

URBAN ESTATES

DA12

LETTINGS AND PROPERTY MANAGEMENT

LANDLORD'S GUIDE

www.urbanestatesuk.com

Information for Landlords

About Ourselves

Specialists

We are a local, independent firm specialising in Residential Lettings and Property Management.

As specialists we are fully focused on the priorities and needs of the Landlords.

We 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. We never forget that the property is your most important asset and we can confidently assure you that by instructing us to act as your Letting and Management Agents your asset will be in professional and caring hands.

Competitive Rates

Our fees are competitive and may be open to negotiation dependent on the level of Service required. We are particularly committed to investment Landlords and savings can be made on the smallest of portfolios.

A Personal Service

We pride ourselves in offering a personal and friendly Service, whilst at the same time maintaining a high standard of competence and professionalism.

Carefully Selected Quality Tenants

Drawn from a continually updated register, all prospective Tenants are thoroughly referenced and credit checked. In some cases we will also require a guarantor.

Insurance for Landlords

We offer a range of competitively priced insurance products designed specially for Landlords, providing extra security and peace of mind. These include:

- * RENTAL GUARANTEE COVER
- * LEGAL EXPENSES COVER
- * CONTENTS INSURANCE
- * BUILDINGS INSURANCE
- * EMERGENCY REPAIR SERVICE

UK-Wide Network

In addition to our local Services, we are part of a UK-Wide Network of independent but associated Letting and Managing Agents, thus enabling us to offer an efficient national relocation service, and are often able to assist both individual and corporate clients, from within the UK and abroad.

Levels of Service offered

A Tailored Service

Outlined below are the two basic elements of our Service. However, we maintain a flexible attitude, and are generally able to adapt our Service to meet our client's individual circumstances and needs, for example by providing a part only Service, or occasionally by taking on additional tasks and duties.

Full Management

This is our inclusive Service, which provides for the marketing of the property and carrying out viewings, leading to the introduction and vetting of a prospective Tenant. This proving satisfactory, we will then go ahead and prepare the tenancy agreement, and if required an inventory. The Tenant will then be checked in against the inventory.

During the tenancy we carry out periodic inspection visits. Should these bring to light any maintenance issues, we will (within the confines of our Management Agreement) recommend, oversee and account for any necessary repairs.

Collecting and processing of rental payments is also part of the Service. These will be credited automatically to the Landlord's nominated bank account.

Towards the end of the tenancy, we will liase with the Tenant, and renew the tenancy agreement or arrange to check them out as applicable.

This Service is suitable for those Landlords who are not residing locally, or would rather not deal with the Tenants directly, preferring all aspects to be handled by an Agent.

Letting Only

Our Letting Only Services includes marketing of the property and carrying out viewings, leading to the introduction and vetting of a prospective Tenant. This proving satisfactory, we will then go ahead and prepare the tenancy agreement, and if required an inventory.

Following this, the first month's rent and a security deposit will be collected. These will be credited to the Landlord less our agreed fee. Managing the tenancy, including the maintenance and rent collection, will then be the responsibility of the Landlord.

Preparing the Property

We have found that a good relationship with Tenants is the key to a smooth-running tenancy. As Property Managers this relationship is our job. It is important that the Tenants should feel comfortable in their temporary home, and that they are receiving value for their money. It follows therefore that a well maintained property in a good decorative order will go towards this, whilst also achieving a higher rental figure. Tenants are also more inclined to treat such a property with greater respect.

General Condition

Electrical, gas plumbing, waste, central heating and hot water systems must be safe, sound and in good working order. Repairs and maintenance are at the Landlords expense unless misuse can be established. Interior decorations should be in good condition and preferably plain, light and neutral.

Furnishings

It is recommended that you leave only minimum furnishings, and these should be of reasonable quality. It is preferable that items to be left are in the property during viewings. A list of recommended items is detailed over. If you are still unsure about certain items we will be able to advise.

Personal items, ornaments etc.

Personal possessions, ornaments, pictures, books etc. should be removed from the premises, especially those of real or sentimental value. Some items may be boxed, sealed and stored in the loft at the owner's risk. All cupboards and shelf space should be left clear for the Tenant's own use.

Gardens

Gardens should be left neat, tidy and rubbish free, with any lawns cut. Tenants are required to maintain the gardens to a reasonable standard, provided they are left the necessary tools. However, few Tenants are experienced gardeners, and if you value your garden, or if it is particularly large, you may wish us to arrange visits by our regular gardener.

Cleaning

At the commencement of the tenancy the property must be in a thoroughly clean condition, and at the end of each tenancy it is the Tenants' responsibility to leave the property in a similar condition. Where they fail to do so, cleaning will be arranged at their expense.

Information for the Tenant

It is helpful if you leave information for the Tenant, e.g. on operating the central heating and hot water system, washing machine and alarm system, and the day refuse is collected etc.

Keys

You should provide one set of keys for each Tenant. Where we will be managing we will arrange to have duplicates cut as required.

General Advice for Landlords

Mortgage

If your property is mortgaged, you should obtain your mortgagee's written consent to the letting. They may require additional clauses in the tenancy agreement of which you must inform us.

Leaseholds

If you are a leaseholder, you should check the terms of your lease, and obtain the necessary written consent before letting.

Insurance

You should ensure that you are suitably covered for letting under both your buildings and contents insurance. Failure to inform your insurers may invalidate your policies. We can advise on Landlords Legal Protection, Rent Guarantee Cover and Landlords Contents and Buildings Insurance if required.

Bills and regular outgoings

We recommend that you arrange for regular outgoings e.g. service charges, maintenance contracts etc. to be paid by standing order or direct debit. However where we are managing the property, by prior written agreement we may make payment of certain bills on your behalf, provided such bills are received in your name at our office, and that sufficient funds are held to your credit.

Council tax and utility accounts

We will arrange for the transfer of Council Tax and utility accounts to the Tenant. Meter readings will be taken, allowing your closing gas and electricity accounts to be drawn up. All these matters we will handle for you, however British Telecom will require instructions directly from both the Landlord and the Tenant.

Income tax

When resident in the UK, it is entirely the Landlords responsibility to inform the Inland Revenue of rental income received, and to pay any tax due. Where the Landlord is resident outside the UK during a tenancy, under rules effective from 6 April 1996, unless an exemption certificate is held, we as Landlord's Agent are obliged to retain and forward to the Inland Revenue on a quarterly basis, an amount equal to the basic rate of income tax from rental received, less certain expenses. An application form for exemption from such deductions is available from this Agency, and further information may be obtained from the Inland Revenue.

The inventory

It is most important that an inventory of contents and schedule of condition be prepared, in order to avoid misunderstanding or dispute at the end of a tenancy. Without such safeguards, it will be impossible for the Landlord to prove any loss, damage, or significant deterioration of the property or contents. In order to provide a complete Service, we will if required arrange for a member of staff to prepare an inventory and schedule of condition, at the cost quoted in our Agency Agreement.

Important Safety Requirements

The following requirements are the responsibility of the owner (Landlord). Where you have signed our Full Management Agency Agreement, they are also our responsibility. Therefore where we are managing we will need to ensure compliance.

Health and Safety - Gas

Annual safety check

Under the Gas Safety (Installation and Use) Regulations 1998 all gas appliances and flues in rented accommodation must be checked for safety within 12 months of being installed, and thereafter at least every 12 months by a competent engineer (i.e. a CORGI registered gas installer).

Maintenance

There is a duty to ensure that all gas appliances, flues and associated pipework are maintained in a safe condition at all times.

Records

Full records must be kept for at least 2 years of the inspections of each appliance and flue, of any defects found and of any remedial action taken.

Copies to tenants

A copy of the safety certificate issued by the engineer must be given to each new tenant before their tenancy commences, or to each existing tenant within 28 days of the check being carried out.

Health and Safety - Electrical

Under the Electrical Equipment (Safety) Regulations 1994, and certain other regulations, electrical appliances and equipment provided in tenanted premises must be safe. It is therefore necessary to make a visual check to ensure that all electrical items, plugs and leads appear completely safe and undamaged, and remove or replace any faulty items.

Consumer Protection - Fire

The Furniture and Furnishings (Fire) (Safety) Regulations 1988 (amended 1989 & 1993) provide that specified items supplied in the course of letting property must meet minimum fire resistance standards. The regulations apply to all upholstered furniture, beds, headboards and mattresses, sofa-beds, futons and other convertibles, nursery furniture, garden furniture suitable for use in a dwelling, scatter cushions, pillows and non-original covers for furniture. They do not apply to antique furniture or furniture made before 1950, bedcovers including duvets, loose covers for mattresses, pillowcases, curtains, carpets or sleeping bags.

Items which comply will have a suitable permanent label attached. Non-compliant items must be removed before a tenancy commences.

Smoke Alarms

All properties built since June 1992 must have been fitted with mains powered smoke detector alarms from new. Although there is no legislation requiring smoke alarms to be fitted in other ordinary tenanted properties, it is generally considered that the common law 'duty of care' means that Landlords and their Agents could be liable should a fire cause injury or damage in a tenanted property where smoke alarms are not fitted. We therefore strongly recommend that the Landlord fit at least one alarm on each floor (in the hall and landing areas).

We hope that the general points covered in this guide will be of some assistance to you. If there are any aspects of which you are unsure, please telephone our office. Alternatively we can visit you at your home to discuss your individual requirements, at your convenience.

Tenant Deposit Scheme

1. Why should the government wish to protect tenants' deposits?

The aim of the legislation is to ensure that a tenant paying a deposit, and who is entitled to get all or part of it back at the end of the tenancy, does so.

2. What sort of tenancies will require deposit protection?

All assured shorthold tenancies (AST) - the most common form of new tenancy – created after 6th April 2007 in England and Wales.

3. When will deposit protection come into force?

6th April 2007. The new rules will apply to all new ASTs created in England and Wales after that date. They will not apply to ASTs created before 6 April 2007 and which are still in force at that date.

4. What is the Scheme operated by Tenancy Deposit Solutions Limited?

Tenancy Deposit Solutions Ltd (TDSL) is a company jointly owned by the National Landlords Association and Hamilton Fraser Insurance (HFIS plc). TDSL has been awarded a government contract to operate an insurance-based tenancy deposit protection scheme. The scheme will be sponsored by the NLA and administered by Hamilton Fraser Insurance, a company authorised and regulated by the Financial Services Authority. The scheme is the only one specifically designed to enable landlords to hold tenancy deposits throughout tenancies.

5. What is an insurance-based tenancy deposit protection scheme?

An insurance based tenancy deposit scheme is a membership scheme that allows the landlord to continue to hold any deposit they take from a tenant during the period of the tenancy agreement. The landlord will be required to pay a fee to protect any deposits taken from a tenant. If there is a dispute over the return of the deposit at the end of the tenancy, the scheme, supported by an insurance policy, will ensure that the amount to which the tenant is entitled is returned. As necessary, the scheme insurers will recover the disputed amount from the landlord.

The scheme is also required to provide deposit dispute assistance which will be provided free of charge to all parties.

6. What protection does the tenant have if the deposit is not protected?

If a deposit is not protected, the landlord will be breaking the law. S/he will be unable to regain possession of the property using notice-only grounds for possession under Section 21 of the Housing Act 1988. The tenant can apply for a court order requiring the deposit to be protected, or for the prescribed information to be given to them. If the court is satisfied that the landlord has failed to comply with these requirements, or is not satisfied that the deposit is being held in accordance with an authorised scheme, the court must either:

- Order the landlord to repay the deposit within 14 days of the issuing of the court order, or
- Order the landlord to pay the deposit into the designated account held by the custodial scheme administrator.

The court must also order the landlord to pay to the tenant (or person who paid the deposit on his/her behalf) an amount equivalent to three times the deposit amount within 14 days of the making of the order.

7. Can a landlord circumvent the regulations by taking a deposit in other than monetary terms?

The Housing Act does not allow anything other than money to be used as a deposit. A landlord seeking to circumvent the regulations by taking an item other than money from the tenant may be in breach of the law.

8. Will legislation affect deposits on ASTs starting before 6th April 2007 and renewed after that date?

The legislation will apply only to new deposits taken on or after 6th April 2007. Any deposit taken before this date will not need to be protected. If a tenant remains in the existing rented property beyond the initial fixed term, treatment of the deposit will depend on how the tenancy is continued. If the tenancy continues as a periodic tenancy, no new AST will have been created in which case the deposit will not need to be protected by a tenancy deposit scheme. If a new AST is created between the same landlord and tenant for the same property on substantially the same basis (i.e. a 'replacement tenancy'), then the initial deposit that was paid prior to 6th April 2007 will then need to be protected and the landlord will need to safeguard it by joining a scheme.

9. Who is eligible to join the scheme?

Any landlord resident in the United Kingdom (excluding the Isle of Man) can apply to join the scheme. Membership of the scheme will not be dependent on membership of any trade body or professional organisation.

10. The Scheme is run under government contract. What does this mean?

The government is required by the Housing Act 2004 to put in place arrangements for safeguarding tenancy deposits. They have decided to allow schemes to be operated by outside bodies under contract rather than run them as part of the work of a government department. They have awarded a contract to a partnership formed by the NLA and Hamilton Fraser Insurance after successful completion of an exhaustive procurement process. The operation of the scheme will be subject to government monitoring throughout the period of the contract.

11. What happens to information collected by the scheme?

The scheme will only collect information about landlords and tenants that is essential for administering the scheme. All data collected for this purpose will be owned by the government, who have given assurances that they will require access to it only in anonymised format. The scheme database will be held by Tenancy Deposit Solutions Ltd. It will be entirely separate from any database held by Hamilton Fraser and the NLA and will not be used for any purpose other than tenancy deposit protection.

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