

London lettings surge ahead



Anita Mehra, Managing Director of Benham and Reeves Residential Lettings comments on the London rentals market.

The summer months have seen a surge of activity in the lettings market and here at Benham and Reeves Lettings we've just experienced our busiest August on record. Rentals were up by 19% over August 2008 and supply levels were also up across our nine London offices, receiving 17% more instructions this August than in August 2008. We're seeing plenty of enquiries from our websites too, with 11,060 first-time visitors in August - 27% of these were from Europe and 17% from the USA, another indication that people are again looking to relocate to the world's favourite capital!

This dramatic upturn appears to be due to a number of factors. Stock levels are reducing, with many reluctant landlords selling their properties as demand in the housing market picks up. And with fewer properties available, tenants are recognising that competition has returned to the

market and they must move quickly to secure a good property. Another factor is better affordability. Lower mortgage rates are allowing landlords to pass on savings to tenants in the form of lower rents and this is creating pricing levels that are sustainable for both landlords and tenants.

The upshot of this is that we're experiencing shortages of some types of rental property, in particular one and two bedroom flats. Properties that are in a good location, well presented and realistically priced are in huge demand. In fact, we were recently in the unprecedented situation of having no one bedroom flats at all in Hampstead Village - they were all being snapped up as soon as they became available.

And there are definite property hotspots emerging. Pegaso in Hoxton, North London, is a great example. As sole letting and management agent for the development, we recently let all available units within only 10 working days. (Find out more about Pegaso on page 2). Beaufort Park in North London is another popular development and here again demand is extremely strong - we let 27 apartments in August.

This positive outlook is echoed by the latest RICS residential lettings survey which reported a slowdown in the number of properties coming on to the rental market in the three months to July. It reports that the outlook for rents is steadily improving, with the rental expectations net balance reaching -6%, up from the previous reading of -25% and offering the best reading since the spring of 2008.

Reports RICS spokesperson Jeremy Leaf, "The number of properties coming onto the rental market has slowed as the sales market has begun to stabilise. This is good news for landlords, who were coming under pressure to reduce rents as a result of oversupply. The need to respond in this way is easing and providing the housing market holds firm, the outlook for the rental market should continue to improve."

Of course, the market is still price sensitive so properties need to be realistically priced to appeal to tenants. And, as ever, first rate presentation is essential to make a property stand out from the crowd; a contemporary interior finished to a high standard will always be in demand.

Tenant hotspot - Imperial Wharf

With its stunning riverside views and fantastic location adjacent to Chelsea harbour, it's no surprise that apartments at Imperial Wharf are like gold dust amongst discerning tenants. As the developer St George PLC's appointed letting agents, Benham and Reeves Residential Lettings has completed several hundred successful tenancies at the development since its launch and, as a result, is now considering opening a dedicated office at the site.

It's not just the exclusive address that makes Imperial Wharf so sought-after. The



development really does have the 'wow' factor - set in 10 acres of riverside parkland, its tree-lined avenues are brimming with fashionable bars and restaurants, creating a vibrant village atmosphere. The apartments boast stylish interiors, generous proportions, state-of-the art kitchens and luxurious bathrooms for the ultimate in contemporary living. And most have balconies with amazing views of the Thames. With a dedicated train station due to open soon at the development these apartments are never short of tenants.

For further information on Imperial Wharf or to find out more about lettings at the development contact Glen Neligan on +44 (0)20 7938 3522 or email glen@brlets.co.uk

Going green with launch of new online accounts system



Benham and Reeves Lettings is doing its bit for the environment with the launch of its new online accounts system which, as Finance Director, **Vidhur Mehra** explains, will dramatically reduce the amount of paper the company generates and also enhance the accounts service provided to clients.

"We've been developing the new online system over the last few months," explains Vidhur. "For clients, the main advantage will be that they'll be able to access their statements securely online whenever they want from the comfort of their home or office. They'll be able to see real-time reports of rental payments received as well as an instant summary of expenses incurred in the management of their property. We'll shortly be emailing copies of invoices too so that all information is issued quickly and conveniently - this will be particularly useful for our many overseas clients. Useful information such as reports of tenants' arrears and grouped statement reports is also available."

"From January 2010 we are planning to stop issuing paper statements. We hope that most will appreciate the benefits of the new system."

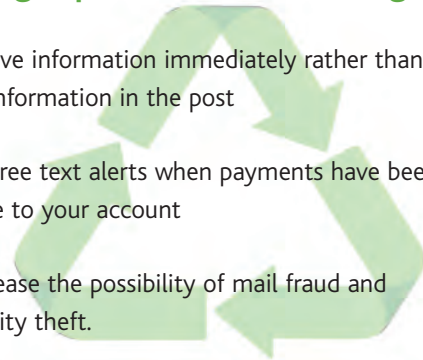
"Also new is our text messaging service - clients can now sign up to receive a text alert as soon as a payment goes into

their account. Of course, the main benefit will be that clients will be able to have instant access to financial information about their account at their fingertips. We can provide information much faster and we think that clients will find the service really convenient - a great advantage when it comes to managing their lettings business. But we also hope that by reducing our paper consumption, we can do our bit to help reduce the company's impact on the environment."

To register for the new service please send an e-mail from your registered e-mail address to landlordlogin@brlets.co.uk with your name and property address and we'll issue you with a user name and password. Once on-line you can register for the new text messaging service.

Going Paperless, benefits at a glance:

- Receive information immediately rather than wait for the information in the post
- Get free text alerts when payments have been made to your account
- Decrease the possibility of mail fraud and identity theft.



Apartments go like hot cakes at Pegaso



Pegaso - all available units let within 4 weeks

If you've recently invested in one of the new apartments at Pegaso in Hoxton, North London, then you're probably a very happy landlord. As sole letting and management agent, Benham and Reeves Lettings has just let all available units in the development within 4 weeks.

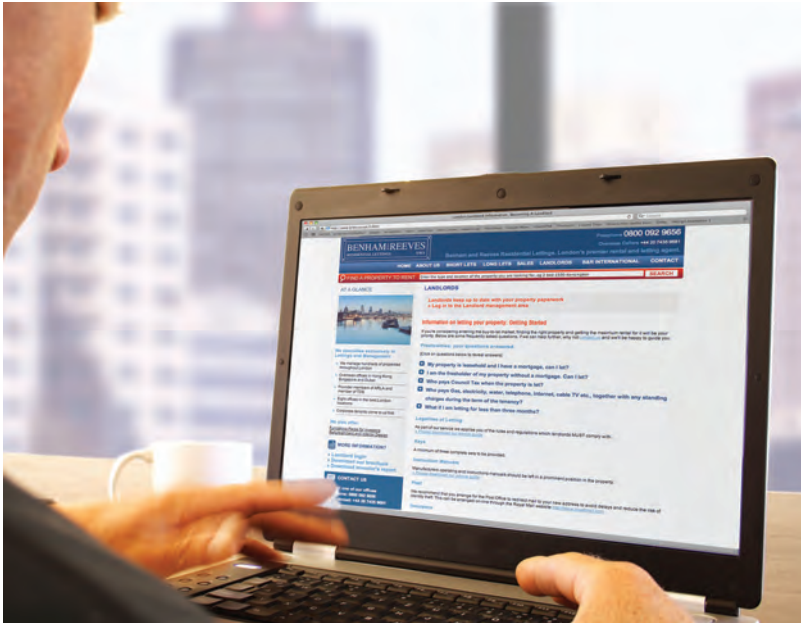
"The level of interest we've seen at Pegaso is quite unprecedented," reports Lettings Director, Marc von Grundherr. "We've been deluged by prospective tenants - professionals such as lawyers, bankers and media executives - in fact, on the second day of our launch of the building, we had eight sets of tenants in a queue waiting to view the apartments."

Clearly, there's something special about Pegaso. It could be the location - it's situated in Hoxton which has seen a great deal of regeneration in recent years and is now home to some great bars, restaurants, shops and galleries. And it's a fifteen minute walk from the City, with easy transport links from nearby Old Street

Tube station. Or it might be the space - with around 550 sq ft of living space, a one bedroom apartment is about 15% larger than you'd expect to find in a typical City apartment.

Or it could simply be the 'wow' factor! What really makes the Pegaso apartments stand out from the crowd is their stunning contemporary design and furnishings. In:Style Direct, who specialise in designing interiors for investment properties, were brought in to give each apartment a stylish yet individual look that would really appeal to prospective tenants.

"These aren't the usual identikit apartments you'll find in many new developments," explains Marc. "In:Style Direct created an individual design and furnishing scheme for each apartment. They used high quality furnishings teamed with 'ani-M' soft furnishings and accessories to create a sophisticated, contemporary interior but with a distinctive style of its own."



Letting a property? Then don't forget to do your homework!

Electrical Safety - The Electrical Equipment (Safety) Regulations 1994 require that all electrical appliances in a property are safe and present no risk of personal injury or death.

Energy Performance Certificate (EPC) - All rental properties legally require an EPC (valid for 10 years), showing the energy performance of a property. Landlords must make a copy of the EPC available for prospective tenants and must provide the tenant with a copy.

Being a landlord entails a great deal of 'behind the scenes' work to ensure full compliance with the law – and there are severe penalties for non-compliance. Marc von Grundherr examines some of the most important issues for landlords.

Tenancy Agreements - You must ensure that tenants sign a tenancy agreement before moving in to ensure you are completely protected while letting your property. There are several types of agreement, an Assured Shorthold Tenancy (AST) being the most common, but it is essential to seek advice from your solicitor or managing agent to establish which is the right one for your circumstances.

Tenancy Deposit Scheme - This requires landlords to register details of the start and end of any AST on which they take a deposit. If they don't, tenants can demand three times the amount of deposit in compensation.

Gas Appliance Safety - The Gas Safety Regulations 1998 require that all gas appliances are inspected prior to tenants moving into a property and then annually, to ensure they comply with regulations. A gas engineer certified by the Gas Safe Register must carry out the inspection - for more information, see the article on page 4.

Smoke Alarms - To comply with Building Regulations, properties built since June 1992 must be fitted with mains operated smoke detectors and alarms on each floor.

Furniture and Furnishings Regulations - All furniture in a rental property must comply with the Furniture and Furnishings (Fire) (Safety) Regulations 1988. Regulations apply to sofas, beds, bedheads, furniture covers, cushions and pillows as well as other items.

Tax - All rental income from a UK property is taxable and must be declared to the Inland Revenue using a Self Assessment Tax Return.

These are just some of the legal requirements that landlords must be aware of and it really does pay to seek professional advice. In fact, many landlords choose to take advantage of our property management service to ensure that all these issues are taken care of for them.

To help landlords through the maze of lettings regulations, we have just produced a new guide. If you would like to receive a copy, you can download it by typing this link into your internet browser http://www.brlets.co.uk/pdf/BR_lettings_guide.pdf

Houses in multiple occupancy - do you need a licence?

With students starting back at university, many landlords may be letting their property to several individuals, possibly for the first time. This is known as a House in Multiple Occupancy (HMO), and landlords must obtain an HMO licence from the Local Authority before a tenancy begins. Here's a brief guide to help you decide if you need to take action.

A property that is let to at least three tenants/sharers who share a kitchen or a bathroom is considered to be an HMO. If there are five tenants/sharers or more the property will require mandatory licensing.



Where a building is fully converted into self-contained flats and if the conversion does not comply with the building standards of the 1991 Building Regulations

and less than two thirds of the flats are owner-occupied, this type of building is an HMO and may need to be licensed. The landlord must check with the Local Authority - failure to obtain a licence could attract a fine of up to £20,000.

If an HMO licence has been issued, the property will be subject to inspection every five years. Any property, whether let or available to let, can be visited by an inspector to assess potential hazards and any notice served must be implemented without delay. For further information go to www.brlets.co.uk

Gas safety - what you need to know

Don't forget that the Gas Safe Register replaced the CORGI gas register in Great Britain and the Isle of Man on April 1st, 2009. By law, anyone carrying out work on gas installations and appliances in the home must be on the Gas Safe Register.



What do you need to do?

If your property has gas appliances then you need to make sure you comply with the law relating to gas safety. That means you must make sure that pipework, appliances and flues provided for tenants are maintained in a safe condition.

A Gas Safety Check must be carried out every year by a Gas Safe registered engineer and you'll need to give your tenants a copy of the gas safety certificate within 28 days of the check being carried out or before they move in. You must also show your tenants how to turn off the gas supply in the event of a gas leak. And lastly, you must keep a record of each safety check for two years.



For more information, go to www.gassaferegister.co.uk

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London's Lettings Agency

Established over 50 years ago, Benham and Reeves Residential Lettings have offices in Hong Kong, Singapore and Dubai as well as strategically placed offices across London. We are generally recognised as London's largest lettings agency dealing exclusively in the letting and management of residential properties in prime London locations.

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