



KeyRing Lettings

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Landlord Guide

Dear Property Owner,

Thank you for requesting our Landlord's Guide, which we hope you will find useful.

KeyRing Lettings are a non-profit Community Interest Company (CIC) who provide a comprehensive letting and management service in the Mendip area. Any surplus made is re-invested into the business to assist in continuing to provide the social enterprise service in the future.

We offer a free, no obligation, rental appraisal and property advice session, which provides an opportunity to discuss the basic requirements of letting your property and also any pitfalls, which may be encountered. We will give you an accurate, honest rental assessment based on current market conditions to enable us to let your property quickly, avoiding void periods. If you are considering buying a property to let we will be happy to advise you about its suitability and give you some general advice.

We receive regular enquiries from prospective tenants and local employers, these are monitored and matched to properties that our Landlords have available to let. We also advertise regularly in the local press and online, including via social media and our website.



The following pages contain a landlord's guide to property letting and also enclosed is our Agency Agreement with Instruction Form and Scale of Charges. If after reading the guide you have any queries please feel free to call our office and our friendly experienced staff will be happy to assist in any way we can.

Preparation to letting your property

Energy Performance Certificates (EPC)

Landlords are obliged to provide an EPC certificate whenever a property is let prior to marketing. The EPC shows both the Energy Performance Rating (running costs) and the Environmental Impact Rating (carbon dioxide emissions) of the property. The certificate is valid for 10 years and can be re-used during this period as many times as required and must be a rating of at least an E before renting out your property.

Mortgaged property

It may be that your property is mortgaged to a building society, bank or other lender. If so, the mortgage deed will almost certainly require the written consent of the lender to be obtained before you let the property. If your property is mortgaged you should apply for consent before you let the property. Lenders will not deal with us in relation to the mortgage and so you will need to fill out their application form. Occasionally it will be a condition of consent to the proposed letting that your mortgage interest rate is increased and it is therefore advisable for you to approach your mortgagee at an early stage to see what the financial consequences are likely to be. Some lenders charge an administration fee.

Leasehold flat and other property

If your property is leasehold, you may require the consent of the freeholder for your proposed letting.

Restrictions etc. affecting your property

Whether your property is freehold or leasehold there may be special rights or restrictions affecting it (for example, a prohibition on more than one family or the parking of a caravan on the drive). We will need to have details of these to include in the Tenancy Agreement.

Attic, cellar and excluded areas

We do not inspect the above areas but we may ask you to confirm the contents of these areas (if any) as this may affect safety issues. During our Routine Visits to managed properties we will not visit these areas so it is strongly recommended that you do not store items on the property once let.

Insurance

We always advise Landlords to make sure that the property and its contents are adequately insured (unfurnished properties may still have contents such as curtains, white goods etc). It is extremely important that you advise your insurance company that you are proposing to let your property and that you confirm 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.

Landlord's Protection Insurance and Rent Guarantee

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. We strongly recommend that you consider taking out legal protection insurance to guard against the risks involved.

Income Tax

Income received from letting your property will be subject to 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.

Non-Resident Landlords

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. We will therefore deduct income tax at the basic rate from rent payments received and these monies will be held to your credit in a specially nominated account. ***You may be entitled to receive rent without deductions of tax and we strongly recommend you consider this. If you live abroad we will be happy to advise you about this and supply the necessary application form.***

Cleaning

Whether the property is furnished or unfurnished, it is important that the property is clean throughout before the tenants move in, this starts the tenancy on a good footing. We strongly recommend that the property, including carpets, is professionally cleaned and, if necessary, the garden made tidy. An inventory and schedule of condition will be taken to help us ensure that the tenants meet their obligations.

Inventory

It is essential to have a good quality and detailed inventory in order to resolve any disputes at the end of the tenancy. We will take and produce a detailed inventory of the property including a schedule of condition and we will update this during the period we are letting the property as each tenant moves out. When a tenant is checked into the property we give the tenant a fair opportunity (7 days) to check the inventory and we will deal with any discrepancies. Under our managed service we will complete a detailed check out when the tenant vacates, and report our findings to you.

Pets

Our standard agreement provides that a tenant may not allow pets in the property. However, a tenant is entitled to ask the landlord for consent. We advise that each case is considered on an individual basis. If consent is to be given by the Landlord you must be aware that we can no longer request an extra deposit or insist on a full carpet clean at the end of the let. Any damage or cleaning issues will have to be dealt with through the normal deposit.

Gardens and outside space

Tenants are required to keep these areas neat and tidy. Standard of gardening ability and knowledge can vary considerably. If the garden is particularly important or has special features, we will suggest that the landlord provide a gardener, the cost being included in the rent. The extent of this can be negotiable and we will make the necessary arrangements and monitor the work as part of our management service.



Letting the property

Once instructed as your agent we will commence a search for a suitable tenant using our tenant database, our website, newspaper advertisements, local business contacts and social media.

We would usually accompany all viewings with prospective tenants which enables us to talk with them to assist us in making a recommendation to you (unless you have chosen the find a tenant for free service).

As soon as a suitable prospective tenant has been found we will negotiate the tenancy terms and commence the vetting procedure. When satisfactory references, including I.D. verification, are obtained the results will be discussed with you for confirmation to proceed. If you wish we could arrange a meeting for you to meet the prospective tenant before a decision is made.

References

We take references appropriate to the potential tenant, unless you have chosen the find a tenant for free service. This may involve using a specialist agency to carry out a detailed check including the credit and employment history of the prospective tenant. If there were any question of doubt about the ability to pay the rent, we would only advise upon proceeding if a suitable Guarantor could be provided.

The Tenancy Agreement

We will discuss with you the best terms and conditions then prepare the appropriate legal agreement if applicable. In most cases we recommend an Assured Shorthold Tenancy Agreement, usually for a minimum term of twelve 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. On request, we will deal with this and also the necessary procedures should you decide with the tenant that the term might be extended.

Deposit

A security deposit equivalent to six weeks rent is normally collected from the tenant. If the property is managed by KeyRing Lettings it will be registered by us with The Deposit Protection Service on your behalf. At the end of the letting this is returned to the tenant, less any deductions made to cover breaches of the Agreement. This means we will be unable to refund all or part of the deposit to the tenant without your consent. Similarly we are unable to deduct monies from the deposit without the tenant's consent. We have a procedure for dealing with disputes about the deposit and we will always use every endeavor to settle matters quickly and satisfactorily.

Rent

The rent is payable monthly in advance. Under our full management service we will collect the rent and account to you at agreed periods (usually monthly). If more than one month's rent is paid to us we will only be able to account to you monthly, as the rent is due under the agreement. We aim to process and pay rent to landlords within five working days of receipt of cleared funds. Occasionally this can be later during holiday periods such as Christmas. We will always use our best endeavors to collect the rent on time. Should a tenant be late we will advise you and pay the due rent as soon as it is received. In common with all letting agents, we cannot be liable for non-payment of rent.

Bills and Services

It is usual for the tenant to pay charges for Council Tax, water, electricity and gas. We will notify the authorities and service suppliers and take meter readings. (Tenants are, of course, entitled to change suppliers for gas and electric although we always encourage them to remain with the existing suppliers.) Water and Sewerage rates will also be put into the tenant's name, if there is a water meter we will request that the meter is read by the provider. Please note Telephone providers will not liaise with us therefore this cannot be provided in the service.

Tenant Information

Prior to taking possession we will provide the tenant with a Move In Pack setting out necessary details for residing in the property, breaking down their obligations and explaining our procedures and expectations.

Problems with the tenant

In the event of difficulty, whether because the tenant is failing to pay rent or has broken other terms of the Tenancy Agreement, we will be pleased to discuss with you the steps to enforce the terms of the Tenancy Agreement. However, we would stress that the vast majority of lettings we manage are uneventful and trouble free. We will assist with any eviction proceedings, but our management fee does not cover this. We will charge fees based on time and will always be happy to give details of an estimate where appropriate.

Routine Visits

With our full management service we make regular visits to the property on your behalf and advise you of any potential problems. The main purpose of such visits is to check if there are any maintenance matters that require your attention. We also seek to check that the tenant is abiding by the agreement and not damaging the property. We will give the tenant advice, if necessary, on any defects we may find. However, tenants do have a right of privacy and we, and you as landlord, can only enter the property with their consent. Similarly we are not able to comment on the tenant's life style or cleaning ability unless the property is being adversely affected.

House in Multiple Occupation (HMO)

There are definitions about what constitutes a house (residential property) in multiple occupation. We will advise you about this as there are legal consequences in letting a property to sharers.



Landlord Maintenance Obligations

As a Landlord you are legally responsible to keep the property and the services such as central heating in good repair. Under our full management service we will agree with you a provision for minor or routine repairs and any emergencies such as a burst pipe must be resolved immediately therefore we will act on your behalf and notify you as soon as possible. When major expenditure is required in a non-emergency situation we will always obtain quotations from appropriately qualified contractors for you to authorise before proceeding.

SAFETY - LEGAL REGULATIONS

The property must be a safe environment for tenants and we will assist you in checking all safety aspects of the property prior to the tenant moving in.

Under current safety regulations it is the Landlord's responsibility to ensure that the gas and electrical systems and appliances at the property are maintained in a safe condition and serviced by a qualified contractor.

Landlord Gas safety certificates

A gas safety check must be carried out to ensure that all gas fittings and flues are maintained in a safe condition and a safety record issued prior to the tenant moving into a property. This must be undertaken by a qualified registered engineer and completed every 12 months. The certificate must be issued to a new tenant at the start of the tenancy and within 28 days of the check to an existing tenant. The failure to maintain appliances correctly could result in loss of life and failure to comply with the regulations could result in fines of up to £5,000 for each offence. There is also a possibility of receiving an unlimited fine and or a custodial sentence. We recommend that carbon monoxide detectors are installed in properties with a gas supply.

Electrical safety check

We recommend that a full electrical safety check is carried out by a qualified Electrician and an inspection report produced, these are usually valid for five years and carried out before the property is let and then every five years or at a tenant change, whichever is the soonest.

If any appliances are included in the letting it will be the Landlord's responsibility to ensure they are safe when the property is let. The law may also require the landlord to repair or replace these should they become defective. We advise removing very old or defective appliances such as cookers from the letting. Plugs and Socket regulations apply and we must ensure that all plugs, leads and sockets are checked for safety and correctly fused before a tenant takes possession, Portable Appliance Test.

Where electrical appliances are included we are obliged to supply safety instructions to the tenant and we will arrange this.



Smoke detectors, carbon monoxides detectors and heat alarms

It is now a legal requirement that all properties we let include smoke detectors at the rate of at least one per floor, unless the property has a full fire alarm system. These must be checked and working when a tenant takes possession, but our Tenancy Agreement places the liability for on-going testing on the tenant, we will also check that they are operating at our routine visits under our Full Management service. Carbon monoxide detectors are required in each room if there is a solid fuel burning appliance in the room and it is also advisable to install a heat detector in the kitchen area

Furniture and Furnishings Regulations

There are strict regulations relating to the fire resistance of furniture and soft furnishings that are included in the letting. There are some exemptions e.g. antique furniture, but a breach of these regulations can result in criminal proceedings with fines up to £5000 and or six months imprisonment. If you propose including soft furnishings we will advise you on the appropriate regulations. The regulations make it clear that there must be no non-compliant furniture on any part of the property including garage and attic.

Chimney sweeping

If the property has working open fireplaces it is the responsibility of the Landlord that these are swept prior to a tenant moving in. It would then be the responsibility of the Landlord to have them swept on an annual basis to reduce chimney fire risks.

Legionnaires Disease

There is a legal duty for landlords to assess and control the risk of exposure to legionella bacteria. Legionnaires' disease is a potentially fatal form of pneumonia caused by the inhalation of small droplets of contaminated water containing Legionella. All man-made hot and cold water systems are likely to provide an environment where Legionella can grow. Where conditions are favourable (ie suitable growth temperature range; water droplets (aerosols) produced and dispersed; water stored and/or recirculated; some 'food' for the organism to grow such as rust, sludge, scale, biofilm etc) then the bacteria may multiply thus increasing the risk of exposure. It is a simple fact that the organism will colonise both large and small systems so both require risks to be managed effectively. The law is clear that if you are a landlord and rent out your property (or even a room within your own home) then you have legal responsibilities to ensure the health and safety of your tenant by keeping the property safe and free from health hazards. As part of our Management Service we carry out a basic risk assessment and advise you of any potential risks that may need to be managed.

Help to Rent Booklet

It is a legal requirement to provide your new tenant the latest copy of the how to Rent booklet at the start of their tenancy. As part of our Management Service we will provide your tenant with this on your behalf

Damp and Mould

There are three main types of damp, condensation, penetrating damp and rising damp. Condensation is the most common form of damp in rented properties and Landlords are responsible to ensure their property is free from all three types. If condensation is a problem you must ensure the property has sufficient heating, ventilation and insulation. You may also need to supply a dehumidifier if there is an ongoing issue with condensation in the property. If there are issues with rising or penetrating damp these can be extensive and we will be happy to instruct a professional to advise you in these cases

Complaints and Client Money Protection

KeyRing Lettings are fully compliant in both areas with membership of The Property Ombudsman (TPO) and Money Shield.

Health and Safety

A tenant or other party may ask the local authority to carry out an inspection of the property under the Housing Health and Safety Rating System at any time. The local authority has significant powers to require property owners to make the property safe. The system is based on whomever may be considered the most vulnerable person to occupy the property. We will explain how these regulations may affect you. We will also assist you with outcomes of such an inspection. However this is not included in our standard fee structure and we will charge fees based upon an hourly rate applicable at the time if you require our assistance.

Next Steps.....

If you wish to proceed with instructing KeyRing Lettings to let (or help let) your property, please contact Jane Weddell on the contact details below and she will arrange an appointment to meet you at the property to begin the lettings process.

Please note you will need to provide the following documentation before we are able to market the property;

- Energy Performance Certificate

You will need to provide the following documentation before commencement of a tenancy;

- Current Gas Safety Certificate
- Electrical Safety Report

We hope this document answers any questions you may have but please contact us if you require any more information or to discuss your needs.

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