



Regulated by RICS

Guide for Landlords

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Knight Property Management is the trading name of Knight PML Ltd.

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Guide for Landlords

General Considerations

Before your property can be let, there are several matters which you will need to deal with to ensure that the tenancy runs smoothly, and also to ensure that you comply with the law. If you require further advice or assistance with any matter, please do not hesitate to contact us.

Preparing the Property

Good relationships with tenants are the key to a smooth-running tenancy. As property managers this relationship is our job, but 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 presented and maintained property in good decorative order will help achieve this goal, whilst also achieving a higher rental figure. Tenants are also more inclined to treat such a property with greater respect.

Mortgage

If your property is mortgaged, it should be via a buy-to-let mortgage, or you should obtain your lender's written consent to the letting. They may require additional clauses in the tenancy agreement, of which you would need to 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.

Bills and Regular Outgoings

We recommend that you arrange for regular outgoings for the property, eg mortgage, service charges, maintenance charges, 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.

Utilities, Service Charges & Ground Rents

The tenant is responsible for the payments of gas, electricity, telephone, water rates and council tax bills for the term of the tenancy. If we manage the property we will take meter readings at the commencement of the tenancy and advise the relevant companies in writing of the tenant's details. If you are using our tenant finding service only, then this has to be carried out by you, as the landlord. It will be your responsibility to maintain payments of any service charges and ground rents.

Council Tax

Council tax is the responsibility of the occupier. During vacant periods the charge reverts to the owner. When unoccupied but furnished, the charge is 50% of the normal rate. When unoccupied and 'substantially' unfurnished, there is no charge for the first six months, and thereafter a charge of between 50% and 100% of the normal rate, depending on the local authority.

Income Tax

If you are resident in the UK for tax purposes, then it will be your responsibility to inform Her Majesty's Revenue & Customs (HMRC) of any rental income received, and to pay any tax due. If you are resident outside the UK during a tenancy, then we are obliged to retain from the rent, and forward to HMRC on a quarterly basis, an amount equal to the basic rate of income tax, less certain expenses (unless an exemption certificate is held by you). We can provide advice and assistance on applying for such exemption.

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. It is in your interest to provide an inventory and schedule of condition for the property even if it is unfurnished. Without such safeguards, it will be impossible for you to prove any loss, damage, or significant deterioration of the property or contents. This is included in our Full Management Service, or if you are using our Tenant Finding Service we can arrange this for you upon request. We would advise that any personal items, or items of exceptional value, are removed from the property. Please note that if you supply your own inventory we cannot be held responsible for any disputes arising at the end of the tenancy.

Mail Forwarding

We recommend that you make use of the Post Office redirection service, as it is not the tenant's responsibility to forward mail. Application forms are available at their counters. If mail continues to arrive at the property for you then we will forward it to you at standard Post Office rates, but there may be some delay.

Keys

One set of keys must be supplied to each tenant for all external doors, and where we will be managing we will also hold a set of keys. Keys should be supplied to us no less than 48 hours before the tenancy commences. They should have been tested and all locks should be in good working order. We can arrange to have duplicates cut as required. We recommend that locks are changed at the end of each tenancy.

What is an Assured Shorthold Tenancy?

Most tenancies will automatically be Assured Shorthold Tenancies (ASTs) provided the property is let to private individuals. Tenancies are usually granted for an initial fixed term of either six or twelve months. When the fixed term has expired you will be able to regain possession of the property provided that two months written notice is given to the tenant. In addition, if the tenant owes at least two months rent on the property then you can apply through the court to seek a possession order.

Overseas Landlords

You are considered to be an overseas landlord if you live or work abroad for a period of six months or more. We are required to deduct basic rate income tax from your rental income and forward it to HMRC on a quarterly basis. Alternatively, you can apply to HMRC Financial Intermediaries Claims Office (FICO) for an exemption certificate in order to receive payment of rental income without basic rate tax deducted.

Viewings

We will always accompany prospective tenants when carrying out viewings of your property. We'll give you feedback after each viewing, and we'll also contact you on a weekly basis to give you an overall update on the interest that we have received.

References & Credit Checks

Getting the right tenants into the property is critical. That's why we fully reference and credit check all tenants. This includes verification of address, employment and earnings. We will also obtain references from any previous landlords or managing agents. In addition we credit check potential tenants to ensure they are free from insolvency, bankruptcy, debt proceedings, CCJs, etc.

Security Deposit

Once satisfactory references and credit checks have been obtained we will collect in advance the first month's rent and a security deposit equal to one and a half month's rent.

Moving In Day

If you have chosen our Full Management Service we'll meet the tenants at the property and take care of everything for you. We'll also check the tenants in against the inventory and get them to sign it. Only when all the paperwork is complete do we hand over the keys.

Condition of the Property

Services

Electrical, gas, plumbing, waste, central heating and hot water systems must be safe, sound and in good working order. Repairs and maintenance will normally be at your expense, unless misuse can be established.

Information for Tenants

It would be helpful if you could leave an information folder at the property for the tenant, covering items such as recycling arrangements, the day refuse is collected, locations of amenities, etc. Please also leave operating instruction manuals for the central heating and hot water system, appliances, alarm system, etc.

Appliances

Appliances such as the washing machine, fridge freezer, cooker, dishwasher, etc, should be in usable condition. Repairs and maintenance will normally be at your expense, unless misuse can be established.

Decorations

Interior decorations should be in good condition, and preferably plain, light and neutral.

Furnishings

We recommend that properties are let unfurnished but with white goods, including cooker, washing machine and fridge-freezer. It should also have decent quality floor finishes, curtains and light fittings. If the property is to be fully furnished then it should also have, as a minimum, the following:

Living room: sofa, two armchairs, coffee table.

Dining room: dining table and chairs, sideboard.

Kitchen: cooker, fridge-freezer, washing machine, kettle, cutlery, glasses, cooking utensils, saucepans, frying pan, casserole dishes, baking tray, can opener, washing-up bowl.

Bedrooms: bed, wardrobe, chest of drawers, pillows, duvet or blankets (linen not necessary).

General: vacuum cleaner, iron and board, dustpan and brush, lampshades in all rooms, curtains or blinds at all windows, appropriate floor coverings.

Garden: lawnmower, gardening tools.

Remember that there will be wear and tear on the property and any items provided.

Personal Items, Ornaments, etc

Personal possessions, ornaments, pictures, books, etc, should be removed from the property, especially those of real or sentimental value. Some items may be boxed, sealed and stored in the loft at your own 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. Lawnmowers should be safe and in good working order. However, few tenants are experienced gardeners, and if you take particular pride in your garden, or if it is particularly large, you may wish us to arrange maintenance visits by our regular gardener. We can also arrange specialist gardening services, eg tree surgery, when required.

Cleaning

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

Septic Tanks and Cess Pits

If you have a septic tank or cess pit then we recommend you arrange to have it emptied every twelve months, or we can arrange this for you if you prefer.

Chimney Sweeping

If open fires are allowed at the property the chimney should be swept at the start of the tenancy and once a year thereafter. We can arrange this for you if required.

Health and Safety & other Legal Requirements

The following safety requirements are your responsibility as landlord, and where we are to manage the property they are also ours, as your agent. Therefore where we are managing we will need to ensure compliance.

Gas Appliances and Equipment

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 (eg a Gas Safe 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 two 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.

Electrical Services, Appliances and Equipment

There are several regulations relating to electrical installations, equipment and appliance safety, and these affect landlords and their agents in that they are 'supplying in the course of business'. These regulations include the Electrical Equipment (Safety) Regulations 1994, the Plugs and Sockets Regulations 1994, the 2005 Building Regulation Part P, and British Standard BS1363 relating to plugs and sockets. There are two types of electrical inspection; one of the actual installation, and the other of any portable electrical appliances.

Although with tenanted property there is currently no specific legal requirement for a qualified electrician to carry out an inspection and issue a safety certificate (except in the case of Houses in Multiple Occupation) it is now widely accepted in the letting industry that the only way to ensure safety, and to avoid the risk of being accused of neglecting your duty of care, is to arrange for the electrical services and appliances to be inspected, and for the issue of safety certificates, on a regular basis. We therefore recommend that the electrical services and appliances are checked on an annual basis or upon change of tenant, whichever is sooner. We can arrange these for you. Failure to comply with these regulations may result in prosecution with the possibility of a large fine and/or imprisonment.

Oil-Fired Boilers

We recommend that oil-fired boilers are serviced annually by an OFTEC qualified engineer, which we can arrange for you.

Furniture and Furnishings

The Furniture and Furnishings (Fire) (Safety) Regulations 1988 (amended 1989, 1993 & 1996) provide that specified items supplied in the course of letting property must meet minimum fire resistance standards. The regulations apply to most upholstered furniture, although they do not apply to antique furniture or furniture made before 1950, bed clothes including duvets, loose covers for mattresses, pillowcases, curtains, carpets or sleeping bags.

Therefore all relevant items must be checked for compliance, and non-compliant items must be removed from the premises. In practice, most items which comply have a suitable permanent label attached. Items purchased since 1st March 1990 from a reputable supplier are likely to comply.

General Product Safety

The General Product Safety Regulations 1994 specify that any product supplied in the course of a commercial activity must be safe. In the case of letting, this would include both the structure of the building and its contents. Recommended action is to check for obvious danger signs - leaning walls, broken glass, sharp edges etc, and also to leave operating manuals or other written instructions about high risk items, such as hot surfaces, electric lawnmowers, etc, for the tenant.

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 you fit at least one alarm on each floor (in the hall and landing areas).

Houses in Multiple Occupation (HMO)

If your property is let to three or more tenants comprising two or more households (ie not all of the same family) it will be subject to mandatory licensing by your local authority. Ask us or your local authority for more details, or visit www.communities.gov.uk and follow the links.

The Housing Health & Safety Rating System (HHSRS)

The HHSRS provides an analysis of how hazardous a property is through assessment of 29 potential hazards found in housing. Landlords have to maintain their properties to provide a safe and healthy environment. The HHSRS is enforced by your local authority. For further information visit www.communities.gov.uk/hhsrs.

The Tenancy Deposit Scheme

All deposits taken by landlords and letting agents under ASTs in England and Wales must be protected by a tenancy deposit protection scheme. Landlords and letting agents must not take a deposit unless it is dealt with under a tenancy deposit scheme. To avoid any disputes going to court, each scheme is supported by an alternative dispute resolution service (ADR).

We can take the deposit for you, place it within a protection scheme and administer it on your behalf (free with our Full Management Service). If you decide to hold the deposit yourself, we will transfer it to you within seven days of receiving it. You must then register it with a tenancy deposit protection scheme within a further seven days if the tenancy is an AST.

If you fail to do so the tenant can take legal action against you in the county court. The court will make an order stating that you must pay the deposit back to the tenant or lodge it with the custodial scheme, known as the Deposit Protection Scheme. In addition a further order will be made requiring you to pay compensation to the tenant of an amount equal to three times the deposit.

You will be unable to serve a Section 21 Notice on the tenant until you have complied with the above conditions, and the court will not grant you a possession order.

The Disability Discrimination Act 2005

The DDA 2005 addresses the limitations of current legislation by extending disabled people's rights in respect of premises that are let or to be let, and commonhold premises. Landlords and managers of let premises and premises that are to be let will be required to make reasonable adjustments for disabled people.

Landlords must make reasonable adjustments to a property as long as certain conditions have been met (eg a request to make adjustments has been made to you). A failure to make these adjustments will be unlawful, unless it can be justified under the Act.

Landlords will only have to make reasonable adjustments and they will not have to remove or alter physical features of the premises. Learn more here: www.dwp.gov.uk/

Why Choose Knight Property Management?

There are many reasons why discerning landlords choose to let their properties through Knight, including:

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- **No VAT** - saving you 20% on fees.
- **No set-up or renewal fees** - We don't charge you any set-up fees or renewal fees, saving you hundreds of pounds compared with most other agents.
- **Free rent guarantee insurance** - With our Full Management Service.
- **No let, no fee** - You don't have to pay us a penny until we've let your property.
- **Maximum publicity for your property** - We advertise on all the major property portals including Rightmove, Zoopla, FindaProperty, PrimeLocation and Globrix, plus the property pages of Sky, Google, MSN, Virgin Media, UpMyStreet, UKPropertyShop and Yahoo. We also advertise in the local press to ensure your property gets maximum exposure.
- **A complete service** - We offer landlords tailored solutions to suit all their property needs, from our Advertising Only service to Full Management.
- **We're open longer** - We're open 8am to 8pm every day including Saturdays and Sundays, so we're here when you need us. We also conduct viewings seven days a week, so we work longer and harder than any other agent to make sure your property lets quickly.
- **Professionalism** - We are a fully accredited member firm of the Royal Institution of Chartered Surveyors (RICS) and are regulated by RICS. RICS is the world's leading qualification when it comes to professional standards in property, which means you can expect the highest standards of professionalism and conduct from us at all times.
- **We care about our landlords** - Your satisfaction is our highest priority because we want you to stay with us for the long term. We pride ourselves on being able to offer an outstanding personal service to both landlords and tenants.
- **Transparent fee structure** - We have an open and transparent fee structure, and we don't bury our fees in the small print, which means you won't have to pay any unexpected charges.
- **Sole agency not required** - We're confident we can let your property fast, so unlike some of our competitors we don't charge you any more if you want to list your property with another agent. If they happen to let your property first then there's nothing to pay us!
- **No fees if the tenant buys your property** - If you should ever decide to sell your property, and the tenant wishes to purchase it from you, we won't charge you a bean (some agents will charge up to 2.5% of the sale price).

Of course we also offer free no-obligation valuations, and can help you with any queries you might have about letting - just call!

Services we Offer

We offer Tenant Finding and Full Management services, and can tailor these to suit your individual needs. We also offer a range of additional services to landlords. Full details of the services we offer can be found at www.KnightPropertyManagement.co.uk and in our document entitled Services, Prices & Terms & Conditions of Engagement.

Specialists

We are a local, independent firm of chartered surveyors specialising in residential lettings and property management, with over 50 years combined experience in customer service and residential property. As members of RICS (Royal Institution of Chartered Surveyors) we adhere to a strict code of conduct. We have full professional indemnity insurance and all client money is held in a ring-fenced dedicated client account. We are specialists and are therefore fully focused on the priorities and needs of landlords and tenants. Unlike estate agents, our loyalties are not divided by dealing with property sales and mortgages.

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 agent, your asset will be in professional and caring hands.

A Personal Service

We offer a personal and friendly service to both landlords and tenants, whilst at the same time maintaining a high standard of competence and professionalism. We recognise that you have a busy schedule, and that's why we are happy to visit your property at any time that is convenient to you, seven days a week.

Unbeatable Value for Money

We are committed to providing excellent service and value for money to all our clients. You will find our rates to be extremely competitive, as there are no set-up fees, no renewal fees, and we don't charge VAT. We also offer FREE rent guarantee insurance with Full Management, FREE property appraisals, and have a NO LET, NO FEE policy. In addition, when we employ a contractor we pass on the cost of the repair with no added percentage, as we consider this to be a part of our job that is covered by the management fee. (We will also forward to you a copy of the invoice for your accounts.)

Carefully Selected Tenants

Getting a quality tenant and building a good relationship with them are the keys to ensuring a smooth running tenancy, and that's why we make every effort to find you the right tenant, and work hard to keep them happy and 'on-side'. Drawn from a continually updated register, all prospective tenants are comprehensively referenced and credit checked. In some cases we will also require a guarantor. At Knight's we carefully vet each and every tenant applicant to ensure that we obtain only the best quality tenants for our landlords.

We hope that you have found the information in this guide useful. If there are any aspects of which you are unsure, then please do not hesitate to ask. We look forward to being of assistance to you in the letting, or the letting and ongoing management of your property.

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