

# DWELLINGS

— of WARWICKSHIRE —

RESIDENTIAL LETTING & MANAGEMENT AGENTS



***Landlord Package***



## INTRODUCTION

We are a specialist Residential Letting Agent and Property Management Company operating out of our busy centrally based office in Stratford upon Avon, serving the immediate area, villages and surrounding towns.

We provide a variety of services from Let Only to Full Management tailored to suit your specific requirements as well as impartial advice without obligation and guidance towards suitable buy to let properties. Therefore, ensuring any investment you make is the right choice.

Dwellings offer advice on:

- Current letting market conditions
- Predicted future market conditions
- Locations for specific property types
- Possible locations to avoid
- Yield information on all of your short-listed properties
- Full rental appraisal and recommendations
- Access to specialist 'buy to let' mortgage advisers
- Recommendations on property presentation
- Specialist landlord and tenant's insurance providers

Call into our office at 46 Rother Street, Stratford upon Avon, CV37 6LT

Telephone us on 01789 299512 or email us at [lettings@dwellings.co.uk](mailto:lettings@dwellings.co.uk)

Best wishes and regards

**Dwellings of Warwickshire**

## MARKET CONDITIONS

A constantly changing lettings market means that any landlord should ensure they are well informed as to current and predicted trends for future rentals.

## YIELD INFORMATION

Knowing how to achieve the best possible returns for your investment is key.

Gathering important information on how rental levels have changed over the years and looking into current market conditions will assist in making the right choice of investment property.

## MARKET APPRAISALS

Dwellings offer free rental property valuations in order for you to make an informed decision for a buy to let mortgage.



# **IMPORTANT INFORMATION FOR A LANDLORD**

## **PRIOR TO LETTING YOUR PROPERTY**

Before we can enter into a lease you will need, if applicable, to notify or seek permission from the following parties:

### **Your Mortgage Lender**

It is your responsibility to notify your mortgage lender that you intend to let the property, to gain their permission and maintain monthly payments.

In most cases the Lender will have no objection to you letting the property provided that:

- You are up to date with your mortgage payments
- The lease contains the correct notices of mortgage repossession

### **Leasehold Landlord**

If your property is Leasehold, you may be required under the head lease to obtain approval of the prospective let. Certain clauses and lease terms on the head lease will have to be incorporated into the Assured Shorthold Lease drawn by us for the property. Dwellings are happy to handle this for you if required.

### **Your Insurance Company**

Your insurer must be informed that there will be tenants in your property. Your cover could be invalidated if they are not aware of a change of inhabitants and a problem or claim occurs. If your property is marketed and let as furnished you will be responsible for ensuring the contents. Again, insurers must be aware that it is tenanted.

Dwellings work closely with Homelet, a leading supplier of Landlord Insurance, Tenant Referencing and Tenant Insurance. Through our connection with Home-Let, we can assist you with both your Building and Contents Cover as well as Legal Protection Cover, Rent Protection Cover and Tenants Contents Cover.



# THE PREPARATION OF THE PROPERTY

A well maintained and well-presented property is easier to let and will almost certainly secure a higher rental level.

## **Tips for a quick, efficient and successful let:**

- Leave as many booklets and manuals for the appliances as possible as well as any details of service contracts and maintenance contracts for all appliances including boilers
- Property should be cleaned and the garden (if applicable) tidied
- For unfurnished properties the minimum requirements are carpets, curtains/blinds, light fittings (not a bare bulb on a wire), cooker, fridge and washing machine
- The kitchen should be functional with adequate units and work surfaces

As a Landlord you will be responsible for the ongoing maintenance of any appliance left for the tenants use. If the breakdown occurs from normal wear and tear and not through neglect by the tenant then the landlord would ordinarily be expected to repair or replace the appliance. If the tenant causes the breakdown through neglect, then the repair becomes the tenant's responsibility.

The lease will bind the tenant to return the property in a similar condition, fair wear and tear accepted.

## **Gardens**

The tenant will be responsible for the upkeep of the garden as they must return the property, including the garden, in the same condition as at the start of the tenancy agreement. Some tenants may not have sufficient garden tools so, if possible, a small range of tools should be left for their use.

We do appreciate that some of our landlords have invested a lot of time and effort in their gardens and may well wish to consider employing the services of a gardener.

Dwellings can provide you with a quote from our experienced contractors and can build these costs into the monthly rental.

# IMPORTANT LEGISLATION

## **The Furniture & Fire Regulations 1993**

These regulations affect all Landlords in the private and public sector who let accommodation. They apply to furniture and furnishings included in holiday homes and residential accommodation which are let in the course of business.

## **Gas Safety (Installation and Use) Regulations 1994**

Landlords are responsible for ensuring that all gas appliances left in the property must be inspected annually and that each appliance should have a Landlords Gas Safety Certificate in force at all times during the tenancy.

An annual certificate must be made available to the tenant. We are happy to organise this for you as part of our management service.

## **Electrical Equipment (Safety) Regulations 2016**

Landlords must ensure that rental homes are electronically safe and as such we recommend that a periodic Inspection Report (PIR) be carried out by a qualified electrician as required (between 15yrs) with a routine annual check. An EICR check is mandatory for each property, which is undertaken by a suitably qualified electrician. This report is required to be produced every 5 years.

## **Smoke Alarms**

The Building Regulations 2010 require that all properties built since 1992 must have mains operated interlinked smoke alarms fitted on every floor. If your property not be fitted with any smoke alarms, we strongly recommend that you at least have basic battery models fitted. Again, this is something we can arrange for you. We strongly recommend that Carbon Monoxide detectors are installed too.

## **Energy Performance Certificates**

As part of a European directive called 'The Energy Performance of Buildings Directive' all domestic and non-domestic buildings will require an energy report carried out to show energy used and CO2 emissions of the property. Each EPC report will require re-assessing every 10 years.

We use a local company that provides these surveys efficiently and at a competitive cost. We need to ensure this inspection is undertaken once we market the property to let. Upon payment, we forward details to our surveyors who will make the necessary appointments to proceed.

Please note if you have a HIPS report on the property, the EPC should be included in that report and we would simply need a copy to hold on file in our office.

## **Legionella Risk Assessment**

Landlords who provide residential accommodation have a legal duty to ensure that the risk

of exposure of tenants to legionella is properly assessed and controlled. Landlords are obliged to have a risk assessment conducted out at their properties followed by subsequent periodic reviews.

Dwellings are able to organise this for you at a competitive cost. A copy of the HSE Essential Information for Providers of Residential Accommodation is available upon request.

## **INCOME TAX LIABILITY**

### **UK Residents**

Income Tax is payable on UK lettings irrespective of where you live and whilst any rental income is considered, you are only taxed on the profit and can offset certain costs against this income, these include:

- Letting and Management fees
- Unused personal allowance
- Insurance
- Wear and tear of furniture
- Mortgage interest
- Legal and professional fees
- Repairs and maintenance

### **Non-UK Residents**

If you are classed as a non-UK resident during the term of tenancy, you should check the implications of the Taxes and Management Act 1970.

These impose an obligation to us, as your agent, to account to the Inland Revenue for any taxes due on your rental income. To cover this liability, they require that we retain currently 20% of the gross rent and pay this to them quarterly.

You can however apply to the Inland Revenue to receive the rent gross of any tax deductions, by completing an approval (FICO) form online for overseas landlords to receive UK rental income gross (Form NRL1).

# THE RANGE and OPTIONS OR SERVICES AVAILABLE

- Let Only (Basic Letting Service)
- Let Only with Rent Collection
- Fully Managed

## LET ONLY (THE BASIC LETTING OPTION)

This service would be for a Landlord who wants to maintain the day to day management and control of the property

### The Basic Letting service includes:

- **Visits:** An on-site property visit to advise on the rental level
- **Advice:** Provide advice on any work required to allow the property to reach its full market potential
- **Marketing:** – Photography of the property, Online advertising on Rightmove, Dwellings website, we are the market, window advertising and organising a “ToLet” sign on your instruction if appropriate
- **Database:** Using the extensive Dwellings database, we match your property to prospective and suitable tenants
- **Viewings:** – Requiring keys, alarm code and any other access information, we will always accompany prospective tenants for viewings
- **Referencing:** Financial, Employer, Landlord, Character and ID check, undertaken by Rentshield

### Fees

The fee for the above service (Let only / Tenant find) equates to 90% inclusive of VAT of the first month's rent.

### Legal Documentation

We prepare full documentation including the lease, notices, standing orders, tenant obligations and invoices for rent and deposit.

The lease includes details of the rental, term of lease, rental amount, deposit amount and tenant's obligations. Our bespoke software is continually updated to ensure it conforms to the legal requirements of all recent legislation of the 2004 Housing Act. Two copies of the lease are produced and both signed by the tenants and ourselves on your behalf.

### Inventory and Condition Reports

We strongly encourage all of our landlords to ensure a comprehensive report is provided to the tenants detailing all portable items in the property together with the condition of decoration, carpets and furnishings. This should be signed off by the tenant and retained as a record of the



condition of the property upon occupation. These reports (included withour Management option as part of the package) can be prepared for you if necessary, at a competitive cost.

### **Tenant Handover**

We will, upon full documentation being signed, witnessed and all monies paid in cleared funds, hand your property over to the tenant for their occupation. They will be handed an information pack containing the landlords preferred contact details and the keys to their newhome.

## **RENT COLLECTION**

Option includes all as per Let Only 'Basic Letting Option' but in addition we undertake a rent collection service.

The fee(s) for the rent collection service are

- One off initial admin fee £450 inclusive of VAT
- Monthly management fee of 6% of the monthly rental inclusive of VAT

We will collect the rents each month, this is usually done via standing orders from the tenant's bank and forward payment to you by bacs transfer to your nominated account. You will then receive a statement of account each month detailing all transactions.

## **THE PROPERTY MANAGEMENT OPTION**

Option includes all the services required to let and perform the day to day management of your property. This option would suit a landlord who wants a hassle free let, leaving us to undertake all the necessary work within our total management control.

The fee(s) for the full management service are

- One off initial admin fee £450 inclusive of VAT
- Monthly management fee of 12% of the monthly rental inclusive of VAT

In addition to the Letting Services detailed above and rent collection service, our management service includes the following:

### **Inventory and Condition Reports (Subject to an additional charge)**

We organise an inventory and condition report of your property, undertaken by an external specialist contractor. In addition, we will undertake the property 'check-out' when the tenancy comes to an end, this involves undertaking a final inspection, detailed check against the inventory, appraising any damage and obtaining estimates for remedial work including cleaning, undertaking works and recovering the monies from the tenant.

Upon total satisfaction that the property has been returned to its original condition, with wear and tear taken into consideration, we will complete the transaction by returning the balance of the deposit to the tenant.

### **Inspection Visits**

Dwellings will inspect your property during the tenancy. This is a visit to check the overall condition of the property. We monitor the tenant's behaviour, tidiness and upkeep of the property including gardens. Any adverse findings will be reported to you and we will notify the tenants of our report and insist on immediate rectification. Our inspections are carried out periodically on fully managed properties and more frequently if we have any concerns during the course of the tenancy.

**Deposit**

The tenant makes available a sum of money equal to 5 week's rent. This sum is held by us in a segregated Client call account, unless specifically requested by the landlord.

## **Tenant Deposits: New Legislation Housing Act 2004**

As part of recent legislation under The Housing Act 2004, you are legally required to protect your tenants deposit with effect from 6th April 2007.

We utilise 'mydeposits' for deposit protection who are a company jointly owned by The National Landlords Association and Hamilton Fraser Insurance plc. 'mydeposits' are one of three companies who have been awarded a contract to operate this government approved scheme. The scheme is administered by Hamilton Fraser Insurance plc who are regulated by the Financial Services Authority. The scheme is primarily designed to legally enable Landlords or Agents to hold tenant's deposits throughout the duration of a tenancy, and at the end of the Assured Shorthold Tenancy Agreement the tenant's deposit is returned without dispute.

Should a dispute arise which cannot be resolved amicably between all parties, then the scheme administrator will arbitrate the disputed amount.

Dwellings of Warwickshire Ltd are members of this scheme with 'mydeposits' and have borne the cost of membership and will continue to cover the annual renewal fee. However, Landlords will be required to cover the Deposit Protection Fee which is currently £35 plus VAT (£7.00) (Total £42.00) per deposit held.

## **Maintenance and Repairs**

During the tenancy certain issues involving repairs or maintenance may occur at your property. The tenant will have been informed that all repairs required must first be reported to Dwellings of Warwickshire Ltd and only we can authorise any such works. We would ascertain the cause and if we believe it was caused through tenant neglect then the tenant will be liable to pay for rectification. However, if the repair is due to wear and tear and general living, then the cost may fall to the landlord. We will at all times endeavour to obtain the most reasonable quote for the work. We may use our own Contractors to undertake such repairs and will attempt to contact you before we undertake any work. We do however reserve the right to commission work without contacting you if we believe it to be an emergency, unless specifically requested otherwise.

## **Utilities Notification**

As part of the Management service, we will read meters at the commencement of the tenancy and notify the relative utility authorities of the change of occupier. Any final bills due can be forwarded to us where upon we can settle from rentals received or indeed forward to you for settlement. In addition, we will notify the Council to have the liability for Council Tax changed to reflect that of the occupier.

## **Income Tax Certificates**

If required we will prepare at your year-end a statement showing gross rental together with a full breakdown of all costs, repairs, maintenance and fees, giving a net rental figure for tax submission purposes.

## **Problem Tenants**

Whilst every attempt is made to locate the best possible tenants for your property, circumstances may change and the tenant may become a problem tenant, either late paying or non-paying.

- If your tenant is late in paying, we send a letter of demand after 7 days, followed by a very strong letter warning of Legal Procedure after 14 days. We have found historically that this works in the majority of cases. We can happily report that over past years and many hundreds of tenancies, we have taken very few to court for non-payment of rent.

- Should the matter however become more serious and not able to be resolved by us, then you now have a greater degree of protection under the Housing Act.
- However, it can be a drawn-out procedure taking the matter through the courts. Should this situation arise, you would be responsible for legal costs and court fees. This however can be insured against by a simple yearly Legal Protection Insurance available from us and underwritten by Home-Let.

**Dwellings are not responsible for any rent arrears due from tenants.**

### **Notice to Quit**

In order to bring the tenancy to an end, the Landlord is required to serve a "Notice to Quit" on the tenant, which must give the tenant at least two months' notice of the termination date. Service of this notice requiring possession under the Housing Act 2004 s21. will be required before you can enforce your rights of possession at the end of a fixed term or during a periodic term.

Should you wish your tenant to vacate at either the end of the fixed term or during the periodic term, then you must instruct us in writing to subsequently bring the tenancy to an end.

However, under the same section of the Housing Act 2004, the tenant needs only give you one month's notice of their intention to vacate the property at the end of the fixed term or during the statutory periodic term.



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