

Welcome to Property Bulletin, our publication to keep you up to date with news from the property management sector and the services that RDP Newmans can offer.

In this edition, we take a look at a new report calling for the regulation of managing agents and legal changes that make it easier to remove squatters from residential buildings.

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## Squatting becomes a criminal offence

Section 144 of the Legal Aid, Sentencing and Punishment of Offenders Act, which criminalises squatting in a residential property, came into force on 1<sup>st</sup> September.

As a result, anyone who enters and remains in a residential building as a trespasser could face a maximum penalty of six months in jail, a £5,000 fine, or both.

While this will not apply retrospectively, any trespassers who entered a building before 1<sup>st</sup> September, but remain there on or after that date, will be considered to have committed this offence.

However, the new legislation does not cover individuals who have entered the property with the permission of the owner. Therefore, legitimate tenants who fall behind with their rent payments or stay in the building after the tenancy expires would not be included.

Previously, squatting was treated as a civil matter, and having squatters evicted through the civil courts could be a lengthy and costly process. Therefore, the ability to arrest anyone committing this new offence should be a powerful tool in reclaiming ownership of residential property.



# Potential regulation for managing agents

A new report from the CentreForum think tank has called for sweeping reforms of the leasehold property sector.

*A new lease of life: making leasehold fit for the 21<sup>st</sup> century* says that, with a 400 percent rise in the number of service charge cases taken to tribunal over the last decade, a light touch, independent regulator for leasehold managing agents is essential.

According to the report, such a regulator could be introduced for as little as £2 per leaseholder without creating unnecessary barriers to entry.

In addition, CentreForum also recommends:

- All managing agents subscribe to an ombudsman
- Reform of the LVT process to reduce power and information asymmetries
- Taking away the threat of forfeiture of properties for failure to pay charges
- Removal of charges for granting permission for home improvements unless such work reduces the value of a property
- Estate management schemes should not have control over internal works

In the longer term, it suggests promoting commonhold as an alternative to leasehold, particularly on new developments, as well as publicising the right to manage through information notes on all service charges.

The publication of this report coincided with the broadcasting of a Dispatches investigation on Channel 4 regarding leaseholds and increasing service charges, proving that the subject is once again firmly in the limelight for all the wrong reasons.

Therefore, it is vital that property management companies provide high quality, transparent service charge accounts, which make it clear to leaseholders exactly how their monies have been spent.

The dedicated team at RDP Newmans has many years' experience in dealing with the preparation, certification and auditing of service charge accounts for property management companies.

As a result, you can be assured that we have the knowledge and expertise to meet the high standards required – both now and if these proposals are introduced.

RDP Newmans has over 50 years' experience in dealing with property management accounts meaning that our accountants are highly skilled and aware of the challenges faced by this sector. We can help you with any accounting requirements, which would free you up to concentrate on other important issues at hand.

If you have any feedback about this Property Bulletin or would like to contribute towards the next edition, please contact us on 020 8357 2727 or email [accounts@rdpnewmans.com](mailto:accounts@rdpnewmans.com)

**Harrow Office**  
Lynwood House  
373/375 Station Road  
Harrow  
Middlesex  
HA1 2AW

Tel: 020 8357 2727  
Fax: 020 8357 2027

**Southend-on-Sea Office**  
457 Southchurch Road  
Southend-on-Sea  
Essex  
SS1 2PH

Tel: 01702 466 886  
Fax: 01702 442 180

[www.rdpnewmans.com](http://www.rdpnewmans.com)

[accounts@rdpnewmans.com](mailto:accounts@rdpnewmans.com)