
THE LANDLORD'S GUIDE TO LETTINGS

All you need to know about becoming a Landlord...

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Preparing to let your property

Letting your property is a great way to generate income. But before you can sit back and let the funds roll in there's a lot for you and your letting agent to do. Including:

You

- Prepare your property to let—cleaning, decorating, furnishing. Furnished properties should be 100% habitable from the outset and unfurnished should have working, safety checked appliances and window fittings.
- Invite quality local agents to value your property, select the service you require, sign the terms of business and provide ID and proof of ownership of the property.
- Arrange for an Energy Performance Certificate (EPC).
- If you live overseas, you'll need to log on to the HMRC website to complete the Non-Resident Landlord form (NRL1) to prevent tax being deducted in the UK.
- Provide a landlord mortgage consent form and freeholder consent if a leasehold property.
- Provide a gas safety record (Stonebridge Estates can arrange this for you).
- Advise the council and utility companies that the property will be rented.
- Provide a full set of keys for each authorised occupier or tenant together with one for the property management team.

Your Agent

- Complete all paperwork and legal documents.
- Market the property.
- Conduct viewings and negotiations.
- Take a 'Holding Deposit' to start the process once an offer has been agreed.
- Prepare the tenancy agreement and arrange tenant references.
- Take the first rental payment and security deposit, protecting the latter in a registered deposit scheme where applicable.
- Get a professional and independent inventory and check-in/out report.

In accordance with the Immigration Act, you are required as a Landlord (and/or Agent) to establish that an adult has the right to occupy rented accommodation in the UK. This will entail a visual check of travel documents including visas for all non EU residents. Stonebridge Estates is able to provide guidance and/or direct you to available information on the Home Office Website.

Tenant safety is paramount so take the right steps to make your property safe:

Gas Safety

The Gas Safety (Installation & Use) Regulations states that you must have all gas appliances, pipework, fittings and flues checked every year by a Gas Safe Registered Engineer. You must also provide a copy of the checks to the tenant.

Electrical Equipment

There are lots of regulations covering electrics that you as a Landlord must ensure are safe as you have a duty of care to your tenant to ensure they are safe from hazards. Arrange a Portable Appliance Test (PAT) for all electrical appliances in your property before you let it.

Furniture and Fittings

To minimise the risk of fire, the Furniture and Furnishings (Fire Safety) Regulations 1988 (as amended 1989, 1993 and 2010) sets out requirements for all soft furnishings. It is illegal to provide furnishings that don't comply.

Smoke Alarms & Carbon Monoxide Detectors

Since October 1st 2015, it is a legal obligation to ensure that a smoke alarm is fixed to each storey of the property for rent. Also, any rooms with a solid fuel appliance must have an appropriate detector and all must be working and checked on the day that the tenancy commences.

Other Safety Issues

Landlords must carry out appropriate Legionella risk assessment of their property in relation to the possibility of their tenant's contracting Legionnaire's Disease.

Housing Act 2004

This legislation provides further information on how to provide a safe property to a Tenant and covers a number of different areas from lighting and heating, to contaminated land and fire safety. Landlords must make sure they comply with all elements of this.

Inventory

All landlords should commission an inventory by an independent clerk on the condition of their property and its contents at the start of the tenancy.

Stonebridge Estates can suggest good, reliable, third-party firms to provide this service. Your tenants will sign the inventory when they take possession and this is evidence of their agreement with the report's contents.

If disputes arise at the end of the tenancy over any deductions from the security deposit, this evidence is vital to the arbitration process offered through the various tenancy deposit schemes.

Presentation

If you want quality tenants who'll look after your property, you need to present a clean, tidy home with quality furnishings.

Keep your options open by adopting a clean, simple décor scheme that won't offend any personal taste's and keep any garden spaces easy to maintain - you'll let your property faster that way.

EPC's for Letting Properties

All private residential rental properties must have a valid Energy Performance Certificate (EPC) for tenants to view before contracts are signed. It shows how energy efficient your property is and its environmental impact. The EPC must be made available to all prospective tenants. Those properties with a rating of F or G cannot be let unless they have followed the Guidance on Improvement Protocol. (Stonebridge Estates can provide you with more information and help you establish what you must do in order to comply.)

Tenancy Agreements

When letting out your property, there are two main types of tenancy agreement to consider...

Assured shorthold tenancy—the most common form of agreement:

This type of agreement applies to all tenancies created after 15th January 1989, and amended from 1st October 2010, where the annual rent is not more than £100,000 and the tenants are individuals, not companies.

The tenant has the right to live in the property for the agreed period or until you, the landlord, serve the appropriate notice for the tenancy to end.

Sometimes a break clause is used which allows either party to end the fixed term early, otherwise a landlord can only terminate the tenancy at the end of a fixed period or by a court order following a breach of the agreement.

Non-Housing Act 1988 tenancy—much less common and only applies:

Where the annual rent exceeds the £100,000 or to company (corporate) lets.

A Non-Housing Act Tenancy Agreement may be used in other situations, but these do not apply to the usual business of residential lettings like Stonebridge Estates. Non-Housing Act Tenancies should be specially tailored to each case.

Stonebridge Estates uses both of these tenancy agreement formats on a daily basis and we will advise you which is the correct agreement for your tenancy.

There are different types of tenancies in addition to those mentioned here. We can further advise you.

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Agent Fees & Other Costs

We tailor our fees to ensure they're competitive, whilst ensuring a service of the highest standard.

Factor in a contingency fund for the following:

Before you let the property

- Redecoration & professional cleaning
- Furniture & furnishings
- Gas Safe Register Certificate
(Remember, this is an annual cost)
- Portable Appliance Test (PAT)
- EPC—needs to be renewed every 10 years
- Ensure you have permission from any other relevant parties to let the property, such as your mortgage company or freeholder

From the start and during the tenancy

- Agents fees, depending on your level of service
- Check in/out and inventory reports
- Any 'extras' negotiated by the tenants, such as furniture or equipment for the property, redecorations or improvements agreed as part of the tenancy
- Maintenance and repairs

- Any void periods where the property is empty. This includes the payment of utilities, council tax and any telephone, Sky, broadband or TV licence
- Building insurance (for properties which are let) and contents insurance for any fixtures, fittings and furniture that you own
- Tax on your gross rental income(contact your nearest tax enquiry office for information or speak to Stonebridge Estates who can recommend a tax advisor)
- Any other relevant property insurances such as legal protection & rent guarantee (if you need further information on this please speak to a Stonebridge Estates advisor)

Tenancy Fees

In line with the Tenant Fee Act 2019, Landlords and Agents cannot charge Tenants any fee which are outside 'permitted payments' that have been approved by the government. We may give Tenants the choice to pay for optional services, but these will be clearly outlined to them beforehand.

At the end of the tenancy

Your Tenants lease will normally be around 6 to 12 months although this can be longer or shorter (speak to your Stonebridge Estates advisor to find what suits you). If at the end your Tenant wants to stay, as long as they have paid their rent on time and looked after the property, you will probably want to continue to let your property to them. This way you will avoid empty periods where you wont be receiving rental income.

The structure of Stonebridge Estates renewal fees are clearly laid out in our Terms of Business and will only be charged if a Tenant who is introduced by Stonebridge Estates stays on.

Offers and deposits—

Receiving and accepting an offer.

With Stonebridge Estates, when a prospective Tenant expresses an interest in your property, we'll let you know what their offer is and whether they have any special conditions. Then we'll confirm this in writing.

If you accept, we will finalise paperwork and negotiations with the Tenant for you.

Stonebridge Estates will then take a 'Holding Deposit' of one week's rent from the Tenant which shows their commitment to the property. The property will also be taken off the market for 15 days, inline with the Tenant Fee Act 2019.

We'll do all the necessary checks on the Tenant and gather all their references, if you instruct us to do so. Providing all this information is all in order, we will invite you and the Tenant to check through the agreement and sign it.

At this stage, we will take the Tenant's security deposit. This will be held throughout the tenancy and returned at the end of the tenancy, less any agreed deductions. The deposit amount is five weeks rent for anything under £50,000 and six weeks for anything above. They'll also have to pay at least one months rent in advance.

The rent and the security deposit need to be received and cleared before the Tenant moves in.

Tenancy deposit protection

Tenancy deposit schemes are designed to give the Tenant, who signs an AST, access to free adjudication in the event of a dispute.

Every agent in England and Wales must be a member of a registered deposit scheme; there are two ways to protect a deposit paid in association with an Assured Shorthold Tenancy and both of these methods are run by approved government authorised schemes . They are:

Custodial schemes

The deposit is held by a chosen scheme and not by the agent or the Landlord. The scheme is funded by the interest earned from the deposits it holds. The custodial scheme is completely free to use. As the deposit is held by a third party, these schemes are popular and recommended by Stonebridge Estates.

Insurance-based schemes

In insurance-based schemes, the agent or the Landlord will hold the money in a separate client account. The agent (or Landlord) is charged an annual fee to insure against the Landlord failing to send any disputed deposit funds to their chosen scheme when they are required to return the deposit to the Tenant (less any deductions).

Choose your service

Whether you are letting a mansion or a maisonette, it's a working relationship between you, your Agent and your Tenant

Families, young professionals, corporate-lets and international relocations—we attract quality tenants from all walks of life.

After Stonebridge Estates finds your ideal tenant at a rental income that suits you, there are four ways in which we can help:

Comprehensive Service

We will handle most parts of the tenancy from managing the property and the Tenant to arranging maintenance and collecting your rent.

Management Only Service

The same as our Letting Service, but we will also collect the rent on your behalf.

Lettings Service

Ideal for Landlords who prefer to be more hands-on: we will market the property, verify the Tenant's credentials and handle the final paperwork, but let you take the lead on day-to-day management, including collecting the rent and ending the tenancy.

Whether you own a single apartment or a global portfolio, we'll tailor our services to suit you. All our valuations are based on sound research and our fee structure is transparent; just one reason our Landlords keep coming back!

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Responsibilities

Yours and theirs

You, as the Landlord, agree to the following:

- Allow the Tenant to live in the property without being disturbed. Give at least 24 hours notice if you want to access the property in any situation, except in an emergency.
- Maintain the property and keep it in a good state of repair at all times.
- Ensure all gas, electric and water supplies are installed and working.
- Ensure that all equipment is safe and in good working order and supply proof where necessary.
- Provide all operating and safety instructions for all appliances and equipment.
- Insure the property and the contents, fixtures and fittings belonging to you. The Tenant is responsible for insuring their own belongings.
- Charge a fair market rent.
- Pay any relevant service charges or ground rent on an ongoing basis associated with the property.

Your Tenant agrees to the following:

- Pay the agreed rent on the agreed date without fail (otherwise they are liable to pay interest from the due date).
- Pay the council tax.
- Pay all utility bills and the TV licence, unless otherwise agreed with the /landlord and stated in the tenancy agreement—together with any telephone or internet services setup by the Tenant.
- Pay compensation for any damage done to the property during the tenancy (apart from any general wear and tear). Damage could include breakages or leaving the property in an unclean condition at the end of the tenancy.
- Use the property as a home and not a commercial business.
- Take good care of the property and its fixtures and fittings.
- Make sure the property is clean and that all contents are left intact.
- Replace lightbulbs and smoke-alarm batteries and carry out basic maintenance such as looking after the garden or outside space and using the property in a Tenant-like manner.
- Keep the property secure at all times. Let the Landlord or Managing Agent know of any repairs or maintenance needed on the property as soon as it arises.
- Not to alter the property or garden/outside space in anyway.
- Not create any unnecessary noise or disturbance to the neighbours.
- Not to create any fire hazards.

‘Start of tenancy’ checklist

For all tenancies, landlords are required to provide a number of documents.

As a Landlord, you need to:

- Provide a Gas Safety Record
- Provide an Energy Performance Certificate or proof of exemption.
- Give the Tenant a copy of the How to Rent: the checklist for renting in England where the Tenant is occupying the property under an AST.
- Ensure smoke alarms have been fitted on every floor, and that they have been checked and are in working order at the outset of the tenancy.
- Provide confirmation that carbon monoxide alarms are fitted in every room with a solid fuel burning source and that they have been checked and are in working order at the outset of the tenancy.
- Provide confirmation that the deposit has been protected, if already paid, where the tenancy is an AST.
- Confirmation that the prescribed information for the scheme has been provided where the tenancy is an AST.
- Ensure that any closing utility accounts have been settled and new accounts have been setup in the name of the Tenant.
- Ensure your Tenant has setup a standing order to make future rent payments.
- Ensure a check-in has taken place giving the Tenant an opportunity to review the inventory and any specific points.

When instructed to let or manage your property, Stonebridge Estates will ensure all the required checks and documents are completed before the start of a new tenancy.

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Useful contact information

SafeAgent

Address:

Cheltenham Office Park,
Hatherley Lane,
Cheltenham, GL51 6SH

Contact No: 01242 581712

Website: www.safeagents.co.uk

Property Redress Scheme

Address:

Premiere House,
1st Floor, Elstree Way,
Borehamwood, WD6 1JH

Contact No: 0333 321 9418

Email: info@theprs.co.uk