



AGENTS R US
PRIVATE SALES AND LETTINGS

THE LANDLORDS GUIDE TO LETTING



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Whether you are considering renting out your own home, or you have purchased a property with the sole intent of letting it out there are many things that you need to take into consideration. In the first instance what type of tenants do you wish to attract? Do you want to let it out as a multiple let and have several occupants, or to a single person or family as a sole occupancy? When you contemplate the amount of rent you are going to charge there are numerous factors that you need to take into account.

THIS SIMPLE STEP BY STEP GUIDE CAN GUIDE YOU THROUGH THE PROCESS

In the first instance you will need to make the property attractive to prospective tenants. You would be well advised to use neutral tones throughout, this can help a property to look clean and fresh, as well as more spacious. Ensure the property is well maintained, and carry out all necessary repairs. Gardens should be trimmed and neat, hedges cut back and garden fences should all be erect and in good condition. Any rubbish or clutter, either inside the property or out, should be cleared. The property should be cleaned completely, so it is in pristine condition. All of these simple tasks can help add greatly to the rental value of the property, and make the property more attractive to prospective tenants.

HOW MUCH RENT TO CHARGE AND THE COSTS INVOLVED

When considering how much rent you wish to charge, you must also take into account the cost of all of the outgoings you will have. In the first instance take into account the cost of your mortgage, conveyancing costs in purchasing the property, stamp duty, and insurance for the property. Please remember that you will still have to pay your mortgage and council tax for the periods that the property is unoccupied. There are several other costs you will also need to take into consideration, these include:

- EPC Energy Performance Certificate
- Safety inspection costs
- Maintenance costs
- Letting agent and management fees
- For leasehold properties, ground rent and service costs
- Upkeep of the property and refurbishment costs





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Get on the Steps to being a Landlord

- Our company is built on the principles of making quality products and providing reliable service.
- Our diversified product range continues to grow by following trends, improving our standard products, and listening to the customer.
- Our unique service has established our place in this industry. This allows us to make a distinctive and substantial impact for our clients.

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YOUR LEGAL OBLIGATIONS



EPC – ENERGY PERFORMANCE CERTIFICATE

As well as always keeping the property in a good state of repair and ensuring any major repairs are carried out, you will also need an Energy performance Certificate (EPC). The EPC shows the energy efficiency, in other words the running costs of the property and the environmental impact of the property. These are both rated A-G, with A being the most efficient. The EPC will show what can be done to improve energy efficiency in the property. The EPC will suggest works that can be carried out to improve efficiency, however these are not obligatory. A copy of the EPC must be given to any prospective tenant either by hand or sent electronically via email.

GAS CHECK

All gas appliances including boilers and cookers must be installed correctly and maintained. They must meet required safety standards and a Gas Safety Record must be presented to the tenant. This must be checked and updated on an annual basis.

FIRE REGULATIONS

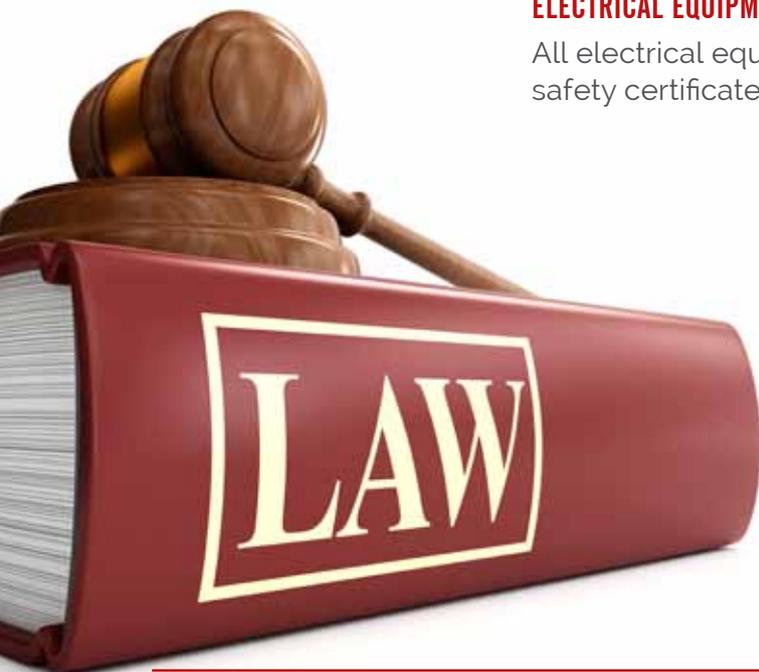
All furniture and furnishings must be non-flammable and comply with current safety regulations.

SMOKE DETECTORS

Smoke detectors must be fitted on every level of the building to be let, these must be mains operated smoke detectors.

ELECTRICAL EQUIPMENT

All electrical equipment within the property must be covered by a safety certificate.



USING AN ACCREDITED LETTING AGENT

An accredited letting agent can take away all the work that is involved in the letting process. They can find appropriate tenants and arrange a fair rent. They can also deal with any ongoing problems or any issues that may arise, including maintenance of the property. They can check all the legalities and ensure all the correct procedures are followed, including informing you if an HMO Licence is required.

Letting Agency fees are also tax deductible against the rental income you will get from the property. An accredited letting agent can:

- Promote your property ensuring it is rented out quickly and appropriately
- Organise, arrange and carry out viewings
- Check the credentials of prospective tenants
- Provide the tenancy agreement and organise the deposit
- Collect the rent on your behalf

TENANCY AGREEMENT

A tenancy agreement is necessary so that both you, the landlord, and the tenant are aware of what is expected of each other. Everything should be stated clearly in a tenancy agreement, so that each party is aware of their responsibilities and obligations. The tenancy agreement must conform with the Housing Act. The tenancy agreement should include:

- The date and length of the tenancy
- The address of the property
- The names of the Landlord and the Tenant
- The deposit amount, and reasons as to why the deposit may not be returned in full or in part at the end of the tenancy say for instance because of damage to the property
- The amount of the rent and the costs that are included in this e.g. Council Tax
- The bills that are not included in the rent and that the tenant is responsible for i.e. Gas and Electric
- That the tenant is expected to keep the property in good order and not deface the property in any way
- Who is to be responsible for minor repairs
- The length of notice required should either the landlord or tenant wish to terminate the agreement. There are statutory rules which cover the length of this notice in certain given circumstances

HMO LICENCE

If you are letting a property as a multiple let, in other words to several unrelated tenants then it may be subject to an HMO Licence. This usually applies to a house where the tenants have separate rental agreements, a house that has been divided into bedsits or a house with three or more storeys. An HMO Licence would require the property to have more rigorous checks. Your Local Authority or Letting Agent can let you know if it is necessary to obtain this. Failure to obtain the licence, if it is required, can lead to a fine of £20,000 and the loss of up to 12 months rental.

TENANCY DEPOSIT SCHEMES

It is now compulsory for all Landlords to put Tenancy deposits into one of three Tenancy Deposit Schemes (TDS) that are available. The TDS will then handle any disputes should they arise between a Landlord and their tenant regarding this. The deposit must be lodged with the TDS within thirty days of receiving it.

Landlords who failed to comply with this can be fined.

TENANTS RIGHTS

The tenant has legal rights which include:

- Not to be discriminated against for any reason. It is illegal for landlords to discriminate, refuse to rent to or to charge a higher rent to people based on their race, sexual orientation, age, gender, religion or any disability
- To live in a property that is safe and in good repair
- To be given notice when the Landlord will be visiting for inspections or if access is needed to carry out any repairs that are necessary
- Cannot be evicted unfairly, or charged an unfair rent. Rent can be increased at a fair rate periodically



TAX ON RENTAL INCOME AND TAXABLE ALLOWANCES

Tax is payable on rental profits. It is charged at the same rate as you pay on your earnings from your business or current employment.

There are allowable expenses which can be deducted, these include:

- Letting Agent Fees
- Maintenance and repair costs for the property
- Costs of any services i.e. gardeners
- Accountant fees
- Ground Rent and any service charges
- Water rates, council tax and utilities
- Advertising costs
- Landlord property and rental and warranty insurance
- Professional certificates and checks i.e. Gas Safety
- Interest payments on a Buy To Let Mortgage
- 10% of rent is allowed to cover wear and tear if furnished

OTHER CONSIDERATIONS

- If you have a mortgage then you will need to inform your mortgage lender that you are letting out the property. If you do not already have a buy to let mortgage, then you will have to switch to this option.
- You will have to change your insurance policy to a landlord insurance, this is different from a normal household insurance policy. Aside from the main buildings and contents insurance for landlords there are also extra optional insurances. One example being a rent and warranty insurance, this would cover you if a tenant refused to pay their rent and you needed to seek an eviction notice. Tenants will need to have their own insurance to cover their own possessions.
- It may be worth asking a prospective tenant to provide a guarantor, if they then leave the property with no notice you can then still collect any rent that is due.

All landlords and property owners alike are advised to always refer to the official Government website www.gov.uk for current guidance and legislation referring to property matters.





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