

LANDLORD'S INFORMATION PACK

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INTRODUCTION

Caerleon Letting Agency was established in 1996.

We are a friendly, family run firm who aim to provide a more personal “one to one” approach which cannot often be found with larger companies.

Someone is contactable by telephone 24 hours a day, 7 days a week to ensure your individual needs are met.

You will have added peace of mind knowing that we are regulated by the F.C.A. (Financial Conduct Authority) through Homelet.

In addition, we are members of N.A.L.S. (The National Approved Letting Scheme) which gives Landlords, Tenants and Agents a benchmark of service standards in the rental market. This includes protection for your money through their Client Money Protection Bond. In addition, we are members of the Property Ombudsman Lettings scheme and SAFEAgent.

If you would like further information on the benefits of using a N.A.L.S. approved agent, please see the leaflet enclosed with this pack or you may care to visit their website at www.nalscheme.co.uk



A STEP BY STEP GUIDE TO LETTING YOUR PROPERTY

To assist you in understanding the letting process Caerleon Letting Agency has prepared this guide outlining this in easy steps.

1. Property Viewing

Once you have decided to let your property, please contact us to arrange an appointment to view the property, when we will advise you on:-

- The type of tenant best suited to your property
- The rental income you may expect
- Whether you should let the property furnished or unfurnished
- What contents we think you should leave if you decide to let the property furnished
- Any cost effective improvements that may increase your expected income and how soon you will find a tenant
- The people you might need to advise that you are letting

Once you have made your final decision and completed our Agency Agreement Form we will then find you prospective tenants.

2. Prospective Tenants

We advertise in the local press and maintain an up-to-date register of all people who contact us looking for properties. In addition, we will advertise your property on our website. We will also give you the optional choice of having a 'To Let' board placed outside your property.

We will accompany all prospective tenants to view your property. Viewing will be arranged either during the day or in the evening or at weekends, as is convenient to all parties. If the property is unoccupied we will ask you for a key to facilitate access.

Once we have found you prospective tenant(s), it is our policy to complete a thorough reference check which may include contacting a credit checking agency, employers, previous and current Landlords and a character reference. If a Guarantor is required, they will be vetted in the same way.

We will then advise you of such and let you know the expected date of occupancy.

3. Formalising the Tenancy

On completion of the vetting procedure we will formalise the tenancy as follows:-

- The tenant(s) will be served with and sign the relevant Legal Notices and Tenancy Agreement.
- On signing the Tenancy Agreement one month's rent in advance together with at least the equivalent of 1 month's rent as a security deposit will be collected from the tenant(s). In accordance with the Tenancy Deposit Protection legislation that came into force on 6th April 2007, we will protect the deposit within 14 days of its receipt with Tenancy Deposit Solutions Ltd.
- Where applicable, we will make a pre-let check of the property
- We will ensure we are in possession of a complete set of management instructions from you

4. Checking in Tenants

Prior to the tenant(s)' occupation we will carry out the following on your behalf:-

- Agree the Inventory with the tenant(s)
- Jointly read with them gas/electricity meters
- Advise both companies, local Council and water company
- Advise the tenant(s) of any specific instructions from you and any particular quirks of the property
- Hand over the keys and ensure a key to the main entrance is retained by us

5. Monthly Payments

We will endeavour to send your net rent to you, via electronic banking, within seven days of receipt into our client account, together with a statement advising you of payment less any deductions made on your behalf, e.g. plumber's bill, etc.

6. Property Maintenance

If a tenant has a problem at the property, for example an appliance is not working, they will contact us and, as per management instructions, we will either contact the relevant maintenance person or you.

7. Property Inspections

We will inspect the property according to the type of service selected by you and send you a written report advising of its condition and contents, if required.

8. Tenancy Renewals

We will contact your tenant(s) well in advance of the expiry date of the Agreement so that we may either issue a new one, or serve a Notice For Repossession and make arrangements for viewings by new prospective tenants as may be required.

9. When a Tenancy comes to an End

If you should wish to end the tenancy then we will serve the relevant Notice and arrange to check out the tenant(s). The checking-out procedure is as follows:-

- We will check the Inventory and condition of the property
- We will repay any deposit we are holding to the tenant(s), less any agreed deductions for dilapidations, in accordance with the Tenancy Deposit Protection Scheme rules
- We will take meter readings and advise either the service companies, local Council and water company ourselves or you
- We will obtain the keys
- We will obtain forwarding addresses from the tenant(s)

SHOULD I LET MY PROPERTY FURNISHED OR UNFURNISHED?

Prospective Landlords are often uncertain whether to let their properties furnished or unfurnished. The answer is normally very simple; do whatever suits you best both financially and logistically because:-

- The rent attainable is similar in both cases. A furnished property will usually attain 0-10% more rent than unfurnished
- Many prospective tenant(s) have a certain amount of household possessions and thus may prefer to rent semi-furnished
- It is not advisable to let unfurnished and incur storage charges unless the contents are particularly valuable
- To furnish a property well is more expensive than the additional rent that would be gained, and to furnish a property cheaply will limit the type of tenant prepared to rent the property

Some properties are better suited to being let furnished rather than unfurnished and we will advise you further on viewing the property. It therefore follows that purchases should not be made until having discussed the situation with us.

IF YOU INTEND TO GO ABROAD

If you intend to go abroad then you will almost certainly need to opt for our fully managed service which means that we are there at all times to take care of whatever may arise, including any resultant insurance claim. You will also need to undertake the following additional tasks:-

- **Taxation** – unless you are employed in Her Majesty's Forces or Government, we, your Letting Agents, have a responsibility under the Taxes Management Act 1970 to retain Tax on your rental profit. Rental income is regarded as unearned income and at the present time the rental profit is subject to standard rate Tax. To establish your rental profit you should consult an Accountant who will advise us of any deduction necessary.

Alternatively, if you do not wish us to retain and pay tax on your behalf, you will need to apply to the Inland Revenue to make an application to receive UK rental income with no tax deducted. The prescribed form is known as NRL1 and these forms can be obtained from our agency or any Inland Revenue office. The Inland Revenue also produce a booklet for Landlords known as IR140. Provided that this agency receives approval in advance in the prescribed form from the Inland Revenue, we shall pay rental to your chosen account with no tax deducted.

Landlords wishing to obtain full details of the Regulations should make enquiries with their local tax office.

- **U.K. Contact** – We will ask you to let us have details of a U.K. contact (usually a relative) particularly where you are going to a country with poor communication facilities. We would recommend that this person also holds main entrance keys.
- **Direct Debits** – We recommend direct debits are set up for insurance and any maintenance contracts.
- **Mail** – We recommend you make appropriate arrangements for your mail to be formally redirected by Royal Mail, rather than miss the occasional important item.

With today's communication facilities we have little difficulty in keeping contact with our clients in many countries throughout the world and provided the above precautions are taken, there should be no problems arising due to your relocation.

THINGS TO REMEMBER WHEN VACATING YOUR PROPERTY

- **Building Society** – Please advise your Building Society that you are going abroad. They will be reassured that you are letting through an established firm of Letting Agents. They may require a copy of the proposed Tenancy Agreement which we will be pleased to forward to them.
- **Freeholder or Managing Agent** – If the property is Leasehold there may be a clause requiring permission to let.
- **Insurance Company** – The insurance of the structure and where applicable, your contents, is your responsibility and your insurers will need to be advised of your departure. However, it is your tenants' responsibility to insure their own contents.
- **Accountant** – We recommend you talk to an Accountant to check your tax situation with regard to your proposed Let, particularly if you are going abroad.
- **Electricity, Gas, Council Tax and Water Rates** – Please arrange for closing accounts, ensuring you give an address where these can be sent to you. When a tenant moves in or out we take gas and electricity meter readings and advise both companies.
- **Telephone** – Please arrange for a closing account as above and advise your telephone company of the incoming tenant's name if known. Your telephone company will not open an account with a new tenant, however, until contacted by them direct.
- **T.V. Licence** – If televisions are being left at the property then the Licence is the tenant's responsibility. Any existing Licence can either be taken with you or, if not needed, you can apply for a part refund of fee. The Licence is not transferable.
- **Mail** – Please arrange for mail redirection and advise friends and other parties of address change.
- **Keys** – Please arrange for the necessary copies of keys. We will need one set and the tenants will need two sets to the main entrance. All other keys should be left in a suitable place within the property.
- **Maintenance Contracts** – Please include details of these in the Management Instruction to us.
- **Appliance Instructions and Guarantees** – Please leave all instructions in a prominent place to assist the tenant(s) and advise us of all appliances under Guarantee.
- **Secured Personal Possessions** – If you should secure any of your possessions in the property then please let us have a key and keep an inventory of items of any value.
- **Garden** – Tenants are not normally noted for their gardening skills and it is as well to arrange either directly or through us for a gardener to tidy at least twice a year. A lawnmower should be left for tenants together with a few basic tools.

THE LEGAL SITUATION

The Housing Acts 1988 and 2004

The 1988 Housing Act, having introduced Assured Tenancies and Assured Shorthold Tenancies, has made it more simple and secure to Let your property to private individuals. These Tenancies are suitable for both furnished and unfurnished properties and provided the relevant Notices are served at the correct times, the Repossession of your property is normally quite straightforward.

All our Tenancy Agreements require rent to be paid monthly in advance and a security deposit of an amount at least equal to one month's rent. We will select the correct form of Tenancy for you, whether it be for an individual or a company and extend the selected Agreement with any additional clauses deemed necessary, given your specific requirements. Our Agreements are reviewed and updated by our Solicitors on a regular basis.

There are currently over 20 different regulations, acts or rules relating to the letting of residential property. Many of these relate to the physical safety of tenants. They sometimes carry monetary penalties or even imprisonment for non-compliance.

The Housing Act 2004 allows Ministers to introduce further regulation without having to revert to the House of Commons for approval. This means it is more important than ever for Landlords to ensure they are fully up-to-date with legislation that may affect their investment.

The Fire and Furnishings (Fire) (Safety) Regulations 1988

It is important that you are aware that all Landlords and Letting Agents now have to comply with the Fire Safety Regulations relating to upholstered furniture and loose fittings. All upholstered furniture, which is in accommodation made available for letting for the first time now, must meet these fire resistance requirements. The provisions are complex and we will advise you at the time of taking instructions whether or not any furniture in your accommodation needs to be replaced. It is an offence to breach these regulations and we hope we can rely on your co-operation in ensuring that they are fully complied with.

Gas Safety Regulations

The Gas Safety (Installation and Use) Regulations 1994, 1996 and 1998 place a statutory duty on all Landlords who let their property to ensure that all gas appliances, pipework and flues are maintained in a safe condition. In particular, the Regulations seek to avoid the escape of carbon monoxide poison which is silent, odourless and deadly.

The Landlord must provide the Tenant with a copy of the Landlord Gas Safety

Record at the commencement of the tenancy.

Electrical Equipment

The Electrical Equipment (Safety) Regulations 1994 were introduced to impose an obligation on Landlords to ensure that all electrical appliances left as part of a let property are safe. Cabling, fuses and plugs should also be inspected and replaced, where necessary, to the correct rating for the particular appliance.

Other legislation covering electrical installations came into force in January 2005 and in order to avoid prosecution, Caerleon Letting Agency recommends that all electrical appliances in let properties are regularly checked and serviced. If your property is more than 5 years old, we strongly recommend a full electrical circuit check which we can arrange on request.

Smoke Alarms

The Building Regulations 1991 require that all properties built since June 1992 must be fitted with mains operated interlinked smoke detectors/alarms on each floor.

Such regulations regarding older properties do not exist but we strongly recommend that smoke alarms are fitted in all let properties and are regularly checked to ensure that they are in full working order.

Tenancy Deposit Protection – April 2007

From 6th April 2007, when a Landlord or Letting Agent takes a deposit from a tenant, the deposit must be protected in a Government-authorized tenancy deposit scheme. This new rule applies if the tenancy is an assured shorthold tenancy. The government wants to make sure tenants' deposits are protected so that:

- Tenants get all or part of their deposit back, when they are entitled to it
- Any disputes between Tenants and Landlords or Agents will be easier to resolve
- Tenants are encouraged to look after the property they are renting

There are severe penalties for non-compliance with this legislation. By using Caerleon Letting Agency, you can rest assured that your position will be protected. As NALS members, we will be covered by the scheme operated by Tenancy Deposit Solutions Ltd in association with Hamilton Fraser Insurance.

Energy Performance Certificates (EPCs) – October 2008

From 1st October 2008 all rental properties with a new tenancy in England and Wales were required to have an Energy Performance Certificate (EPC). The penalty for non-compliance with this legislation is a £200 fine.

Caerleon Letting Agency will arrange for one of these to be prepared on your behalf. The cost will be in the region of £40 to £140, depending upon the size of the property. Once obtained, the EPC will last for 10 years.

SERVICES AND FEES

Gold Service

12 ½ % of the Annual Rent of the Property

This is our Full Management Service and includes:

1. Accompanying Prospective Tenants to the Property
2. Vetting of Tenants
3. Collection of Rent & Initial Security Deposit
4. Monthly Financial Statements
5. Quarterly Property Inspections
6. Dealing with Gas, Electricity, Water Rates and local Council
7. Dealing with all Maintenance Issues as Instructed

Administration Fee

£100

This includes preparation of the initial Tenancy Agreement, Inventory and Schedule of Condition, the checking in and out of tenants and the protection of deposit scheme.

Preparation of subsequent Tenancy Agreements in respect of extension of term for existing tenants

£ 25

Silver Service

10% of the Annual Rent of the property.

This is our Tenant Introduction and Rental Collection Service. It includes items 1 to 6 of our Gold Service. In this case, you would be responsible for arranging and carrying out your own maintenance issues.

Bronze Service

10% of the annual rent of the property, based on the initial letting period.

This is our Tenant Introduction Only service and includes items 1 to 3 of our Gold Service.

Optional Additional Fees

To prepare and execute the Tenancy Agreement (owner's share) £50.

Inventory & Schedule of Condition -UNFURNISHED
1 Bedroom property - £45, plus £10 for each additional bedroom.

Inventory & Schedule of Condition -FURNISHED

1 Bedroom property - £50, plus £15 for each additional bedroom.

Check-out of Tenant - £35.

Deposit Protection Scheme - £50 (please note, we have to retain the deposit for the duration of the tenancy).

Energy Performance Certificate - £80.