

A GUIDE TO RESIDENTIAL LETTINGS



Roberts Hunt Estate Agents Ltd are different to your average lettings agents. We are a family run estate agency covering residential lettings and sales, established in 1993. We re-located to large refurbished prominent offices in an excellent position on the busy junction of Staines Road and Bedfont Lane adjoining Heathrow Airport and close to many local businesses late in 2017. We are situated on the busy junction of Staines Road, Bedfont (A315) and Bedfont Lane (the former Barclays Bank site). Ideally situated, we get many letting enquiries from airport employees and nearby Bedfont Lakes, where large companies such as IBM, Cisco, SAP and Lindt have headquarters. With Ashford Hospital and B.P Headquarters also located close by, we have numerous enquiries from their many employees too.

Our main objective is to smooth your way over the daunting path to a successful rental. As a family business working from lots of recommendations, we do not want any problems as much as you don't. If we provide a good service then you will continue to use our services or use us when and if the time comes to sell, in addition to hopefully recommending our services. We are members of Propertymark/National Association of Estate agents (NAEA) and Ombudsman of estate agents (OEA) and adhere to their strict rules of conduct.

There are three types of rental services that we can provide to Landlords.

Introduction Only: -

Generally, this is only suitable for Landlords living locally or with relatives/close friends nearby to the rented property and who wish to actively undertake management themselves but who would like assistance in finding suitable tenants. The service includes initial appraisal of the property, guidance regarding various rental acts including the amended Housing Acts to current date (including Houses of Multiple Occupation and Tenancy Deposit Schemes), viewings (accompanied if requested) and taking up references on potential new tenants via Homelet Referencing Service. It will be necessary for the landlord to notify all existing services of meter readings and change of tenancy details; as increasingly service suppliers will not take instructions from an agent as they may need proof or to inspect a property if it was unfurnished beforehand. We are happy to check a tenant in on behalf of the landlord subject to an inventory being prepared and provided to us when we will take a meter reading and hand over the keys. Advice and assistance can also be given with regards to an inventory. Our fees for this service are 8% of the total rental income plus V.A.T*. at the current rent. There is also an initial agreement fee payable of £199.00 + VAT**. The Landlord will also be responsible for registering the deposit and providing the tenant with the necessary certificate. The file will then be handed over to the Landlord and we will not be involved any further.

However, if you wish us to prepare just the renewal paperwork we are happy to provide this service for the sum of £199.00 + VAT, although you would need to confirm the tenant wishes to renew and notify us before the tenancy expires where we will then provide you with renewal extensions to be attached to the tenancy agreement and counterpart and a further two-month notice for the tenant to vacate. It will be your responsibility to get the tenants to sign the forms.

Example Management Fee:

*8% of £1200pcm = £96.00 + VAT 20% = £115.20

Example Agreement Fee:

**£199.00 + VAT 20% = £238.80

Introduction/Management Assistance/Renewal Assistance:

This includes all of the above services together with full support in assisting you with any unlikely problems that may occur during the term. Please note this is not a full management service and we would always need a contact name and number for your instructions. We now offer a rent collection service, deducting the monthly management fees from the rent and transferring the balance to your account, details provided: We will also register the deposit within the Tenancy Deposit Scheme. We have various plumbers and engineers that we can recommend attending urgent call outs to properties if required. We are happy to inspect a property during the term of the tenancy at the request of the landlord. We will monitor and prepare the renewal paperwork and renewal notices when they are due subject to the appropriate fee. We are also able to attend the check out with the landlord if required. Should any cleaning/redecorating be required we are happy to assist with quotes/estimates and discuss return of tenant's deposit in accordance with the current regulations. Please note we are unable to handle lets where landlords are overseas and require a full management service, as certain obligations fall regarding collection of rent upon the agent if the landlord is outside the UK. Any dealings with HM inspector of Taxes are the Landlords responsibility.

Our fees for this service are 10% of the terms rent, plus V.A.T*. plus, agreement fee of £199.00 + VAT**. Our fees become due when a tenant signs a rental agreement.

Example Management Fee:

*10% of £1200pcm = £120.00 + VAT 20% = £144.00

Example Agreement Fee:

**£199.00 + VAT 20% = £238.80

Introduction/Management Assistance/Renewal Assistance/Rent Guarantee:

This includes all of the above services together with the peace of mind of knowing should your tenant(s) financial situation change and it becomes necessary to take legal action, your professional legal advice and costs will be covered and your rental income will continue for 6 months or up until the tenant(s) are evicted, with a 50% payment for 2 months after eviction or a new tenancy agreement. We will also be responsible for the collection of the monthly rent.

Our fees for this service are 12.5% of the terms rent, plus V.A.T.* which will be deducted from the monthly rental and the remainder forwarded to you on an agreed payment structure, plus an initial agreement fee of £199.00 + VAT.** Our fees become due when a tenant signs a rental agreement and monthly thereafter.

Example Management Fee:

*12.5% of £1200pcm = £150.00 + VAT 20% = £180.00

Example Agreement Fee:

**£199.00 + VAT 20% = £238.80

To enable us to place the property on the lettings market it will be necessary for us to visit and take an external photograph. We prepare a brief set of details giving a date when the property is available, how much the rent is and whether or not it is furnished. The property will be advertised on www.robertshunt.co.uk, www.rightmove.co.uk, www.zoopla.co.uk, and all other major property portals. Once a tenant has been found we will discuss their circumstances with you, the Landlord and then proceed with the references via 'Homelet'. They will carry out the necessary credit and employment checks and will advise us if they are acceptable.

Condition of the Property:

It is essential that the property be kept in good interior and exterior repair and in a clean, tidy condition prior to letting. It is the Landlords responsibility to maintain the property in good order throughout the letting. Depending on the level of service we are providing, the tenant will be expected to contact either ourselves or the landlord direct with any maintenance issues.

The garden should be left neat and tidy and weed free after which it is the Tenants responsibility to keep them in that condition, provided the Landlord supplies the necessary equipment.

When the tenant moves into the property it will be necessary to prepare a photographic inventory, which we can prepare at an additional cost, detailing the items of furniture/carpets/curtains etc plus the condition/cleanliness of the property in general. We ask the incoming tenant for a dilapidations deposit, which is equivalent to a month and half rent. Any landlord or agent who takes a deposit from a tenant for an Assured Shorthold Tenancy must safeguard it in an approved tenancy deposit scheme and the tenant must be told which one

GENERAL INFORMATION.

Furnishings:

The property can be fully, part furnished or unfurnished. We can advise you of any items which should be provided but, in general, we do not recommend TV's, Hi-fis, Videos, etc or any other personal items of a particularly high or sentimental value. More and more Landlords are letting on a part furnished/ fully furnished basis but agreeing particular items/furnishing when a tenant is found. Any electrical items you supply, if they break and need repairing or replacing then it is the Landlords responsibility. Obviously if the tenant breaks any items by misuse then the responsibility falls on them.

It is important to note that The Fire & Furnishings (Fire) (Safety) Regulations 1988 and Amendment 1993 require all upholstery and upholstered furnishings, loose fittings, permanent or loose covers, supplied in property being rented from 1st March 1993 onwards, must meet the fire resistance requirements. From the 1st of January 1997 all furniture supplied must meet with 1988 and subsequent regulations. Furniture manufactured before 1st January 1950 or antique or period furniture is exempt. Your furniture should display the relevant kite marks, confirming it complies with the regulations, or that it is checked and approved by an authorised Fire Officer, or a receipt of purchase is retained to prove that it was bought new, following the implementation of these regulations.

Appliances:

All appliances including central heating boilers should be checked and serviced prior to any letting. Service contracts should be kept in force for such items as central heating and kitchen appliances and full details supplied to your Agents and or the tenants. All instruction manuals and guarantee cards should be left at the property. On the 31st October 1994 the Gas Safety (Installation and Use) Regulations Act 1994 came into effect. They state all gas appliances must be checked annually "to ensure that appliances and all flues and ventilators are maintained in a safe condition so as to prevent risk of injury to any person". Records must be kept of the dates of inspection, defects identified, and remedial action taken. The first inspection must be carried out prior to the start of a tenancy and proof of such must be supplied to the tenant. We can recommend a Corgi registered engineer if required although we understand British Gas do offer an annual service care contract and can provide the required safety certificate and 24 hour call out for a monthly fee,

Access:

The Tenants should be supplied with at least two complete sets of keys including those for garaging. If required, we are happy to hold a set in our office safe.

Utility Bills:

It is the Tenants responsibility to pay all household bills including water rates, TV licence and the Council Tax during the tenancy, unless agreed otherwise. Fewer service suppliers accept instructions from an agent so we advise you to contact your suppliers notifying them of your final day of responsibility and meter readings where applicable and your tenants name. It is then the tenant(s) responsibility to close the account in their name when they vacate. We recommend the tenants do not change suppliers/key/card meters during the period of tenancy unless agreed.

Taxation:

Landlords may be liable for tax on any profit made from the letting of property. There are a variety of costs that can be off set against the rental income, advice from an accountant is recommended if further information is needed or if the landlord is residing overseas.

Insurance:

The Landlord is responsible for building and his own contents insurance (Including damages by tenants) during the tenancy. You may experience some difficulty with your Insurers over Accidental Damage cover if letting. If so, we can recommend specific companies that deal with insurance policies on properties that are let on request.

Consents:

We can only advise that if the property is subject to a mortgage, then the Bank or Building Society should be advised of the intention to let the property although you should refer to your original mortgage offer and the conditions on it. They may require a copy of the tenancy agreement, to approve, which they may charge an administration fee. If the property is Leasehold, then the Landlord should ensure that the lease permits letting of the premises or the necessary consent is obtained.

Energy Performance Certificate

An Energy Performance Certificate (EPC) is now required for all homes whenever built, rented or sold. As from October 2008 it is now law to provide one to an incoming tenant, these are valid for a period of 10 years on rented property. Graham Roberts-Hunt is a qualified Domestic Energy Assessor and he is able to provide EPCs currently £80 plus VAT at the current rate.

The certificate records how energy efficient a property is as a building and provides A-G ratings. These are similar to the labels now provided with domestic appliances such as refrigerators and washing machines.

The certificates are produced using standard methods and assumptions about energy usage so that the energy efficiency of one building can easily be compared with another building of the same type. This allows prospective buyers, tenants, owners, occupiers and purchasers to see information on the energy efficiency and carbon emissions from their building 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 (such as low

and zero carbon generating systems) to improve the energy rating. A rating is also given showing what could be achieved if all the recommendations were implemented.

The certificate is important because nearly 50 per cent of the UK's energy consumption and carbon emissions arise from the way our buildings are lit, heated and used. Even comparatively minor changes in energy performance and the way we use each building will have a significant effect in reducing energy consumption.

Annual Gas Safety Certificate

In accordance with government legislation all rental properties require a yearly gas safety certificate on all gas appliances (if applicable). Again, if we can assist with organising this for you, we would be happy to do so with one of our local recommended plumbers.

Five Year Electrical Safety Certificate

This is a new Mandatory 5-year electrical safety regulation (EICR) in the private rented sector to be enforced in England, effective 1st July 2020 for new tenancies and by April 2021 for existing tenancies. Please see this link from the Government for your information.

<https://landlords.org.uk/news-campaigns/news/mandatory-five-year-electrical-safety-check-regulations-be-enforced-in-england>

It is the Landlord's responsibility to ensure that the electrical installation and appliances are safe when the tenancy begins and are in proper working order. If we can assist with organising this for you, we would be happy to do so with one of our local recommended electricians.

Smoke & Carbon Dioxide Alarms

From the 1st October 2015 regulations require both smoke alarms and carbon monoxide alarms to be installed in rented residential accommodation to all levels. The landlord(s) will be responsible for making sure these are in working order prior to the start of the tenancy, after this it will be the tenant(s) responsibility. Changes are also made to the licence requirements in relation to houses in multiple occupation (HMOs), such as shared houses and bedsits which require a licence and also in relation to properties which are subject to selective licensing. The Regulations apply both to houses and flats. **Failure to comply can lead to a civil penalty being imposed of up to £5,000.**

Tenancy Deposit Protection (Housing Act 2004)

From 6th April 2007 all new tenancy deposits must be protected in a Government-authorised scheme. This new rule applies if the tenancy is an assured shorthold tenancy. The Government wants to make sure tenants' deposits are protected so that: Tenants get all or part of their deposit back, when they are entitled to it: Any disputes between tenants and landlords or agents will be easier to resolve: Tenants are encouraged to look after the property they are renting. At the beginning of a new tenancy agreement, the tenant pays the deposit (we request tenants pay the equivalent of five weeks deposit on the day they move in) to ourselves. We will hold and register the deposit and supply the tenant with a certificate notifying them of which scheme the deposit is in within 14 days of the start date, however, if you select the find tenant only service, then this will become your responsibility.

There are three schemes to choose from. There is a single **custodial scheme**, where the money is held by the scheme until the end of the tenancy. The **custodial scheme** is free to use and ideally suited to the individual Landlord. The landlord is required to register and send a cheque to the company at the beginning of the tenancy.

There are two **insurance-based schemes** that insure the deposit. Under the **insurance-based** schemes the landlord or agent keeps the deposit, (depending on the service level) and pays a fee to the scheme to insure against their failure to repay money due to the tenant.

You can find out more information from the Government web site **www.communities.gov.uk** (under the Housing Section)

We are also partnered with 'The Zero Deposit Scheme'. A new and more affordable way for tenants to put down a deposit. You can find out more on this

Houses in Multiple Occupation (Housing Act 2004)

The following information is only given as a guide and the information has been taken from a government web site www.communities.gov.uk, which covers housing matters, local government and community issues. If you require any further information or clarification, please visit the above web site and quote HMO in the search box.

The legal definition of "House in Multiple Occupation" is a "house which is occupied by persons who do not form a single household". The terms also include any purpose built or converted flat whose occupants do not form a single household. The definition is not precise and allows a large number of premises to be considered as potential HMO's. The interpretation of the phrase by the Courts has strengthened the view that premises such as hostels and bed and breakfast establishments could, in some instances, be classified as HMO's.

If the property you are letting is let to sharers or divided into a number of separate accommodation units (such as bed sits/rooms or flats) the property is probably "a House in Multiple Occupation" (an HMO). This applies to all types of properties e.g. from two bed flats and three bedroom houses. The Council has requirements of the owner or manager of an HMO. If you let your property to one family these requirements do not apply. These are legally enforceable and cover standards of fire safety (smoke alarms/fire doors), emergency lighting and general management and upkeep of the HMO's common parts of services. If you are contemplating letting out the property and it is classified as an HMO - you should seek advice from the HMO Team in the Local Authority.

There are also rules on overcrowding. These relate both room size and the number of people allowed to share a room. For example, a bedroom less than 50sq feet is not suitable for letting. Check first to avoid problems later.

Local Authorities have a Licence scheme for HMO's. If the property to let is to five or more persons sharing or the property is on three floors, it is mandatory to obtain a Licence from the Council for which there is a charge. If you let a property to seven or more tenants (unrelated) you will also need to obtain planning permission for the HMO. However, there are other lesser categories; 'additional and selective licensing/registration' - the Council will expect the property to be of a certain standard which covers heating, washing facilities, kitchens and gas, electrical, fire safety. The Council's enforcement policy is dependent upon the occupation of the house. If you fail to obtain a licence it is a criminal offence and can result in a fine of up to £20,000.

Housing Act 1988 (amended 1996/2004):

This Act brought about fundamental changes to the law governing residential lettings – many of them to the advantage of Landlords. With the objective of stimulating the residential letting market, the Act had the effect of restricting a Tenants security of tenure and old concept for a “fair rent” has disappeared.

There are now basically two forms of tenancies:

1) Assured Shorthold Tenancy.

The most commonly used modern tenancy agreement. The AST replaces the old protected shorthold tenancy under the Rent Act 1977. Provided the conditions for an AST are satisfied and the prescribed notices are served within the requisite time periods, a Landlord should have no problems in recovery of possession on the termination of the tenancy. This is the form of tenancy that is most commonly used.

2) Assured Tenancy.

This can be for any period and contain whatever provision for early termination that may be agreed at the outset. There is no rent control (i.e. the tenant pays an open market rent) but the Tenant enjoys security of tenure although the Landlord has limited rights of repossession law, particularly related to rent arrears of three months or more.

Common Law Tenancy.

Where the annual rent exceeds £25,000 per annum, this creates a different type of Tenancy Agreement. This is called a Non-housing act tenancy agreement and does not offer the same rights and protection towards tenants and landlords. The deposit is not required to be registered/protected. Please ask for further information.

Company Lets:

We have received requests from companies working on Terminal 5 although as this is now finished demand is less. We have found companies tend to prefer to give employees allowances within their salary as opposed to getting involved with Letting Agreements themselves. However, a Company let cannot be an assured tenancy under the Housing Act 1988 and will operate as a **common law tenancy** as the tenant is not an individual. This form of letting falls outside the scope of the Housing Act 1988 and requires a different type of Letting Agreement. The deposit does not need to be registered.

We must emphasise that these notes are for guidance purposes only and not definitive. You should consult a Solicitor if you require any specific legal advice or clarification on any points raised.

INVENTORIES

Due to the new **Tenancy Deposit Scheme**, an Inventory will play a major part in any dispute that may arise. We therefore recommend you obtain a professional inventory stating the items to remain at the property and also the condition. Photographs can also be of assistance in any dispute. Please ask if you require a recommendation for this service.

SUGGESTED CONTENTS FOR FULLY FURNISHED PROPERTIES.

(Subject to the safety regulations aforementioned.)

Sitting Room:

Sofa and Chairs.
Coffee table or nest of tables
Desk or small unit to Landlords choice
Fire guard where appropriate

Dining Room:

Dining table
4/6 dining chairs
Sideboard or similar storage
Table/place mats

Kitchen:

Cooker
Fridge
Freezer
Washing machine
Microwave (optional)
Dishwasher (optional)
Matching diner service
Matching tea set
Cutlery set
Set of glasses (4/6 minimum)
Set of saucepans (3/4)
Frying pan
Kettle
Ironing board
Electric iron
Vacuum cleaner
Dustpan & brush
Broom
Kitchen utensils
Electric toaster

Bedrooms:

Each bedroom should have:
Single/double bed with decent mattress
Mattress protector/cover
Free standing or fitted wardrobes
Dressing table & stool
Bedside tables/lamps
Duvet
Duvet Cover
Two pillows per bed
Two set of linen per bed

Bathroom:

Bathroom cabinet
Bathmat
Shower curtain

Gardens:

Working lawnmower
Hoe
Dustbin
Broom

Garage:

This should be left empty and swept

General:

All light fittings should be working.
Curtains, carpets, window, oven, hobs should be clean.
Gardens should be neat & tidy and weed free.
Electrical should be in a safe working order.
Do not leave lots of ornaments, bric a brac, or valuables.