSRS rating system. I start at the top of the premises and work my way down to make sure I don't miss anything. The inspection takes roughly an hour, depending on the size of the premises and I take lots of photographs. I also visit a property I've already inspected to find out how the landlord is getting on with the works I have asked him to do. Things are looking good, and most of it has been done.

More and more people are turning to privately rented accommodation and in Birmingham, 38 per cent of houses are rented – 11 per cent of those through an independent landlord.

Birmingham City Council has its own dedicated team, set up to improve housing conditions in the private sector through education, encouragement, and, as a last resort,

12pm

I download and print off the pictures I've taken. I begin to score the hazards I believe may affect the tenant's health and safety. I have two hazards to score; 'excess cold' and 'entry by intruders'. The excess cold came out as a 'Category 1 hazard', and the entry by intruders a 'Category 2 hazard'. I prepare a schedule of work for the landlord to carry out within 28 days.

3pm

I'm organising our team's attendance at events for new students across the city. I email details to colleagues and then start to make up bags of leaflets and free light bulbs to give away to the students. These events give us the opportunity to promote our service and advertise what help we can give to people living in poor housing conditions. It also helps to educate students about the standard of accommodation they should expect in Birmingham.

4pm

I am having trouble locating a landlord of a property. I complete a search of the Land Registry to try to locate a responsible person. Unfortunately, the landlord is registered at the address of the complainant, so I'll have to conduct further investigations later on in the week. I also phone the local fire station to request a free home fire safety check. As well as educating the occupants about fire safety, the team will install two free fire alarms in the property, increasing the safety there. It's great that we're building good relationships with other agencies in the city to make sure that people are safe in their homes.



If you know of any property in disrepair in Birmingham, please get in touch with the Duty Desk teams on 0121 303 4009 for the north of the city and 0121 303 5341 for the south or email houdenforcement@birmingham.gov.uk.

Reaching for the stars



Mary Latham, who spoke at the announcement of the Audit Commission results

Birmingham City Council's Strategic Housing Service was awarded two stars with excellent prospects for improvement in January, following an Audit Commission inspection last October.

This achievement recognised several aspects of our work with the private sector including:

- The progress and challenges of mandatory HMO licensing.
- Our interventions to improve housing conditions for tenants and protection from illegal eviction and harassment.
- Well developed partnership working including Homestamp and the Landlord Steering Group.

The Audit Commission also looked for examples of good practice and innovation, and cited the Midland Landlord Accreditation Scheme as an example of positive practice and partnership working. A big thank you goes out to all of our partners who have helped us to shape Birmingham's Strategic Housing Service.

Midland Landlord Accreditation Scheme

Midland Landlord Accreditation Scheme goes from strength to strength thanks to all of the partners involved and, of course, the landlords who volunteer to be part of the scheme. To date, the scheme has seen over 800 landlords and 16 agents across the Midlands receive their membership certificates.

The Audit Commission identified the accreditation scheme as one of six examples of "positive practice that demonstrates good practice and innovation and for creative ways to overcome barriers and resistance or make better use of resources".

In Birmingham, the scheme is largely focussed on student accommodation at the University of Birmingham and the Birmingham City University, with an ambition for Aston University, the University College Birmingham and Newman College to accept our open invitation to join the scheme.

Much of the growth in the last six months has been down to councils and landlords across the region recognising the considerable benefits of a regional scheme. So welcome to Redditch, Tamworth, Lichfield, Stoke and Wolverhampton University and thanks to Sandwell, Walsall and Wolverhampton for their continued support.

At a practical level, it's much easier to join now that the scheme has its own website. You can apply and book your seminar online at <http://www.mlas-online>.

You can also call the accreditation office on 0121 414 6438.

The scheme is open to all landlords and is likely to become an increasingly important facility for landlords to achieve recognition as providers of quality accommodation.



The most recent Government review of the private rented sector – The Rugg report recognised accreditation as an important method of developing the sector.

Reducing the risk of burglary in student lets...

Every year, thousands of young people aged between 18 and 24 leave the relative safety and security of university halls of residence to live in Birmingham's neighbourhoods. This is often their first taste of living independently and the types of properties they move into and their possessions make an attractive temptation to burglars.

The most common and popular type of student accommodation is privately rented terrace houses in the Bournbrook area, which is home to around 7,000 students.

The facts about student burglaries:

- Privately rented housing is **twice as likely** to be burgled than owner-occupied property.
- Houses with no security are nearly **10 times more likely** to suffer burglary than those with simple security measures (such as deadlocks and window locks).
- Terraced houses are a **higher burglary risk** than semi-detached or detached housing.
- 16-24 year olds are the **most likely age** category to be victims of burglary.
- 75 per cent of offenders prefer **occupiers to be out** at the time of a burglary.
- 66 per cent of burglars break into the **same house more than once**.

IN BOURNBROOK:

- 70 per cent of **offences involve a computer**.
- Approximately 80 per cent of houses are broken into around the **rear of the property**.
- 69 per cent of rear burglaries are via a ground floor window.

- Burglary in Bournbrook is three times the rate for the entire West Midlands Police force area.
- October and November are the months that student housing is most likely to be burgled.

What can you do to help reduce these risks?

You can:

- Promptly repair any windows and external doors that may become damaged. Offenders often return to properties they have previously burgled.
- Report repairs to alley gating as soon as you can.
- Hang net curtains to conceal items inside the property
- Fit suitable window locks, doors and approved mortice locks. Mortice locks with a thumb-turn release allow easy escape by tenants if there's a fire.
- Fit external doors that open outwards.
- Over the holiday periods regularly check that your tenants have left the property safe and secure.
- Fit timers to create the impression the house isn't empty.
- If your property has not been let over the summer, disconnect the water and gas, so that in the event of a burglary, the property is not extensively damaged.

You can encourage your tenants to:

- Keep external doors and windows locked, even while at home and during the summer.
- Take ownership of any side alley gate and its keys to prevent access to the rear of the property and lock it like they would any external door in the house.
- Remove any 'please come round the back' signs and to use their front door where possible.
- Use timer switches when they're out.
- Report any repairs to gating, windows and doors promptly.
- Take any valuable items they have, such as laptops and TVs home with them over the holidays.
- Mark their property and register valuable items on the national property database at www.immobilise.com.
- Have their laptops fitted with tracking software.

For advice and assistance

In many areas, such as Bournbrook, you can get help and advice from the police or Birmingham City Council. This may be in the form of a home security survey, additional home security or even gating of rear access ways. To find out who the local police team are for your properties, go to www.myneighbourhood.info and follow the links.



Warm Front update...

In our last issue, we told you about how your tenants could help to make your properties warmer, healthier and more energy efficient. We've been advised that landlords were having problems with the website address and telephone number we provided. So, just to clarify where to go to find out more, it's www.warmfront.co.uk or you can call the team on **0800 316 2805** to see if your tenants are eligible.

More housing choice for Birmingham residents



Here in Birmingham, we're changing the way we let our homes. We're keen to give customers more choice and want to encourage people to express an interest in available properties and have more say in the process.

Since 2005, Urban Choice, a pilot choice based lettings service, has been running in the north-west of the city. We're now planning to roll out the scheme across the city, with a new name – Birmingham Home Choice.

The Government wants to have a nationwide system of choice based letting in place by 2010. Schemes made up of a partnership of local authorities, registered social landlords and private landlords are seen as the best way to achieve the greatest choice and mobility in meeting housing need locally, regionally and across regions.

Our partnership currently consists of:

- Birmingham City Council
- Midland Heart
- Family Housing Association.

We're in the process of carrying out consultation to determine how Birmingham Home Choice will be delivered in the future, and as our work moves forward we will look at how we can involve private sector landlords in this new service.

Contact: Mark Guntren-Kreig, Choice Based Lettings Manager, on 0121 551 5588

Here to help...

Here at Accommodate, we want to give you the best information and advice we can about issues that affect you as private landlords. So, we've called upon Mahmood Reza, who some of you may remember from our last Landlords' Forum, where he gave a presentation entitled 'Tax And The Landlord'.

Mahmood is an accountant, trainer, speaker and writer who runs his own accountancy and management consulting companies, with a wide and extensive national client base.

He also teaches at Aston Business School, and has carried out training and consultancy work overseas in Cuba, East Africa and Russia. Mahmood's accountancy practice provides a wide range of accounting and tax services for the private sector landlord and others.



Mahmood Reza

You can reach Mahmood on 0116 224 7122, email him at tax@proactiveresolutions.com or check out his website at www.proactiveresolutions.com

IN THIS ISSUE, MAHMOOD TELLS US ALL ABOUT PROPERTY GAINS...

Property returns are made by way of income (rentals and trading) and/or capital gains. Here I'll focus on the capital gains considerations for an individual residential property investor after 5 April 2008.

Property gains are calculated by deducting the capital costs from the value of the disposal. The disposal is normally by sale or transfer; net gains will be after further deduction of capital losses and the annual exemption.

Net capital gains will be taxed at the rate of 18 per cent. The main reliefs, apart from capital losses and the annual exemption, are:

- the principal private relief (PPR)
- letting relief (gains up to £40,000 tax free)
- transfers to a trust
- non residence
- death of the individual.

PPR covers the period during which the property is an individual's actual or deemed main residence plus their last three year of ownership. It applies to the property, garden and grounds. The PPR election can be made selectively and retrospectively.

Transfers into a trust attract no capital gains tax liability. Transfers in excess of £312,000 during the last seven years of an individual's life will be charged to Inheritance Tax (IHT) at 20 per cent. If the individual dies within seven years of the transfer, additional IHT may be due.

An individual who becomes a non UK resident, and makes any capital gains in the tax year following the year of departure, will not be liable, providing they don't become a UK resident within the following five years.

With careful planning, it is possible to significantly mitigate or eliminate any potential liability, and an investor needs to consider their strategy in the context of their current and future aspirations.

Mahmood Reza
ATT, MCMI, FCCA, DMS, PGCE, BSc (Hons)

This is important. If you do not understand this document then please ask a friend or relative, who speaks English, to contact your local neighbourhood office or housing team on your behalf. We will then arrange for an interpreter to meet with you.

هذه الرسالة مهمة، فإن لم تفهمها نرجو أن تطلب من أحد أصدقائك أو أقرباتك ممن يتكلمون الإنجليزية أن يتصل بمكتب الحي "تيرهود أوفوس" المحلي أو فريق الإسكان نيابة عنك. بعد ذلك سنرتب للقاء بك مع وجود مترجم فوري.

ARABIC

এটা খুবই গুরুত্বপূর্ণ। আপনি এই দলিলটি বুঝতে না পারলে দয়া করে ইংরেজীতে কথা বলতে পারেন একজন আপনার একজন বন্ধু-বান্ধব বা আত্মীয়কে আপনার পক্ষ হয়ে আপনার স্থানীয় নেইবারহুড অফিস বা হাউজিং টিম এর সঙ্গে যোগাযোগ করতে বলুন। এরপর আমরা আপনার সঙ্গে সাক্ষাৎ করার ব্যবস্থা করব এবং এতে সহায়তার জন্য একজন ইন্টারপ্ৰিটার রাখা হবে।

BENGALI

此事極為重要，如果你看不懂這份文件，請找一位會講英語的親戚或朋友代你接觸當地的鄰舍辦事處或房屋服務隊。然後我們會安排傳譯員一起見你。

CHINESE

این اطلاعات بسیار مهم است. اگر محتوی این مدرک را نمی فهمید، لطفاً از یک دوست یا خویشاوندتان که به زبان انگلیسی صحبت کرده میتواند خواهش کنید که از طرف شما بانیبرهود آفس یا هوزنگ تیم محل شما تماس بگیرد. بعداً برای شما مترجم فراهم می کنیم که باشما ملاقات کند.

FARSI

Message important. Si vous ne comprenez pas ce document, demandez à un ami ou à un membre de votre famille qui parle anglais, de prendre contact en votre nom avec votre bureau de voisinage ou avec l'équipe du logement. Nous prendrons alors les dispositions nécessaires pour qu'un interprète soit présent.

FRENCH

نہم دہقہ نووسینہ گرنگہ. نہگمر نہم نووسینہ تینہگیشیتیت تکایہ نمو کاتہ داوا بکہ لہ برادرنیک پان خزمنیک، کہ بہ زمانی نینگلیزی دہدوی، پویوندی بکات بہ نووسینگہی ہاوسیتی "نہیبیرہود نوزفیس" ناوچہکمت پان بہ تیمی خانوویہرہ لہ جیاتی تو. نمو کاتہ نئمہ ہمدستین بہ ریکخستنی چاوپنیکوتنیک لہگمت وہ بہ نامادہوونی وەرگیزی زمان.

KURDISH

Ważne! Jeżeli nie rozumiesz treści tego dokumentu, zwróć się o pomoc do przyjaciela lub krewnego, który mówi po angielsku, aby skontaktował się w Twoim imieniu z lokalnym Biurem Środowiskowym (Neighbourhood Office) lub wydziałem do spraw mieszkaniowych (Housing Team). Załatwimy wtedy dla Ciebie tłumacza.

POLISH

ਇਹ ਗੱਲ ਬੜੀ ਜ਼ਰੂਰੀ ਹੈ। ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਪਰਚੇ ਦੀ ਸਮਝ ਨਹੀਂ ਲੱਗਦੀ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਅਪਣੇ ਕਿਸੇ ਅੰਗਰੇਜ਼ੀ ਬੋਲਣ ਵਾਲੇ ਦੋਸਤ ਜਾਂ ਰਿਸ਼ਤੇਦਾਰ ਨੂੰ ਕਹੋ ਕਿ ਉਹ ਤੁਹਾਡੇ ਵਾਸਤੇ ਸਥਾਨਕ ਨੇਬਰਹੁੱਡ ਔਫਿਸ ਜਾਂ ਹਾਊਸਿੰਗ ਟੀਮ ਨਾਲ ਸੰਪਰਕ ਕਰੇ। ਉਸ ਤੋਂ ਬਾਅਦ ਅਸੀਂ ਕਿਸੇ ਦੋਭਾਸ਼ੀਏ ਰਾਹੀਂ ਤੁਹਾਡੇ ਨਾਲ ਗੱਲ ਕਰਨ ਦਾ ਪ੍ਰਬੰਧ ਕਰਾਂਗੇ।

PUNJABI

داؤیر مهم معلومات دی. کہ تاسی پہ دی سند نہ پوہیری نومہربانی و کہی دخیل یومنگری یا خپنوان نہ چہ پہ انگریزی ژبہ خبری کولای شی غومتنہ و کہی چہ ستاسی لہ خواستاسی دسیمی نیبرہود آفس یا ہوزنگ تیم سرہ پہ تماس کی شی. بیبا بہ مونبر ترجمان برابر کہ و چہ ستاسی سرہ کتنہ و کہی.

PUSHTO

Hadii aadan fahmin waxa kuqoran boog yarahan (warqadan) fadlan waydiiso qof saaxiibkaa ama qaraabadaada ah oo kuhadla afka ingiriisiga inuu kuu waco xafiiska dariska ee kuu dhaw (neighbourhood office) ama kooxda guryaha asaga oo adiga kumatalaya. Markaa kadib waxaan kuu balaaminaynaa afceliye (turjubaan).

SOMALI

یہ دستاویز اہم ہے۔ اگر آپ اس دستاویز کو سمجھنے سے قاصر ہیں تو براہ کرم انگریزی زبان سے واقف اپنے کسی دوست یا رشتہ دار سے کہئے کہ وہ آپ کی جانب سے آپ کے مقامی نیبرہود آفس یا ہاؤسنگ ٹیم سے رابطہ کریں۔ ہم پھر آپ سے ملاقات کرنے کیلئے ایک ترجمان زبان کا انتظام کر دیں گے۔

URDU

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