



BROADLANDS

Landlord's Guide

Explaining what you
need to know.

Broadlands Residential Lettings Ltd

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Broadlands Residential Lettings Ltd is a professional and diverse force in the Residential Property Market. Broadlands will dedicate its time and energy to ensure all clients' needs are met and keepings running smooth and steady so everyone can enjoy the service provided. We offer our services to both corporate and private clients at a competitive rate. For more information please consult our website at www.broadlandsem.co.uk or contact us on 01908 555-888.

Benefits of Letting.

Thinking of letting out your property? There are a number of reasons to consider this. It may be you work for long periods abroad and want to retain a stake in the UK, you have recently inherited a property or you are one of the growing population who view property as an investment and want to grow your investment portfolio. No matter what your reason is, the private rental sector has never been so attractive than it is at the present.

At the end of a tenancy period, recent legislative changes have removed a lot of the uncertainties associated with Lettings so you should be entitled to seek possession of your property at anytime (not in a tenancy period).

Due to real growth in house prices, financial returns from Letting have improved significantly. Letting can provide both capital growth and income. Economic growth, an increasingly mobile workforce and corporate relocations both combine a strong demand for rental properties throughout most of the UK, this means that generally you should have minimal periods when your property is unlet.

Buy to Let

If you are thinking of buying a property to let, there are certain criteria's that you want to look out for in purchasing a property to make sure you are making a good investment. Here are a few:-

- Is the property sited in a 'Letting' area?
- Has the property got letting potential?
- Establish whether you want income from capital return, rent or both.
- After all necessary costs, will the property give you a good rate of return?

Assessing the Property

There are many factors that need to be taken into account when advising Landlords on the best way to proceed with letting their property. The condition, location and size of the property, prevailing market forces and standard of contents and fittings are all main factors that must always be considered before letting out a property. A FREE assessment of your property will be undertaken by one of our experienced and friendly representatives, visiting your property to carry out an initial inspection which will follow with a discussion in greater detail about all relevant issues. This will give you the chance to ask any questions you may have and discuss any concerns. This service is free and with no obligation.

Furnished or Unfurnished

The demand for furnished and unfurnished properties is generally evenly divided, however most lettings to a Company as tenant will normally be on a furnished basis. If the property is furnished, then of course the better standard and presentation of furnishings, the greater the opportunity for letting the property quickly and maximising the rent achievable.

All properties should usually include carpets and curtains. Furnished properties should include furniture that can be found in most homes such as:-

- Beds
- Tables
- Cooker
- Fridge
- Washing Machine
- Sofa/Suite
- Kitchen Crockery
- Cooking utensils and cutlery

Obviously, better quality and presentation and also furnishing will be reflected in the monthly rental achievable. We would strongly recommend not leaving a television, video or hi-fi equipment etc, other than in executive lets. Also, linen and towels are not normally included, even in fully furnished properties.

Presentation Tips

- Remove all 'clutter'
- Neat and tidy garden (well maintained)
- Neutral colours for decor works best
- Choose modern contemporary styles, if furnishing
- Ensure you have attended to all maintenance items
- Wallpaper is quite hard to maintain, painted surfaces are much easier to look after.

A suggested Inventory may be useful to you if you are intending to let on a fully furnished basis. There are important Regulations that must be adhered to in furnished or unfurnished properties and this is a major consideration for Landlords who are deciding on which to offer. This is discussed in more detail under 'Fire Regulations- Soft Furnishings'.

Inventory

As part of our comprehensive service, we arrange an Inventory and Schedule of Condition, even if the property is unfurnished. Curtains and carpets can be very costly to replace and unless the condition of these and other interior decor is documented, you will not be able to claim recompense for any damage at the end of the Tenancy.

Legal Position

The Tenancy Agreement will be prepared by ourselves and will usually create an Assured Shorthold Tenancy (AST) and entitles the Landlord to seek possession of the property at the end of the fixed Tenancy period.

The areas of responsibility between you, the tenant and us your agent are detailed in the Tenancy Agreement. This will basically confirm to all parties who is liable for what in connection to the property. It will also clarify what can and cannot be done to the property, such as who is responsible for maintenance, utility charges and repairs or damages.

Signing a tenancy agreement is not sufficient in itself to regain possession of your property and we will prepare various Housing Act notices that must also be served at the appropriate time and in the correct format. Both initially and on any renewals, execution of all documents is part of the service we provide on your behalf, including signing such documents as Agent of the Landlord on your behalf.

Normally, with all tenancies, the minimum initial period is a six month let and the maximum we would advise at any one time is twelve months. Renewals can be for any length of times, although we would only advise a twelve month maximum for control purposes. If you wish to entertain a longer let and the tenant is in agreement, we would discuss this and proceed on the basis of your instructions to us.

Finding Suitable Tenants

A principal function of a managing agent is the identification and referencing of a quality tenant. We will market your property using advertising on our website, local newspapers and using property search websites. Securing the right tenant at the right rent in the shortest time possible is our aim.

Referencing

We will take references on every tenant on your behalf who is to be named in the tenancy agreement, normally meaning everyone over 18 intending to reside in the property. To make sure this process is carried out as objectively and thoroughly as possible, we use a professional referencing company- HomeLet. Any fees involved are paid by the tenant.

The report sent to us by HomeLet will be actioned on the basis that the conclusion agrees that the applicant is to be a suitable tenant and acceptable to underwriters for legal and rent protection policies. The process will include a full referencing and providing they can be obtained, a variety of financial references such as current and previous employment confirmation, a banker's reference and current lender or previous Landlord reference.

We may decide to also take a Guarantor to reinforce the tenants' ability to meet their commitments to you to further strengthen your position.

Will the tenant look after my property, how will I know?

Depending on which service you entail, we regularly inspect the property during the period of the tenancy and present written reports to you. We know that if the tenant understands that

the property and occupancy is being closely monitored, they are more likely to maintain a higher measure of care in that property.

We have the right to visit the property at times acceptable to the tenant and this is made reference to in the tenancy agreement. We can visit at any time, providing reasonable notice has been given. If you require visiting the property yourself during the tenancy, we will make plans for this but again the tenant is entitled to prior notice.

If there is any damage

At the beginning of the occupancy, the tenant lodges a deposit which is normally equivalent to between four to six weeks rent. During a fully managed service, the deposit is held in a secure client account throughout the tenancy by Broadlands Residential Lettings Ltd as Agent of the Landlord.

When the tenancy period is over and the tenants are checked-out, an assessment is made of any redecoration or minor repairs which cannot be accepted as reasonable wear and tear by comparison against the first original Inventory. Between the tenant and you the landlord, we will agree on the amount that will be withheld from the deposit. We will obtain estimates by a way of confirmation and the amount left from the net deposit will usually be released to the tenant. We will arrange for any works to be carried if necessary before the next tenant moves in.

What about Repairs and Maintenance?

Of course repairs may need to be carried out to each property throughout the length of the tenancy and landlords must be prepared for this. Due to aging of major electrical items such as cookers, fridges, freezers, boilers and washing machines, they may need repairing or replacing which landlords need to be prepared for also.

On your behalf, we will make arrangements with our local contractors or a contractor of your choice, to carry out any necessary works. The level of responsibility you wish us to have in arranging repairs and replacements will be agreed at the beginning of the service, then proceed accordingly without further reference to you, or as discussed and agreed. There are different legal obligations on all parties when there is an emergency repair, such as a burst pipe or a gas leak. Common sense has a great role with such decisions taken to limit any further damage to the property or to minimise health and safety risks to the tenants.

When a property is vacant between November and March, to protect against cold weather problems, **it is essential that the heating remains on**. If the property is to be empty for an extended time then we strongly recommend that you instruct us to have our contractor drain down the system. We may need to act first and then report to you in such circumstances.

It is made clear to all tenants that only in the case of an extreme emergency should they consider instructing their own contractor and that if they do so, they may be liable themselves for the full costs.

Major repairs will be discussed with you first of course. Estimates will be obtained for your approval and the works will be supervised by us and reported to you as necessary.

The Garden (If applicable)

The garden should be in good order before the tenants move into the property. On your behalf, we can arrange for a gardening contractor to carry out any necessary work. Generally tenants are responsible for the upkeep of the garden and if you should provide gardening tools and a mower for their use, these items will be included in the Inventory. Another option you may choose is to instruct us to arrange for a regular gardener during the tenancy. The costs of this will reflect through the monthly rental charged.

Utilities

Electricity, Gas and Water

All of the electricity, water and gas companies etc should be advised as to when your property is empty. This will give the company the chance to carry out metre readings and prepare accounts.

We can do this for you. We will do this for the initial letting and each time there is a change of tenant or if the property will be empty for some time for other reasons. During these periods, the utility services will be transferred back into your name but with your consent, these will be addressed to you care of our office.

In respect of emergency maintenance etc, we will normally carry forward a small sum in your rental account. If, for any reason, we did not hold any funds then we would of course forward the bills to you for settlement direct.

Tenants are responsible for the gas, water/sewage and electricity bills that are generated during the tenancy, this includes standing charges but liabilities finish on the date their legal liabilities as tenants end. The utility bills must always be in the name of the tenant or landlord. In between lets the bills will be in the landlords name but c/o our office and providing we have funds, we will pay any bills in the usual way. If we do not have the funds, you will need to send us the necessary payment without delay.

Telephone

Telephone companies generally do not deal with third parties, if you are residing abroad we may be able to assist in the matter.

All tenants are responsible for arranging all line reconnections and paying all costs that are associated with this.

Safety Regulations

Gas Safety

There are serious obligations placed upon Landlords to make sure all bottled gas appliances and all the mains supplied by them in a rented property have a certificate of safety. This covers from central heating, cookers to fires and refrigerators etc.

All appliances must be serviced by an engineer who is registered with CORGI for domestic appliance work, which a Safety Record in a prescribed format must be obtained and a copy to be issued to the tenant.

Appliances must be properly maintained and the safety record must be renewed annually. Tenants are entitled to receive updated copies. A heavy fine or imprisonment or both, could result from Non Compliance with the Gas Safety Regulations.

Safety Tip - Have all instruction booklets and manuals for appliances available at the property for the tenants reference.

As the above provisions apply equally to the Managing Agent as well as the Landlord, we must take a clear stance in this matter. As you will understand, we are unable to accept and/or retain a property on our books unless, inspect of every appliance, either:-

1. A current record is already in place.
2. The Landlord gives Broadlands authorisation to take action and obtain a record by one of our authorised maintenance personnel, on the landlords behalf.
3. A record is currently being obtained by the Landlord which is given to us before we install a tenant.

Electrical Safety

As well as gas safety, the landlord is responsible to ensure that all electrical appliances supplied in the property are safe for use. Most work carried out on electrical systems must be certified under Part P Building Regulations, this has been the case since 1st January 2005. If the necessary electrical inspections need arranging, once again we are happy to do so on your behalf.

Smoke Detectors

All properties declared as Houses in Multiple Occupation and houses built after June 1992, are required by Law to have electronically linked, mains operated smoke detectors installed on each floor. We strongly recommend that smoke detectors are installed on each floor in all rental properties as well, even though older properties are exempt from this requirement.

Fire Safety- Furniture and Furnishings

All upholstered furniture and furnishings in rented properties are required by The Furniture and Furnishings (Fire) (Safety) (Amended) Regulations 1998 to pass the 'Cigarette' test. The Landlord faces fines or imprisonment or both, if any property is found not to comply.

All Landlords placing a property on the rental market MUST comply with these regulations. If any furniture or furnishings do not comply, they must be removed before the tenancy commences. If any items are added in a property during the tenancy or a void period, then these replacement/added items must continue to satisfy the requirements of the Regulations.

EPC – Energy Performance Certificate.

Before properties are to be let, they must hold a valid EPC (Energy Performance Certificate) or an EPC must be carried within 28days of the property entering the market. We are able to arrange this on your behalf if requested.

Tenants are legally obliged to have a copy of the EPC. The EPC shows how energy efficient your property is and how much it affects the environment showing on a scale A-G (A being the ideal target). This will also show, or give recommendations on how you could improve the property and how much you could save doing so.

EPCs must be carried out by a Accredited Energy Assessor and will last for 10 years. A sample of an EPC can be provided if requested.

If my property is empty, will it be safe?

Our services do not included house-sitting if a property is going to be empty for a period of time unless an arrangement is entered into with us, which we are happy to discuss. If the property is being re-let we would hope to be visiting the property fairly frequently on viewings with prospective tenants anyway.

Is my money safe?

Landlords must ensure that they only entrust their properties and any deposits, rents and maintenance funds to the agent who operates the highest professional standards. We preserve separate accounts for each client and control these accounts to a proficient standard which will shield the interests of the landlords and tenants. We also hold Professional Indemnity Insurance to cover against claims for errors, omissions, fraud and dishonesty by any member of staff. At Broadlands we strongly believe that we can offer you security and peace of mind that is so essential as your property is probably not only your greatest asset, but it may be your home.

“Delivering a Quality Service” isn’t just a slogan, it’s our aim and guideline to providing such a great service that is recognised by our clients. Trust and confidence is key to our success.

Can I be sure that the rent will be paid?

Tenancy Agreements are Legal contracts and as such is enforceable by law. The Landlord’s remedies and rights are clearly set out in the legislation regulating tenancies.

We do everything we can to make sure the right suitable tenant is selected for your property and in most cases, their conduct is all we could have hoped for. There are odd occasions when a problem can arise that can suddenly affect the best of tenants such as a relationship breakdown, redundancy or long term illness.

Broadlands will always try to solve problem situations by sending reminder letters for outstanding rent, visiting the tenants and discuss as far as possible the problems being experienced and agreeing on a solution. This can be done against the backdrop of how far the tenant will or can take us into their confidence.

We can arrange many insurance policies specifically designed to protect landlords against potential loss or rent and legal costs which might arise in litigation cases.

Insurances arranged for landlords.

Any insurances you feel you require, we will be pleased to arrange these for you, to ensure your legal costs and rental income is covered.

You should have caution in assuming that any existing policies will continue to provide cover unaffected by rental activity. Do not assume that because a lender has granted consent to a letting that any previous cover affected through that lender will continue the same as before.

We will be pleased to discuss and outline alternatives if you experience any difficulty in this connection, or if you are unsure if your current cover will be affected.

Brochures and fact-sheets are available on request for detailing each cover.

Tax position

Will I pay Tax on my Rental Income?

Yes, Landlords are liable to pay income tax on the net income from the property and this could be a problem for some landlords when it comes to tax as there are many tax brackets. Every case must be treated separately. Fact-sheets on tax are available for landlords if requested.

Overseas Landlords

If you are working abroad for an extended period of time or if you live abroad permanently, normally you are required to pay Income Tax on the net income from any property letting. If you are an overseas landlord, there are additional obligations that are given to the Letting Agent that you should be aware of. Unless written exemption is received from Inland Revenue, we are required to withhold a proportion of the rental income and this directly sent to them. This is equivalent to the basic rate of tax. If required, we are able to provide you with the right documentation to apply for this exemption, which will allow us to pay you rent without the deduction of tax. Exemption of withholding tax is at the discretion of the Inland Revenue and is most likely to be withdrawn if you make the appropriate tax returns.

Please see below expenses that are usually allowable against Rental Income.

- Accounting and Legal fees.
- Insurance for building and contents.
- Mortgage Interest.
- Ground Rent.
- Redecoration and repairs.
- Costs of providing services included in the rent i.e. electricity, water or gas, etc.
- Furniture, fixtures and fittings wear and tear allowance.

Mortgage Consent

You must advise and obtain written consent from your bank, building society or other lender that you want to let your property if your property is mortgaged. Issuing consent letters can

sometimes mean an administration fee, so you will to be prepared for this. A copy of such consent will need to be issued to us before we can take on your property.

Should you want to sublet, you should find in your lease a clause indicating whether consent is required from your head leaseholder or freeholder.

Council Tax

Due to the Council Tax being property based, payment is therefore the tenant's responsibility. If the property is let on a room basis, such as students, no Council Tax will be payable by you as long as all of the tenants are exempt from paying.

An unfurnished property that is unoccupied is exempt from paying Council Tax for six months, then 100% of the Council Tax starts straight away and will be payable throughout any periods between tenancies.

75% of the Council Tax bill is payable when a furnished property is unoccupied, this is on an unlimited basis. The Council Tax office will be informed of every change in occupancy. There is a specific clause in the Tenancy Agreement and a clear legal obligation that the property occupier is to register for Council Tax. It is also stated in the Tenancy Agreement that tenants have the obligation to pay Council Tax.

Broadlands

Please find below a summary of our services:-

- Advice on letting your property and a no obligation valuation.
- Assistance and advice on Statutory Regulations.
- Advertising, Marketing and showing your property.
- Inventory and Schedule of Condition arrangement.
- Detailed and thorough Tenant Referencing via a specialist agency.
- Preparation of Tenancy Agreements and Notices.
- Regular Inspections during and at the end of the tenancy with written reports.
- Notifying utilities of change of occupancy and meter readings at the start and the end of each tenancy.
- Collection of Rent and pursuing any arrears.
- Arrangement of necessary repairs and maintenance.
- Prompt payment of net rental income to your account.
- Arrangement of cleaning and gardening services.
- Advice and arrangement of Insurances and handling claims.
- Property 'sitting' during short term absences.