

# Landlord's Guide to Letting

Before a property can be let, there are several matters which the owner will need to deal with to ensure that the tenancy runs smoothly, and also that he/she complies with the law.

We provide summarised information below. If you require further advice or assistance with any matter, please do not hesitate to contact us:

## Preparing the Property

We have found that a good relationship with Tenants is the key to a smooth-running tenancy. As Property Managers this relationship is our job, but it is important that the Tenants should feel comfortable in their temporary home, and that they are receiving value for their money. It follows therefore that a well presented and maintained property in a good decorative order will go towards this, whilst also achieving a higher rental figure. Tenants are also more inclined to treat such a property with greater respect.

### General Condition

Electrical, gas plumbing, waste, central heating and hot water systems must be safe, sound and in good working order. Repairs and maintenance are at the Landlords expense unless misuse can be established. Interior decorations should be in good condition and preferably plain, light and neutral.

### 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.

### Gardens

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

### Cleaning

At the commencement of the tenancy the property must be in a thoroughly clean condition, and at the end of each tenancy it is the Tenants' responsibility to leave the property in a similar condition. Where they fail to do so, cleaning will be arranged at their expense.

### 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.

### Keys

You should provide one set of keys for each Tenant. Where we will be managing we will arrange to have

duplicates cut as required.

## **Other Considerations**

### **Mortgage**

If your property is mortgaged, you should obtain your mortgagee's written consent to the letting. They may require additional clauses in the tenancy agreement of which you must inform us.

### **Leaseholds**

If you are a leaseholder, you should check the terms of your lease, and obtain any necessary written consent before letting.

### **Insurance**

You should ensure that you are suitably covered for letting under both your buildings and contents insurance. Failure to inform your insurers may invalidate your policies.

### **Bills and regular outgoings**

We recommend that you arrange for regular outgoings e.g. service charges, maintenance contracts etc. to be paid by standing order or direct debit. However where we are managing the property, by prior written agreement we may make payment of certain bills on your behalf, provided such bills are received in your name at our office, and that sufficient funds are held to your credit.

### **Council tax and utility accounts**

We will arrange for the transfer of Council Tax and utility accounts to the Tenant. Meter readings will be taken, allowing your closing gas and electricity accounts to be drawn up. All these matters we will handle for you, however British Telecom will require instructions directly from both the Landlord and the Tenant.

### **Income tax**

When resident in the UK, it is entirely the Landlords responsibility to inform the Revenue & Customs of rental income received, and to pay any tax due. Where the Landlord is resident outside the UK during a tenancy, he will require an exemption certificate from the Revenue & Customs before he can receive rental balances without deduction of tax. Where we are managing the property we will provide advice and assistance on applying for such exemption.

### **The 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. Without such safeguards, it will be impossible for the Landlord to prove any loss, damage, or significant deterioration of the property or contents. In order to provide a complete Service, we will if required arrange for a member of staff to prepare an inventory and schedule of condition, at the cost quoted in our Agency Agreement.

### **What is an Assured Shorthold Tenancy?**

Most tenancies will automatically be Assured Shorthold Tenancies (ASTs), provided the rent is under £25,000 a year and the property is let to private individuals. Tenancies are usually granted for an initial fixed term of either 6 to 12 months. When the fixed term has expired the landlord is able to regain possession of the property provided he gives two months written notice to the tenant. In addition, if the tenant owes at least 2 months or 8 weeks rent on the property he can apply through the court to seek a possession order.

## **Health and Safety, and other Legal Requirements**

The following requirements are the responsibility of the owner (Landlord). Where we are managing the property they are also our responsibility. Therefore where we are managing we will ensure compliance, any costs of which will be the responsibility of the landlord.

- Gas**
- Annual safety check: Under the Gas Safety (Installation and Use) Regulations 1998 all gas appliances and flues in rented accommodation must be checked for safety within 12 months of being installed, and thereafter at least every 12 months by a Gas Safe registered engineer.
- Maintenance: There is a duty to ensure that all gas appliances, flues and associated pipework are maintained in a safe condition at all times.
- Records: Full records must be kept for at least 2 years of the inspections of each appliance and flue, of any defects found and of any remedial action taken.
- Copies to tenants: A copy of the safety certificate issued by the engineer must be given to each new tenant before their tenancy commences, or to each existing tenant within 28 days of the check being carried out.

- Electrical**
- There are several regulations relating to electrical installations, equipment and appliance safety, and these affect landlords and their agents in that they are 'supplying in the course of business'. They include the Electrical Equipment (Safety) Regulations 1994, the Plugs and Sockets Regulations 1994, the 2005 Building Regulation - Part P, and British Standard BS1363 relating to plugs and sockets. Although with tenanted property there is currently no legal requirement for an electrical safety certificate (except in the case of all HMOs) it is now widely accepted in the letting industry that the only safe way to ensure safety, and to avoid the risk of being accused of neglecting your 'duty of care', or even of manslaughter is to arrange such an inspection and certificate.

- Fire**
- The Furniture and Furnishings (Fire) (Safety) Regulations 1988 (amended 1989 & 1993) provide that specified items supplied in the course of letting property must meet minimum fire resistance standards. The regulations apply to all upholstered furniture, beds, headboards and mattresses, sofa-beds, futons and other convertibles, nursery furniture, garden furniture suitable for use in a dwelling, scatter cushions, pillows and non-original covers for furniture. They do not apply to antique furniture or furniture made before 1950, bedcovers including duvets, loose covers for mattresses, pillowcases, curtains, carpets or sleeping bags. Items which comply will have a suitable permanent label attached. Non-compliant items must be removed before a tenancy commences.

- Smoke Alarms**
- All properties built since June 1992 must have been fitted with mains powered smoke detector alarms from new. Although there is no legislation requiring smoke alarms to be fitted in other ordinary tenanted properties, it is generally considered that the common law 'duty of care' means that Landlords and their Agents could be liable should a fire cause injury or damage in a tenanted property where smoke alarms are not fitted. We therefore strongly recommend that the Landlord fit at least one alarm on each floor (in the hall and landing areas).

- Is your property a House in Multiple Occupation (HMO)?**
- If your property is on 3 or more levels and let to 5 or more tenants comprising 2 or more households (i.e. not all of the same family) it will be subject to mandatory licensing by your local authority. Whether mandatory licensing as above applies or not, if there are 3 or more tenants not all related in any property, it is still likely to be an HMO, and special Management rules apply. Learn more here: <http://www.landlordzone.co.uk/HMOs1.htm>

### **The Housing Health and Safety Rating System (HHSRS)**

The HHSRS provides an analysis of how hazardous a property is through assessment of 29 potential hazards found in housing. Landlords have to maintain their properties to provide a safe and healthy environment. The HHSRS is enforced by local authorities. For further information visit

<http://www.communities.gov.uk/documents/housing/pdf/150940.pdf>

### **The Tenancy Deposit Scheme**

From 6 April 2007, all deposits taken by landlords and letting agents under Assured Shorthold Tenancies (ASTs) in England and Wales must be protected by a tenancy deposit protection scheme. Landlords and letting agents must not take a deposit unless it is dealt with under a tenancy deposit scheme. To avoid any disputes going to court, each scheme will be supported by an alternative dispute resolution service (ADR). Landlords and letting agents will be able to choose between two types of scheme; a single custodial scheme and two insurance-based schemes. You can learn more on the government website, which includes an overview of the requirements, and also links to the sites of the companies running the various schemes:

<http://www.direct.gov.uk/en/TenancyDeposit/index.htm>.

### **The Disability Discrimination Act 2005**

The DDA 2005 addresses the limitations of current legislation by extending disabled people's rights in respect of premises that are let or to be let, and commonhold premises. Landlords and managers of let premises and premises that are to let will be required to make reasonable adjustments for disabled people. Under the new duties, provided certain conditions are met (for example, that a request has been made), landlords and managers of premises which are to let, or of premises which have already been let, must make reasonable adjustments, and a failure to do so will be unlawful unless it can be justified under the Act. Landlords will only have to make reasonable adjustments. And they will not have to remove or alter physical features of the premises. Learn more here: [http://www.dwp.gov.uk/aboutus/dda\\_factsheet4-premises.pdf](http://www.dwp.gov.uk/aboutus/dda_factsheet4-premises.pdf)

### **Energy Performance Certificates (EPCs)**

From 1st October 2008 landlords in England and Wales offering property for rent will be required by law to provide prospective tenants with an Energy Performance Certificate for their property. In Scotland EPCs for rental properties will be required by January 2009. The certificates must be provided free either when (or before) any written information about the property is provided to prospective tenants or a viewing is conducted. A new certificate will not be required on each let since, in the case of rental property, EPCs will be valid for 10 years. The requirement is being introduced to comply with the EU's Energy Performance of Buildings Directive (EPBD) which applies to all property, including rented property. We can arrange an EPC inspection for our landlord clients upon request. The cost is expected to be up to £100.

Some relevant links:

Directgov.co.uk website:

<http://www.direct.gov.uk/en/HomeAndCommunity/BuyingAndSellingYourHome/Energyperformancecertificates/index.htm>

HCR Register website:

[HCR Register](#)