

# Landlords Guide

## INFORMATION ABOUT OUR SERVICES

**Dear Landlord,**

As Residential Letting and Managing Agents we provide a comprehensive property letting service and for first time landlords 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 receive regular enquiries from prospective tenants and local employers, these are monitored and matched to properties that our Landlords have available to let. We also advertise on the two major portals, Zoopla and On The Market.

The residential lettings market is very active and many people are renting rather than buying. In addition there are always house owners seeking a short term let as part of a move.

The following pages contain a landlord's guide to property letting along with details of our terms and conditions. If after reading the brochure you have any queries please feel free to call the office and we will be happy to assist in any way we can.

We look forward to working with you in the future.

*Tim Crouch*

*Director – JMS*

## **LETTING THE PROPERTY**

Once instructed by yourself 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.

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 may involve using a specialist 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.

## **THE TENANCY AGREEMENT**

We will discuss with you the best terms and conditions then prepare the appropriate legal agreement. In most cases we recommend an Assured Shorthold Tenancy Agreement, usually for a minimum term of six months. If you require the property back at the end of this period, notice must be served at least six months before the expiry date (period given correct as of Dec 2020 due to the COVID Bill 2020 Regulations). On request, we will deal with this and also the necessary procedures should you decide with the tenant that the term might be extended.

## **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. 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 mortgagee at an early stage to see what the financial consequences are likely to be. Some lenders charge an administration fee.

## **LEASEHOLD FLAT AND OTHER PROPERTY**

If your property is leasehold, you may require the consent of the freeholder for your proposed letting. We would be pleased to write for the necessary consent on your behalf if you wish.

## **RESTRICTIONS ETC. AFFECTING 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 Visits to managed properties we will not visit these areas unless requested to do so. It is strongly recommended that you do not store items on the property once let.

## 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.

## 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. The Inland Revenue 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 the Inland Revenue 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 held to your credit in a specially nominated account. ***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 brought in 2007, any monetary deposit we take from a tenant in relation to any Assured Shorthold tenancy must be protected with one of the three approved scheme Government 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 up to 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 have a procedure for dealing with disputes about the deposit and we will always use every endeavor to settle matters quickly and satisfactorily. We do not pay interest on deposit monies held.

## **RENT**

The rent is usually payable monthly in advance. Under our full management service we will collect the rent and account to you at agreed periods (usually monthly).

If more than one month's rent is paid to us we will only be able to account to you monthly, as the rent is due under the agreement. 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 endeavors 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 and we will discuss this with you if ask.

## **BILLS AND SERVICES**

It is usual for the tenant to pay charges for Council Tax, electricity and gas. We will notify the authorities and service suppliers and, if necessary, take meter readings. (Tenants are, of course, entitled to change suppliers for gas and electric although we always encourage them to remain with the existing suppliers.) Water rates will normally be put into the tenant's name if there is a water meter. If there is no water meter we recommend the water rates remain paid by the landlord and make it inclusive in the rent.

## **LANDLORD OBLIGATIONS**

It is always the Landlord's liability to keep the property and the services such as central heating in repair. 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.

## **CLEANING**

Whether the property is furnished or unfurnished, it is important that the property 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 us ensure that the tenants meet their obligations.

## **INVENTORY**

We will take and produce a detailed inventory of the property including a Schedule of Condition. We will update this during the period we are letting the property as each tenant moves out. When a tenant is checked into the property we give the tenant a fair opportunity to check the inventory and we will deal with any discrepancies. We also do a detailed check out when the tenant vacates and we will report our findings to you.

## **TENANT INFO**

Prior to taking possession we will provide the tenant with a Move In Pack setting out necessary details for residing in the property, breaking down their obligations and explaining our procedures and expectations.

## **LEGAL REGULATIONS**

There are strict regulations relating to the fire resistance of soft furnishings that are included in the letting. 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 garage and attic.

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. Also under newly revised guidance from the Health and Safety Executive, it is strongly advised to carry out a risk assessment of all property for legionella.

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 very 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 and we will arrange this.

We insist that all properties we let include smoke detectors at the rate of at least one per floor, unless the property has a full fire alarm system. These must be checked and working when a tenant takes possession, but our Tenancy Agreement places the liability for on-going testing on the tenant.

If the property has working open fireplaces we recommend that you arrange for these to be regularly swept. We can arrange these matters on your behalf.

A tenant or other 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 whomever 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.

## **ROUTINE VISITS**

With our 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 with their consent. Similarly we are not able to comment on the tenant's life style or cleaning ability unless the property is being adversely affected.

## **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. Leaflets giving examples are enclosed.

## **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 we may request an extra deposit and may insist on a full carpet clean at the end of the let including proof that the carpets have been treated for flea infestation.

## **GARDEN AND OUTSIDE AREAS**

Tenants are required to keep these areas neat and tidy. Standard of gardening ability and knowledge can vary considerably. If the garden is particularly important or has special features, we usually suggest that the landlord provide a gardener, the cost being included in the rent. The extent of this can be negotiable and we will make the necessary arrangements and monitor the work as part of our management service.