

## Landlords struggle with service charges

Property owners and managers are struggling to show they are complying with RICS standards on managing service charges, new research shows.

Property consultant Real Service last Tuesday published its second annual Service Charge Compliance Index, which measures property owners and managers' compliance with the RICS service charge codes.

The results indicate that landlords and property managers are struggling to produce data to show they are complying with service charge deadlines.

The RICS code says tenants of

commercial premises should be given service charge budgets at least one month before the start of the financial year, and reconciled

financial service charge statements within four months of the end of the financial year. But the percentage of landlords and managers providing the budgets on time dropped from 78% in 2010 to 70% in 2011. Reconciliations stayed level at 69%.

The research was compiled by the Real Service Best Practice Group, which includes British Land, Broadgate Estates, Highcross, MAG Developments and Savills.

Justin Snoxall, chairman of the group and head of the business group at British Land, described industry progress as "slow and disappointing" but said many firms are improving their systems to demonstrate compliance.

Chris Oppe, director at Service Charge Consultants and former director of service charges at Land Securities, verified the index. He says firms could introduce new technology to show they are complying. ■

