

April/May  
2010

ASTBERRYS

Newsletter

We are property specialists for:

- Lettings
- Short Let Apartments
- Sales
- Block Management

We operate in:

- South Kensington
- Gloucester Road
- Earls Court
- Knightsbridge

#### WHO ARE WE?

We are letting and managing agents for individual flats and blocks of flats in Kensington and Chelsea. We will also let to you our own properties and excellent short term apartments. We carry out all building works, refurbishment and maintenance of flats and blocks. We offer in-house legal advice on all aspects of the letting business and property law. We also carry out valuations and property sales.

We are members of the Association of Residential Letting Agents and we are authorised as appointed representative by the FSA to conduct insurance mediation activities. One of our directors is a barrister. We have a clear and transparent fee structure. We only bill for work we do, for example we do not charge second year letting commission on properties, which we do not manage. We offer a straightforward pricing menu for maintenance and building services.

Our regular Newsletter covers areas of interest concerning the management and legal aspects of property, the sales and letting markets.



#### *Redcliffe Street, SW10*

**Available to rent at £500 pw**

Beautiful 2 bedroom flat in the charming tree lined street. Offered unfurnished.

We have a continued demand for good quality flats in the SW5/SW7/SW10/W8 areas for our excellent applicants. If you have a similar property to let please contact us.



## *Nevern Place, SW5*

**Available to rent at £850 pw**

3 bedroom, 2 bathroom flat on the lower ground floor with private garden. The flat boasts magnificent and spacious accommodation.

We have a continued demand for good quality flats in the SW5/SW7/SW10/W8 areas for our excellent applicants. If you have a similar property to let please contact us.

### **THE TENANT WHO DOES NOT PAY AND WON'T GO. HELP FOR LANDLORDS**

**How do you remove the troublesome tenant?** The answer all depends on what has gone wrong. Different steps need to be taken according to the behaviour of the tenant - let the punishment fit the crime!

The first rule is to avoid self help. Whatever your tenant has done including not paying the rent or breaking the furniture, do not evict him yourself, nor ask someone else to do this for you, nor try and change the locks. Such action is illegal and may result in you being prosecuted. You can only regain your property by order of a court. How do you do this?

The answer depends on the reason why you want the tenant to leave. The most common reasons are as follows, the tenant has:

a) **not paid the rent and more than 2 months rent is owing.** You must first serve a notice on the tenant informing him that he is in arrears and that proceedings will be commenced within 2 weeks. You may then start possession proceedings. The Court will normally order the tenant to leave. However by the time the tenant does several months rent will be owing and there will be legal costs. In most cases all this money will be written off, less anything which may be recovered from any deposit. Also it is worth noting that a tenant can "play the system" by paying off one month's rent once proceedings have started. In such a case the Court does not generally have to grant possession and your position will be the same as b) below.

b) **not paid the rent but less than 2 months is owing and/or the tenant has breached some other term of the letting agreement.** Common examples would be excessive noise or other anti social behaviour, allowing other people to live in the property or damaging the property or furniture. In such a case you must serve a notice setting out the complaint and generally you must give the tenant 2 months to put matters right. If he does not then you may apply to the Court. However unlike the position at a) above [where 2 months rent is owing] the Court in this type of case does not have to grant a possession order. It may well do so but it will all depend on the facts of your case. Once again there will be legal and court costs and possibly arrears of rent .

c) **failed to leave at the end of the tenancy.** In the case of most tenancies a notice must be served at least 2 months before the end of the agreement informing the tenant that you want the property back at the end of the agreement. If the tenant fails to leave you may then apply to the Court for a possession order, which the Court will usually grant. It is worth noting that there is an accelerated procedure for possession where you are not also claiming arrears of unpaid rent. This procedure often makes good sense. With luck you can obtain possession in a matter of weeks and then deduct the arrears of rent from the deposit, [usually six weeks rent]. You may still be out of pocket but where a tenant is not paying and is refusing to leave at the end of the agreement it frequently makes little sense to delay possession by also claiming arrears of rent. You will probably have to write off the arrears in any event and the sooner you have your property back the sooner you can let it out.

**It will be appreciated at once that anything along the lines of the above will be a varying degree of disaster for you as a Landlord. You are certain to be out of pocket, the only question will be by how much!**

*continues over*



We usually have a selection of our own modern and comfortable 1 bedroom flats in Earls Court located very close to the Underground.

Long term lets start from £325 per week and short term lets are priced between £550 - £700 per week, depending on the length of stay.

### **Prevention is the best cure. At Astberrys we ensure the following**

a) **Proper references.** Although we use credit reference agencies we do not stop there. We always look at a prospective tenant's contract of employment and check with the HR department. If self employed we ask to see certified accounts for the last 3 years. In other cases we recommend letting only on the basis that the whole of the rent is paid in advance.

b) **Speedy maintenance.** One of the main causes of disputes is poor ongoing maintenance. With our own in house maintenance team your tenant benefits from immediate service and you benefit from clear fixed charges which are set out in our agreement with you to manage your property. Even if you take our let only service we may often be able to help you with ongoing maintenance.

c) **Thorough inventory process.** Another cause of disputes is the condition of the property before and after the letting. However this is easy to avoid by using professional and experienced inventory clerks. The one thing never to do is to try and save money [usually no more than £200] and "do it yourself" - this will lead to disputes and the absence of any independent record of condition!

d) **Legal expertise.** One of our directors is a barrister and is able to advise Astberrys' clients on all aspects of letting and possession, should it prove necessary. We can also prepare for you most legal notices and in relation to properties which we manage we will always serve the appropriate notices in order to gain possession at the end of the agreed letting period.

**All cases depend on their own facts. We would be pleased to help and advise you but please do not assume that anything you read above necessarily applies to any problems you may have. However please do contact us if you would like to talk about letting your property or removing a tenant. We are available on 0207 370 0123 or email us at [business@astberrys.co.uk](mailto:business@astberrys.co.uk)**



Our specialist property law team deals with  
...leasehold enfranchisement...service charges...  
residential and commercial tenancies

We are delighted to accept instructions from Astberrys and their clients and will be pleased to advise in relation to all areas of property and landlord and tenant law.

*Clients of Astberrys, who wish to keep up with recent property law developments are welcome at*

**The *Property Law* Website**

**[www.propertylawuk.net](http://www.propertylawuk.net)**

*'The online property law updating service'*

## MARKET UPDATE

### SALES

Recent statistics all point the same way. Prices in the Borough have risen at least 13% since February 2009. **Prices now are back to where they were in the Autumn of 2007, the height of the recent market. In some cases higher prices are being achieved and a starting price of around £1,000 per ft<sup>2</sup> for anything of quality is now quite normal. Will this trend continue?**

In 2009 international buyers accounted for just under half of all property purchases over £2M in prime London areas. Foreign buyers have been in great evidence in Kensington and Chelsea over the last year. However we think that demand from this source is largely satisfied and will diminish. Lack of supply is the another key factor behind the recent rise. Some commentators and agents report that the number of properties for sale in London over £750,000 has dropped by over 50% since 2006. However if the amount of available stock increases by say 20% then prices are likely to fall by the end of 2010/early 2011. We think this will happen as higher prices tempt more vendors into the market. There is little interest from buy to let investors because of the high prices and lack of available finance and generally mortgage finance is still tight even for owner occupiers. The council of mortgage lenders expects gross lending to rise only very modestly this year from 2009 levels. Finally after the election there must be some mix of increased taxation and reduced public expenditure. Interest rates are also likely to rise. None of this is good for property prices. So if foreign demand dries up it will not be easily replaced. On the other hand if sterling weakens as a result of a coalition government's inability to tackle the debt crisis then more foreign buyers might be tempted in. Further, foreign purchasers do not tend to "flip" properties. Once purchased they keep them. This tendency will reduce volume in the market and support higher prices. Finally on the demand side it is predicted that as much as 30% of all city bonus payments will find their way into prime property, although no one is predicting a return to the bonus - fuelled rises of 2006/7.

**Nevertheless, on balance we think prices will ease towards the end of the year and into 2011 and that we are likely to see a return to higher volumes.**

### RENTALS

The city has started to recruit again. Some are predicting the creation of over 50,000 jobs this year and advertised vacancies have increased by more than 100% compared with the first quarter of 2009. In addition the difficulties associated with trying to purchase a decent property in the Borough mean that more people have chosen to rent. **On the supply side the amount of available quality rental property has not increased and as a result rents have firmed, as we predicted in earlier newsletters, [click on [www.astberrys.co.uk](http://www.astberrys.co.uk)].** According to one well known property web side rents in the Borough have increased by 5.4% in the last quarter of 2009 over the same quarter in 2008.

**We think that an overall increase of at least 10% by the end of the year is likely for the better properties in W8, SW5, 7 and 10.**



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