

Lettings Management Guide

Our Service

We can provide two different services to landlords. With our Lettings Only service, we will find a tenant and set up a tenancy for your property but then leave the further management of the tenancy to you. We can however handle rent collection and provide you with fully logged on-line and SMS (Text) Messaging between you and the Tenant(s) for a small additional fee. If you have chosen our Full Property Management Package, we will set up the tenancy and then manage the collection of rent, repairs and other aspects of the tenancy on your behalf. The detailed description of our services, what is and is not included can be found in our price list or on our website at www.my-let.com.

The terms on which we act for you are set out in the agency agreement which we and you have entered into. In this Information Pack, we will describe our service in more detail and provide other information which we will hope you will find to be useful but if there is any conflict between the information in this pack and the terms of our agency agreement, the agency agreement prevails.

Initial Advice

At the outset, we will give you advice about the appropriate type of tenancy for your property and the rent which you can expect to receive. Information about the laws and regulations which you as landlord must comply with is set out in this pack. We will ask you to tell us what kind of tenants you would prefer and discuss with you how your property should be marketed.

Tenants

We will try to find tenants who are suitable for your property in the light of what you have told us. Tenants may be found by advertising or other marketing or by matching your requirements to people we know are looking for a tenancy.

We will process the tenant's application, obtain references and/or credit checks in respect of the proposed tenants or guarantors and report the terms of the proposed tenancy to you.

Tenancy Agreement

Before the tenant can be allowed into possession of the property, they must sign a legal Tenancy Agreement, which we will prepare and sign on your behalf. The agreement will name all of the people who it has been agreed will occupy the property. It sets out the amount of the rent, the deposit payable, and all of the obligations of the landlord and the tenant. The standard form of residential tenancy is called an Assured Shorthold Tenancy (AST). If you would like to see a copy of the agreement we use please let us know.

Company Lets

Sometimes instead of being let to individuals a property may be let to a company where for example, the company is taking the tenancy in order to provide accommodation for an employee. In these situations the employee or employees will occupy the property but the company will be the tenant and responsible for payment of the rent. The company Tenancy Agreement is very similar to an individual one but some of the procedures involved are different.

Deposit

All tenants will be expected to pay a deposit before the tenancy begins. If the tenant doesn't pay the rent or defaults in some other way in his obligations under the Tenancy Agreement, the deposit can be used towards any losses you sustain as landlord as a result. At the end of the tenancy, the deposit is refunded to the tenant provided all is in order and following our final tenancy inspection, as to which there are more details later in this pack.

Deposits paid under an AST are covered by government regulations which specify how deposits must be held. One of two situations will apply to deposits which we receive from tenants on your behalf. Either the deposit will be held by us in our client account without payment of interest. At the end of the tenancy if there is no dispute, we will keep any amounts agreed as deductions where expenditure has been occurred on your behalf or repay the whole or the balance of the deposit to the tenant according to the conditions of the Tenancy Agreement. If there is a dispute which cannot be resolved between the parties, then the issue has to be submitted to an independent adjudicator (or of course to a court although this is likely to be a costly and lengthy procedure). All parties have to abide by the decision of the adjudicator or the court. In the event of a dispute, we are required to pay the deposit to the government scheme (less any amount already agreed by the parties and paid over to them). Under the alternative process which we may adopt, the deposit is actually paid by us to the government scheme when we receive it and held by the scheme custodian. At the end of the tenancy, if there is no dispute, the deposit will be repaid by the custodian direct to the tenant but if there is a dispute which cannot be resolved between the parties, the issue is submitted to an independent adjudicator as mentioned above. Note there are time limits for all of these procedures and strict penalties for not complying with them.

All deposits paid to us in respect of properties we are managing under the Property Management Package will be dealt with in one of these two ways.

If you are using our Lettings Only Service and managing the property yourself, we will pay any deposit received from the tenant to you and notify the tenant we have done so. It is very important that you then handle the deposit in accordance with one of the compulsory schemes and provide the prescribed information to the tenant within the timescale that the law provides.

More information can be obtained about these schemes at www.depositprotection.com and www.mydeposits.co.uk.

Before the Tenancy Begins

Before the tenancy begins, with the fully managed service, or optionally for other service levels, we will prepare an inventory detailing the property and its contents. Both you and the tenant will have the opportunity to inspect this and confirm that it is agreed either by signing a copy or by clicking to approve a copy online. We will read the meters and give the details to the various utility suppliers and also inform the local authority of the name of the new occupier and the date the tenancy begins. Please note however that a change of user of any telephone service to the property must be notified by the current registered user and we cannot do it on your behalf or on behalf of any outgoing tenant. The new tenant will also need to make their own arrangements to reconnect the service.

Gas Appliances

A property cannot legally be let on a residential tenancy unless a gas safety certificate has been issued by a properly qualified 'Gas Safe' gas engineer, after a full inspection of every gas appliance, gas central heating system and piping in the property to establish that they meet strict safety conditions. A further inspection has to be carried out at least every 12 months and a new safety certificate issued. A copy of the certificate must be supplied to the tenant.

There are severe penalties, including criminal penalties, for any landlord or landlord's agent who doesn't comply with these requirements. We are obliged therefore to ensure that these requirements are strictly observed. If you have a current clear gas safety certificate for the property we will need you to let us have that to keep on file. If not, we will instruct a suitable engineer to carry one out. In the same way, when re-inspections fall due we will instruct an engineer to do the job unless you are able to let us have a valid certificate which you have obtained yourself. Obviously if any work to gas appliances becomes necessary

during the tenancy we will have that work undertaken to avoid serious repercussions. You may wish to arrange for this work to be done yourself but we hope you will understand that unless that can be done promptly and we receive written evidence that it has been done we will have no alternative but to go ahead. The cost of all inspections and work carried out in this way will be debited to the property account.

Electrical Equipment

Unlike Gas Appliances, there is no mandatory requirement for electrical appliances to be periodically checked. However, it is a requirement that all electrical appliances and installations are safe. It is considered best practice that a property to be let should be tested by a suitably qualified (NICEIC) electrician who will issue a certificate confirming that the installation is safe. We will as a matter of course as part of the inventory/inspection prior to tenancy (depending on service options) perform a visual inspection of each appliance and mains outlet within the property that we are made aware of.

As with gas appliances, all electrical installations and appliances in the property during the tenancy need to be tested by a suitably qualified (NICEIC) electrician who will issue a certificate confirming that they are safe. Obviously, anything which is deemed not to be safe cannot be left at the property until it has been repaired and re-tested or replaced. There is no statutory annual testing interval as there is with gas appliances but an inspection must be carried out before the tenancy begins and we strongly advise that an inspection is also carried out periodically. If an inspection has been done we will need to have the certificate to hold on file. Suitable information or instruction booklets should be provided to tenants giving any information which is needed to ensure that equipment or appliances can be used safely.

Note also that all electrical works carried out to a property must be in accordance with building regulations and certain works (particularly with regard to kitchen and bathroom electrics) must be undertaken by an NICEIC approved contractor.

Furniture and Furnishings

Landlords must ensure that all upholstered furniture in the let property complies with the statutory regulations and again there are severe penalties for any breach. This rule extends to suites, armchairs, sofas, beds, mattresses, loose, stretched and fitted covers, pillows, cushions and seat pads. This is not an exhaustive list. All items to be left in the property during the tenancy need to be checked carefully to make sure that they are displaying a permanent label confirming compliance with the regulations. Anything which does not must be removed from the property before the tenancy begins.

Smoke Detectors

Buildings constructed after June 1992 are required to have smoke detectors installed but a landlord could face serious consequences following a fire at any property without adequate smoke detectors. We strongly recommend that at least one mains powered smoke alarm should be fitted to each floor of the property and that landlords take steps to ensure that the detectors remain in good working order (including testing and replacing batteries as necessary between tenancies).

Energy Performance Certificates

An Energy Performance Certificate indicates the energy efficiency and environmental impact of the property rated on a scale from A to G. The certificate will also show the current running costs for heating, hot water and lighting and detail any recommended energy saving improvements.

An EPC is issued by a trained assessor and one must be obtained when the property is marketed to let. A copy (in a paper form or in electronic format on a website) must then be made available to the tenant when the property is let.

We will arrange for an assessor to produce the required EPC unless you already have one. The cost will be debited to the property account. If the property has been recently purchased then you will have one as part of the HIP that should have been provided.

Insurance

You should inform your insurance company that your property is being let and ensure that your buildings and/or contents insurance cover remains in force during the tenancy and is for adequate sums. Your cover may be affected if your insurance company do not know that the property is let.

Please let us know if you require help obtaining suitable cover.

Mortgagee's or Landlord's Consent

If your property is leasehold, you will probably require the consent of your landlord or management company if you wish to let the property. You should therefore ensure that you obtain that consent before the property is let or you may be in breach of the terms of your own lease.

Similarly, if there is a mortgage on the property you will require the consent of your mortgage lender to the letting. The lender may ask to see a copy of the tenancy agreement. Your lender may attach conditions to that consent and may also make a charge to cover administrative costs in dealing with this.

Mid-Term Inspections

We will carry out an inspection of the property from time to time unless you instruct us not to do so. The purpose of our inspection is to check there are no obvious signs that the tenant is breaching the terms of the tenancy and failing to look after the property in accordance with the terms of the tenancy agreement. Please note that the inventory is not checked on these routine inspections. We will usually try to visit the property with the tenant present which also helps us to get to know the tenant better, this can often be useful if problems arise or in understanding the tenant's intentions when the tenancy comes to an end. If of course we are unable to arrange an inspection when the tenant is available, we will carry out the inspection in their absence under the terms of the tenancy agreement.

Repairs

By law the landlord of a residential property is required to keep in repair the structure and exterior (including drains, gutters and external pipes) and must keep in repair and proper working order the sanitary installations and those for the supply of water, gas and electricity, space heating and heating water.

At some point, every property needs work doing to it and if the tenant contacts us with a problem, we will let you know. Obviously, if a serious fault occurs (such as a water pipe burst, gas or electricity failure) and we cannot contact you we will authorise the repair in any event.

Emergencies aside, where work is required and you do not let us know you will deal with it yourself, we will take the necessary steps on your behalf. The cost of any work that we do authorise on your behalf will be debited to the property account.

It goes without saying that it is in the interest of every property owner to keep the property well maintained. Prompt attention can often avoid more expensive work at a later stage and in our experience proper attention to maintenance is helpful in ensuring good relationships with tenants and avoiding the risk of public health officials being contacted by disgruntled occupiers.

Keys

You will need to let us have two sets of keys to the property so that one set can be given to the tenant and the other kept at our office for inspections or emergencies. In order to protect your interests, we will ask you to produce photographic proof of identity if you call to collect the keys and anyone who wishes to collect them on your behalf will need to do the same as well as provide your written signed authority for the release of the keys.

Empty Property

Our property management service will not operate whilst your property is unoccupied. Please let us know

if you would like to engage management services for unoccupied property.

Automated Money Transfer

Although some payments may be made to you by cheque, the majority of rent payments will be transferred to you routinely by credit into your nominated bank account. We use an automated money transfer system which enables the payments to be made to you as quickly as they can be processed through the system but it is important that you let us know of any change in your bank account details before any payments are made into the new account otherwise they may go astray. Although the system we use facilitates prompt payment, we will not be liable for any loss which may occur as a result of any delay.

Your personal details and those of your properties and tenants will be entered into the my-let.com system only for the purpose of the management of your properties and related money handling.

Any money held by us in our client account (but not money such as monthly rent payments transferred directly to you without being held in our client account) is protected by the Bond provided by ARLA.

Online Communication

In order to make the best use of modern technology, you may communicate with us online either directly or through the my-let.com system. You will be provided with login and password details for this purpose and we will assume that any instructions given online using those details originates from you. Obviously it is important to keep those details secure.

Sole Agency

We operate on a sole agency basis which means we do not accept working with other agencies for finding tenants. We do not operate our tenant finding services on a 'no find, no fee' basis as operated by some agents. Our charges are fixed and very reasonable and as such, if we market a property, we incur costs which need to be covered, so if you do appoint an additional agency during the tenant finding stage then we may remove your property from our marketing activities and you will still need to pay our fees whether we find the tenant or not. Unfortunately, the same is true if after marketing a property you decide to take it off the market for any reason.

Landlords Resident Overseas

If you are classed as resident overseas for tax purposes, we have a legal responsibility to deduct income tax at the basic rate on rental income from your property and then to pay it to HMRC on your behalf. You can, however, obtain an Exemption Certificate from HMRC and if you are able to supply us with an Exemption Certificate (which we will need to retain) we will then be able to pay the rent to you without deduction of tax. Please let us know if you would like to apply for exemption and we can supply you with an application form.

Towards the end of the tenancy

We will also ask you to consider whether you would like us to invite the tenant to renew or whether you wish to recover possession. If the latter, we will also discuss with you proposals to market and re-let it.

At the End of the Tenancy

With the fully managed service, or optionally for other service levels, we will conduct a final inspection of the property with reference the inventory and read the meters. We will ask the tenant to provide a forwarding address.

We will supervise the handing back of the property and take up with the tenant any issues regarding its condition. If agreement cannot be reached between the parties about whether the tenant's deposit should be repaid partly or in full, the law requires that to be referred to the Tenancy Deposit Scheme who will appoint an independent case examiner and the examiner's decision is binding on the parties.