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Inventory *Insights*

ADDRESSING THE REPORTING REQUIREMENTS
OF LETTING AGENTS AND LANDLORDS

The beginning of this year has been an 'eye-opening' experience for us at the inventoryclerk.com HQ.

We now see more than before the effects of the tenant deposit scheme on landlords whose inventories are inadequate; there are more claims being challenged by tenants than ever before.

Why one asks? Well it costs a tenant nothing to contest a landlord's claim, often giving them a high chance of winning in a dispute.

There are a number of statistics bandied around regarding the percentage of landlord claims partially or fully failing. Whatever the figure the reason is simple.

You may recall the tenant deposit scheme, also known as the evidence based

scheme, is about a tenant's deposit being secured against some form of evidence.

The saying goes 'the natural pathway of a tenant's deposit is back to the tenant - unless the landlord can prove different'.

The proof is the inventory (and sometimes check-in) and subsequent checkout. All have to be well-prepared, many we see are not with some virtually non-existent.

We at inventoryclerk.com pride ourselves in the quality of our service. This means we supply agents and landlords with documentation which the tenant and the landlord can rely upon should an adjudicator need to decide fairly on apportionment of a deposit.

Not only this, we are the only inventory service whose clerks have been trained by a government HHSRS training officer to be what we call 'HHSRS (housing health and rating system) aware', see www.hhsrs.org.

We believe that if we can assist landlords and their agents with the best service available, the best inventories and checkouts as well as HHSRS awareness, landlords and agents can be well-prepared for any tenant challenge.

Please read what Dick Scott, our HHSRS expert and Ian Potter from ARLA have to say about this subject. Michael Sweeney, one of our London colleagues, talks about outsourcing your interim inspections.

Jonathan Senior



Housing Health and Safety Rating System

Outwardly, the HHSRS looks complicated - 29 different types of Hazard, each with its own score, calculated from precise predictions of an accident happening in the next year, coupled with a breakdown of the proportions of people who will be killed, severely injured or just seriously injured? Fantasy, you say.

And yet...it's based on hard facts. The statistics for the numbers of people killed or maimed at home every year are undeniable. So are the causes – recorded by hospitals, ambulance trusts and coroners. All it took was some number-crunching to link them together.

We can predict deaths and injuries now with some certainty, based on the type and age of the houses that people live in - and we can tie them to the 29 most common causes. So, having done the exercise of linking cause and effect, the core of the HHSRS assessment looks at the particular dwelling to decide which factors there make an accident more (or less) likely to happen than average for its age and type, and similarly what is going to make the health outcomes better or worse than average.

The council then has a range of weapons up its sleeve, from notices requiring works to be done, or prohibiting the use of part or all of the building, up to demolition, compulsory purchase or even forced sale on the open market. It also has the power to require this to be done urgently, or even carry out the works itself.

All this comes at a cost – the council can charge up to £300 per notice and levy a 10% administration fee for carrying out works, a notice can jeopardise the deposit (even when the property is left a mess) and give the tenant scope for suing for damages. The letting agents themselves may bear some of these costs, depending on their role.

For councils with no money left for loans or grants to improve properties, these powers – and the ability to fund the service by recovering the costs – are attractive. From 2011 onwards you can expect your local council to be taking a long hard look at using them more often.

From the perspective of a letting agent or landlord, understanding the assessment and what follows is very useful – given enough warning. The rating (risk score) is a measure of how dangerous a Hazard is and how urgently it needs to be dealt with. This opens the door to negotiating and prioritising work, so that risks can be reduced in a planned, cost-effective way.

To recycle an acronym, think KISS – Keeping It Safe, Saves.



Dick Scott

Dick Scott is an independent Environmental Health Practitioner who has specialised in all aspects of housing for the last 30 years while working for a variety of local authorities in London and Devon.

His responsibilities have included housing law enforcement, grants and loans, building new affordable housing and energy efficiency.

He is an accredited HHSRS Assessor, Enforcer and Assessor-Trainer – and has put the experience to practical use by building his own energy-efficient house while living in a mobile home, complete with a variety of HHSRS Category 1 Hazards!



The Role of Outsourced Interim Inspections in Property Management

Most landlords and letting agents are aware of the importance of a detailed inventory and how this facilitates an accurate check out. Across the duration of a tenancy the condition of the property may alter considerably as a result of maintenance issues, tenant related dilapidations or content changes. Where tenants work long or unsociable hours, contact with their property manager during office hours becomes difficult and property issues may fail to be reported. This can exacerbate the severity of issues, result in health and safety breaches and ultimately may result in tenant/landlord dissatisfaction. The longer a problem goes undetected or unresolved, the greater its potential to escalate. In light of these factors, outsourced interim/mid-term reporting has witnessed a significant increase in popularity and demand for the service looks set to continue growing.

Michael Sweeney, owner of Inventoryclerk Docklands, has seen a dramatic rise for this reporting service in his business over the past few months, he states “we are pleased that our key partners have recognised that outsourcing mid term/interim inspections really helps with their role of property management. As well as building good client relationships it gives us the opportunity to provide great customer service to the clients’ tenants and many of the tenants really appreciate the visits, especially as they are often completed at as early as 7.30 am or 6 to 8pm in the evening to fit in around their busy work and study schedules”. Inventoryclerk Docklands make the appointments direct with tenants, which allows their clients to focus on other priorities. During

the visit the tenants have the opportunity to raise any maintenance issues and the attending inventory clerk completes an inspection outlining the general condition of the property and its contents. A report is produced (illustrated with photographs) highlighting any issues which the property management team and/or landlords need to be aware of (especially useful for overseas landlords unable to frequent their property to check their investment in person). Mid term inspections are generally carried out every 4-6 months from the start of tenancy, therefore with consideration of the original inventory report and check out report, an average tenancy will be checked 2/3 times per year.

Michael comments that his clients appreciate that inspections save them time and are always carried out in a professional manner but note too that many of the tenants have also become accustomed to the friendly face of the inventory clerk and feel that they can ask them questions they wouldn’t always feel confident to ask the property management team for fear of being seen as “bothering them unnecessarily”. He adds, “It is always a pleasure to meet the tenants every few months, especially as they now remember how I like my cup of tea made! The majority of the properties are extremely clean on inspection which is sometimes attributable to appointments being made at least 1 week in advance, leaving tenants ample time to make the properties look in tip top condition”. Mike says he is sure this is one of many good reasons reason why interim inspections play a very important role in the agents’ property management.

One of the longest established agents based in E14 Docklands have been outsourcing their interim inspections and Jody Hallett (property manager for Landmark Estates) comments:

“Mid Term Inspections play an important part in ensuring Landmark Estates managed properties remain in the very best condition. They achieve this both by highlighting issues that have previously gone unreported or unnoticed by the Tenant, and bringing to our attention maintenance or cosmetic matters that are perhaps better dealt with between tenancies. There is no doubt that without them many crucial maintenance matters would go undetected, leading to additional costs.”

This crucial part of our property management service is of course time consuming, therefore the inspections are outsourced to qualified inventory clerks, who have an eye for detail, and are better equipped to create the required reports.

Tenants also have chance to draw our attention to matters that they may feel would enhance the property, as the inspections are mostly completed out of office hours whilst tenants are at home. The Mid-Term reports will also list the overall condition of the property.

The considerable amount of information provided by the Mid-terms certainly enables us to offer landlords a far better level of service, whilst protecting their valuable investment, whilst at the same time affording our Tenants the best quality residential property to reside in”.

Point of View—Ian Potter ARLA

There are many who would say that an Inventory Provider should not become involved in issues covered under the Housing Health and Safety Rating System, I am not one of those although it is unrealistic for an Inventory Provider to be an expert in all areas. However, if a logical approach is taken to matters many items would as standard be covered in the inventory and should be mentioned and by preparing a separate cover note not included as part of the inventory the clerk can be a useful pair of eyes for the agent or landlord and can in fact exonerate themselves should things go wrong.

If we look at this in a bit more detail you will, I am sure understand where I am coming from and where I think you should be the service provider. Should any visible socket or light switch be cracked or blackened it would be part of the inventory, but surely there is a risk of electrical safety issues in the property. You are not an electrician, but you are intelligent enough to know both can be signs of a problem, cover yourself and point it out. Black spores at ground floor level on a wall would be on the inventory but again suggest to the client that the property would benefit from being checked for rising damp. Water stains on a ceiling may or may not be new, but is the leak still there? These points are salient to both the check in and check out. You have the opportunity to see the property but the agent or landlord may not have seen the issues.

There are more complex areas covered by HHSRS and you are unlikely to be trained to identify them all, however if you feel a property is very cold at an external wall is it a cold wall syndrome where excess heat is being lost. Report it in a covering note to the landlord or agent. Do NOT insert it in the inventory

An inventory at the check in and check out should always be statements of fact and not matters of conjecture but your thoughts are useful for the landlord and agent, they also if presented as I have suggested add value to your service and also protect you if the landlord comes back blaming the agent for not advising of these issues, who will in turn blame the inventory clerk, you are only protecting yourself. A similar issue arises around agents expecting an inventory provider to state the value of damages in a property. Know what your service agreement with the landlord or agent says you will provide and what you will not provide. An inventory clerk is best not to personally value the damages, although they may agree to obtain quotes, either as part of the standard service or at an additional cost. Remember if you are working for an agent who has previously been preparing inventories in-house the person preparing will more than likely be the person who would then have to get the quotes, make sure you and the agent are in harmony about the inclusive and exclusive service you will provide.

