



# **Residential Lettings**

## **LANDLORD**

## **INFORMATION**

## **PACK**



## Landlord Information Pack

The Landlords Letting Company is one of the leading Letting Agents in the South Wales area. Our office is situated at a strategic location to provide us with a sound geographic base from which to serve the community. We specialise in Lettings and Property management.

## Tenants

Finding the right tenant for a property is fundamental. We start by establishing with you a criteria for the tenant suited to your property. We then match this to prospective tenants that are reference checked, and then the prospective tenant is recommended to you for your instructions.

### Private Tenants:

Tenants in full time employment and who are able to meet the rental commitments in full:

When dealing with private tenants we take references - usually from their employer, previous landlords (if possible), credit reference agencies, character references, identification and proof of current address. Payments are due every calendar month, in advance, starting from the commencement of the lease. We do encourage tenants to pay their rent by standing order. If, however, they pay by cheque, we must allow time for this to clear our bank before forwarding payment to you.

### Housing Benefits Tenants:

Tenants who are eligible for help with paying their rent, this could be because they do not work or are on low income).

Again we take two or more references from independent people such as doctors, ex-landlords, ex-employers etc. We also ask for proof of address, identification and eligibility for Housing Benefits when they sign the lease. The claim form is then forwarded, usually by us, to the council either by hand or via recorded delivery.

It is normal to experience a delay of around ten to twelve weeks, as this is the time it takes the council to process all the paperwork. (Rent is then usually backdated to when the tenant moved into the property.) We liaise with housing benefits on a regular basis to ensure the claim is processed as speedily as possible.

Once payments have been set-up, the council usually pay four weekly, in arrears. (This means we will receive thirteen payments in a twelve, month period, as opposed to twelve payments if paid on a calendar monthly basis). An award for housing benefit is only given for a short period (usually twelve months). Towards the end of the claim, the tenant is sent a new claim-form and when this happens, you may experience a slight delay in payments. This occurs, as the council has to re-evaluate the tenant's income.

## Rent

When we initially assess a property we indicate what we believe to be a realistic rent. Prospective tenants usually accept this figure but there may be need for negotiation, please inform us if you do not wish us to negotiate this figure.

For tenants in receipt of housing benefits the final rent allowance paid by the council will depend upon an independent assessment by a rent officer, tenants will then be responsible to pay top up payments to cover the full rent.

If the assessment is below expectations, we may have to accept their assessment but the tenant does have the right to appeal against the decision.

## Pre- Determination:

This applies to tenants eligible for help with their rent. If we are unsure about the amount of rent the council will pay, there is now a procedure to obtain an assessment prior to the tenant signing a contract. This pre-determination can result in a delay of around two weeks. It gives us an indication as to the maximum rent the council will pay for that property. It does not however guarantee they will pay that amount, as this will depend on the number of tenants, the number of bedrooms and the tenant's eligibility.

## Deposits

As you are probably aware the law changed concerning deposits on 6<sup>th</sup> April 2007, where only agents or landlords attached to a scheme can hold a deposit.

We request a deposit on all tenancies, the deposit is equal to one months rent and in some cases plus £100.

Deposits are held to help ensure the tenant looks after the property and as a safeguard against unpaid rent. It is refundable at the end of a tenancy only after the tenant has vacated the property, providing the house and their account are in order.

When the tenant vacates the property, you will have an opportunity to inspect the property yourself prior to the deposit being refunded. Should you wish to do so, you must arrange to view the property within as few days as possible (no greater than 5) of the date the tenant vacates the property, as deposits must be refunded to the tenant within 14 days.

## Commencement of Tenancy

The tenancy commences on the date shown in the tenancy agreement. Prior to the tenant moving in we will compile an inventory of the property. The inventory will list all items within the property and contain a brief description of their condition. A copy of the inventory will be sent to yourself and the tenant. This provides both parties with an opportunity to confirm the accuracy of the document.

Whilst compiling the inventory we also take the meter readings. These readings are then passed on to the appropriate companies. At the same time we also inform the council of the change in tenancy. We **cannot** inform British Telecom of the change in tenancy. This must be done by the user of the service. Consequently you must ensure that BT, know that you no longer require a service at the property. The tenants then have to contact BT should they wish to be re-connected.

## Tenancies

All new tenancies commence with a maximum six month assured shorthold contract. Once this contract has been in force for just over three months the tenancy is reviewed and we will write to you asking if you wish the tenancy to continue. If you do not want to renew the tenancy you must inform us **immediately**, we will then make arrangements for the statutory notice to be served (where this notice has not already been served). Please note we can only act on your instructions and failure to notify us within the agreed period may result in the notice being served out of the term causing delay to the notice.

After contacting yourself we will then contact the tenants. They can opt to leave the property at the end of the lease or request permission to stay on. If the tenants wish to stay in the property you can either decline, in which case the notice to quit must be served - giving the tenants two months to vacate the property. Alternatively you can allow the tenancy to continue - here you can choose to renew for a period from six month upwards. A significant number of tenants do request twelve month contracts.

If you do not wish to commit yourself to a definite period the contract can become '*periodic*' whereby the tenant stays in the property (under the terms of the original contract). Should they wish to leave however, they only need to give one months notice. If you require possession of the property you will need to give two months notice.

Please note that issuing a notice to quit (Section 21) to the tenant requires the tenant to vacate the property on the date given. If however the tenant fails to vacate the property, enforcement of this notice can only be arranged through the courts.

**Serving a notice to quit does not guarantee that the Tenant, will vacate the property on the agreed date.**

## End of Tenancy

Once a tenancy comes to an end we make arrangements to meet the tenant at the property. We inspect the property again and take meter readings as well as obtaining details as to which address the tenant is relocating. The deposit is refundable to the tenant once we are convinced that everything is in order. If you wish you can inspect the property before the deposit is refunded. This must be done within a few days of the tenants moving out as the tenants are often eager for the refund of their money.

If for any reason there are any disputes with how the property has been left, the first course of action is to give the tenant an opportunity to rectify the problem. If the tenant does not rectify the situation we can then make a deduction from the deposit (valid estimates must be obtained indicating the exact cost of repair). Failing agreement between the landlord and tenant, we will act as arbitrators. We will aim to resolve the disagreement as quickly and as amicably as possible. Our decision is final and both parties must agree to abide by our judgement.

## Inspections

We conduct regular inspections of all tenanted properties (normally every 2 months) inspections serve numerous purposes and allow us to ensure the property is being kept in the correct condition. We also check for signs that something may be wrong with the property. If something needs attention we can then inform you as soon as is practical helping to reduce the risk of the problem becoming worse and the cost escalating. These visits also help us get to know the tenants better, so that when the lease is due for renewal we can be confident in the advice we give to you.

## Repairs

Every property at some point will need some work doing to it. If things go wrong and the tenant contacts us, we will then contact you. In the majority of cases the problem can be resolved quickly. However there are two important points to remember when it comes to repairs. Firstly, if a serious fault does occur (water bursts, flood, etc) and we cannot contact you we can authorise a repair up to a cost equivalent of three times the agreed monthly rent. Authorisation for this is contained within the sole agency agreement you signed.

Secondly, once a property is tenanted you do have an obligation to ensure it is well maintained. Carrying out repairs quickly is often as important for you as it is for the tenant. After-all repairs caught early enough can save you a lot of money. Remember tenants do have rights. Tenants can contact the Environmental Health because repairs are not being attended to quickly and the ensuing 'enforcement order' could include extra repairs and a significantly higher final bill. Work not done will be carried out by them and they will add a hefty additional charge on top of the repair bill.

\*\*In the Landlord & Tenants Act 1985 under section 11, it is implied as a covenant in the tenancy agreement that the landlord is:

- (a) to keep in repair the structure and exterior of the dwelling (including its drains, gutters and external pipes).
- (b) to keep in repair and proper working order the installations in the dwelling, for sanitation and for the supply of water, gas and electricity as well as those for space heating and heating water"

\*(journal for residential property professionals- July 1996, issue2, volume4)

### Gas Appliances

It is a legal requirement that gas installations in residential tenanted properties are inspected on an annual basis. Inspections must be carried out by a Corgi-registered engineer and have to meet strict conditions before a safety report is issued. A copy of the report must be left at the premises. In addition, we must keep a copy in our files.

We normally arrange for the safety inspection to be carried out for you by our local gas engineer, unless you have a preferred contractor.

Central heating systems occasionally break down and the cost of repairs can be substantial. For this reason we recommend a service contract issued by British Gas. You are able to spread the cost and pay monthly instalments. If you decide to take out a service contract or are currently in possession of one, please let us know. The details will be kept in the files and should the tenant have any problems, they can contact the company to arrange repairs.

If your property has gas appliances then you may wish to consider the installation of carbon monoxide alarms (these detect the build up of dangerous gasses). These units cost a little more than smoke alarms but again do serve a very useful purpose.

### Energy Efficiency Certificates

A new law came into effect on the 1<sup>st</sup> of October 2008, where any properties being advertised for rent must have a certificate in place. This certificate assesses how energy efficient the property is and it also outlines what changes could be made to make the property more energy efficient. If you do not have a certificate in place please let us know so as we can order one. Payment must be made up front and is usually around £55.

### Smoke Alarms

It is our recommendation that all properties should be fitted with at least two smoke alarms. While this is not a legal requirement, failure to take adequate precautions (such as fitting smoke alarms) could lead to a landlord being prosecuted if something did happen. Smoke alarms are inexpensive and are

easily fitted. They can, and do, save lives. Once installed these devices must be checked on a regular basis.

### Burglar Alarms

More and more landlords are having burglar alarms fitted that have a user code as well as a master code, which must be kept secret. A master code means that changing the alarm number is only possible with this number. Consequently while your tenants can have the benefit of the alarm they cannot change its settings. Alarms (like any piece of electrical equipment) can malfunction. This is not only annoying for yourself and neighbours but will also lead to increased calls from police officers for a list of such nuisance alarms (the implication being that if an alarm is frequently sounding for no valid reason the police refuse to respond). We would therefore recommend that the alarm is checked on a regular basis.

### Furnishings

If any furniture is left in a property, then you as landlord have a duty to ensure it is maintained and (for electrical / mechanical equipment) repaired, should it become faulty, provided of course this is not as a result of negligence or malicious damage by the tenant. Any soft furnishings (Chairs & beds etc.) that are left in the property must comply with fire regulations, and a label clearly stating so should be attached. If not then the furnishings must be removed from the property they cannot be stored at the rented address.

### Mortgages

If the property you wish to rent is subject to a mortgage then the mortgage lender should be informed that you intend to let the property. It is important that they give permission to let before a tenant moves into the property. Gaining permission from the building society usually depends upon the mortgage account not being in arrears and general mortgage clauses. Some lenders do ask to see a copy of the lease which the tenant will be asked to sign. We will happily provide them with this. The lender may make a small charge to cover administration costs. Some properties are leasehold and you may need to also gain permission from the leaseholder before you let your property (please refer to your written contracts between your lenders and leaseholders).

### Insurance

As the landlord you are still responsible for the building and accordingly the buildings insurance. Please note buildings insurance will not cover the costs of replacing or repairing carpets if they become damaged and more importantly if a tenant falls down the stairs because of faulty carpets. Therefore it is important that you either have contents insurance or public liability insurance to cover these problems. If you would like to discuss this further please ask one of our lettings negotiators.

## Tax

Income received from renting property is subject to tax and therefore we strongly recommend that you take advice from an accountant. Expenses incurred can be set against tax liability, as can the interest paid on the mortgage.

## Overseas Landlords

Landlords who reside overseas and own rented property in the UK are able to apply to the Inland Revenue for an exemption certificate, which enables us to pay them gross rent (subject to our deductions). However, if they do not apply for exemption, it is a statutory requirement that letting agents deduct tax at source, currently rated at the lowest prevailing tax rate.

In these circumstances, we will withhold the necessary funds from your account on a monthly basis and will issue a certificate at the end of each tax year indicating how much tax we have paid to the Inland Revenue, on your behalf.

Should you reside or subsequently move overseas, you may decide to contact the Centre for Non-Residents, an Inland Revenue office based in Bootle, for an exemption certificate. We are happy to offer more advice about this.

## Empty Property

The agreement you signed when the property was put on our books does not cover periods when the property is vacant. If you are concerned about the property and want us to manage it while it is empty, you must inform us of this, and we can make arrangements to do so. (There will be an extra cost for this service.) Weekly checks are carried out on vacant properties that are fully managed by us.

## Keys

We would normally require two sets of keys to the property. One will be handed to the tenant on occupation while the other will be retained in our office for emergencies. Note: If you wish to use or collect these keys at any time- you must bring proof of identification as a security measure.

## Finally

If you do have any problems, feel free to contact us - we are here to help.

## **Property Management**

- (1) Arrangement Fee of 2 weeks rent.
- (2) Advertising, mail collecting and re-directing of mail before property is tenanted, weekly inspections etc.
- (3) No initial fees. If we are unsuccessful in finding a tenant then no charge applies.
- (4) Advertising of property on Rightmove.co.uk, the most popular website for rental market at no extra cost.
- (5) Commission from 10% + VAT from rent once property is tenanted.
- (6) Two monthly inspections
- (7) 24hour emergency number for builders/plumbers.
- (8) 24hour emergency mobile telephone for all other problems or queries.
- (9) Monthly statements to landlords
- (10) Direct backs payments to landlord accounts once rent received (weekly/monthly available)
- (11) Variety of ways for tenants to pay, cash in person, cheque, standing order etc.
- (12) References from various sources taken for tenants at no extra charge.  
Personal, bank & employer references plus a credit check by a recognised credit agency.
- (13) Transferring of Utility bills, council, water rates etc at start of tenancy and end of tenancy.
- (14) Rent Guarantee also available

*Finally we aim to look after your house as if it was our home and we maintain strong personal links with both tenants and landlords.*