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THE
GUIDE
TO LETTING A PROPERTY



Renting your Property

Why use letting agents

Letting agents are focused on the priorities and needs of the landlord. They understand that letting your property, especially for the first time, can be a worrying experience and with this in mind our most important consideration is providing you the landlord with the best possible service and the right tenant for your property. They never forget that the property is the most important asset and by instructing agents your asset should be in professional and caring hands.

Most agents offer a free valuation service, which will give you an idea of the following;

- Advice on the length of tenancy you require
- Advice whether to let out your property unfurnished, partially furnished or furnished
- Advice on achieving maximum rental value for your property

Agents will undertake viewings and ensure that your property is let without delay.

Who is responsible?

Landlord is responsible for

- Repairing the property
- Ensuring the building Insurance is paid
- Paying any ground rent and service charge where applicable
- Insuring any items, such as furniture and kitchen equipment included in the property

They must not discriminate on the grounds of sex, race, sexual orientation, age, religion, marital status or disability.

Agent Should be responsible for:

Getting written references for the prospective tenant/s. This should include:

- Credit Referencing check
- Current employers – to confirm both if the tenant is a permanent employee, and their salary
- Current landlord reference – to confirm rent was paid on time, is not outstanding and that the property was kept in a good condition
- Where's needed, Guarantors reference
- Ensure a Short hold Agreement is complete
- Obtain the necessary deposit and initial rent
- Arrange the inventory checks on the property if requested by Landlord

Tenant's Responsibility to

- Pay the Rent and Deposit
- Bring all documents required to your Letting agent
- Return the property to landlord at the end of tenancy in the same condition as at the start of the tenancy allowing for fair wear and tear
- Pay rent on time every month

The Process

Preparing your property for let

Whether you have let a property before, or this is the first time, when you let a home there is a lot to think about, this booklet will answer a lot of questions you may have.

Assured Short hold tenancy

A short hold tenancy usually lasts for 6 – 12 months, unless you agree a different fixed term for the tenancy in advance with your tenant.

When the fixed term of the tenancy has expired the landlord is able to gain back possession of the property provided they give 2 months notice to the tenant. At this stage it is recommended to take the services of a solicitor to ensure the process is followed in accordance with the law.

The tenant is required to give 1 months notice to vacate.

Houses in Multiple Occupation License

Landlords are required to apply for a licence from their local authority if the property they manage falls under the government Houses in Multiple Occupation (HMO) licenses permissions.

An entire house or flat let to three or more paying tenants who form two or more households is defined as an HMO.

For more information contact your local authority or visit the Department for communities and local government website www.propertylicence.gov.uk

Health and Safety Requirements

Before you let your property you must make sure by law that it and its contents comply with various safety regulations, including;

- Furniture and Furnishings, Fire safety Regulations 1993
- Gas Safety Regulations (Installation and Use)
- Smoke Detectors Act 1991
- Electrical Equipment Regulations (Safety)

Visit www.communities.gov.uk for more details

Landlords are required to produce certificates meeting these regulations where appropriate and should ensure that a Portable Appliance Testing (PAT) for all electrical appliances is undertaken.

Other considerations before letting your property

In addition to all the above, you will also need to make sure you have;

- An agreed Inventory of all items left in the property and property condition report. This is particularly useful in avoiding disputes over repayment of deposits
- Obtained permission from your mortgage lender(If you have a mortgage in your property) and/or told your freeholder
- Advised your insurers and highlighted what items within the property you will be insuring and those that will fall to the tenants to insure.

Energy Performance Certificate – Legal Requirement

If you are renting your property you will require an energy performance certificate also known as an EPC. The EPC lasts 10 years and has to be carried out by an accredited energy assessor.

The EPC is broadly similar to the labels now provided with domestic appliances such as refrigerators and washing machines.

- Its purpose is to record how energy efficient a property is as a building.
- The certificate will provide a rating of the energy efficiency and carbon emissions of a building from A to G, where A is very efficient and G is very inefficient.
- EPCs are produced using standard methods with standard assumptions about energy usage so that the energy efficiency of one building can easily be compared.
- This allows prospective tenants to see information on the energy efficiency and carbon emissions so they can consider energy efficiency and fuel costs as part of their investment.
- An EPC is always accompanied by a recommendation report that lists cost effective and other measures to improve the energy rating of your home.
- Information on your homes energy use and carbon dioxide emissions
- A recommendation report with suggestions to reduce energy use and carbon dioxide emissions

Gas safety Certificate – Legal Requirement

As a landlord, you are responsible for the safety of your tenants. The Gas Safety (Installation and Use) Regulations 1998 deal with landlords' duties to make sure gas appliances, fittings and flues provided for tenants are safe.

You are responsible for the maintenance and repair of flues, appliances and pipe work which you own and have provided for your tenants use by a gas safety registered engineer. Although there is no prescribed timeframe for these duties, good practice would be the demonstration of regular, annual maintenance checks and subsequent repairs.

You are also responsible for ensuring an annual gas safety check is carried out within 12 months of the installation of a new appliance or flue which you provide and annually thereafter by a Gas Safe Registered engineer. You must keep a record of the safety check for 2 years and issue a copy to each existing tenant within 28 days of the check being completed and issue a copy to any new tenants before they move in.

- Repair and maintain gas pipe work, flues and appliances in a safe condition
- Ensure an annual gas safety check on each appliance and flue
- Keep a record of all safety checks carried out on your property

Landlord responsibilities

- Maintaining and repairing the property
- Electrical, gas, plumbing, waste, central heating and hot water systems must be safe
- Furnishings should be of reasonable quality
- Personal items should be removed from property
- Gardens should be left neat, tidy and rubbish free, with any lawn cut
- Property must be in a thoroughly clean condition

Tenant's responsibilities

- Adhere to the terms of your the tenancy agreement
- Maintain property to a reasonable/expectable standard
- Returning the property to landlord in the same condition as at the start of your tenancy allowing fair wear and tear

Tenancy Deposit Scheme

On the 6th April 2007 a change in the legislation for the UK's private rental sector was imposed. From this day onwards all new tenancy deposits must be protected in a government authorised scheme. The reasoning behind the new legislation is the government wants to make sure of the following;

- Tenants will get all or part of their deposit back at the correct time
- Any disagreements between landlords and tenants or agents will be easier to resolve
- Tenants are encouraged to look after the property

Deposits have to be put into an authorised scheme, which protects the deposit during the tenancy and deals quickly and independently with any dispute over the return at the end of the tenancy.

You must tell the tenant within 14 days of them handing you their deposit which one of the three authorised schemes the deposit is protected by and provide details of the scheme.

Failure to protect the deposit can result in a fine of three times the amount of the deposit and difficulty regaining possession.

What are the three schemes?

The Deposit Protection Services (DPS)

This is the only custodial deposit protection scheme. To use this scheme you must hand over the deposit to the government to hold for the duration of the tenancy. At the end of the tenancy the landlord and tenant must come to an agreement about what will happen to the deposit. If there is no agreement made by the two parties then the full amount will be kept until a decision is made. If you would like to contact the DPS please telephone 0870 707 1 707 or visit www.depositprotection.com

Tenancy Deposit Solutions Ltd (TDSL)

There are two insurance based schemes that insure your deposit; the first one is the National Landlords Association. This scheme requires you to become a member where you pay a membership fee and additional fee for every deposit taken for a tenant. In return the landlord holds the tenancy deposit for the duration of the tenancy agreement. If there is a dispute about the return of the deposit to the tenant then the scheme, supported by an insurance policy, will ensure the deposit the tenant is entitled too is returned and the schemes insurers will then recover the disputed amount from the landlord.

To contact the TDSL please telephone 0844 980 0290 or visit www.mydeposits.co.uk

The Tenancy Deposit Scheme

The second insurance based scheme is a collaboration of the three bodies; National Association of Estate Agents (NAEA), The Association of Residential Lettings Agents (ARLA) and the Royal Institute of Chartered Surveyors (RICS), and is administrated by The Dispute Service Ltd. Through this scheme the landlord can use us as a company to hold the deposit. There would be no additional cost if the property was managed by ourselves and we would take care of the landlord's obligations to inform the tenant of how to recover their deposit.

If the landlord chooses either of the first two options they are held fully responsible for informing the tenant about how their deposit is being protected including the contact details of the tenancy deposit scheme and how to apply for the release of the deposit.

If you feel as a landlord that you have a claim on the deposit at the end of the tenancy agreement, then it falls to you to provide the evidence. This means that unless you have a professional inventory, agreed and signed by the tenant, with photographs from the beginning and after the tenancy your claim will be refused. If you require any information about these services please contact the Lettings Department.

If you do not secure your tenancy deposit within 14 days, the tenant can apply to the local county court and the court can order the landlord to pay three times the deposit amount to the tenant. Further to the pay out the landlord would be required to pay the Section 21 Notice (notice to end the tenancy served by the landlord) which would also be invalid unless the deposit is protected.

To contact TDS please telephone 0845 226 7837 or visit www.tds.gb.com

Useful links

Here are some useful website addresses for advice when letting your property:

Department for communities and local government

www.communities.gov.uk

www.propertylicence.gov.uk

www.direct.gov.uk

Tenancy deposit scheme

www.tds.gb.com

My deposits

www.mydeposits.co.uk

The deposit protection service

www.depositprotection.com