



Landlord Guide to Letting your Property

Now you have chosen Wentworth Estate Agent who is associated to The Property Ombudsman, you can feel confident you are in good hands.

The Property Ombudsman is an independent organisation concerned with the letting market. It ensures that its affiliated agents meet specific professional standards and fulfil strict criteria.

The rental market as with any other is competitive therefore, in order to obtain the best possible Tenants; you must present your property in the most effective way.

- Interior walls should be neutral colours and carpets plain
- Fabrics and Furnishings (if any) should be able to withstand reasonable wear and tear and be of suitable quality
- Animals and their odours should be eliminated
- The front door should be clean and the Entrance Hall clear of any obstructions as first impressions are important
- The entire property should be clean and well-aired and the garden tidy
- If the weather is cold, heating should be turned on and, in warmer conditions, windows opened
- For any other advice contact your Agent

Other important considerations for Landlords before Letting

- Written consent must be obtained from your Mortgage Provider/Freeholder (if property is leasehold)
- An EPC (Energy Performance Certificate) is required for all new tenancies
- Gas Safety Certificates are required on a yearly basis for all Tenancies and a boiler service is recommended every year.
- Portable Appliance Test (PAT) is highly recommended for your rental property this checks all appliances are in working order and limits the risk involved in supplying these appliances.
- Your Insurance Company must be notified that the property is to be rented out and appropriate insurance obtained for a tenanted property. There are specialist insurance companies.
- The Inland Revenue must also be informed within 6 months of letting your property, flat or apartment in the UK and failure to do so will incur penalties, interest and other consequences. The Inland Revenue are apt to deal harshly with Landlords who do not declare rental income and it is always best to seek advice on tax planning and Capital Gains Tax from a fully qualified Accountant.
- Mail should be redirected with the Post Office.
- Further copies of keys will need to be provided, at least two if you have Management Agents acting for you.
- Utilities such as gas/electricity/water/telephone & Council Tax will have to be transferred to the successful Tenant.
- An Inventory and Check In should be drawn up. This is an important legal document which forms an integral part of the Tenancy Agreement and, as such, it is a false economy to prepare your own.
- A professional clean is highly recommended – Landlord to pay on the way in and Tenant to pay on the way out.

The Inventory is required whether the property to let is furnished or unfurnished and accurate descriptions of the overall condition of wall/floor coverings, kitchen and bathroom fittings to name a few are essential. Amounts cannot be withheld from the Tenant's deposit unless the loss or damage is proved to have been caused by the Tenant.

In the event that any dispute concerning loss or damage to your property is not amicably resolved then the matter will be referred to the Courts and arbitration but should be noted that any judgement will be on the basis of written documentation – the Inventory.



Legal Information and Details on types of Tenancies

The Housing Act 1988 (amended 1996) has given rise to two types of Tenancy: Assured and Assured Shorthold Tenancy as well as the existing Company Tenancy and Contractual Tenancy.

A) ASSURED TENANCY - Certain criteria have to be satisfied for a tenancy to qualify for assured status. Assured Tenancy gives the Tenant security of tenure but at a market rent negotiated between the parties. The Landlord may request back possession of the property let on an Assured Tenancy but must obtain a COURT ORDER. This has its advantages but is not as flexible.

B) ASSURED SHORTHOLD TENANCY (AST) - This Tenancy is attractive to Landlords as it offers market rents without security of tenure beyond the contractual term and the majority of Tenancies are based on this format. However, certain criteria must first be met:

- a) The Tenant must be an individual
- b) The property must be the Tenant's main residence/home
- c) The rent cannot exceed £100,000 per annum
- d) The Landlord must not occupy the same property

If the property is let under an Assured Shorthold Tenancy, the Landlord can issue a Section 21 Notice to guarantee possession provided the term of the Shorthold is expired and not less than two months' notice has been given by the Landlord stating he requires possession. If court action is needed, this can be obtained on a number of different grounds against the Tenant. However, it should be noted that is a criminal offence under the Protection from Evictions Act 1977, for a Landlord to threaten or forcibly evict a Tenant from their property.

C) COMPANY TENANCY - This is governed by contract law and is not regulated by the Housing Acts of 1988 or 1996. It is used when a Private or Public Limited Company (excluding partnership or sole trader) want to enter into a Tenancy. There is no security of tenure and rental payments are often made on a quarterly basis by prior agreement.

D) CONTRACTUAL TENANCY - Contractual Tenancy also falls outside the provisions of the Housing Acts of 1988 and 1996 and is not regulated by statute. It is most commonly used where the rent exceeds £100,000 per annum and both parties have the freedom to contract as they choose, but must then rely solely on the provisions of that Agreement.

FURNISHED OR UNFURNISHED - Most Professional Tenants prefer the property to be unfurnished and it has been found that a Tenant is likely to respect the property more if they have their own possessions. Moreover, the difference between rent for furnished or unfurnished is negligible and the Landlord remains responsible for the repair or replacement of any furnishings which become broken or worn (unless this was caused by a deliberate act of the Tenant – see Damage Deposits).

MARKETING/FINDING A TENANT – you will need to decide whether you require your agent to simply market your property and find a Tenant or whether you would prefer to engage the services of our Managing Agents.

Whether you chose to opt for a **Managing Agent** or not, we as your Letting Agent will firstly provide colour property details and a rental valuation which will be based on the popularity of the area, proximity to transport, rental price of similar property handled and decorative condition to name but a few.

MANAGING THE PROPERTY – We will take away the stresses involved in the maintenance required at your property before the letting begins (Gas Safety Check, Boiler Service, Professional Clean, PAT Test, Inventory and Check In) and also the work required once the Tenant has moved in – such as general maintenance e.g Blocked Pipes, Boiler issues, etc. It saves you time not having to deal with the day to day maintenance involved in letting your property.



RENT - It is important to price your rent fairly but realistically in order to attract the most suitable Tenant.

Your rental property will be regularly advertised in our office and feature on our website and other sites such as **rightmove.co.uk and onthemarket.com** to ensure maximum exposure. We also contact any listed prospective tenants, local companies and relocation agents.

Should you decide to employ us as your Managing Agent, we will also field calls, arrange viewings, vet prospective Tenants and obtain references, draw up contracts and advise you on your Safety and Repairs obligations (see LEGAL DUTY OF CARE).

FULL CREDIT CHECKING – thorough credit checks are carried out on all prospective Tenants as we can reserve the right to decline an application where necessary in the interests of protecting the Landlord's investment.

REFERENCES – these can be obtained through us as your Managing Agent and include references from the Tenant's employer and previous Landlord.

SMART RENTAL POLICY - We can also provide you with/assist you in obtaining a linked insurance policy to safeguard your rental income and provide legal protection (RENT GUARANTEE).

DRAFTING OF TENANCY AGREEMENT/LEASES – we prepare and supply you with all legal documentation and give practical general legal advice.

DAMAGE DEPOSITS – This is usually equivalent to one and a half months rent and is taken from the Tenant to be held in Deposit Protection Scheme until the end of the Tenancy. Upon vacation of your property, there will be a re-inspection and any refunds will be made within a maximum of 14 days, provided that there are no disputes and all utility accounts have been settled.

The costs of everyday repairs and maintenance are the responsibility of the Landlord but, if we are instructed to manage your property on your behalf, we will pay the contractor out of the Tenant's rent. We can also organise quotes for approval on any major repair as this becomes apparent.

Under the LANDLORD AND TENANT ACT 1985, Landlords are responsible for repair of the structure and exterior of the property, together with installations for the supply of gas, electricity, water and sanitation.

If the property is not in a good state of repair at the commencement of the Tenancy, the Tenant has the right to insist that repairs are carried out and, in the event that the damage is serious, the Tenant will be entitled to consider the letting as terminated as the Landlord will be in breach of his obligations.

COLLECTION OF RENT – this is usually done on a calendar monthly basis and is forwarded to the Landlord via any previously approved method after any agreed deductions have been made for contractors etc.

LEGAL DUTY OF CARE – Under common law, the Landlord must ensure that properties to let are safe and failure to comply with Safety Legislation is considered a criminal offence resulting in legal action and prosecution.

As your Managing Agent, we can carry out safety checks upon your request, deducting the cost from your rent.

Gas – (The Gas Safety (Installation & Use) Regulations 1994 (amended 1998) – the Landlord must maintain gas installations and all gas appliances through annual inspections and safety checks carried out by a GAS SAFE registered engineer and a copy of the Current Inspection Certificate must be left at the property.

Electricity - (The Electrical Equipment (Safety) Regulations 1994 & Electricity at Works Regulations 1989- the Landlord must ensure that all mains voltage household electrical appliances and equipment is tested and safe to use. Any non-repairable items must be replaced and removed. An NICEIC or similarly qualified electrical engineer must carry out these tests on an



annual basis and we would also recommend this is done upon change of Tenancy. All operating instructions must be left in the property for the Tenant's benefit.

Furniture and Furnishings – The Furniture and Furnishings (Fire) (Safety) Regulations 1988 (amended 1989 & 1993) - Soft furnishings (such as mattresses, settees, bed bases, cushions and padded headboards) must meet fire resistance standards and bear a permanent label confirming this. If compliance cannot be proved, the item must be removed and replaced.

Smoke Detectors – whilst only properties built after 1992 legally require the fitting of smoke detectors (Building Regulation 1991), we would strongly recommend that smoke detectors are fitted to each floor of the property being let.

Carbon Monoxide Alarms - From the 1st October 2015, subject to Parliamentary approval, regulations require both smoke alarms and carbon monoxide alarms to be installed in rented residential accommodation.

NB: The penalty for failure to comply with statutory safety legislation is currently a maximum of £5,000 and/or 6 months' imprisonment for each offence. This can be harsher in the case of injury or fatality. The above is only a guide to the legal safety requirements and should you have any further enquiries, we would recommend that you contact a qualified solicitor who will be able to verify these in full.

OVERSEAS LANDLORDS – you are considered an overseas Landlord if you live abroad or go to work abroad for lengthy periods of time. It is important to firstly note that Inland Revenue regulations apply even if you are a non-UK resident. Moreover, non-resident Landlords must apply to the Inland Revenue Financial Intermediaries Claims Office (FICO) for authorisation (by way of an exemption certificate) to receive payment of property rental "gross", that is without deduction of Income Tax by the letting agent or Tenant as required by law. NB: The above is a guideline and for fully qualified advice, you should contact an appropriate Accountant or Tax Expert.

BRIEF GUIDE TO SERVICES:

- Advice on letting your property
- Rental evaluation, provision of property details with colour photographs
- Advertising of your rental property in local publications/on our website and other property portals
- Accompanied viewings and finding of a suitable Tenant
- Status enquiries/reference and credit check of prospective Tenants
- Obtaining security deposit/rent guarantee
- Obtaining competitive quotes for insurance
- Organising/preparing the Inventory and Check-In (additional charge)
- Preparing Tenancy Agreement and Legal Notices
- Arranging transfer of Utilities to Tenant's name and establishing Council Tax and Water Rates in Tenant's name
- Advising on compliance with Safety Regulations for Gas/Electricity supplies etc.
- Collecting monthly rental payments and providing monthly accounting to Landlords
- Arranging annual gas safety checks (chargeable)
- Periodic visits to the property and reporting of any problems
- Obtaining competitive quotations and, upon approval, arranging for necessary repairs/maintenance to be carried out
- Contacting the Tenant and arranging for renewals and/or check-out as necessary



6. You agree that **our fees and commissions for our services are as follows:**

Full Management:

Extensions and renewals & new agreements

Extension or renewal etc for any length of time.....

Letting and Rent Collection Only

Extensions and renewals & new agreements

Extension or renewal etc. for any length of time.....

Let Only

Extensions and renewals & new agreements

Extension or renewal etc. for any length of time.....

Note: Full Management, Letting and Rent Collection, Let Only fees are payable for the whole initial period of let **and all extensions and renewals and new agreements whether the Tenancy is under a fixed term or periodic during which:**

- (a) A tenant introduced by us occupies the Property; or
- (b) A person introduced by a tenant introduced by us occupies the Property; or
- (c) A person associated with a tenant introduced by us occupies the Property – see clause 6.6 of the Standard Terms and Conditions of Business overleaf for the meaning of “associated”; or
- (d) A tenant introduced by us occupies any other property let by you.

Vacant Management.....£100.00 per month
(see Clause 4 in the Standard Terms and Conditions of Business overleaf)

Miscellaneous:

- Preparing Tenancy Agreement (includes Deposit Handling).....£78.00 incl VAT
- Preparing and negotiating any Extensions and Documentation..... £30.00 incl VAT
- Handling insurance claims of £1000.00 or more.....10% of the total insurance claim
- Arranging works.....10% of the total cost (except as described in clause 2.5.1 of the Standard Terms and conditions of Business overleaf)
- Letting in contractors..... £30.00 per hour incl VAT (as described in clause 2.8.2)
- Hourly rate.....£60.00 incl VAT
- Administration Charge.....£25.00 incl VAT
- Applying for landlord’s/mortgage etc. consent.....£90.00 incl VAT





- Arranging safety checks.....£25.00 incl VAT
- (see clause 5.3 of the Standard terms and conditions of Business overleaf) (see clause 7 of the Standard Terms and Conditions of Business overleaf)
- If you decide not to proceed with letting after we have taken up satisfactory references or produced a tenancy agreement.....£300.00 incl VAT or one week's rent whichever is more, plus third party marketing costs. (For Example: Tenant cost for removal van etc.)
- Non Resident Landlord Administration (with approval Number).....£30.00 incl VAT
- Non Resident Landlord Administration (without approval Number).....£60.00 incl VAT
- Monthly Statement Duplicates.....£10.00 incl VAT
- Annual Summary of Accounts.....£60.00 incl VAT
- Utility Transfer (per utility) (non-managed).....£20.00 incl VAT
- Prepare and administer claims against deposit (non-managed).....£250.00 incl VAT plus an hourly rate of £30.00 for hours served
- Prepare and administer documents for disputed claims.....£250.00 incl VAT plus an hourly rate of £30 for hours served.