

## Introduction

Firstly, I would like to introduce myself, I am Sally Knights, the General Manager and I look after the day to day running of the business. I have worked in the letting industry for over ten years; In March 2003, after working for two of the biggest letting agents in Northampton, I decided to branch out on my own and set up Albion Lettings, named after my beloved West Bromwich Albion Football Club. Liz Mason (my Mum!) is the accounts manager and handles every aspect of landlord's payments. We will be recruiting another member of staff in the not too distant future to assist me in the day to day running of the business (at last - somebody to make a cup of coffee for me!). I am already getting my little girl Jessica into training so by the year 2023 she will be joining the team!

From the word go we want to ensure that we offer you the best possible service that we can. We will guarantee that the service you will receive will be efficient, professional and friendly. We are a well respected and established agency and have a wealth of knowledge and experience in the Lettings Industry and Customer Services. We will go the extra mile and put the personal back into letting your property, as we are sure that you agree in today's modern business climate the personal touch is very often over looked. We understand that whether this is the first time you have rented a property or you have a vast portfolio of properties, renting your property can be very daunting, but it doesn't have to be in the least stressful or complicated with the support of a Letting Agent

We cover all of the Town and the surrounding villages and we are the only letting agent based in the Wootton, Huns bury & Grange Park area. This guide has been designed with you in mind and has a series of frequently asked questions, and whether you are new to this business or an old hand we are sure that you will find it informative and helpful.

I look forward to being of service to you soon.

Sally

### First things first

Your representative from Albion Lettings will go through this booklet with you at the initial appraisal meeting, the purpose of this initial meeting, which will probably be carried out at the property which you are intending to let, is to give you an honest and realistic valuation of the property and advise you of any immediate improvements that may be required to get your property ready to put onto the market for let. There are some very important things that you need to do before your property can go on the market for let, and these are set out below. Your representative will be on hand to answer as many questions as you may have, so make the most of their knowledge and experience. If you have not already purchased a property and are just starting to do your “home work” into buy to let, then we will be happy to look at property on your behalf before you commit yourself to buying it.

### Do I need to get permission from my mortgage lender to let the property?

In most cases unless you have a specialised **“buy to let mortgage”** your lender will need to be informed of your intention to let the property. The Mortgage Company will more than likely agree to you letting the property. If you don’t obtain permission from your lender, then technically you could be in breach of your mortgage agreement, but do check, as criteria will differ from lender to lender. We will require a letter of consent from your lender in our file.

### How do we value your property?

The rent value can have many determining factors; all of these are taken into consideration when putting a value on your property. We understand that the letting of your property is a business investment in most cases, and that you require the best price/return on your investment. The following factors can contribute to increasing or in some cases decreasing the value of your property:

#### The Location

If the property is in a more desirable location this will reflect in the rent price, a less desirable area will achieve a lower monthly rental. We must remember that a potential tenant will not pay the highest possible rent for a property in an undesirable area, but any property is potentially “lettable” if in good order and offered to rent at a reasonable monthly rental. Location counts for a lot in the valuation process, Northampton & the surrounding area is a popular choice for many potential tenants who are choosing to move here from the bigger more expensive cities in return for more affordable rent. Its excellent travel network with the mainline railway line to London & Birmingham and the 3 junctions of the M1 the A45/A43 & A14 are easily accessible is one of the reasons why more & more people are choosing to live in Northampton.

#### Presentation

The property should be well presented in all areas wherever possible. The Outside of the property is just as important as the inside!...the exterior should be well maintained, If the property hasn’t got plastic windows and doors, the woodwork should be painted regularly and any rot should be treated, drainpipes and guttering should all be in good working order (potential tenants will notice defects and will try and barter to get a rent reduction!) The garden should be neat and tidy and as weed free as possible and any bordering fencing should be in good order. Remember if the exterior of the property looks inviting then this will encourage potential tenants to want to look at the inside!

The interior décor should be kept as neutral as possible. We don’t necessarily mean that all rooms should be painted white or magnolia, but a small investment into a re-decorating project will reflect in the amount of rent you will receive, Heavy patterned carpets and wall paper may put potential tenants off.

The property should also be clean, cookers and other appliances if being left behind should be clean, bathrooms should be clean and wherever possible within your budget, a modern white bathroom suite should replace any old fashioned colourful suite that is in the property and you may be surprised to know that most tenants would prefer to have an electric shower in the property as opposed to off road parking or an extra bedroom!

### The size of the accommodation

You could be forgiven for assuming that the bigger the property the higher the rental value, in most cases this could be true, but if a large 4 bedroom property with spacious living accommodation is offered in a shabby condition and is next door to the chip shop and opposite the local night Club then it simply will not achieve the best possible rent. In comparison If a three bedroom detached in a desirable location offered in super order throughout with picturesque views over the lake, then this property will probably be valued higher than the four bedroom property.

### What about if the property is fully furnished?

Generally speaking there is little reflection in the asking price whether the property is fully furnished or unfurnished, even though many letting manuals say the opposite! Please do not be under any illusion that the asking price will shoot up if the property is left fully furnished as it won't! We advise that landlords do not leave any items of value in the property. Your furniture may be at risk to damage, even with the best will in the world, accidents can happen, (see the section later on about insuring your property). If you are intending to leave "white goods" ( Washing machines, cookers etc) you should ensure that they are in good working order as once left in the property, unless left as a gesture of good will to the tenants, they are your responsibility to maintain and repair them.

### How will we market your property?

Once you have decided that you would like us to market your property we will do the following:

- Advertise your property in property pages of the Northampton Chronicle & Echo every Wednesday and the Mercury Newspaper every Thursday.
- Details of your property will be available for potential tenants to see at [www.propertytoday.co.uk](http://www.propertytoday.co.uk) and [www.homesalone.com](http://www.homesalone.com)
- We will call awaiting applicants who are looking for a property to let and inform them that your property is on the market and encourage them to view the property.
- We will circulate your property details to large companies around the area, as sometimes a Company let may be possible.
- Your property will be included on our property list that is circulated to tenants on our mailing list.

### How do we know if a tenant is suitable for your property?

We take potential tenants through a very vigorous referencing process once they have expressed an interest in a property. **Nothing is taken for granted.** The Company that we use specialise in obtaining information for Letting Agents is called MARAS GROUP and you can find more information on their web site:- [www.maras.co.uk](http://www.maras.co.uk).

### What sort of tenancy agreement will be used?

We will use an assured Shorthold tenancy agreement (AST) in nearly all cases. If the tenant is a Company a special company let agreement will be used. If the rent is over £25,000 per year it is not possible to use an AST, a contractual agreement will have to be drafted. It is highly unlikely that the property rent will be higher than £2080 per month!

### How long is the tenancy agreement for?

There are no minimum contractual periods. Generally speaking the tenants will either sign a 6 or 12 month contract initially. There is no reason as to why a 3 or 4 month contract cannot be signed, but you must bear in mind that the Shorthold tenancy law states that the no order for possession will be made by any court until six months from the beginning of the term of tenancy.

We will always contact the tenant approximately two months before the end of any fixed period of a tenancy so that we can get an idea of the tenants intentions, whether to stay on in the property or go and if necessary we can put the property back onto the market to find a new tenant in time for current tenants vacating.

We can offer advice from our experience in the industry and will be able to answer most of your questions concerning the above, but the law is very complex and sometimes confusing! We recommend that you make use of the information available on the internet, we recommend [www.themovechannel.com](http://www.themovechannel.com) or [www.lettings-landlords.co.uk](http://www.lettings-landlords.co.uk) both of these web sites explains most aspects in a simple manner and has links to all relevant & other helpful websites.

### Are the bills included in the Rent?

In addition to the rent the tenants will pay all charges in connection with gas, electric, water, council tax and any other services in relation to the property i.e. cable television/telephone etc. Council tax is normally only charged on vacant properties if they are fully furnished, but if the property is unfurnished then tax may be void for up to a period of 6 months, you should call your local authority to check.

We will inform the relevant utility companies, i.e. Powergen, British Gas of any new tenancy and will supply them with meter readings, this way the tenants are only paying for what they are using and also the tenants cannot continue to use gas electric and water under your name.

### Will I need an inventory or a schedule of condition report?

Yes is the answer. We will provide you and the tenants with a copy of an inventory. An inventory is a list of items and the general condition of the fixtures and fittings in the property. One of the most common "flashpoints" between landlords and tenants is the arguments regarding the condition of the property and its contents and any subsequent deductions from the damage deposit. Most of these arguments can be prevented by having a signed copy of the inventory from the tenant and landlord from the start of the tenancy. An inventory/condition report is included in our full management package price. Some tenants that have been unfairly treated by Landlords in the past and even take photographs and video footage!

### What deposit is held?

We are now required by law to register ALL deposits that collect and they have to be paid to a Government agency. This law was introduced in April of this year and is to protect tenants against landlords who try to with hold money from their deposits unfairly. The deposit is normally equivalent to one month's rent, the maximum deposit that can be taken from a tenant is the equivalent of two month's rent If you allow the tenant to have a pet in the property then we can then justify taking a larger deposit than the normal one month's rent equivalent. Once the tenant has vacated your property it is your decision if deductions are to be made from the tenants' deposit, we will make recommendations to you. It is not acceptable to deduct for fair wear and tear. Both you and the tenant **MUST** agree on what damages should be charged for; we will act as middlemen in this process so you won't actually have to speak to the tenant! **You can find out more information regarding this new legislation at [www.tenantdepositscheme.co.uk](http://www.tenantdepositscheme.co.uk) or [www.mydeposits.co.uk](http://www.mydeposits.co.uk).**

How do we know if the tenant is looking after the property? We carry out regular checks of the property, normally every 12 weeks and we can discuss any issues with the tenant at the inspection. A Full report of any problems will be sent through to you. Most tenants will respect and look after your property, but you should be aware that in very few cases damage can be caused by tenants. **It may be worthwhile considering having an accidental damage /malicious damage clause built into your buildings/contents policy, as some policies will not automatically cover this (please ask for a leaflet).**

#### What happens if the tenant doesn't pay the rent?

We offer all landlords who are on the full management programme, rental guarantee for free as an Introducer Appointed Representative of the MARAS insurance Group .Please ask for a leaflet or visit [www.maras.co.uk](http://www.maras.co.uk)

#### When does the tenant pay the rent and when do I get my money?

The tenant will pay us by standing order on the same day every month, and then the rent minus our fee is paid to you either by cheque or into your nominated bank account. You should expect to receive your money within 5 working days of the due date. We do not class the tenant as in arrears until seven days has passed since the due date.

#### Can I increase the rent?

Yes, but only at the end of a contract/tenancy period and only if a new agreement is signed by both the tenant and you. It is normal and considered reasonable that the rent be reviewed annually. We will advise you if rent increase is appropriate.

#### Once I have signed the tenancy agreement is there any way of getting out of it early?

Strictly speaking once you have committed yourself to a fixed tenancy term you will be required to honour the length of time that you have signed for. In some cases if the tenant agrees they may allow you to take back possession of the property and this may be subject to your covering their costs of moving and re housing (e.g. administration/agents cost/ removal costs etc). It is possible to start possession proceedings against tenants if they are in breach of their tenancy agreement before the end of the fixed term by using a section 8 Notice there are different grounds on that possession can be sought under the housing act.

#### How can I get the tenants out of my property at the end of the fixed tenancy term?

We will serve any required notices on the tenants. We have to give the tenants no less than TWO months notice, this is a legal requirement. We can serve notice on the tenants at any time, but it has to expire on or after the fixed tenancy has ended. Please be aware that the tenants do not have to move out at the end of the notice period, they can continue to stay in the property until a court hearing rules otherwise. This is rare and most tenants will use the two month notice period to find alternative accommodation.

#### What happens after the fixed tenancy has ended?

Most tenants will be happy to continue the tenancy and will sign up for another fixed period or 6 or 12 months say, some will ask if they can have a "rolling contract". A rolling contract or more commonly known as a "periodic contract" simply rolls on from the original agreement but is for no specific time period. The way in which we have to serve notice is slightly different. Any notice still has to be no less than two months in length but MUST expire the day before the rent is due or the day before another month of tenancy begins.

### Does the tenant have to give me any notice to leave?

On the last day of the tenancy providing that all the rent is paid owing under the tenancy agreement, the tenant can just give the keys back and move out on the last day of his or her tenancy without giving any notice or facing any penalty. This happens very rarely as we do contact the tenants at least 6 weeks before the end of the tenancy to find out their intentions, this way we can get the property back onto the market to find new tenants. This avoids your property being vacant for any lengthy period of time and reduced the loss of rental income in void periods.

Tenancy law is vast and complex and we would advise you don't research this area too much as it can be extremely mind boggling and confusing! But we would like to reassure you that you will never have to deal with these issues as we handle every last detail on your behalf as your managing agents!

### Am I responsible for repairs to the property?

Yes, as a landlord you have a statutory obligation to repair anything goes wrong with the maintenance of the property. For example, if a tenant reports loss of hot water and or heating, or if a fence has blown down in the garden, it will be up to you to pay for the repairs or replacement. We will arrange with our contractors to get the works carried out, or if you prefer you can use your own contractors. You will be given the opportunity to supply us with your preferred contractors' names so that we can make them the first port of call if we have to get any maintenance issues attend to.

We recommend that you look into taking out some form of maintenance cover on your gas installations and plumbing as these are the most common things can go wrong in the property, it may be worthwhile contacting your gas board to see what they offer.

In some cases it is not always the landlord's responsibility to pay for maintenance: If a tenant blocks up a drain after flushing a nappy down the WC or tips fat down the sink, then any charge for the unblocking of the drain will be charged to the tenants. If an electrician is called due to all the electrics being fused and it is found to be because of the faulty second hand Television set that they have installed, again the charge can be made to them.

### Can the tenant make any alterations to my property?

The tenancy agreement lays out the do's and the don'ts with regard to what improvements or alterations the tenants are allowed or not allowed to make in the property. You can advise us whether you wish to remove any clauses in the contract or if you wish to add any clauses to it. However, we will advise that all clauses have to be reasonable!

### Will I have to change my household & buildings insurance policies?

Almost certainly! Most policies will only apply to "owner occupied". You will need to speak to your current insurers and tell them that you will be letting the property. Your insurer may not carry on insuring your property if it's going to be rented, you will then have to approach other insurance Companies who will consider insuring your property for rental purposes. You MUST have an insurance policy geared towards letting. If you are letting your property fully furnished then it will be your responsibility to insure anything of any value, the tenants will only be responsible to insure their own belongings. Please ask for a leaflet for MARAS buildings and contents insurance. If you own a flat in a block of flats, the Likelihood is that your buildings insurance will be included in the ground rent & service charge but you will still need to obtain permission to rent the property from whoever owns the lease and check that the insurance cover is adequate.

### Will I have to pay tax on any profit that I make?

If you are making a profit, The Inland Revenue may view this as a second income. It is advised that you speak to an accountant if you are unsure, especially if you have several properties that you are renting. If you are making a lot of profit monthly after you have paid your mortgage and insurances you may be liable to pay income tax on this. You should inform the Inland Revenue that you are renting your property. Your accountant will be able to advise you if you are liable for any tax relief against repairs and maintenance of the property. The Inland Revenue's web site is [www.inlandrevenue.gov.uk](http://www.inlandrevenue.gov.uk).

### What happens if I am living overseas?

If you are going overseas whilst your property is being let then it is advisable that you inform the Inland Revenue. If you do have to pay tax then we will deduct this from your monthly rent or you may be entitled to receive UK tax exemption on any profit that you make from the rental. For more information you should contact the Inland Revenue or your local tax office. Please be aware that if you own the property jointly with another person, you will each need to apply for tax exemption for your share of the rent: Information is available at [www.inlandrevenue.gov.uk](http://www.inlandrevenue.gov.uk)

### Are there any safety regulations that I need to know about?

Yes, there are safety regulations in place set by the Government to protect both you and the tenant. The regulations below should be adhered to. Failure to comply could result in heavy fines or even imprisonment in severe cases.

### Gas regulations "The gas safety (Installation & Use) Regulations 1998

The above law is in place to ensure the safety of all gas appliances and installations are safe in a let property. Badly maintained and incorrectly installed gas appliances can kill.

YOU MUST HAVE A SAFETY CHECK CARRIED OUT BY A CORGI GAS ENGINEER EVERY 12 MONTHS

- All gas appliances supplied by the landlord including mobile gas heaters must be properly installed and maintained by a registered CORGI gas engineer.
- The gas safety check should be carried out every year without fail even if you have never had any problems with any of the appliances or installations.
- The tenant should have a copy of the certificate for the rented property.
- The landlord should not under any circumstances allow the tenant to arrange the gas check themselves. It is the landlord's responsibility to ensure that the gas safety check is carried out. We have a duty of care to you to ensure that you are aware of your obligations.
- All gas safety certificates must be kept for a minimum period of two years after they expire.
- Case law records show that landlords have been prosecuted and imprisoned for manslaughter following deaths of tenants as a result of carbon monoxide poisoning.
- The Health & Safety Executive can fine individuals up to £5,000 if they are found to be in breach of the regulation. (For more information on this you should obtain a copy of the Health & Safety executive code of practice). Please do not be over alarmed by the above, as long as the property compliant with the current regulations there should be no problem. We can arrange for the gas safety certificate to be carried out by our Corgi registered contractor, the cost is £60 plus vat.

### Electrical regulations

There are no definite regulations set out by the government at the moment that there has to be a certificate of electrical safety for a rented property, but you do have a care of duty not to supply any appliance that is unsafe or knowingly allow a tenant to move into the property if the electrical installation is unsafe. You generally will be protected against any claims or attempts to prosecute from tenants if you have had the electrics checked.

We strongly recommend that you obtain a certificate of safety from a reputable electrical engineer, we can arrange for this to be carried out, the cost of which is in the region of £70 - £80 plus vat.

### Fire regulations

You have a duty of care to your tenants as a Landlord, the following are recommendations only by the Health & safety executive, you don't have to adhere to these recommendations. The first paragraph is a **MUST!**

- Ensure that there is at least **ONE** working smoke alarm installed in the property. Ideally there should be a smoke alarm in the hall way and on every landing ( if more than a two storey house) The battery operated alarms are acceptable but we do strongly recommend that an interlinked mains powered alarms are used if at all possible.
- Before the tenants move in, it is wise to check that the door can be opened from the inside at all times.
- Consider installing a small fire extinguisher and /or fire blanket in the kitchen area.
- Consider putting fire retardant curtains in the property if you are planning to supply curtains to the tenant.

### Furniture regulations (Furniture & Furnishings ( fire safety) regulation 1988)

The furniture and Furnishings regulations apply to all furniture and soft furnishings which must be fire safety compliant. Items such as mattresses, padded headboards, pillows, sofas, arm chairs, padded dining chairs should carry a fire retardant label (normally a picture of a cigarette with a line through it).

Any item of furniture that does not display the safety label should be removed.

**ENSURE THAT YOUR PROPERTY IS SAFE!**

**If you have any questions then please call us!**

**01604 874 400 or 07903 742377 or e mail:**

**[ar.lettings@btconnect.com](mailto:ar.lettings@btconnect.com)**