

## Landlord's Guide

### INFORMATION ABOUT OUR SERVICES

Thank you for requesting our brochure, which we hope you will find useful. As Residential Letting and Managing Agents we provide a comprehensive property letting service and we offer a free no obligation advice session. This will provide an opportunity to discuss the basic requirements of letting your property and also any pitfalls, which may be encountered. If you are thinking of buying a property to let we will be happy to advise you about its suitability.

We are a local, independent firm specialising in Residential Lettings and Property Management although we do offer a Sales Service to existing Clients should they wish to sell.

We understand that letting your property, especially for the first time, can be a worrying experience and with this in mind our most important consideration is providing you, the Landlord, with the best possible service and the right tenant for your property.

We never forget that the property is your most important asset and we can confidently assure you that by instructing us to act as your Letting and Management Agent your asset will be in professional and caring hands.

Because we are a smaller Agent we are able to offer a personal and friendly service, whilst at the same time maintaining a high standard of competence and professionalism. Our staff are fully trained and our Agency is a member of The UK

Association of Letting Agents (UKALA) and The Property Redress Scheme and obtains regular legal updates from Training for Professionals who are leaders in their field.

For our initial meeting with you we will, if necessary, be pleased to visit your property outside normal office hours, at a time that is convenient to you, and thus fit in with your busy schedule.

## **LETTING THE PROPERTY**

Once instructed we will commence a search for a suitable tenant. Depending on which service you choose, we will either accompany viewings or make a mutually convenient appointment for you if you wish to attend.

As soon as a suitable prospective tenant has been found we will negotiate the terms and commence the vetting procedure. When satisfactory references, including I.D. verification, are obtained we will interview the prospective tenant to assist us in making a recommendation to you. If you wish we could arrange a meeting with you before a decision is made.

## **REFERENCES**

We take references appropriate to the potential tenant. This will usually involve using a specialist external agency to carry out a detailed check including the credit and employment history of the prospective tenant. If there were any question of doubt about the ability to pay the rent, or perhaps job security, we would only advise upon proceeding if a suitable guarantor could be provided.

## **RIGHT TO RENT**

Under the Immigration Act 2014 agents and landlords have to ensure that all occupiers have a Right to Rent in the UK which is verified by a single document or a combination of documents that have been listed by the Home Office. Where the occupier has a limited right to remain in the UK, the Right to Rent has to be carried out again at the expiry of the

right to remain or 12 months from the last check whichever date is the later. If the agent or landlord has any concerns, the Home Office has a checking system where an answer should be provided within two working days.

## **THE TENANCY AGREEMENT**

We will discuss with you the best terms and conditions and then prepare the appropriate legal agreement. In most cases we will use an assured shorthold tenancy agreement, usually for a minimum term of twelve months with a break clause at six months. If you require the property back at the end of this period, notice must be served at least two months before the expiry date (but not in the first four months). We will contact you close to the time of the expiry to see if you wish to renew the tenancy or to serve notice. We will then contact the tenants after your instruction.

## **MORTGAGED PROPERTY**

It may be that your property is mortgaged to a building society, bank or other lender. If so, the mortgage deed will almost certainly require the written consent of the lender to be obtained before you let the property. If your property is mortgaged you should apply for consent. Lenders will not deal with us in relation to the mortgage, therefore you will need to fill out their application form, though we would be happy to help and provide any information necessary. Failure to do so may also invalidate your Buildings Insurance. Occasionally it will be a condition of consent to the proposed letting that your mortgage interest rate is increased and it is therefore advisable for you to approach your mortgage lender at an early stage to see what the financial consequences are likely to be. Some lenders charge an administration fee.

It is also advisable to change the mortgage payment date until at least 10 days after the rent due date.

## **LEASEHOLD PROPERTY**

If your property is leasehold, you may require the consent of the freeholder for your proposed letting. We will require a copy of the head lease to append to the tenancy

agreement so that the tenant and any other occupiers are able to ensure that they do not breach conditions of the head lease.

## **RESTRICTIONS THAT MAY AFFECT YOUR PROPERTY**

Whether your property is freehold or leasehold there may be special rights or restrictions affecting it (for example, a prohibition on more than one family or the parking of a caravan on the drive). We will need to have details of these to include in the tenancy agreement.

## **ATTIC, CELLAR AND EXCLUDED AREAS**

We do not inspect the above areas but we may ask you to confirm the contents of these areas (if any) as this may affect safety issues. During our routine inspections to managed properties we will not visit these areas unless requested to do so.

## **INSURANCE**

We always advise landlords to make sure that the property and its contents are adequately insured (unfurnished properties may still have contents such as curtains, white goods etc). It is extremely important that you advise your insurance company that you are proposing to let your property and that you confirm to them once this has been done. Failure to do so could result in you losing insurance cover. Some insurers impose letting conditions and we would require details as this may affect the choice of tenant. If they are not happy with you letting the property we may be able to introduce you to companies that specialise in insurance for the rental market. It is important that you have adequate third party liability as a Landlord, we recommend specific Landlord's insurance so it is likely that you may need to change insurer.

## **INCOME TAX**

Income received from letting your property will be subject to income tax and you will need to include details of the income and allowable expenses when completing your income tax return. HM Revenue and Customs may ask us directly for details of any income we pay you and we are obliged to supply these details.

If you live abroad we, as your agents, will be required by HM Revenue and Customs to pay any tax liability that arises on rents collected by us on your behalf. We will therefore deduct income tax at the basic rate from rent payments received and these monies will be paid to HM Revenue and Customs. ***You may be entitled to receive rent without deductions of tax and we strongly recommend you consider this. If you live abroad we will be happy to advise you about this and supply the necessary application form.***

## **DEPOSIT**

Under laws introduced in 2007, any monetary deposit we take from a tenant in relation to any assured shorthold tenancy must be protected in one of the Government approved schemes within a specified time period. In addition, the required prescribed information must be given to the tenant and any person who funded the deposit, again, within the specified time period. In the event of non-compliance with the above, the penalty can be seen as twofold; being (a) a penalty of between one and three times the deposit value, due to the tenant/person funding the deposit and/or (b) the inability to serve a valid section 21 notice unless the deposit is returned in full or less agreed deductions (or you have already been sued for the financial penalty).

We normally collect a security deposit from the tenant. For agreements covered by the Tenant Fees Act 2019 the amount of a deposit is limited to a maximum of five weeks' rent (or six weeks' rent where the annual rent is £50,000 or above per annum). This is held in our client account or by one of the above deposit schemes. At the end of the letting this is returned to the tenant, less any deductions made to cover breaches of the agreement. Where we hold the deposit, we will hold the deposit as stakeholder. This means we will hold the deposit on behalf of both parties and will be unable to refund or pay all or part of the deposit to one party without the consent of both parties. We are therefore unable to deduct monies from the deposit without the tenant's consent or the decision of adjudication or the court. We have a procedure for dealing with disputes about the deposit and we will always use every endeavor to settle matters quickly and satisfactorily. If we are not able to settle the dispute, it can be resolved by the deposit scheme adjudication or a court order. We do not pay interest on client monies held.

Where we, as the agent, receive a deposit from the tenant on behalf of a Tenant Let Only landlord we, as the party who received the deposit, are responsible for ensuring that the deposit has been registered within 30 days of receipt and for the issuing of the deposit Prescribed Information. We will only transfer the deposit to the landlord once we are assured that the deposit has been registered and that the Prescribed Information has been issued. If it becomes necessary we will take steps to ensure our compliance.

## **RENT**

The rent is usually payable monthly in advance by standing order to our bank. Under our Full Management service we will collect the rent and account to you at agreed periods (usually monthly).

If deductions are to be made for items such as repairs, monthly maintenance contracts, insurance payment and other outgoings these will be made and the balance will then be paid into your specified bank account. You will be sent a detailed statement which will arrive the same day as the rent is transferred to you by our internet banking system.

We try and pay rent to landlords within five working days of receipt of cleared funds. Occasionally this can be later during periods such as Christmas. We will always use our best endeavours to collect the rent on time. Should a tenant be late we will advise you and pay the due rent as soon as it is received. In common with all letting agents, we cannot be liable for non-payment of rent. However, we are able to offer a full rent guarantee scheme to landlords which is available from the referencing Agency that we use.

## **BILLS AND SERVICES**

It is usual for the tenant to pay charges for council tax, electricity, gas and water. We will notify the authorities and service suppliers and take meter readings at the check in and check out. Tenants are, of course, entitled to change suppliers for gas and electric once the accounts have been set up.

## **LANDLORD OBLIGATIONS**

It is always the landlord's liability to keep the property and the services such as central heating and hot water systems safe and in good working order. Under our Full

Management service we will agree with you provision for emergency repairs such as a burst pipe. When major expenditure is required in a non emergency situation we will always obtain quotations for you before proceeding. Landlords are not expected to pay for repairs where misuse is established or damage has been caused by the tenant.

## **CLEANING**

Whether the property is furnished or unfurnished, it is important that it is clean throughout before the tenants move in. We strongly recommend that the property, including carpets, is professionally cleaned and, if necessary, the garden made tidy. An inventory will be taken to help evidence the condition at the start of the tenancy.

The Tenant Fees Act 2019 precludes landlords from requiring the tenant to have the property professionally cleaned at the end of the tenancy. However, if it is not as clean at the end as it was in the beginning, a claim could be made against the deposit.

## **INVENTORY**

It is most important that an inventory of contents and schedule of condition be prepared, in order to avoid misunderstanding or dispute at the end of a tenancy and is a requirement of this Agency. Without such safeguards it would be impossible for the Landlord or Agent to prove any loss, damage, or significant deterioration of the property or contents. In order to provide a complete Service, we will arrange for an Independent Inventory Clerk to prepare an inventory and schedule of condition, and check the tenant into the property, at a cost to be quoted. There will also be a full check out at the end of the tenancy.

## **FURNISHINGS**

Your property can be let fully furnished, part furnished or unfurnished. Which of these is appropriate will depend on the type of property and local market conditions. We will be pleased to give you advice on whether to furnish or not and to what level. As a minimum you will need to provide decent quality carpets, curtains and light fittings. Remember that there will be wear and tear on the property and any items provided.

## **PERSONAL ITEMS, ORNAMENTS ETC.**

Personal possessions, ornaments, pictures, books etc. should be removed from the premises, especially those of real or sentimental value. Some items may be boxed, sealed and stored in the loft at the owner's risk. All cupboards and shelf space should be left clear for the Tenant's own use.

## **LEGAL REGULATIONS**

There are strict regulations relating to the fire resistance of soft furnishings that are included in the letting which are detailed within The Furniture and Furnishings (Fire) (Safety) Regulations 1988 (amended 1989 and 1993). The regulations apply to all upholstered furniture, beds, mattresses, headboards, futons, sofa-beds, pillows, cushions, sofas and pillows to name the most common. They do not relate to pillowcases, curtains antique furniture or furniture made before 1950. There are some exemptions but a breach of these regulations can result in criminal proceedings. If you propose including soft furnishings, we will advise you on the appropriate regulations. The regulations make it clear that there must be no non-compliant furniture on any part of the property including in the garage and attic and these must be removed before a letting commences. All compliant furniture etc. must display a suitable permanent label.

Under current safety regulations it is the landlord's responsibility to ensure that the gas and electrical systems and appliances at the property are maintained in a safe condition and serviced by a qualified contractor. A gas safety check must be carried out and a safety record issued to the tenant before they occupy the property. Also, under guidance from the Health and Safety Executive, landlords have a legal duty to carry out a risk assessment for legionella in each rented property.

The property must be a safe environment for tenants and we will assist you in checking all safety aspects of the property prior to the tenant moving in.

If any appliances are included in the letting it will be the landlord's responsibility to ensure they are safe when the property is let. The law may also require the landlord to repair or replace these should they become defective. We advise excluding old or defective appliances such as cookers from the letting. Plugs and socket regulations apply and we



must ensure that all plugs, leads and sockets are checked for safety and correctly fused before a tenant takes possession.

Where electrical appliances are included, we are obliged to supply safety instructions; please provide us with any that you have for the appliances.

An energy performance certificate is legally required for the marketing and let of a residential property. Details of a qualified “domestic energy assessor” who could conduct such a certificate on your behalf can be found via this web link <https://www.epcregister.com/searchAssessor.html> or please contact this office as we can arrange a certificate on your behalf using one of our approved contractors. To comply with the Minimum Energy Efficiency Standard (MEES) the EPC rating has to have an ‘E’ rating or above. If the property has a rating of either ‘F’ or ‘G’ then unless there is a valid registered exemption, or an EPC is not legally required, the property cannot be let.

The Smoke and Carbon Monoxide Alarm (England) Regulations 2015, require that ‘*a smoke alarm is equipped on each storey of the premises on which there is a room used wholly or partly as living accommodation*’ unless the property has a full fire alarm system. These must be checked and working on the first day of the tenancy, the liability for ongoing regular testing is with the tenant.

The same regulations require that ‘*a carbon monoxide alarm is equipped in any room of the premises which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance;*’. As with smoke alarms they must be checked and working on the first day of the tenancy and the liability for ongoing regular testing is with the tenant.

If the property has working open fireplaces, it is a legal requirement for these to be swept annually. We can arrange these matters on your behalf.

A tenant or another party may ask the local authority to carry out an inspection of the property under the Housing Health and Safety Rating System. The local authority has significant powers to require property owners to make the property safe. The system is

based on whoever may be considered the most vulnerable person to occupy the property. We will explain how these regulations may affect you. We will also assist you with outcomes of such an inspection. However, this is not included in our standard fee structure and we will charge fees based upon an hourly rate applicable at the time if you require our assistance.

There are definitions about what constitutes a house (residential property) in multiple occupation. We will advise you about this as there are legal consequences in letting a property to sharers.

Under The Consumer Protection from Unfair Trading Regulations 2008 landlords could be held criminally liable for misleading statements or misleading omissions in the marketing details that they approve.

## **DATA PROTECTION**

The General Data Protection Regulations (GDPR) came into force on 25 May 2018. Amongst wide ranging regulations concerning the processing of personally identifiable information is a requirement for Data Controllers to pay a data protection fee to the Information Commissioners Office and details of the fee will be placed on the register. Our understanding is that landlords are Data Controllers and therefore must pay the fee and be compliant with the GDPR.

## **HOMES (FITNESS FOR HUMAN HABITATION) ACT 2018**

There is an implied covenant in all tenancy agreements covered by the Act that a property should be fit for human habitation both at the start and during the tenancy. Landlords (or their agent) will be responsible for attending to disrepair/fitness issues once they are notified although where this is in a communal area the responsibility begins immediately any such issues occur. A failure to deal with applicable problems may result in the tenant taking direct court action against the landlord which could result in the court ordering works (specific performance) and compensation. It is vitally important that documented routine visits are carried out in order to identify disrepair or potential problems before they give the

tenant any cause to go to court. Those landlords who respond promptly and implement an ongoing maintenance regime will mitigate the likelihood of action being taken against them. We will try and identify any issue which is apparent to us, however, if you have any concern about issues that are not so obvious, we recommend that you discuss the situation with us at the earliest opportunity.

## **TENANT FEES ACT 2019**

Schedule 1 of the Act identifies payments that are permitted to be paid by the tenant for some lettings. Any other payments are prohibited and requiring or taking a prohibited payment may lead to penalty of up to £5,000 for a first offence and a more severe penalty of up to £30,000 for a second offence. A second offence alternatively may lead to a criminal prosecution, unlimited fine and possibly a banning order. We will take into account the guidance offered by Ministry for Housing, Communities and Local Government and ensure that, as far as possible and until the courts provide decisions, our tenancy agreement is compliant.

## **ROUTINE VISITS**

With our Full Management service we make regular visits to the property on your behalf and advise you of any potential problems. The main purpose of such visits is to check if there are any matters that require your attention. We also seek to check that the tenant is abiding by the agreement and not damaging the property. We also give the tenant advice, if necessary, on any defects we may find. However, tenants do have a right of privacy and we, and you as landlord, can only enter the property under limited circumstances. Similarly we are not able to comment on the tenant's life style or cleaning ability unless the property is being adversely affected. These inspections are charged at £45.00 and are usually carried out every quarter for the first tenancy. They may be dropped down to six monthly if agreed.

## **LANDLORD'S PROTECTION INSURANCE AND RENT GUARANTEE**

No matter how well prospective tenants are vetted, there is always the risk that a tenant will prove to be unsatisfactory, sometimes due to unforeseen changes in their own circumstances. Whilst court proceedings can be taken to enforce the terms of the tenancy

agreement this is often expensive and it is unlikely that you will be able to recover the full costs involved from the tenant. We strongly recommend that you consider taking out legal protection insurance to guard against the risks involved. Similarly, insurance is available so that your income from rent is not lost in the event the tenant stops paying. We will be happy to provide you with information regarding Rent Guarantee warranties.

## **PROBLEMS WITH THE TENANT**

In the event of difficulty, whether because the tenant is failing to pay rent or has broken other terms of the tenancy agreement, we will be pleased to discuss with you the steps to enforce the terms of the tenancy agreement. However, we would stress that the vast majority of lettings we manage are uneventful and trouble free. We will assist with any eviction proceedings, but our management fee does not cover this. We will charge fees based on time and will always be happy to give details of the charging rate and an estimate where appropriate.

## **PETS**

Our standard agreement provides that a tenant may not allow pets in the property. However, a tenant is entitled to ask the landlord for consent. We advise that each case is considered on an individual basis. If consent is to be given by the landlord there will be a pet clause added to the tenancy agreement.

It will be a condition of the tenancy that the tenant must return the property in the same condition in which it is provided less allowable wear and tear. Under the Tenant Fees Act 2019 we are unable to require a tenant to make a payment to a third party (getting the carpets professionally cleaned/flea treated), although they may choose to do so. If the tenant does not return the property in the required condition, a deduction from the deposit may be agreed or a dispute raised which may include a carpet clean and pest treatment.

## **GARDEN AND OUTSIDE AREAS**

Gardens should be left neat, tidy and rubbish free, with any lawns cut. Tenants are required to maintain the gardens to a reasonable standard. However, few Tenants are

experienced gardeners, and if you value your garden, or if it is particularly large, you may wish us to arrange visits by our regular gardener. It would also be advisable to let us know of any sentimental or valuable plants that you may have in the gardens so that we may inform the tenants.

## **INFORMATION FOR THE TENANT**

It is helpful if you leave information for the Tenant, e.g., on operating the central heating and hot water system, washing machine and alarm system, and the day refuse is collected etc. Many Landlords provide this information in a file.

## **KEYS**

You should provide one set of keys for each Tenant. Where we will be providing the Full Management Service we will arrange to have duplicates cut as required and charge these to the Landlord. We will also require a Management set for our use.

## **OUR FEES**

Below are the three levels of service that we offer, however, as we are an independent Agent we are also able to offer flexibility within those

### **Let Only**

- Marketing of the property
- Qualification of applicants
- Carrying out viewings
- Full referencing and Right to Rent checks for the prospective tenant
- Preparation of the tenancy agreement
- Collection of the first month's rent and security deposit
- Arranging for the tenants to sign the tenancy on the move in day
- Notification of utilities if applicable

Fees: £600.00

Set up fee of £400.00 which includes the referencing of the tenants and preparation and supply of all legal paperwork.

## **Rent Collection**

In addition to the let only service above we offer the following:

- Collection of the rent each month
- To supply compliance advice and instigate legal proceedings with tenants
- Negotiation of the tenancy renewal between landlords and tenants
- Registration and transfer of the security deposit with an approved scheme

Fees: 10% per calendar month

Set up fee of £400.00 which includes the referencing of the tenants and preparation and supply of all legal paperwork.

## **Fully Managed**

In addition to the above services we offer the following:

- Regular inspections through a third party (costs apply)
- Recommend, oversee and account for necessary repairs with trusted Contractors
- Arranging an inventory and schedule of condition by a third party clerk and a check in
- Arranging an electrical safety check when required (costs apply)
- Arranging a gas safety certificate annually if required (costs apply)
- Handling negotiations of the renewal of the tenancy including rent amendments
- Managing the end of the tenancy and re-letting of the property if required
- Managing the check out, report and deposit return negotiations
- Paying third party Contractors and Estate Management invoices where required

Fees: 11% per calendar month

Set up fee of £400.00 which includes the referencing of the tenants and preparation and supply of all legal paperwork.

Inventory Prices vary from property to property depending on size. The Landlord pays for the check in and check out reports.