



GLEESON PROPERTY MAINTENANCE

*FREE SPECIALIST SUPPORT TO
LANDLORDS & LETTING AGENTS*

FIRST TIME LANDLORD GUIDE

*Getting yourself and
your property ready to let*

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Q1 WHAT TYPE OF LANDLORD ARE YOU GOING TO BE?

Accidental Landlord

If you are going to let your old home because you've moved in with someone, got married, inherited a property or got a better job too far to commute, then you will probably come under this heading.

Some people think that as they are letting the property through necessity rather than for financial gain or as a business, then the rules and regulations do not apply to them. They are wrong, the legislation surrounding property rental is applicable to everyone. The only difference is Capital Gains Tax if it was once your principal home.

This property is more likely to be let to one family.

Professional or Portfolio Landlord?

By definition these Landlords rely on the income from their investment in property. You may want to have 1 or 200 properties. You may decide to have one family per property or have a building with 3 or more people from different families, this property would be known as a house in multiple occupation, HMO. HMO's have very specific legislation all of their own. More information is available here: <https://www.gov.uk/private-renting/houses-in-multiple-occupation>

Q2 HOW I DO I CHOOSE THE RIGHT LETTING AGENT?

This is probably one of the most difficult questions for you. It is really a matter of personal preference but the agent you select does have certain obligations.

You need to check that the agent must be able to fulfil the current mandatory requirements i.e. be registered with one of the Government approved consumer redress schemes, they must protect all tenancy deposits and hold client money protection through a Government approved scheme, the Association of Residential Letting Agents (ARLA) PropertyMark is a good indicator.

On your behalf the agent should do the following:

- ▶ Confirm the prospective Tenant complies with the Right To Rent law.
- ▶ Collect references on any prospective Tenants, usually financial and personal.
- ▶ Advise you of any required Landlord Licensing in your area.

Q3 WHAT DO I HAVE TO DO TO LET MY PROPERTY?

One of the first questions you need to ask yourself is, should you let the property furnished or unfurnished?

The advice used to be that there was a market for both, however this has changed in recent years as the majority of Tenants prefer the property unfurnished.

If in your particular circumstances you need to let furnished or store everything, then you can probably market the property as either furnished or unfurnished. There is legislation regarding furnishings:

The Furniture and Furnishings (Fire Safety) Regulations 1988 (as amended in 1989, 1993 and 2010) set levels of fire resistance for domestic upholstered furniture, furnishings and other products containing upholstery. More information can be found at: <http://www.legislation.gov.uk/uksi/1988/1324/contents/made>

Rental properties tend to let quicker when the property is in good order throughout and this step will hopefully mitigate any issues later during the tenancy. So, take a good look around and check the following:

Décor – a freshly decorated property is appealing and neutral is always best

Flooring – replace any tired or worn flooring

Bathrooms – white is definitely preferred, replace stained or chipped sinks & baths and wonky toilet seats

Kitchen Appliances – how old are the appliances, it may be a good idea to buy new with warranties

Kitchen – do the cupboards, work surface or sink need refreshing

Roof - when was this last looked at for missing tiles or issues

Gutters and downpipes – were these cleared after the last leaf fall

Gardens – are these tidy, the grass mown, shrubs cut back, patio cleaned

Décor exterior – the exterior of the property should be refreshed every 3 to 5 years

Does your property have kerb appeal? Take a step back and have a good look, if you were seeing this property for the first time what would you think?

Q4 WHO IS GOING TO LOOK AFTER THE PROPERTY ONCE IT IS LET?

Once you have the answers to what type of Landlord, now ask yourself, how much interaction do I want with the Tenants?

If you live near the property that is going to be let and want to be involved with the Tenants, and maybe even like doing some handy repairs, then managing the property yourself is a possible option for you.

If however you live far away or do not like getting telephone calls at weekends or in the evenings with queries from your Tenants, then you can engage a Letting Agent to manage the property and/or GPM UK to look after the everyday maintenance.

Q5 WHAT ABOUT RENTAL PAYMENTS?

If you are using an agent to let your property, they should set up a standing order from your Tenant's account direct to yours, all you need do is check the account monthly to make sure the payment has arrived. It's worthwhile checking this has been done and if not then quite simply give your details to the Tenant and ask them to set it up online. An important note here, your agent will usually take your 1st month's rent to offset their fees unless you agree to pay the agency separately.

You may wish to hire a Letting Agency to either Let & Rent Collect or Let & Manage your property. In both instances the agency will set up a standing order for the rent to be paid to them and they will pay you once the rent is received, less any commission or maintenance charge.

Note. When reading through the agency's terms of business BEFORE SIGNING, look for commissions that are paid to the agent for services or recommendations.

Some agencies will invoice their maintenance contractors for 10% (or thereabouts) for the amount of work the agency has given them for that month

For example: If a contractor invoices for works carried out to your property for which you as a Landlord would normally pay £120, the agency invoices the contractor for £12.00, you are paying £12 more than you should be!

Q6 WHAT RULES & REGULATIONS DO I NEED TO KNOW ABOUT?

Now your property is looking its best, you have engaged an agent and pictures have been taken here are a few things you need to do:

Contact your mortgage company, there are specific clauses you will need to add to your tenancy agreement, a change in your mortgage rate and/or an administrative charge.

Contact your insurance company, you may need to take extra cover as the property will be Tenanted or you may have to change insurance companies as not all insure rental accommodation.

If you intend to move abroad to live or work and you are a UK taxpayer you will need to contact the Inland Revenue. More information is available at: <https://www.gov.uk/government/publications/non-resident-landlord-application-to-have-uk-rental-income-without-deduction-of-uk-tax-individuals-nrl1>

Electricity

There are two pieces of legislation regarding electricity:

1. Portable Appliance Testing (PAT) which requires all portable appliances (i.e. kettle, toaster, microwave, lawnmower) to be tested by an approved tester.
2. An Electrical Condition Inspection Report (EICR) is a condition of all new property rentals from 1st July 2020 and all existing tenancies from 1st April 2021. It would be wise to arrange for a qualified electrician to do this as soon as possible once you have decided to let your property, you never know what might be found on the inspection, so leave enough time for any necessary works to be completed.

More information is available at: https://www.rla.org.uk/landlord/guides/responsibilities/electrical_inspections.shtml

Gas

A Gas Safe certificate is an annual requirement for all rental accommodation. Some landlords prefer to arrange for this to be completed as close to the tenancy commencement date as possible as it's an annual requirement and the tenancy is an annual contract. However this leaves no room for any faults to be corrected or for the boiler to be replaced if its found to be dangerous. More information is available at: <https://www.hse.gov.uk/gas/landlords>

Q7 WHAT SHALL I DO ABOUT UTILITIES, COUNCIL TAX AND MY MEDIA PACKAGES?

The Inventory clerk will read the meters for gas, electricity and water. Your agency may transfer these accounts plus the council tax into the Tenant's name, but it's a good idea to contact them directly once you have the readings, to close the accounts in your name and to provide your forwarding address.

With regard to media services such as Virgin, Sky, BT etc you will need to contact these companies and agree a date for the supply to cease. Most offer an incentive to you if the Tenant opens a new account.

Q8 A TENANT IS FOUND, WHAT NEXT?

You're nearly there, you just need to do a few more things and agree the contract

Professional Cleaning

Arrange for the property to be professionally cleaned throughout – this includes all windows, appliances if they are not new, carpets and curtains. This cost is well worth the money. You should only have to pay this once as the Tenants are required to return the property at the end of the tenancy in the same condition as they received it, then the next Tenants will also receive a freshly cleaned property. The cleaning should be done once you have left and before the Inventory clerk visits the property.

Professional Inventory

Organise a professional inventory & schedule of condition, this is not just a list of what you are leaving in the property. This is an official document; the Tenant's deposit is lodged against this report and you may need to rely on it in court if there is a disagreement about the condition of the property at the commencement of the tenancy. The Inventory clerk will meet your Tenant at an agreed time and day (usually the commencement date of the tenancy), give the Tenant the keys, read the meters and escort the Tenant throughout the property, highlighting any areas which might be of interest. The Inventory clerk will also carry out a reverse procedure at check-out.

Property Folder

Take the time to make a Property Folder. Put in photocopies of the instructions for all your appliances plus your heating and hot water systems and any home alarm. Write an advice list about when and where to put refuse & recycling, which car parking space goes with the property and any other information which you feel might be helpful to the Tenants. Preferably make another complete folder in case the first one gets mislaid. Keep the originals safe.

House Keys

Make several copies of your house keys. Photocopy and keep one set and give the rest to your agent. If you have keys that require permissions for replacement i.e. Banham make sure you complete any necessary forms beforehand.

Tenancy Agreement

Your agent will provide, at an agreed cost, a Tenancy Agreement (usually an Assured Shorthold), you can of course source your own from a solicitor but the agency contract will in all fairness probably be just as comprehensive and not as expensive. The NRLA (National Residential Landlord Association) website provides comprehensive information regarding agreements.

<https://www.nrla.org.uk>

So that's it, you're good to go!

We recommend that you keep up to date with the latest advice and legislation as these are updated regularly, sources could include the NRLA, LandlordZONE and Property 118 to name a few.

Any questions or if you would like to chat about any points you can email us on admin@gpmuk.com



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