

UNEMPLOYMENT

Unemployment among tenants goes up by 5%

● ROBERT THICKETT

Smartlandlord.co.uk says unemployment among new tenants has shot up by almost 5% in the past 12 months.

The property services website analysed data received by landlords from references and checks made when taking on new tenants.

The results show that unemployment among new tenants in the private rental sector has risen from 3.1% in April 2008 to 7.8% this month.

Data from the Office of National Statistics shows that more than 40% of the UK's two million unemployed are under 25 years old, the age when consumers are more likely to rent than own property.

Regionally, areas outside the South-East and South-West have been hardest hit, with 16.8% of new tenants unemployed in Northern Ireland, 9.7% in the West Midlands and 9.1% in Scotland.

The only exception is the unemployment figure for new tenants in London, which is the fourth worst in the country at 8.5%.

Keshav Thukaram managing director of Smartlandlord.co.uk, says: "With the occupations of tenants diversifying from traditional jobs landlords must ensure they get references from tenants to ascertain they can afford the property and ask for guarantors where necessary."

LENDERS

Woolwich pulls some long-term deals

● NATALIE MARTIN, ONLINE EDITOR

Woolwich reduced a number of its tracker rates last week but offset this by pulling or hiking rates on some longer term fixed deals.

The lender has withdrawn its 85% LTV five-year fixed rate and increased the rate on its 70% LTV five-year fixed deal to 4.99% from 4.79%.

It made cuts of up to 0.3% on its trackers, two-year fixes and offset deals, but says the cost of funding meant it had to chop some longer term deals.

Dale Jannels, sales and marketing director at All Types of Mortgages, says more clients are looking for long-term fixed rates to ensure financial stability, so he is surprised to see Woolwich hike its rates.

He says: "It's something of a surprise that an influential lender such as Woolwich has increased its three-year fixed rates by 0.4% to 4.29% at 60% LTV and its five-year fixed rates by up to 0.3% at 60% LTV and 0.2% to 70% LTV."

But a spokesman for Woolwich counters that the changes are necessary to remain competitive.

Andy Gray, head of mortgages at Barclays, says: "We have made changes to our short-term fixed rates and trackers despite the cost of funding fixed rates rising."

He adds that offset mortgages are growing in popularity as savers with mortgages take advantage of better returns in a low interest rate world.

STAMP DUTY

Call to change tax on bulk purchases

The British Property Federation has appealed to chancellor Alistair Darling ahead of the Budget this week to change the way Stamp Duty is levied when properties are bought in bulk.

Currently, bulk purchases are charged on the total price at 4%, the highest tax rate applicable. But individual properties are taxed at marginal rates which range from 0% to

4%. The trade body says this is a disincentive to investment.

In a letter to Darling, Liz Peace, chief executive of the BPF, states: "We would like to see bulk purchases of residential property taxed at the marginal rate applied to each unit, levelling the playing field between individual purchasers and those making larger scale investments."



ASSURANT
Solutions

Assurant - on your terms



- ASU Mortgage & Payment Protection
- ASU Income Protection
- Residential Buildings & Contents
- Landlord Property Insurance

www.assurantintermediary.co.uk
0844 248 7880

Assurant Intermediary Ltd are authorised and regulated by the Financial Services Authority