RESIDENTIAL LETTINGS

A GUIDE FOR LANDLORDS

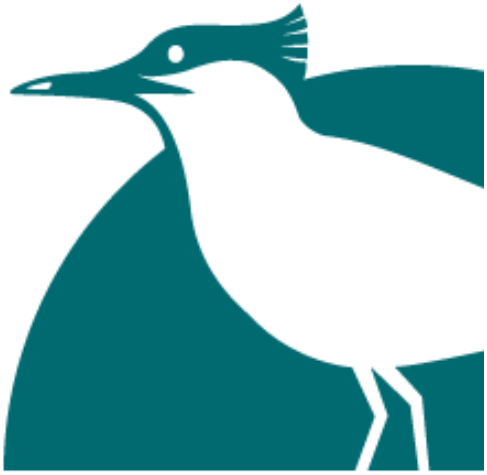
Landlord's Guide

Welcome to the Colebrook Sturrock Guide to Lettings for Landlords.

We hope that you will find this guide a helpful introduction to Lettings.

It's our aim to ensure that the letting of your property and the ongoing management, is dealt with, in a professional and efficient manner.

Should you require any additional information
please do not hesitate to contact us on
01304 612197 or e-mail us at lettings@colebrooksturrock .co.uk.



Letting with Colebrook Sturrock

Once you have decided to let your property, it is essential to choose an agent you can work alongside and trust. Our team of experienced agents are committed to looking after your interests and endeavour to make the successful letting of you property as stress free as possible.

After the initial rental valuation of your property, it will then be for you to decide the level of service you require. We can offer four levels of service from the comprehensive, Full Management Service to our Let Only Service, depending on how much you want us to be involved. No matter which serve you may choose, our level of commitment to providing you with the best service will be the same.

We will advertise your property in all of our 8 offices and on the Colebrook Sturrock website. We also use the on line advertising sites, Rightmove, Zoopla and On the Market, providing landlords with immediate access to motivated, prospective tenants.

We will take care to accompany all viewings of your property with prospective tenants. This allows us to answer any questions they may have about the property, the area it's located in and any tenancy they may want to enter into. It also provides us with an ideal opportunity to make acquaintance with the tenants and to get to know them and we often use the information they give us alongside the usual tenant referencing to establish whether they might make suitable tenants for your property. This is not something we can exactly quantify but our success bears us out. In the last 10 years, none of our landlords have had to follow the court process to evict a tenant.

Once you have agreed a let and the obligatory Right to Rent Act checks are satisfied, we can produce a robust tenancy agreement and ensure that the tenant's deposit is properly protected and all necessary documents are issued to the tenant.

If you decide to manage the property yourself then at this point you will take over but rest assured, we can be contacted at any time for advice, should you need it.

When we manage the property for a landlord, we include the following services:

- Arranging gas and electrical safety certificates
- Provide a comprehensive inventory
- Conduct the check-in with the tenant, agreeing the condition of the property with the inventory, taking and providing utility suppliers with the meter readings and contact the local council regarding the tenants responsibility for payment of the Council Tax
- We will collect the rent and produce monthly statements of account
- We will deal with any issues the tenants may raise during the course of the tenancy
- We will make regular property inspections. The first within 6 weeks of the commencement of the tenancy and then quarterly thereafter.

Before a property is let, it is essential that the property is in a safe and good order throughout.

We are all so familiar with the phrase, Location, Location, Location, when it is used to describe the most important factor when purchasing a property but when considering a property to let, the watch words should be:

Presentation, Presentation, Presentation…….

Decoration

The quality of the interior decoration of a property will substantially affect the rent achievable. The more appealing the décor and soft furnishings (and furniture if applicable) the more interest you will have in the property and the more likely you are to achieve a higher rental income.

- Keep carpets and wall neutral. Whites and creams make a cleaner, fresher impression and can help to create a feeling of space.
- Kitchens should be well equipped and ideally should include, space permitting, fridge/freezer, washing machine and dryer, microwave and if at all possible a dishwasher
- Bathrooms should ideally have a shower and good ventilation

Furnished or Unfurnished

Usually, the rent achieved for property is not affected if it is furnished or unfurnished. As a generalisation however, smaller properties let well furnished and larger, family homes, unfurnished.
A Landlord has the same legal protection now whether a property is let furnished or unfurnished but furniture, fabrics and upholstery supplied must comply with the Furniture and Furnishings (Fire)(Safety) Regulations 1988.

An Unfurnished property should include carpets, curtains and white goods.

A Furnished property should include all the furniture and kitchenware ready for a tenant to move in.

A clean, uncluttered, welcoming property will always let well.

1.Before letting your property

Letting with a mortgage

Usually, buy-to-let mortgages are used to fund the purchase of the property which is intended to be let. If you wish to let a property with an existing owner-occupier mortgage, you must seek consent from your mortgage lender and insurance provider.

Leasehold Properties

If the property is leasehold, the head lease will specify whether or not their need to be permission to sub-let from the free-holder or the free-holder's managing agent.

The free-holder or his agent may charge for issuing a letter of consent and in some cases special conditions may be imposed.

Permission will also need to be given by any Joint Owner of the property

Property licensing and Houses in Multiple Occupation (HMOs)

HMOs are usually properties occupied by 3 or more unrelated people who share facilities such as the kitchen or bathroom. If you operate an HMO you must comply with the HMO Management Regulations. There are additional responsibilities for the management of HMO properties, which are not covered in this guide.

Some HMOs occupied by 5 or more people in 2 or more households must be licensed by the local authority under mandatory national licensing.

In some areas, local authorities require landlords to hold a licence to let out a property under an additional licensing scheme (covering HMOs not subject to the mandatory scheme) or selective licensing requiring all rented properties in the area to be licensed. Check with your local authority
if your property must be licensed.

Failure to licence a property is a criminal offence.

Tax obligations

Letting a property can increase your income and may be taxed. It may also affect any benefits that you receive. We recommend that you seek advice from an Accountant to find out your tax obligations as a landlord, and how to work out your rental income if you let out your property.

Non-Resident Landlords

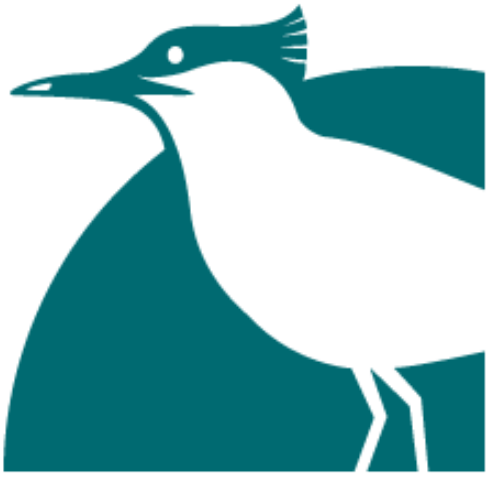
Even if you are a non-resident and live or work abroad, you may still be liable to pay tax and any amount of income over the allowable expenses.

The agent responsible for the collection of rent must deduct tax at source, to be paid to the Inland Revenue, unless they hold written authority of exemption.
This exemption must be applied for by the Landlord from the Inland Revenue.
At the end of the tax year, your position must be resolved with the Inland Revenue – usually by submitting a UK tax return.

It is usual for a non-Resident Landlord to have an accountant to act on their behalf

Checklist

- You must ensure that you have an appropriate mortgage or permission from your mortgage lender in place
- You must have adequate insurance
- You must obtain a property licence (where necessary)
- You should check your tax obligation as a landlord



2. Letting agent rules and regulations

Letting agents must comply with the relevant legislation. They must abide by business rules and regulations, plus those specific to their industry.

ARLA Propertymark
Colebrook Sturrock is a member of ARLA Propertymark and is bound by their regulations.

Client money protection scheme notification
Colebrook Sturrock is a member of both ARLA and NAEA and as such is a member of their client money protection scheme, which protects rent paid to the agent whilst it is in their possession in the event of fraud or bankruptcy

Membership of a redress scheme
All letting agents and property managers in England must be a member of a government-approved redress scheme. This ensures both landlords and tenants can make complaints to an independent, expert body. By law, information on the name of the redress scheme an agent is a member of must be displayed at each premises of the letting agent or property manager, or published on the website.

Colebrook Sturrock is a member of The Property Ombudsman

Transparent fees
All letting agents must publicise the fees they charge so landlords and tenants are aware of the cost of renting through that agent.

Colebrook Sturrock fees are on display in all of our 8 offices and on our website

Agency Agreement

Colebrook Sturrock will ask you to agree and sign a written Agency Agreement and complete an Owner's Details Form. Also required will be proof of ID and proof of property ownership

Checklist

- You should check if the agent is a member of a professional body
- You should check if the agent is a member of a redress scheme and client money protection scheme
- You should make sure you are fully aware of all the fees your agent will charge you and your tenant and when
- You should have a written agreement outlining the services your agent will provide and when

3. Getting your property ready

The Gas Safety (Installation and Use) Regulations 1998
The regulations place a duty on Landlords to maintain all gas appliances in their property by having an annual inspection and safety check, which must be carried out by a GAS SAFE registered engineer.

A gas safety record must in place prior to the commencement of the tenancy and remain current throughout the tenancy. You must provide a gas safety certificate at the start of the tenancy and within 28 days of each annual gas safety check, if there is a gas installation.
Again, it is a criminal offence not to comply with these regulations.

Oil, LPG, Solid Fuel Appliances and Wood Burning Stoves
It is recommended that Oil, LPG Solid Fuel appliances and wood burning stoves should be services and checked annually. Wood burning stoves, installed from 2011 must have an Installation Certificate and a Carbon Monoxide alarm fitted**. Any room where solid fuel is burnt, such as wood, coal or biomass and including open fires must have a carbon monoxide alarm.**

Chimney Sweeping
Working chimneys (including gas fires) should be swept at the commencement of the tenancy and we would suggest every 12 months during the tenancy unless otherwise specified in your property insurance policy.

Electrical installations and fixed appliances must be safe. It is recommended that checks are carried out at least every 5 years. It is also recommended that you regularly carry out portable appliance testing (PAT) on any electrical appliances you provide and supply the tenant with a record of any electrical inspections carried out.

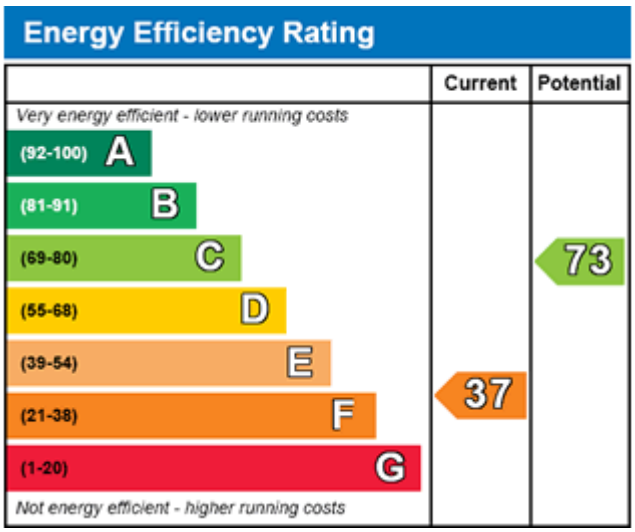
You should ensure that anybody carrying out electrical work on the property is competent to do so. Colebrook Sturrock is able to recommend an NICEIC registered electrician to carry out this check.

Smoke and carbon monoxide alarms
Working smoke alarms must be installed on every storey of living accommodation. If your property has any rooms that contain a solid fuel appliance, such as a wood burning stove, working open fire, etc. you must also install carbon monoxide alarms in those rooms.

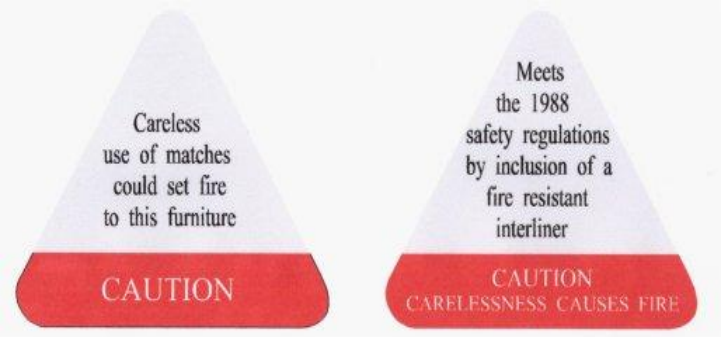
You must carry out a check on the first day of a new tenancy to ensure that smoke and carbon monoxide alarms are in working order and notify your tenant. Failure to comply can lead to a civil penalty of up to £5,000.

Enforcement officers in your local authority can advise those managing HMOs of the fire safety requirements, as these may differ.

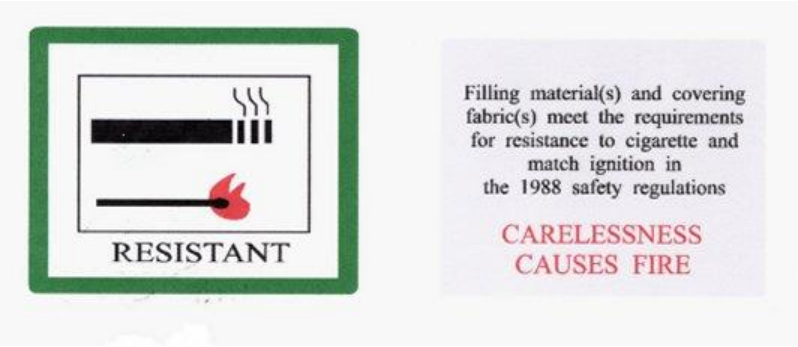
Energy efficiency
You must provide tenants with an Energy Performance Certificate (EPC) (except some HMOs for example, bedsits or where you let out individual rooms) at the earliest opportunity.
From April 2018, privately rented properties must have a minimum EPC rating of E for new lets and renewals of tenancies (by April 2020 for existing tenancies). Where a property qualifies for an exemption, this must be registered on the National PRS Exemptions Register.
Local authorities can impose penalties of up to £5,000 for breaches. Tenants can also ask permission to carry out energy performance improvements and you cannot unreasonably refuse consent.



Furniture
The Furniture and Furnishings (Fire Safety) Regulations 1988/1989, 1993 and 2010 apply to let properties, in particular those which are furnished by the landlord



You must ensure that any furniture supplied has the required labels and fireproofing.



Legionnaires' Disease
In order to comply with the Health and Safety Executive's Code of Practice, Landlords are advised to carry out a risk assessment at their property prior to letting

Asbestos
In order to comply with the Health and Safety Executive's Code of Practice, Landlords are advised to carry out a risk assessment at their property prior to letting and to inform us if there is any asbestos at the property.

Window Blinds and Curtains
All internal window blinds and curtains with cords or chains attached in a hazardous loop, need to have a cleat or snap connection fitted.

Checklist

- You must install smoke alarms and possible carbon monoxide alarms
- You must have a valid annual gas safety certificate
- You must have an EPC for your property – rated E or above
- You must ensure that furniture supplied has the required labels and fireproofing
- You must carry out a risk assessment to assess the risk from exposure to Legionella and Asbestos to ensure the safety of your tenants and contractors

Make sure you keep records to ensure you have proof that you are following the necessary legal requirements

4. Setting up your tenancy

Things to consider before making the agreement

How long is the tenancy initially for?

A tenancy can be periodic (e.g. month to month) or for a fixed term. There is no maximum fixed term for a tenancy, although one granted for longer than 3 years must be executed as a deed. If the tenancy is for more than 7 years special rules apply and you will normally need to use a solicitor to draft it.

Who is responsible for bills such as electricity, gas, water and Council Tax? You or the tenant?

Usually the tenant pays for these and they must have a choice over the provider for utilities. This should be made clear on the tenancy agreement. In some HMOs, landlords are responsible for the bills and council tax.

It is best practice to:

Carry out reference checks

Colebrook Sturrock use a third party to supply a tenant credit reference service. In addition, Colebrook Sturrock seeks references from prospective tenant's Landlords or Letting Agents, current Employers and sight of proof of income, address and identity.

Prepare and agree an inventory

We recommend you clear the property of any sentimental possessions, have the property cleaned to a professional standard and agree and sign a full inventory with the tenants, including photos.

If Colebrook Sturrock is to protect the tenant's deposit, we will arrange for a third party to provide a comprehensive inventory, the cost to be charged to the landlord.

Provide your contact details

Make sure that your tenant has the correct contact details for you or your agent, including a telephone number they can use in case of an emergency.

Legal requirements

You are legally required to:

Carry out right to rent checks

As the landlord, you or your Agent must check whether a tenant is aged 18 or over and can legally rent in England. You or your Agent may need to cross-check tenants' documents with the Home Office.

Home Office

Protect tenancy deposits
You may ask the tenant to pay a deposit before moving into your property in case of any damage or unpaid bills at the end of the tenancy. It's important to remember that the deposit is the tenant's money. For assured shorthold tenancies created since 6 April 2007 the deposit must be protected by a government approved deposit protection scheme

The landlord (or agent if they are acting on the landlord's behalf) must protect the deposit in one of the schemes within 30 calendar days from the day the deposit is received and must provide the tenant with details (Prescribed Information) of how their deposit has been protected within the same 30 day period.

Failure to do so means the tenant can take you to court and you will be liable to pay them between 1 and 3 times the amount of the deposit and you will not be able to evict them using a Section 21 eviction notice unless you refund the deposit first.

Colebrook Sturrock is a member of The Dispute Service (TDS)

Provide a copy of the How to rent guide, Energy Performance Certificate and a copy of the gas safety certificate
You or your Agent must provide your tenants with a copy of the latest version of the How to rent guide at the start of a tenancy, either as a hard copy or, if agreed with the tenant, via email as a PDF attachment. You cannot evict a tenant with a Section 21 notice if you have not provided these documents.

Checklist

- You should provide your tenant with a written tenancy agreement
- You should provide your tenant with a detailed inventory
- You must carry our right to rent checks
- Toy must protect your tenant's deposit in a deposit protection scheme
- You must provide your tenant with a copy of the How to Rent Guilde
- You must provide your tenant with the property's EPC. You must provide your tenant with a copy of the gas safety certificate.

You must not unlawfully discriminate against a tenant or prospective tenant on hte basis of their disability, sex, gender reassignment, pregnancy or maternity, race, religion or belief or sexual orientation.

5. During a tenancy

As a landlord, you must:

- Keep in repair and property working order the supply of water, gas, electricity and heating.
- Keep the property safe and free from health hazards.
- Maintain the structure and exterior of the property.
- Carry out most repairs. If something is not working, ask your tenant to report it to you (or your agent) as soon as they can.
- Maintain any appliances and furniture you have supplied.
- Fit smoke alarms on every floor and carbon monoxide alarms in rooms with appliances using solid fuels – such as coal and wood – and make sure they are working at the start of a tenancy.
- Arrange an annual gas safety check by a Gas Safe engineer (where there are any gas appliances).
- Get a licence for the property, if it is a licensable property.

You should also:

- Obtain landlords' insurance.
- Insure the building to cover the costs of any damage from flood or fire.
- Make sure you tenant(s) know how to operate the boiler and other key appliances
- Remember – it is the tenant's home. You must permit the tenant rights of quiet enjoyment. You cannot access the property, unless it is an emergency, without the tenant's express permission and must give at least 24 hours notice.

A tenant must:

- Pay the rent on time.
- Pay any other bills that they are responsible for on time, such as council tax, gas, electricity and water bills. If a tenant pays the gas or electricity bills, they can choose their own energy supplier.
- Look after the property. A tenant must get your permission before attempting repairs or decorating.
- Be considerate to the neighbours. A tenant could be evicted for anti-social behaviour if they aren't.
- Not take in a lodger or sub-let without checking whether they need permission from you.

6. At the end of a tenancy

If the tenant wants to stay, you will need to consider the following:

Do you want them to sign up for a new fixed term?

If you are using an agent to manage the property, the landlord may have to pay renewal fees.

Or would you rather they have a 'rolling periodic tenancy'?

This means you carry on as before but with no fixed term – the tenant can leave at any time by giving notice (normally one month). You can ask the tenant to vacate by giving 2 months' notice. This option offers flexibility but less security.

Do you want to increase your rent?

You can increase your rent by agreement or as set out in your tenancy agreement, or by following a procedure set out in law.

If you or the tenant wants to end the tenancy there are things both of you must do at the end of the tenancy.

Give notice

You must give proper notice if you want the tenant to leave. Normally, the landlord must give at least 2 months' notice and the tenant cannot be required to leave before any fixed period of the tenancy has come to end, unless there is a breakout clause.

Return the deposit

If the tenant has met the terms of their tenancy agreement, then they should get all of their deposit back at the end of their tenancy.

You can withhold part of their deposit to compensate for any damage caused to your property or furnishing or cleaning costs, but not for reasonable wear and tear. You must provide appropriate evidence for any claim you make. Inventories are a good way to do this.

You must return the deposit to the tenant within 10 days of you both agreeing how much you'll keep. If the tenant disagrees with the amount that you decide to withhold from their deposit, they may raise a dispute with your deposit protection scheme. You should check the process of raising a dispute with your relevant scheme.

Make sure the rent payments are up to date

Your tenant cannot withhold rent because they think that it will be taken out of the deposit.

Check that the tenant has not left bills unpaid

Ask your tenant if they have paid the bills they are due to pay.

7. If things go wrong

If your tenant has a complaint about the condition of the property, it is your responsibility to repair it. If you don't, your tenant can ask the local authority to carry out an inspection. The local authority has a duty to take action if it considers there is a serious risk to health and safety. If they decide to serve an improvement notice, you cannot evict your tenant with a section 21 notice for 6 months. If you fail to comply with a statutory notice, local authorities may prosecute or issue a civil penalty of up to £30,000.

If your tenant is having financial troubles or falling into arrears encourage your tenant to speak to you. Try to be helpful and sympathetic.

If you want the tenant to leave the property, you must notify them in writing, with the right amount of notice.. Tenants can only be legally removed from the property with a court order.

If you are evicting a tenant who may potentially become homeless, advise them to contact the Housing Department of your local authority straight away.

Evicting a tenant

There are 2 notices a landlord can serve to begin the eviction process:

- Section 21 notice – if you want the property back at the end of a fixed term or after it ends
- Section 8 notice – if you tenants have broken the terms of the tenancy

You can give either to your tenants, a Section 21 notice or a Section 8 notice or both.

Landlords usually use the Section 21 procedure to evict tenants, giving the tenant at least 2 months notice to vacate the property.
Landlords can use the Section 8 procedure if the tenant has rent arrears, has broken the terms of the tenancy agreement or one of the other grounds n Schedule 2 of the Housing Act 1088 applies.
If the tenant has failed to vacate after either notice has run out, you must apply for a court order. It is at this point that Colebrook Sturrock advises that you seek legal advice. If the tenant still won't leave, you can request bailiffs to remove the tenant from your property.

Landlords Check List

Consent	If applicable, ensure your lender or head leaseholder has given consent.
Insurance	You are responsible for insurance of the tenanted property for buildings and contents and public liability.
Mail	Arrange for the redirection of your mail with the Post Office.
Accountant	Employ a tax consultant of accountant if necessary.
Terms of the Tenancy	Discuss the terms you require with your agent.
Inventory	Arrange an inventory of the property before the commencement of the tenancy. This is essential to help asses any damage of loss at the end of the tenancy.
Furnishing Regulations	Ensure all soft furnishings comply with the regulations.
Contractors	Should you have contractors you would prefer the agent to employ on your behalf for the maintenance of the property, supply them with their contact details.
Property File	The tenant will need information relating to the use of any appliances in the property and also manuals for the central heating. It is also useful for the tenant to supply contact details for local doctors, schools and amenities.
Keys	Please ensure that there are sufficient keys for the property: A set for you, one for the agent and two for the property.
Gas Safety Check	Organise a Gas Safety Inspection and issue the tenant with a current certificate.
Electrical Check	Organise an Electrical Safety Check on all wiring and appliances in the property and keep a record of this.
Cleaning	The property should be cleaned to a professional standard, prior to the commencement of the tenancy.
Garden	The garden should be in good order for the commencement of the tenancy.
Chimneys	Ensure that all working chimneys are swept before the commencement of the tenancy.
Smoke Alarms	Ensure that smoke and carbon dioxide alarms are fitted and in working order.
LPG Gas and Oil Tank	These should be full at the commencement of the tenancy.
Telephone	There should be a working telephone line to the property.
Risk Assessments	Have Risk Assessments completed for both Legionella and Asbestos.
"How to Rent" Leaflet	A current leaflet must be given to the tenant at the signing of each new agreement and/or as it becomes a Periodic Tenancy.
Right to Rent	Ensure that all necessary checks have been completed.

Lettings and Management Services

Scale of Fees (All fees are inclusive of VAT)

Full Management Service
A Letting Fee the equivalent of 3 weeks rent+ VAT* and the Management Fee of 15% of rent due
Deposit Registration Fee £60
Inventory £150

Letting Only Service
A Letting Fee the equivalent of 3 weeks rent + VAT

Letting Only Service and Deposit Protection
A Letting Fee the equivalent of 3 weeks rent + VAT
Deposit Registration Fee £60
Cost of Inventory £150

Letting Only Service and Rent Collection and Deposit Protection
A Letting Fee the equivalent of 3 weeks rent + VAT
Deposit Registration Fee £60
Cost of Inventory £150
Rent Collection Fee 8.4 of rent due.

Additional Charges (All fees are inclusive of VAT)

Duplication and testing of extra keys £12 + costs
Redirection of mail overseas Cost of postage

Additional property visits £60
To attend for specific requests such as neighbour disputes; more visits are required to monitor the tenancy; or any maintenance linked visit.

Arrangement Fee for works over £1000 whilst the property is vacant 12% of net costs
Arranging access and assessing costs with contractor;
Ensuring work has been carried out in accordance with the specification of works
Retaining any warranty or guarantee as a result of any works

Deposit Registration Fee: £60
Register landlord and tenant details and protect the security deposit with a Government-authorised Scheme
Provide the tenant(s) with the Deposit Certificate and Prescribed Information within 30 days of start of tenancy

Submission of non-resident landlords receipts to HMRC £30
quarterly
To remit and balance the financial return to HMRC quarterly – and respond to any specific query relating to the return from the landlord or HMRC

Rent Review Fee £30
Review rent in accordance with current prevailing market condition and advise the landlord
Negotiate with tenant
Direct tenant to make payment change as appropriate
Update the tenancy agreement
Serve Section 13 Notice if tenancy is on a rolling monthly basis

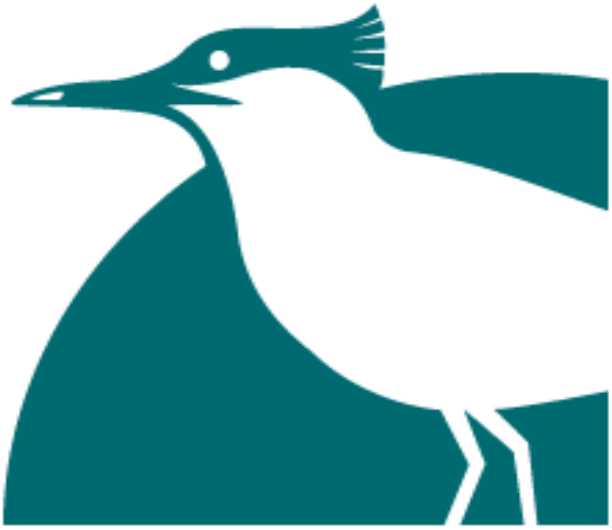
Renewal Fee (included in Full Management Service) £150
Contract negotiation, amending and updating terms and arranging a further tenancy and agreement

Issuing Notice of Seeking Possession £ 90

Check Out Fee
Attending the property to undertake an updated Schedule of Condition based on the original inventory. £120
Court Attendance £60 per hour

*** LETTING FEE The equivalent of 3 weeks rent + VAT (example of calculation with a rent of £550 pcm and VAT at 20% : £550 rent x 12 months divided by 52 weeks x 3 = £380.76 x 20% = £76.15 VAT. Total amount - £380.76+ £76.15= £456.92**

Full List of Fees Available in all offices and on our web-site - www.colebrooksturrock.co.uk



Colebrook Sturrock is a member of
The Property Ombudsman

The Property Ombudsman

Client Money Protection (CMP) Provided by ARLA

arla | propertymark

PROTECTED

Deposits Are Protected By The Dispute Service

TDS

Tenancy Deposit Scheme

Sandwich - lettings@colebrooksturrock.com
01304 612197 - 19 Market Street Sandwich CT13 9DA

Hawkinge - hawkingelettings@colebrooksturrock.com
01303 892000 - 135 Canterbury Road Hawkinge CT18 8BS

Directors: Simon Greaves FNAEA MARLA | Toby Caufield MNAEA | C R Greaves MSc | J Caufield BA (Hons)
Area Lettings Manager: Christine Sayer MNAEA MARLA
Colebrook Sturrock is the trading name of Colebrook Sturrock 2014 Ltd
VAT Number 195 3607 82 Company No. 09212388 Registered office Barclays Bank Chambers, Stratford-upon-Avon, Warwickshire, CV37 6AH