

Less talk, more action

The findings of the updated Loughborough Service Charge Study into service charges in commercial offices makes depressing reading for many UK businesses.

The study's author, Dr. John Calvert of Loughborough University, claims that nine months after the full research was published, the industry, which is now estimated to be worth £3.5 billion per year, has failed to publicly respond to its subsequent calls for better regulation.

The only organisation to have taken any action on this subject is RICS (the Royal Institution of Chartered Surveyors), which has established a steering group. However, to date, this has not produced any tangible results.

In the absence of any effective industry leadership on this issue Loughborough University is calling for three proposals to be put in place, which will address the industry's concerns once and for all.

Actual establishment of a voluntary code of practice on service charges supported by a 'Kitemark' endorsed by the industry, ideally by the RICS to ensure that tenants can demand timely information on future and incurred costs

A nationally agreed and recognised cost classification based on the OPD's standard classification of costs that is used by all managing agents to clarify charges

A feasibility study should be set up for a central database of service charge data which can be used to provide national guidelines for warning and action limits for actual service charges.

