



## digital tv coming

Analogue television signals continue being phased out in favour of digital

page 2

## ARIM joins BPF

We become one of the first managers to join the British Property Federation

page 2

## HIP and PIQ faq

Home information packs now require a PIQ

page 3

## homelessness

Section 11 of the Homelessness act now active

page 4

# ARIM celebrates 10 years of growth

ARIM is celebrating 10 years of growth during 2009 and we would like to take this opportunity to thank all clients (past and present) and business partners for their contribution to our success.

The development of the ARIM business has far exceeded any initial expectations we had for it and has gone from strength to strength. In the last three years alone, we employ twice as many people and have increased properties under management by 60% to more than 10,000.

### ARIM Charity Appeal launched

As part of our 10th anniversary celebrations, we are launching a charity appeal to raise funds for Shelter, the housing and homelessness charity. We are the fourth richest country in the world, yet millions of people in Britain still wake up every day in housing that is run-down, over-crowded or dangerous. We do not advocate such bad housing and we shun so-called 'rogue landlords'.

The 10th anniversary charity appeal will run up to achievement of a fundraising target of £10,000. Activities will be coordinated from each of ARIM's main offices in Brighton, Leeds and Glasgow. ARIM's people, clients and suppliers as well as friends and family will be invited to join and support the fundraising efforts. ARIM itself has pledged to match the fundraising efforts of the office with the highest total raised at the point the target has been reached.

We sincerely hope that some of you will join in our fundraising efforts.



### 1999 was undoubtedly an eventful year. Here's a quick reminder of just some of it.

- ARIM was established in 1999 to provide a professional management service to large scale, professional and institutional investors
  - the EURO was established
  - The Matrix and Fight Club were at the box office
  - Elections were held for the new scottish parliament
  - Manchester United won the Champions League, FA Cup & Premier League
  - George W Bush announced his intention to run for the US Presidency
  - MSN messenger was launched by Microsoft
  - Britney Spears had a hit with "...Baby One More Time" & S Club 7 with "S Club Party"
  - Sex and the City and The Sopranos hit our TV screens
- We look forward to the next 10 years of growth and beyond!



# digital TV switchover

As outlined in the last issue of Property Insight, analogue television signals are being phased out in favour of digital. The Borders region has already switched and work on the West Country started recently and is due to finish in August. Everywhere in the UK should be switched over by 2012.

ARIM has been active over the past 6 months setting up processes and procedures to ensure that we can deal with any issues arising, particularly on the freehold blocks and estates that we manage for clients. We have prioritised action in accordance with the switchover programme by seeking to ensure, where appropriate, that existing service installations are capable of coping with digital transmission. In some instances we have identified upgrade or replacement works that are required to ensure that they are done in good time in consultation with clients. At the appropriate time, each of our clients will be contacted to discuss the

preferred approach for each block should expenditure be required.

We do not at this stage propose to take any action with regard to individual houses as there is no absolute obligation to do so, except in those unusual cases where the landlord provides a television. Sufficient information is generally available to tenants from Digital UK (the organisation set up by the Government to deal with digital switchover) but any tenant requests for service upgrades that we receive will, if relevant, be discussed with those clients that may be impacted.

## ARIM joins the BPF

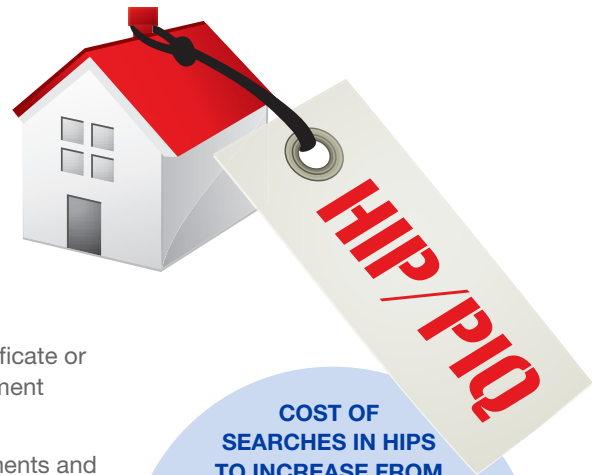
ARIM is one of the largest property and investment managers to become a member of the British Property Federation

Becoming a member of the BPF will give us the opportunity to share our views and those of our investor clients, not only with others in the residential property industry but also in lobbying government. We intend to encourage other property and residential investment managers to join, to share best practice and ensure that the issues pertaining to management are considered alongside those of

residential property owners and investors.

Being one of the first residential managers to join the Federation, our knowledge and expertise in the residential investment market and the private rented sector will undoubtedly make an invaluable contribution to the information needed by legislators and regulators.

## home information pack & property information questionnaire news



On 21st January 2009 a further amendment was made to the Home Information Pack (HIP) Regulations confirming the position that a completed Property Information Questionnaire (PIQ) must be included in the HIP before First Day Marketing can begin.

For the purpose of clarity the position is that since 6th April 2009 an agent must have the following minimum documents before First Day Marketing of a relevant property can legally take place:

- Index
- Energy Performance Certificate or Predicted Energy Assessment
- Sale Statement
- Land Registry Title documents and Plan (or SIM result where the title is unregistered)
- Property Information Questionnaire (PIQ)

Where ARIM manages the sale process on behalf of a client a HIP is arranged as part of the overall service package. In addition, wherever possible, we will facilitate completion of the PIQ by the vendor/client.

### **COST OF SEARCHES IN HIPs TO INCREASE FROM FRIDAY 3RD APRIL 2009**

The increase in charges levied by Local Authorities has fed directly into the cost of providing a HIP and as a result service providers are recovering the extra cost - an increase typically of £28 + VAT. Regrettably another unavoidable liability to be borne by the vendor!

## the rent service

The Rent Service (TRS) sets the Local Housing Allowance (LHA) in England and Wales which is used by local authorities to award Housing Benefit. Traditionally TRS has gathered market evidence from high street letting agents and, where they can, from landlord associations. This often excludes the market evidence of rental levels achieved by the larger investors. ARIM has agreed to provide details of rents achieved on a periodic basis to TRS to support what we hope will be more accurate LHA assessments. There is a clear need for the LHA to reflect the market especially now when we see increasing numbers of renters turning to Housing Benefit for financial support.

## new BPF-endorsed AST agreement & voluntary code of conduct

The BPF (British Property Federation) has developed a new assured shorthold tenancy (AST) agreement and voluntary code of conduct. Although not yet officially launched, both are now available via the BPF at [www.bpfagreements.org.uk](http://www.bpfagreements.org.uk).

The new-form AST agreement has been simplified, being easier to read and stating, more clearly, tenant responsibilities in relation to insurance, common areas and at the end of tenancy. The agreement has been approved by TDS (The Dispute Service), with additional terms introduced under Tenancy Deposit Protection now being fully incorporated into the main body of the agreement. It has also been thoroughly vetted by The Plain English Campaign.

The residential code of conduct is designed to formalise best practice in relationships between landlords or agents and their tenants. The code covers areas such as service standards, accommodation standards and complaints procedures.

ARIM intends to implement the new agreement and sign up to the new code of conduct. Our current approach to tenancy and property management is not far removed from the new approach and will therefore not result in significant changes. We will summarise and communicate any changes for our clients at the appropriate time.

The BPF's AST agreement is intended for use in relation to properties in England and Wales, not Scotland. We are therefore taking the opportunity to review our short assured tenancy (SAT) agreement to ensure it reflects, where possible, the new AST.

## section 11 of the homelessness (scotland) act 2003

The Act came into force on 1st April 2009. This imposes a mandatory requirement on Landlords to notify local authorities of any "proceedings for possession" raised by them against tenants after 1st April 2009.

The main function of a section 11 notice is to give the council ample knowledge that an individual, or household, are at risk of becoming homeless. Once aware a council may intervene to see if the eviction can be halted through mediation or other means, also, the notice will give the council time to discuss alternative housing options with your tenant.

Assured Tenancies (including Short Assured Tenancies) require such notification. The Notice is only required at the point of raising court proceedings and is not retrospective. The notice itself is in a prescribed form as per The Notice to Local Authorities (Scotland) Regulations 2008, and lists what information is required, including the Landlord's registration reference number.

There will be a different Landlord registration reference number for each of the 34 local authorities in Scotland and these will need to be known in advance of any possession proceedings to avoid unnecessary delays in the process.

ARIM and their clients' solicitors are already working together to provide the Landlord's registration reference numbers and to issue the Notices as and when required. No action is needed by ARIMs clients themselves.

## rics service charge residential management code (2nd edition)

In an industry that is looking to promote regulation, you may be aware that a second edition of the RICS Service Charge Residential Management Code has now been approved by the Secretary of State for England under the terms of section 87 of the Leasehold Reform, Housing and Urban Development Act 1993. This new edition of the code is effective from 6th April 2009 and applies to properties in England only.

The RICS Service Charge Code is intended to promote and represent good practice in the management of residential property where a service charge, which varies according to the expenditure, is payable and the landlord is not a public sector authority or Registered Social Landlord. It should be noted that this code does not apply to commonhold properties.

Some of the key matters addressed by the Code include best practice

guidance on the following areas:

- service charges, ground rent and administration charges
- Managers duties and conduct
- accounting for other peoples' money
- reserve funds; accounting for service charges and auditing of service charge accounts
- contractors and repairs
- insurance
- provision of information
- arrears of service charges
- complaints and disputes about managing agents

The first code of practice was published in 1997, and has now been updated to incorporate the provisions of the more recent Commonhold and Leasehold Reform Act 2002 (where implemented). We mention elsewhere that some sections of this Act have not, as yet, been implemented.

## commonhold & leasehold reform act

### Readers will remember the momentous introduction of the Commonhold & Leasehold Reform Act 2002

Since then the majority of the sections have been introduced through subsidiary regulation. Two sections (incredibly) remain outstanding and on 30th January The Department of Communities and Local Government issued an updated statement of the regulations it intends to publish during 2009. Amongst these are the commencement of the regulations that will implement the outstanding two sections (152 & 156) effecting changes to requirements to provide statements of service charge accounts and the holding of service charge monies in separate bank accounts.

Should the regulations materialise as planned (1st October 2009), we will to the extent we are not already doing so, comply on behalf of our clients.

Leeds  
33 Park Place  
LS1 2RY

Glasgow  
James Sellars House  
144 West George Street  
G2 2HG

Brighton  
Princes House  
53-54 Queens Road  
BN1 3XB

**allsop residential**  
**investment management**  
CELEBRATING TEN YEARS  
OF GROWTH 2009



Iain Baldwin  
0113 290 2500  
iainbaldwin@arim.co.uk

Hazel Sharp  
0141 331 7507  
hazelsharp@arim.co.uk

Clive Marcroft  
01273 322 011  
clivemarcroft@arim.co.uk

#### Disclaimer

Whilst we have made every effort to ensure information published in this newsletter is correct, ARIM gives no warranty or representation as to the accuracy or completeness of the information. Property Insight does not constitute legal or other professional advice.