

Malcolm Gold
Property Sales & Lettings



A Landlords Guide To Property Letting

www.malcolm-gold.co.uk

2009

Here at Malcolm Gold Lettings we are experienced in all types of accommodation. We will undertake an inspection of your property and provide you with a verbal assessment of the current open market rental value.

We will also advise you on the best way of letting your property and what if anything should be done to ensure that a tenant is found quickly.

We do not make a charge for this service.

What type of tenancy should I offer ?

Prior to January 1989, tenancies existed under the Rent Act 1977 and were known as Protected Tenancies or Protected Short hold Tenancies.

On 15 January 1989 the Housing Act 1988 came into force and this legislation introduced two new forms of tenancy:

- 1) An Assured Tenancy
- 2) An Assured Short hold Tenancy

These tenancies have been further amended by the Housing Act 1996 which was introduced on January 1997.

In nearly all cases we recommend that all lettings proceed as Assured Shortfall Tenancies as these have a number of advantages over other tenancy types, the two main advantages being:

- 1) The Landlord has an absolute right to recover possession at the end of the tenancy term provided that the appropriate notice has been properly served and that the original contractual term, which is normally 6 months, has elapsed.
- 2) With protected tenancies the rent is usually set by the rent officer who registers a 'Fair Rent' for each particular property. This rent does not take into account scarcity and is often below Open Market Rental Value.

Under the terms of an Assured Short Hold Tenancy, the tenant has to pay the agreed rent as detailed in the tenancy agreement although they do have the right to refer to a Rent Assessment Committee if they feel that the rent they are paying is higher than the usual level of rent paid in the same locality for similar properties.

If a rent is established by the Rent Assessment Committee then it is not registered against that property and only applies during the period of that particular tenancy.

We let to many types of different people from those moving to the area & looking to get a feel for the locality before purchasing to those people who are looking for more long term lets. We also let to a number of employees of substantial companies who often move to the locality for a period of years.

We always try to ensure that all our tenants are of good standing and are able to meet the rental commitment whilst also taking care of the property they occupy. We undertake detailed credit checks with a credit reference agency for each applicant.

Assured Short hold Tenancy

We draw up many Assured Short Hold Tenancies for which certain conditions must be met.

The Assured Short Hold Tenancy can be for almost any period however a tenant always has a right to occupy a property for a minimum of six months; therefore the initial agreement is usually for that period. This is treated by us as a trial to ensure that the rent is being paid and the property is being looked after.

There can be no provision for the landlord to terminate an Assured Short hold Tenancy early however provision within the agreement can be made for the tenant to terminate the agreement early providing this is agreed by the landlord.

In order to obtain possession the landlord can serve a minimum of two months notice on the tenant which must run from the rental date and coincide with the end of the Assured Short Hold Tenancy otherwise, at the end of the initial term, the tenancy can be renewed or extended as required.

If the tenant wishes to leave they must also serve notice on the landlord of their intention to quit but in this instance, the tenant only has to serve a notice period of one month but again this must run from the rental date.

Once the Assured Short Hold Tenancy has expired a new tenancy agreement can be drawn up or the tenant can hold over without renewing any documentation. If this occurs, then the tenancy reverts to an Assured Periodic Tenancy whereby the original terms and conditions remain exactly the same except that two months notice can be served by the tenant if they wish to vacate the property.

The Agreement

We will draw up all tenancy documentation and will amend our agreements in accordance with current legislation and any specific requirements that you may have with regard your property. You may wish certain restrictions to apply to the tenancy, for instance you may not wish the tenants to have pets at the house, and this can be incorporated in the documentation.

If the Tenant does not vacate the property

If the tenant does not vacate the property in accordance with any notice served then, as with any type of tenancy, the landlord must obtain an order for possession from the courts before a tenant can be evicted. However, under the terms of an Assured Short hold Tenancy or Assured Tenancy the landlord does have an absolute right for possession and the court must grant an order to that effect if it is satisfied that all notice procedures have been complied with.

What if I have a mortgage?

You must obtain permission from your mortgage company prior to letting your property. This must be obtained in writing before a tenancy agreement is signed however we can provide all necessary documentation to your bank or building society for their approval. The property can be offered to let prior to obtaining this permission although the tenancy agreement cannot be signed until the written permission has been obtained.

What about Insurance

You must advise you insurance company that you intend letting your property so that amendments to the policy can be made. It is the Landlords responsibility to ensure that the property has valid buildings insurance.

Can I Guarantee my rental income?

We are able to offer various Insurance Policies to cover all aspects of residential letting and these include the following:

- 1) Loss of rent
- 2) Buildings and Contents Insurance

All insurance policies are handled by specialist insurance companies.

Leaflets available upon request.

Telephone: 01482 213215 or Email: info@insurance-partnership.com

www.insurance-partnership.com

Tenancy Deposit Scheme

It became law from 6th April 2007 that all tenancy deposits / bonds must be registered in a government approved scheme, we are approved & registered with Tenancy Deposit Solutions. It currently cost's £29.38 to register each bond/deposit into the government approved scheme each time the property is let.

Do I have pay tax?

Landlords have to account for income received from the lettings of any of their properties, however, when calculating the profits obtained there are certain deductions permitted including the following:

- 1) Professional Fees for locating a tenant and continued management costs.
- 2) Property Insurance premiums.
- 3) Cost of repairs to the property.
- 4) Any lighting or heating expenses not paid by the tenant.
- 5) Any wear and tear on the furniture (where applicable).
- 6) Cost of cleaning the property between each letting.

Security Deposit / Bond

As a responsible lettings agent we take a deposit / bond of at least one months rent from the tenant on the commencement date to provide some cover should any arrears or damage to the property occur.

In most cases the deposit/ bond is returned to the tenant after the satisfactory completion of the tenancy however it does offer further peace of mind on top of the benefits gained from the Insurance Policies detailed above.

Services & Council Tax

All meters are read immediately prior to the tenant taking possession of the property and all services are put in the tenant's name that will be responsible for these payments. The tenant is also responsible for the payment of council tax for the period of their occupation.

Rent

We usually ask that tenants pay their rent by standing order directly into our Clients account on a monthly basis although it is sometimes necessary to physically collect the rent from the tenant if for any reason they do not hold a bank account.

We also now accept all debit / credit card's so we can now collect their rent over the telephone, this cut's down of the amount of cheques that must have been lost in the post!

As from January 09 we also now have a fully automated out of hours telephone system that also allows tenants to pay over the phone even when we're closed, in addition to this we now also accept paypal payment's online.



Inventory Drawn up for the property

Before the tenant takes possession of your property, we undertake a detailed inspection and draw up an inventory detailing all contents remaining therein as well as noting the condition of the property in general so that we can establish a satisfactory schedule for the tenant to sign as a record of the condition of the property.

There is a small charge for this service.

Energy Performance Certificate (EPC's)

Energy performance certificates became law from 1st October all properties empty now require an EPC before they can be let / marketed. The EPC's last 10 years. We have approved assessors and can therefore arrange these for you for a small cost.

Gas & Electrical

Following the introduction of the gas safety (installation & use) Regulation 1994, the landlord is responsible to ensure that the gas service and appliances in the property are offered and maintained to a satisfactory standard. In order to establish this, a qualified plumbing contractor must undertake an inspection of each appliance at least every twelve months and a certificate confirming that the check has been completed must be left at the property.

The contractor who undertakes the gas inspection must be a member of the Council for Registered Gas Installers (CORGI). The cost of this inspection must be met by the landlord and estimates can be obtained on your behalf. You should be aware that further costs may be incurred if certain repair works prove necessary. If a satisfactory certificate is not obtained then it is against the law to let the property.

Under the electrical equipment (safety) regulations 1994 and the plugs and sockets (safety) regulations 1994 and inspection of the mains electrical system and electric appliances must have taken place prior to letting the property. Unlike the gas appliance checks there are no specific requirements with the landlord should comply but we recommend that the electric supply, equipment & appliances in the property are safe and in good order.

Other Furniture and Furnishings

Furniture and furnishings are covered by the Furniture and Furnishings (Fire Safety) Regulations 1998. These regulations cover all furnishings in rented properties and all upholstered items such as three piece suites, chairs, bed etc must comply with these regulations, that is, they must be of a non combustible material and this will be confirmed on each item of furniture by a label which should be sewn into the body of the item concerned.

Rental Valuations

For property rental valuations please telephone (01482) 327122



How much will it cost for letting the property?

We offer two packages:

- 1) Full Management Service
- 2) Let Only package

Full management service includes:

- Tenancy Agreement's
- Collection of rent
- Regular Inspections of the property
- Estimates for any repair work – should this be necessary

Our fee's for the Full Management Service is currently £135.00 plus Vat and then 12.5% plus Vat of the Gross Monthly Rent collected.

Let only package:

By negotiation, prices from £399.00 plus vat

All properties are marketed

- Displayed in our office windows,
- Internet exposure – displayed on our website www.malcolm-gold.co.uk
- Find us on www.rightmove.co.uk & www.thinkproperty.com
- To Let Board

Adverts in Local Paper are available at additional costs.

We are also pleased to announce we've recently joined OEA

For further information call:

01482 **327122**



rightmove.co.uk

The UK's number one property website



propertyfinder.comTM



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are proud members of the
**National Approved
Letting Scheme**



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www.malcolm-gold.co.uk