

GUIDANCE NOTES FOR LANDLORDS

We thank you for your enquiry concerning the management of your residential property. In this brochure we aim to set out our services to Landlords and terms and conditions for the management of your residential property and trust that you will find them acceptable.

First find your property

Purchasing a property to rent out should always be viewed as a medium or long term investment. It is, therefore, important to buy the right kind of property. We can offer you advice on where to buy, the right type of property and the rental values that you are likely to achieve from that property.

Generally smaller properties offer you a greater return on your investment and are likely to have fewer void periods than larger properties. Two and three bedroomed houses are ideal as these are always in demand. The location is also important. We can advise you where the more popular areas are in the local towns and villages. For ease of maintenance over the long term, a modern property is preferable or, alternatively, older properties that have been modernised/renovated alleviating the need for major repairs whilst let.

The Property

First impressions count! If your property is presented well, it will not only achieve a higher rent and let more easily but also attract better tenants. It is essential that the property is cleaned throughout, redecorated where necessary and carpets professionally cleaned if needed. We do recommend that carpets are cleaned before letting your property for the first time as this then enables you to ensure that tenants clean them when they leave. Windows should be cleaned inside and out and the garden tidied, shrubs cut back and beds weed free. We can advise you on redecoration or other improvements that may be required.

The next decision to be made is whether to let your property furnished or unfurnished. We find that most prospective tenants are generally looking for unfurnished accommodation. A property let unfurnished would include the following:-

Floor coverings: Carpet, laminate, vinyl
Curtains or blinds
Light fittings or shades
Cooker

You do not need to provide any other kitchen appliances. These would form part of the tenancy and, as the landlord, you would then have the responsibility of repairing or replacing them. We would advise that bathroom fittings, i.e. Mirrors, cabinet, toilet roll holder, towel rail, etc. are provided as this prevents tenants having to drill into the walls and potentially cause further damage. Before a property is offered for letting, the exterior and interior (furniture, equipment, fixtures and fittings) must be in good decorative order and the equipment in good working order. The landlord must ensure that instruction leaflets are available for all appliances, including central heating systems, ovens and washing machines (if applicable). A charge may be payable by the landlord should it be necessary to use a contractor to instruct a tenant in the use of any such appliances.

Safety Legislations

If you intend to let your property furnished, all items of soft furnishings must comply with the relevant Legislation: i.e.

Consumer Protection Act 1987

The Fire and Furnishings (Fire) (Safety) Regulations 1988

The Fire and Furnishings (Fire) (Safety) (Amendments) Regulations 1993

Anything which is upholstered or has a filling i.e. Mattresses, pillows, padded headboards, cushions, sofas, armchairs etc. must carry permanent labels indicating that they meet official fire resistant standards. The only exceptions are antiques or any other furnishings manufactured before 1950 as the offending material was not used then. (Beware of upholstered antiques restored since 1950 as they might contain this material). The only practical check is to look for labels which are usually sewn on to the furniture. As a guideline, items purchased after 1st March 1990 from a reputable UK manufacturer or retailer are likely to meet the standards. Any items that do not meet the standards must be removed from the property before commencement of the tenancy. (Some furniture purchased from IKEA may not comply with these regulations)

With regard to electrical installations and equipment the following legislations apply:

Consumer Protection Act 1987

The Electrical Equipment (Safety) Regulations 1994

Present legislation makes it an offence to supply electrical equipment that is not safe i.e. risk of injury to people or domestic animals, or damage to the property. Landlords should have good reason to confirm that electrical equipment is safe rather than simply believe it to be the case. Should any piece of electrical equipment have a fault, which results in injury or fatality, the landlord could be prosecuted. We would therefore recommend that any property over ten years old should have a fixed wiring test carried out by an electrician employed by one of the statutory Electrical Companies, or who is recognised by the NICEIC.

However, all portable appliances being left in the property i.e. Washing machine, fridge, freezer, microwave, kettle, lawnmower etc. must have a Portable Appliance Test carried out on them.

Gas fittings and equipment are covered by the following legislation:

Health and Safety at Work Act 1974

The Gas Safety (Installation and Use) Regulations 1994

The Gas Safety (Installation and Use) (Amendment) Regulations 1996

The Gas Safety (Installation and Use) (Amendment No. 2) Regulations 1996

Present legislation requires gas appliances, installation pipe work and flues in rental property to be maintained in a safe condition and to be checked for safety at intervals of no more than twelve months. Failure to do so is a criminal offence punishable by a substantial fine. Note that liquefied gas (propane, Calor etc.) and portable appliances are also included. The checks and necessary work must be carried out by individuals or companies registered with CORGI or engineers employed by the statutory Gas Companies.

It is the Landlord's responsibility to check the contractor's CORGI credentials. Always ask for a copy of the contractor's CORGI certificate and registration numbers.

The report must show: The date of the check, the address of the premises, name and address of the Landlord or their agent. The position and description of each appliance and flue covered by the check Any defects identified and remedial action taken Confirmation that the check has been carried out in accordance with the Regulations The name and signature of the engineers who

conducted the check, and their or their employer's CORGI registration number. A valid Gas Safety Certificate must be provided by a Landlord before any tenant takes up residency, preferably at the time of instructing the agent to market the property.

Gardens

Whilst it is the tenant's responsibility to maintain the garden in a neat and tidy condition and ensure that the lawns are cut regularly through the term of the tenancy, the gardens at the property must be neat and tidy before a tenant takes up occupation. If, however, the property has a large garden, we feel it is in the landlord's interest to employ a gardener to keep it in good order. If this is the case, a higher rent could be charged to any potential tenants to include this service.

Ownership / Approvals

Approval is normally a requirement for any Mortgage and should be obtained before a letting is entered into. Where the property is owned in joint names both parties must sign to accept our Terms and conditions. If you are a Lessee and pay periodic payments to an "Estate Management Company" you should arrange to pay these direct or advise us that you require these payments to be met from the rental income. You must also make certain that the intended letting is permitted by your lease and that your superior landlord's written permission, if necessary, has been obtained for the sub letting. If in doubt, refer to the lease of tenancy agreement.

Insurance

As Landlord, you would be responsible for making your own arrangements to insure both the building and any contents you intend to leave. As landlord you must ensure that you have informed your insurers of your intention to let the property. Insurance for both buildings and contents will provide the necessary cover for Property Owners Liability and essential Public Liability Cover. We also strongly recommend that Landlords consider taking out a rent/legal insurance policy. Please contact us for further details. Landlords must inform the company providing Buildings Insurance that the property is to be let. Claims may not be paid if they are unaware the property is tenanted.

Utilities

On vacating your home, you must contact the gas, electricity, water, local council and telephone companies to arrange for a final reading and to inform them of an address where the final account can be sent for payment. There may be the possibility of telephone disconnection arising during or at the end of the tenancy or delay in having the service reconnected and that a change of number may take place. It is in your own interest before vacating the property to arrange with the Post Office for redirection of mail, as neither the Tenant nor the Agent can be held responsible for mail, addressed to you at the property, which may go astray.

Maintenance / Repairs

Landlords are normally responsible for repairs to the property. It is a legal condition of any tenancy granted that the landlord must keep in good repair the structure of the premises inside and out, including decoration, gutters and drains. Also all installations supplying water, gas, electricity, oil, sanitation, hot water and space heating should be kept in working order. For small repairs we ask a reputable local contractor to carry out the work and then deduct their charges from your account. We send you a copy of the Contractor's invoice for your information. For

repairs over £100.00 exclusive of VAT we always contact the Landlord for instructions before asking someone to do the work. In addition Landlords are responsible for major repairs to equipment which result from wear rather than abuse by tenants. If any equipment is covered by a service contract or guarantee, we must have the details in our office before the letting commences. The Landlord must appreciate that emergency or urgent repairs will have to be dealt with at our discretion. We strongly recommend that, for properties with gas appliances, Landlords consider subscribing to a British Gas Three Star Cover policy or similar cover.

Services Available:

Tenant Find or Full Management

Whichever option you decide, Tenant Find or Full Management, our service initially is the same. Your property is advertised on our website and in the local press. All prospective tenants are accompanied whilst viewing your property. Tenants are carefully selected and credit searches will be carried out on our behalf by our chosen credit search company. Tenancy details are then finalised and arrangements made for the payment of the first month's rent and deposit (usually equivalent to one and a half month's rent).

Tenant find only

At this stage we hand over the property and the tenant to you. The tenant will then contact you directly during the tenancy and pay the monthly rent into your bank account. You will also be responsible for renewing safety certificates as necessary throughout the term of the tenancy. At the end of the tenancy you will be responsible for checking the tenant out of the property and agreeing any dilapidations which may need to be paid for from the tenant's deposit. If you intend to hold the deposit yourself you must be a member of a Tenancy Deposit Scheme for us to be able to hand over the deposit amount. If this is not the case, the deposit will be held by us until the termination of the tenancy.

Full Management Service:

Our full manage service includes everything as specified in our Tenant Find service but the tenancy is then dealt with by us completely. The tenant will report to us with regard to maintenance issues, we will liaise with you in order to deal with any necessary repairs. In month three or four we will arrange to visit the property to ensure that the tenant is taking proper care of the property. At this point renewal of the tenancy is also discussed, dependant of the condition of the property. We will arrange for the gas and electrical safety checks, where applicable, to be renewed and at the end of the tenancy check the tenants out and negotiate with the tenants over the return of the deposit.

Tenancy agreement

There are two kinds now available. Assured Tenancies and Assured Shorthold Tenancies. Generally speaking, an Assured Shorthold Tenancy should be used in most cases. Tenancies can be set up for any period required between six months to three years although we would recommend an initial period of six months. Unless we are instructed otherwise we use our own Tenancy Agreements which incorporate the necessary rules for the letting of residential property. Our usual policy is to sign a Tenant up for six months if this is suitable. Landlords instructing their own solicitors to prepare an agreement must be responsible for their lawyer's fees. Towards the end of the tenancy we will contact you for instructions on the continuing of the tenancy. We will then either serve notice on the tenant (minimum two months) or negotiate a new tenancy for a further fixed term. A tenancy, if suitable, can continue on a month to month basis, thus becoming a periodic agreement. In this case the landlord can end the tenancy by giving a minimum of two months notice which must expire on the same day of the month that the tenancy

commenced (usually the rental payment date). Should the tenant wish to vacate during this periodic tenancy they can give one months notice, again to coincide with the day of the month their tenancy started.

Inventory

We prepare a schedule of condition/inventory for each property. At the end of a tenancy the property is inspected, once the tenant has vacated, and the condition assessed for any damage or cleaning that the tenants may be liable for. Once agreed with the tenant and landlord this cost is deducted from the tenant's deposit. You do need to bear in mind that people will be living in the property and reasonable wear and tear must be taken into account. Depending on the length of time your property is let, you must be prepared for some redecoration, inside and out, every couple of years.

Collection of rent (full management service only)

It is our policy to collect rental monies one month in advance and these can be paid either into your Bank account, Building Society or direct to yourself, whichever is the most convenient. Once cleared funds have been received a statement is sent to the Landlord detailing rental credits, commission charges and any expenses incurred during the month. The transfer will then be made into your chosen account; this usually takes three days to clear. No rent will be payable until we hold cleared funds from the tenant. You will be informed of any rent arrears and we will continue to chase overdue rent until such times as it may be necessary to take legal action against a non paying tenant.

Tenancy Deposit Scheme

All Landlords and Letting Agents in England and Wales, letting private residential property, are by law required to join one of three government authorised tenancy deposit protection schemes. Tenancies which start after 6 April 2007, which are Assured Shorthold Tenancies and for which a deposit is taken, are covered by this scheme. This will also include any renewed agreement. Just Lettings has joined an insurance based scheme which does not require the deposit to be handed over to the scheme organiser.