



This guide is to provide useful information to landlords looking to rent out their own home or their investment property. It provides details on current legislation and advice on how to ensure your property is ready for letting.

LANDLORD GUIDE





Introduction

At Green Door Property we will look after every detail of your property as if it was our own, you will be safe in the knowledge that your property is always being dealt with efficiently and professionally.

We are an extremely knowledgeable and experienced team who you will enjoy working with, so whether you're a first-time investment owner, a corporate landlord or just want to let your own home, you will find our letting and property management service unrivalled.

We hope that this guide proves a useful source of reference to our services, whilst also providing you with a thorough understanding of the initial lettings process.

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Preparing your property for the letting market

Whether it's your own home or a rental investment, it's important to think about the kind of tenant you are trying to attract and present your property accordingly. As a landlord you will want to let your property not only quickly but to the right tenants and for the right price, this is something that is a priority for us to do for you. There is a lot to consider when letting your property, as a general guide, here are some characteristics that tenants look for in a rental property.

Condition

Many tenants will be looking for a clean and bright property with modern fixtures and fittings.

Wall Colours & Finishes

Use neutral tones, this will allow the property to appeal to more tenants and give it a fresh look. Painted walls are easier to maintain than wallpaper.

Flooring

Wooden floors are desirable and easy to maintain. Carpets should be a neutral colour and of a decent quality.

Furnished or unfurnished?

Leaving your property furnished or unfurnished will depend on your tenant. Some tenants will have their own furniture whereas others may not. An unfurnished property will include essentials such as carpets, curtains and white goods. A furnished property will include furniture for all rooms such as a sofa, dining table, chairs, beds and mattresses. Any furniture that is left in the property will need to comply with the fire safety regulations.



Features

Kitchens should be fully equipped with an oven, hob, fridge/freezer, washing machine and microwave, a tumble dryer and dishwasher are often expected too. It is recommended you invest in good quality appliances with long guarantees.

Bathrooms should have good quality fittings and be well lit with good storage. Power showers and fully tiled floors and walls are preferred. Good ventilation is also a must.

Window dressings are a must, whether the property is furnished or unfurnished, these should be in neutral tones and of a good quality.

Remember not to leave anything in the property which is of a sentimental value to you.

Technology

Many tenants these days want properties that can support the latest technologies, so it's important to ensure that your property has an adequate broadband connection.

Communal Areas & Facilities

Communal areas and/or entrance hallways should ensure a good first impression. Also bear in mind the "kerb appeal" of the exterior. Recycling facilities have become popular with tenants.

Exterior

First impressions count. Ensure the area to the front of your property is clean and tidy. If you have a garden, make sure it is well maintained as this will appeal to tenants.

Works

If you would like help with any repairs or redecoration works prior to your property going onto the market, please let us know and we would be happy to help.



Consents to let

Before you let your property you will need to ensure you have permission to do so, you will see below the relevant permissions you may need to obtain:

Mortgage

If you have a mortgage on your property you will need to let your mortgage lender know that you will be letting out your property, obviously this won't apply if you have a 'buy to let' mortgage. They will then need to provide you with permission to let your property.

Freeholder/Leaseholder

If you have a freeholder and/or a block manager, you will also need to advise them that you will be letting out your property. Please also bear in mind that you will need to ensure you abide by the terms of any head lease, for example if your head lease does not accept animals in the building you will need to ensure your tenant is aware of this.



Insurance

Your building and contents insurer will also need to be aware that you are letting your property. Some insurers will not allow this or will require extra premiums or an increased excess. We offer landlords buildings and contents insurance through our specialist provider, if you would like a quote for this please let us know and we can provide you with further details as well as a quotation.

Houses In Multiple Occupation (HMO)

An HMO will exist when one house or flat is occupied by three or more individuals who do not form part of a single household. Some HMO's are subject to mandatory licensing, this will apply if the property is 3 or more storeys or is occupied by 5 or more people who form 2 or more households.

Selective Licensing - In certain parts of the UK councils require every rented property has a license, whether it is an HMO. The idea behind it is to ensure landlords and their properties are complying with legislation. If you require a license the council will often charge a fee for the license, we will also require a copy of the license as will your tenant.

Legal Compliance

As a Landlord you have an obligation to ensure your property is safe before each tenancy begins. We have covered the points that should be checked for compliance:

General Safety

It is your responsibility to ensure that the property you are offering for letting is safe and meets the requirements of the Housing Health and Safety Rating System, if you are uncertain whether your property complies, we would advise you seek independent professional advice from a Health and Safety expert.

Gas Safety

Any property containing a gas supply and gas appliances must pass an annual Landlord's Gas Safety Check and have a certificate issued. The safety check must be a pass and any recommended works should be carried out.

Wood and Solid Fuel Burning Appliance

If you have a solid fuel burning appliance in your property you must be able to show this has been installed by a HETAS approved contractor, who can then self certificate, or specific building regulation consent should have been obtained. Carbon monoxide alarms must be provided in each room where there is a working chimney or wood burner.

Chimney Sweep – The chimney must be swept before the tenancy commences. It is recommended that for safety reasons the chimney is then swept each year.

Legionella

Another landlord obligation is the requirement to undertake and keep records of a Legionella Risk Assessment in the property prior to the tenancy commencing. In addition to this, where a risk of legionella bacteria production & dispersal exists the landlord must put in place a program to manage and, where possible, reduce the risk.



EPC

You will need an EPC (Energy Performance Certificate) before you put your property on the market. To check if you already have one you can search the online register: <https://www.epcregister.com/home.html>. If you do not have an EPC we can arrange this for you.

Portable Appliance Testing

All electrical appliances which are to be provided should be portable appliance tested (PAT) before the commencement of a tenancy and thereafter on an annual basis.

Electrical Safety

Before the tenancy starts you must have all fixed electrics tested through an electrical installation condition report (EICR) to check they are safe. This must be repeated at least every 5 years or more often if the current report requires it. If the report identifies a fault or potential fault, this must be investigated or repaired within 28 days of the report or within the timeframe set out in the report if it is shorter.

Furniture & Furnishings

Any furniture supplied must comply with fire safety regulations. This can usually be evidenced with the fire safety tags on the furniture (leave them on to make life easier). If you don't have the tags, keep the receipt as evidence of where they came from and when they were purchased.

Smoke & Carbon Monoxide Detectors

Smoke alarms need to be fitted on each storey of a property where there is a habitable room. Carbon monoxide detectors must be fitted in rooms with solid-fuel-burning appliances. We also strongly recommend carbon monoxide detectors are fitted to each room where there are any gas appliances. All detectors must be in date and working on the day the tenancy starts.

Blind Safety Cords

If you have blinds inside your property you will need to ensure they are 'safe by design' or are fitted with the appropriate child safety devices. Where there is a loop on a cord a safety device should be or may need to be fitted so it will break under pressure, and a cleat will need to be fitted to the wall so cords can be placed out of the way. Many new blinds will have these safety measures already but older blinds may not so they will need to be replaced or adapted to meet legislation.

Fitness For Human Habitation Bill

All landlords will be required to ensure that their property (as well as any common areas if applicable) is fit for human habitation at the beginning of the tenancy and throughout the duration of the tenancy. This includes any matter relating to fire safety, inadequate heating, poor ventilation, condensation and mould - i.e. issues that could be hazardous to the health of tenants and occupiers.

If a property is not up to the standard of the Housing Health and Safety Rating System (HHSRS), tenants will have the right to take legal action in the courts for breach of contract. Tenants will also be able to legally force their landlords to take remedial action to resolve any unsafe areas in the property

Landlords will not be liable where 'unfitness' has been caused by the action of tenants.

Landlord Insurance and Tax

Insurance

Landlords are responsible for insuring their property and any of their contents. We advise that you obtain detailed advice from your insurer as to the nature and extent of insurance coverage required. It is extremely important that you advise your insurance company that you are proposing to let your property and that you confirm this to them once this has been done. Failure to do so could result in you losing insurance cover. Some insurers impose letting conditions and we would require details as this may affect the choice of tenant. Tenants are responsible for insuring their own possessions. If you would like a competitive quote for your buildings and contents, please let us know and we can put you in touch with a company we work closely with. Please note Green Door and Friends may earn commission from any policy taken out.

Landlord's Rent and Legal Insurance

No matter how well prospective tenants are vetted, there is always the risk that a tenant will prove to be unsatisfactory, sometimes due to unforeseen changes in their own circumstances. Whilst court proceedings can be taken to enforce the terms of the tenancy agreement, this is often expensive and it is unlikely that you will be able to recover the full costs involved from the tenant. Depending on your circumstances you might wish to consider taking out rent and legal protection insurance to guard against the risks involved. We have a great policy available that will provide you with sufficient cover for unpaid rent as well as legal expenses. Please ask us for further details. Please note Green Door and Estate Agents Hub may earn commission from any policy taken out.



Income Tax

Income received from letting your property will be subject to UK income tax and you will need to include details of the income and allowable expenses when completing your income tax return. The Inland Revenue may ask us directly for details of any income we pay you and we are obliged to supply these details. If you live abroad we, as your agents, will be required by the Inland Revenue to pay any tax liability that arises on rents collected by us on your behalf unless we receive a notice from the Inland Revenue whereby they confirm they have received and approved your Non-Resident Landlord application. If we do not receive confirmation from the Inland Revenue we will deduct income tax at the basic rate from rent payments received and these monies will be held to your credit and are paid across to the Inland Revenue on a quarterly basis.

If you require a Non-Resident Landlord application form please do let us know or visit www.hmrc.gov.uk for more information. It is usual for Non-Resident landlords to appoint an accountant to advise and act for them whilst they are abroad.

Tax Tips for Landlords

- Under no circumstances should you conceal property income from HMRC.
- Take steps to mitigate your tax liabilities by seeking professional advice from a reputable firm of accountants who will advise on income tax and capital gains tax issues.
- Retain all invoices for sundry expenses such as ground rents and repairs, and ensure that the nature of the work is clearly stipulated. Along with your mortgage interest, you may be able to offset these expenses against your rental income to reduce your tax bill.
- A detailed inventory and record of damages must be drawn up at the beginning and end of each letting period. This may well avert a potential dispute over replacement costs which are allowable if no 'wear and tear' allowance is claimed.



The Tenancy

References

We will organise full referencing on your tenant/s. If your tenant is a company we will also arrange for the company to be referenced. Once references are complete we will provide you with a copy of the final reference reports for you to check through and ensure you are happy to proceed.

Tenancy Term and Break Clause

In most cases the term of a tenancy will be for 12 months (sometimes more and sometimes less). A break clause can be inserted if both parties agree, this gives the opportunity for the tenancy to be determined before the end of the initial term. If a break clause is agreed it is usually for 2 months' notice to be given and to be exercised at the 6 month point.

The Tenancy Agreement

We will discuss with you the best terms and conditions and then prepare the appropriate tenancy agreement. In most cases we recommend an Assured Shorthold Tenancy Agreement, which is for a minimum term of six months. If you require the property back at the end of this period, notice must be served at least two months before the expiry date.

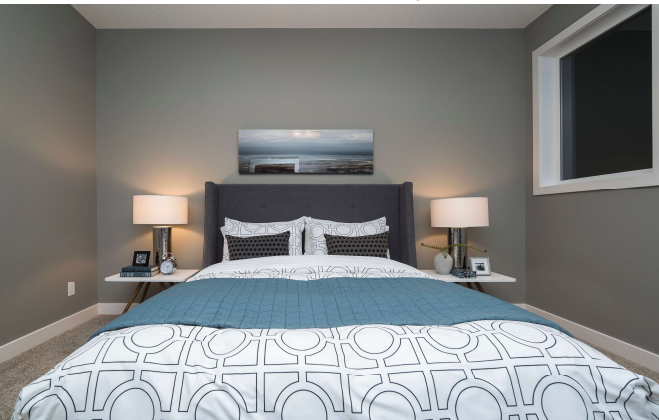
Notices and Renewals

Should you wish to end the tenancy, we can arrange for notice to be served on your behalf (this is included in the managed service, however a fee applies for rent collection and let only services). Similarly if you wish to renew the tenancy we would negotiate the terms with your tenant, such as the length of the renewal and any rental increase, and arrange for the documentation to be drawn up and signed by all parties.

Tenant's Deposits & Inventories

Under the Housing Act 2004 Tenants' Deposits for Assured Shorthold Tenancies need to be registered with an approved scheme. There are strict timetables and procedures as to how this must be done with severe penalties if it is not dealt with correctly. We understand the necessary requirements that have to be adhered to and can assist with handling the deposit on your behalf.

The preparation of a comprehensive inventory of Landlords fixtures and fittings including a photographic record / schedule of condition of the property is essential to adequately document the extent and condition of the property at the commencement of the tenancy. This needs to be agreed with the tenant and a thorough check out report completed at the end of the tenancy. This will ensure you have a full record of how the property was let at the outset and any changes at the end of the tenancy to help with the negotiation and agreement of any claim against the tenants' deposit. If you do not have a good before and after record of the condition of the property it will severely limit your ability to make a successful claim against the tenant if the matter has to be referred to dispute resolution.



Cleaning

It is recommended that a full professional clean is undertaken at the outset of any tenancy. This should include all areas of the property, with a thorough clean of the bathroom and kitchen, all appliances and steam cleaning of the carpets. If any curtains or bedding is left for the tenants' use, these should also be professionally cleaned. Receipts should be provided to show what level of clean has been carried out. We can help organise this for you if you wish.

The level of clean will then be reflected in the inventory and check in report. The tenant is then obliged to return the property in the same condition at the end of the tenancy, again providing receipts to show the clean that has been carried out.

Garden

If your property has a garden it is recommended that it is well maintained and kept in a seasonal order. If you require your tenants to maintain the garden you will need to ensure they are supplied with the tools to do so. If you have a gardener and you would like this to be included as part of the tenancy please let us know.

Property Management

If you choose Green Door’s full management service you will have your own dedicated property manager who will deal with all day to day issues that may arise at your property. They will be yours and your tenants’ point of contact if you have any concerns to discuss or just have a general question to ask.

Property Repairs

As a landlord you are responsible for the maintenance and upkeep of your property as well as the contents you choose to leave. Your property manager will act in your best interests at all times and will liaise with you regarding any contractors instructed. We have a great team of trusted and reliable contractors, however if you have your own preferred contractors we will happily use them and make them our first port of call when arranging any works at your property

Routine Tasks

We will make arrangements for any annual and routine tasks that need carrying out at your property, for example, a boiler service, alarm service, swimming pool maintenance etc. We will ensure these tasks are carried out when needed and the arrangements made with your tenants.



Property Inspections

We carry out inspections twice a year. We will check on the general condition of your property as well as note any defects seen or any issue which the tenant may bring to our attention. A full report containing photos (so long as the tenant is happy for photos to be taken) will be provided to you.

Keys

A management set of keys will be held. This is in the case of an emergency or should a tenant not be available to provide access to us or a contractor. The keys can be used only with the tenants’ permission.

Out of Hours Emergencies

You can rest assured that your property is being managed 24/7. When our office is closed we have a specialist out of hours contractor who is on standby to deal with any emergencies that arise.

Information Commissioner’s Office (ICO)

As a landlord in receipt of a managed or rent collect service, you will be covered by Green Door’s registration with the ICO. Otherwise, you need to ensure you register with them yourself to comply with current GDPR regulations.

Float

As members of ARLA Propertymark we are required to hold funds in order to instruct works. Therefore we hold a float of usually £250.00, which could be used in between the rental coming in, then once the rent comes in the float is topped back up to £250.00.

Utilities

We will notify the utility companies (gas, electric, water board and council) of your new tenants along with the meter readings that would be taken on check in day. If you reside overseas we will ask for all final bills to be sent to our office and we will settle them on your behalf. If you reside in the UK we will ask for all final bills to be sent to your home address.



Rent Collection

Rent collection is included as part of our management service. It is also a separate service we offer if landlords choose to manage their property themselves.

Collecting the Rental

We ask tenants to set up a standing order for their rental payments and for them to ensure it is clear in our account by the rental due date. Once we receive the rental we pay it to your account. We will provide you with a rental statement showing the rental income less fees and any expenditure. All statements will be emailed to you for speed and convenience.

Propertyfile

Green Door provide an online document storing system called Propertyfile to landlords. This is a secure area where you can access documents relevant to your property and tenancy 24 hours a day, 7 days a week.

Deposit Returns

If we are managing your property we will make check out arrangements with your tenant, we will also negotiate the deposit return on your behalf. If an agreement cannot be reached with your tenant we will submit a dispute to the deposit scheme who is holding the deposit for you. If we do not manage your property but we hold your deposit in our deposit scheme account you will need to negotiate the deposit return and once both you and your tenant are in agreement let us know and we can authorise the release of funds.



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