



THE  
**PROPERTY STORE**

Letting Agents • Estate Agents • Loans & Mortgages

# Landlord Information

Finding the right tenant for you

## **Finding the right tenant**

The Property Store thrives on an unrivalled reputation for “quality” and as such we attract a large proportion of applicants from the upper end of the market.

We do, nevertheless, carry out stringent underwriting of the tenant’s suitability which consists of (conditions apply):

- Written employer’s reference.
- Credit check at previous address/es - confirm Voters roll, CCJ’s for debt, any previous repossession proceedings, etc.
- If self-employed, obtain accountant’s or solicitor’s reference.
- Undertake any further checks we deem necessary to assess the applicants ability to pay the rent on the property (i.e. sight of Bank statements, P60, wage slips etc.).
- Sight of Passport or other positive identification.

When we are completely satisfied with the integrity and suitability of the applicants, we then contact you. If you are happy to proceed, we then move on to draw up a legally binding tenancy agreement.

## **Property Management - The Service**

1. Inspect the property and advise on rent levels, furniture required equipment to be provided and any small additions or deletions we feel will be of benefit.
2. Advertise the property in the press and/or search our current applicant register for a suitable tenant.
3. Make appointments for prospective tenants to view and escort them around the property.
4. Take up and obtain the following checks on prospective applicants:
  - a) Proof of identity.
  - b) Written employer’s reference.
  - c) Credit check at previous address/es - confirm Voters roll, CCJ’s for debt.
  - d) Undertake any further checks we deem necessary to assess the tenant’s ability to pay the rent on the property (i.e. sight of Bank statements, P60, wage slips etc.).
5. Draw up an inventory for acceptance and signature by the tenants and provide a copy to the owner if requested.
6. Arrange annual gas safety inspections and provide each tenant with a copy of the certificate.
7. Assist in the changeover of Council Tax, Gas, Electricity and Water supplies to the incoming tenant’s name(s), completing the necessary

- supply application forms etc.
8. Draw up and properly execute a tenancy agreement relevant to current legislation.
  9. Collect all rents due on a calendar monthly basis, follow up all overdue or unpaid rent and take all necessary steps to recover any money owed.
  10. Remit balance to owner in accordance with instructions. Tenants are required to remit payment on the due date and owners will receive payment once cheques or standing orders have cleared our Bank.
  11. Pay any outgoing charges in respect of the property which are the subject of this agreement.
  12. Renew or grant new agreements in the event of the expiry of the existing agreement. If the occupants terminate and you wish to re-let, points 1-5 will again apply.
  13. Issue lawful notice to any occupant to quit the premises or to abate a nuisance should it be deemed necessary.
  14. Inspect the property from time to time (not less than three times annually) and advise the owner of any problems encountered.
  15. Generally perform every act usually carried out by a property management agent.

## **How does the Tenancy Agreement work?**

### ***What type of agreement is used?***

We primarily use an Assured Shorthold Tenancy Agreement. This is an agreement which offers limited security of tenure to the tenant and as a consequence, provided all the required criteria are met, possession at the end of the tenancy is guaranteed.

### ***How long does it last?***

Whilst a tenancy agreement can be drawn up for an initial period of between 1 month - 3 years, the tenant has an automatic right to stay at the property for a 6 month period. We therefore draw up our agreements for an initial 6 month period.

### ***What happens then?***

If at the end of the 6 months neither party has served notice, the tenancy automatically renews itself on a month by month basis under the same terms and conditions as before. This is called a periodic tenancy.

### ***What rent can I charge?***

You may charge the market rent for your property, which The Property Store would be happy to advise you on. Our philosophy is to maximise the income that you earn from the property, which may not necessarily be the maximum rental value. Every day that your property is empty you are losing income. The Property Store will advise you of the rent that should be charged to ensure you achieve the maximum income and minimum void periods.

### ***What deposits are held?***

We arrange for a suitable deposit to be taken from the tenants at the commencement of the tenancy (usually 1 months rent), this being returnable once the tenants have moved out, subject to our representative finding everything in order when inspecting the property, and all service charges being paid up to date

***What happens if the tenant will not leave/Pay the Rent?***

There is much publicity for the problem cases in letting, but none for the many thousands that work out happily for all concerned. Nevertheless, one must accept that there is always a risk when letting to a tenant. However, The Property Store reduce this risk by being extremely selective, ensuring that the tenant is both personally and financially responsible and carrying out stringent reference checks to ensure that the best qualified tenant is accepted. We have an excellent record on this issue, of which we are justly proud.

In the event that the tenant will not leave the property or pay the rent, We will take appropriate action to protect your interests.

***Can I insure against a defaulting tenant?***

It is possible to insure against a defaulting tenant and there are currently several schemes available. If you would like to discuss the options in greater detail, please do not hesitate to contact one of our helpful staff.

***How do I get my Property back?***

Landlords must give tenants at least two months' notice. If possession is required at the end of a fixed term tenancy period, the appropriate Notice must be served at least two months prior. When the tenancy has become periodic (after the fixed term period) two clear months notice need to be given, with the notice expiring on the last day of a tenancy period. Dependant upon when in the month this is served, the required notice period could be as long as 3 months.

***Is there a difference between furnished and unfurnished?***

Whether your property is furnished or unfurnished, you are entitled to possession of your property. There is a popular misconception that it is more difficult to obtain possession of an unfurnished property but, since the introduction of the 1988 Housing Act, there is now no difference.

**Insurance**

It is important to notify your Buildings Insurer that you are letting your property. Failure to do so could result in the Insurer refusing to pay out any claim that you may have.

Many Landlord's now offer their property on an 'unfurnished' or 'part furnished' basis. Generally an unfurnished property will still offer carpets, curtains, wardrobes and white goods in the kitchen. Some Landlord's cancel their contents insurance on the basis that the contents are not worth covering!

However, with the 'compensation culture' developing in this country, we would advise that a Landlord's contents insurance be effected if only for the public

liability aspect alone. If a tenant were to trip on a badly laid stair carpet, for instance, there could be a potential claim for damages against you which would not be covered by your buildings insurance, but by covering the contents with an appropriate policy, this would be covered by the public liability section. Our insurance department will be pleased to provide a quotation for either buildings or contents insurance on request.

Tenants are also advised to cover their own goods which they take into your property as they are not able to claim against your insurance.

### **Will my property be maintained?**

The Property Store has their own team of specialists to ensure that your property is carefully maintained.

Some work is sub-contacted, but normally maintenance requests are dealt with by our own staff within 4 hours.

Maintenance items on furnished property are normally of a very minor nature e.g. leaking radiator valve tap washers etc.

We would normally repair these items without contacting you but, as a rule, any substantial repairs would be referred to you before proceeding. We do ask your authority to spend up to £50 without consent, this principally being to cover such items as a central heating pump, which if failure occurs and we cannot contact you, can be replaced in order to fulfill your obligations as a Landlord (see Landlord's Obligations).

Whilst our management service includes the instruction of Maintenance personnel, the cost of works carried out are a separately chargeable item.

### **Utility Supplies**

As part of our management service, we change over the utility supplies, council tax and water rates into the ingoing tenant's name(s).

#### **Gas & Electricity**

Tenants will make their own arrangements with these utilities as to which 'supplier' they use and their method of payment.

#### **Telephone**

If the telephone number you are leaving behind will be wanted by you again in the future, we advise that you contact your communication supplier and put your number on hold. We have no control over the suppliers used by the tenants or the

telephone numbers that are issued. The phone companies will only take your instruction in this regard.

#### Water Rates & Council Tax

We always recommend that these bills go into the tenant's name, unless there is a good reason not to (some water rates are collected through the service charge in blocks of flats). All the rents that we quote are exclusive of these services.

### **Furnished or unfurnished?**

Whilst the majority of lettings are on a furnished basis, you may decide, or wish to let your property unfurnished. The advantage is obviously that you will not be involved in the maintenance or replacement of furnishings.

The disadvantages are that annual income is likely to be slightly lower and no wear and tear allowance is available against the income for tax purposes. Unfurnished properties would normally have cooker, fridge/freezer, washing machine, wardrobes, curtains, beds, carpets, lampshades and a lawnmower (if there is a garden).

A property let on a furnished basis should have everything necessary to make it habitable, homely and comfortable. As a general guide we would suggest that the property is furnished as follows:

<u>Bedrooms</u>	<u>Living Rooms</u>	<u>Kitchen</u>	<u>Outside</u>
Wardrobe	Settee & Armchairs	Cooker	
Dressing Table	Dining table & chairs	Fridge/freezer	
Bed and mattress	Coffee table	Washing machine	Basic garden tools
Mattress Covers	Sideboard	Tumble Dryer	lawnmower
Curtains	Table lamps	Vacuum Cleaner	dustbin
Carpet	Curtains	Floor covering	
Lampshade	Carpet	Curtains/blinds	
	Lampshades		

If you would like further advice as to how best to equip your property, please do not hesitate to contact our helpful staff.

*We are here to help!*

### **Landlords' Obligations**

#### ***Does Letting affect my Mortgage?***

You should, if you have a mortgage or other loan secured on the property, obtain permission from your lender for the letting. There is usually no problem, provided

pleased to send a copy to your building society or solicitor for checking if you wish

### ***Leasehold Properties***

You will continue to be liable for the Ground rent and Service Charge. Sometimes leasehold properties are subject to restrictive covenants which forbid letting - this should be checked before proceeding.

### ***Insurance***

You should notify your Insurers that you are letting the property as cover could be withdrawn if you do not do so. We will advise you on this aspect should any problems arise. (See Insurance section)

### ***Landlord and Tenant Act 1985***

Section 11 of the Landlord and Tenant Act 1985 requires Landlords:

- ***To Keep in Repair*** the structure of the exterior of the premises including drains, gutters and external pipes.
- ***To Keep in Repair and proper working order*** the installation for the supply of water, gas, electricity and for sanitation.
- ***To Keep in Repair and proper working order*** the installations for space heating and water heating.

## **Safety Regulations**

### **GAS SAFETY (INSTALLATION AND USE) REGULATION 1994 AS AMENDED**

The Landlord, or his managing agent, is responsible for ensuring that rented property meets safety standards with regard to the gas installation, appliances, pipework and flue and must ensure that safety checks are carried out every 12 months by an approved person who must be CORGI registered. A record must be kept of all safety inspections and a Landlord Gas Safety Certificate (CORGI CP12 or equivalent) must be issued to each tenant at the commencement of a tenancy.

The requirements for safety checks and a written safety record is in addition to regular servicing of appliances (i.e. if a property is covered by a service plan, this is not sufficient). All rented property must have a Gas Safety Certificate (if there are gas appliances) as non-compliance is a criminal offence carrying unlimited fines and custodial sentences.

### ***Smoke Detectors***

All new homes must be fitted with mains operated smoke detectors, installed on every floor. This applies to all property built after June 1992. There are no

Ultimately if there is a fire in a let property it would be up to a Court to decide if a Landlord had been negligent by not installing smoke detectors. It is therefore advisable to ensure that all rented properties are equipped with battery operated detectors.

#### THE FURNITURE & FURNISHINGS (FIRE) (SAFETY) REGULATIONS 1988 (Amended 1993)

All upholstered furniture (i.e. settees, mattresses and scatter cushions but not carpets and curtains) manufactured after 1950 (including loose fittings and permanent and loose covers) are included within these regulations.

The regulations state that:

- Upholstered furniture must have fire resistant filling material.
- Cover fabrics must have passed a match resistance test (covers in certain fabrics such as cottons or silk may be used in non-match resistant form, provided that the furniture has a fire resistant inter-liner between the cover and the filling material).
- The combination of the cover and the fabric and the filling material must have passed a cigarette resistance test.

If any of these items are included as part of a furnished let, they must comply with the Regulations. All items, except for mattresses and bed bases that comply with current requirements will carry a permanent label headed "Carelessness causes fire".

There are two types of labels:

- **DISPLAY LABELS:** - all furniture will carry the appropriate display label at point of sale.
- **PERMANENT LABELS:** - all new furniture (except mattresses and bed-bases) and covers for furniture must carry a permanent and non detachable label.

### **Buy To Let**

Buying a property to let can be a very lucrative long term investment option. If managed properly, returns on the capital invested in a rental property will be much greater than the returns on traditional bank or building society forms of investment.

When buying a property to let, it is important to research your area - you should be looking for areas with a ready letting market and a high demand for rental accommodation. Buying to let must be a business decision based on net yields, potential capital growth and suitability of the property concerned. It may not be where you would choose to live yourself, so however difficult it may be, try to

keep personal emotions out of the buying process.

At The Property Store we have vast experience of this market and would be happy to advise you of the most ideal type of property for your circumstance. We also offer a free appraisal of your intended purchase, prior to exchanging contracts, ensuring you purchase the most suitable investment.

*Please do not hesitate to ask - We are here to help.*

### **A Caution!**

Creating a tenancy of a dwelling is a complex business and falling foul of any of the numerous requirements of the law can result in sitting tenants, imposed registered rents, interference by the Local Authority in repairs and other difficulties unforeseen by the non-specialist landlord or agent.

There is always the temptation to consider engaging the cheapest company

*It pays to employ the best!*