



Myddelton & Major



A Landlord's Guide to Letting

www.myddeltonmajor.co.uk

Deciding to Become a Landlord

For a growing number of property owners letting their home or purchasing investment properties to rent out provides a swift and rewarding option with a high degree of flexibility, as well as a potentially solid and reassuring return on their investment. Whether the decision is based on concerns about the weakness and unreliability of the sales market, the poor return from other investment options or from a desire to develop a property portfolio for the long term, renting out a home should be a positive and rewarding decision.

About Myddelton & Major

Myddelton & Major is an independent firm of Chartered Surveyors, established in 1903. The firm is actively led by the partners from our Salisbury and Southampton Offices.

The firm provides advice on Residential Sales, Lettings and Management across Wiltshire, Hampshire and Dorset. We also deal with all aspects of Commercial and Industrial property.

The Residential Lettings and Management department is run from our Salisbury Office with support from surveyors and accounts staff.

Our lettings team keeps up to date with changing market conditions and has a policy of maintaining the professional standards of Chartered Surveyors and continuing education within the practice.

Myddelton & Major are specialists in the letting and management of good quality properties of all size, style and type whether they are located in Salisbury's Cathedral Close, the city centre, its suburbs, or in the villages and rural areas within approximately twenty miles of Salisbury.



Meet the Team

We have experienced, dedicated staff providing a personal, professional and efficient service.



Alastair Brain
Lettings Manager



Natalie Jones
Lettings Negotiator



Cathy Burrows
Accounts

Our Lettings & Management Services

Myddelton & Major offer two principle service options for Residential Landlords, **Letting Only** and **Full Management**. We also undertake **Block Management** for selected developments:

Letting Only

This service includes the following:

- Inspecting the property and advising on suitable letting terms (this advice is free and carries no obligation)
- Seeking a suitable tenant by marketing property as widely and as proactively as possible
- Arranging and accompanying viewings (all accompanied by an experienced and informed member of our staff)
- Advising on the suitability of any prospective tenant, and if required, arranging for Landlords to meet them
- Taking up references, using a specialist referencing company
- Preparing the Tenancy Agreement and all other relevant paperwork
- Preparing an Inventory and Schedule of Condition at the commencement of each tenancy
- Supervising the signing of the Tenancy Agreements and collecting the first months rent and dilapidation deposit
- Overseeing the tenant into the property and making sure that everything is in order
- Arranging for the tenant to set up a standing order to pay all future rents as directed

- Accounting for the first month's rent received from the tenant, less any deductions
- At the end of the tenancy, carry out the Check Out of the property and releasing of the deposit

Full Management

This service includes all the Letting Only services, as well as the following:

- Collecting the rent and accounting to the Landlord
- Dealing with regular payments in the Landlord's absence
- Dealing with defects, essential repairs and replacements
- Regularly inspecting the property and reporting on its condition to the Landlord

Block Management

Providing services on behalf of the Freeholder or Residents Committee:

- Service Charge & Ground Rent collection & accounting
- Overseeing maintenance contracts
- Dealing with defects, essential repairs and replacements of communal parts
- Organisation of Management Committees and AGMs

Market Appraisals

The first step in deciding whether to rent out a property is to seek advice from a reputable local Letting Agent, with established experience of letting and managing properties of a similar type as the house or flat in question.

Myddelton & Major provide these Market Appraisals free of charge or commitment. We are happy to visit the property at a mutually convenient time and to meet with the owner (or their representative) to discuss the entire letting process and offer advice on any necessary or desirable improvements, the potential market and achievable rental value for the property.



We will provide examples of our marketing material, comparable evidence to support our opinion, and literature informing the owner on all aspects of being a Landlord.

We will follow up our visit with a written report confirming our advice and marketing recommendations.

We are delighted to be instructed to act for a new Landlord, and on receipt of a signed Terms of Business, we will make all necessary arrangements to begin the marketing of the property.

Preparing for Letting a Property Mortgaged/Leasehold Flats/Houses

If the property is mortgaged, it is essential to obtain written permission from the mortgage provider before a tenancy commences.

If the property is Leasehold, the Lessee must ensure the following before a tenancy can begin:

- that sub-letting is permitted by the lease
- that the sub-letting is for a period expiring prior to the termination of the lease
- that the Landlord's written permission, if necessary, is obtained for the sub-letting

We will require a copy of these documents before we are able to set up a tenancy.



Furnished or Unfurnished Lettings?

Should a property be let unfurnished or furnished? What difference does it make?

Furnished

Some potential tenants will be specifically looking for fully furnished properties to rent. They usually represent a very small proportion of potential tenants.

If the property is to be let Furnished, it is essential to ensure that all items to be included in the tenancy comply with the Furniture & Furnishings (Fire) (Safety) (Amendment) Regulations 1993:



Furniture such as beds, headboards, mattresses, sofa-beds, futons, garden/conservatory furniture and soft furnishings such as scatter cushions, seat pads, pillows, loose and stretch covers must all comply as follows:

- Upholstered articles must have fire resistant filling material.
- Cover fabrics must have passed a fire resistant test or some may be used with a fire resistant liner.
- The combination of the cover fabric and the filling material must have passed a fire resistance test.
- All furniture or furnishings must have the appropriate labels to prove compliance.

Unfurnished



In our experience tenants prefer unfurnished properties, for the simple reason that they will have their own furniture, which enables them to make themselves at home in their rented property.

Unfurnished properties are much easier to prepare for letting and easier to manage during and after tenancies. The Inventory will be much less detailed and easier to prepare and check. Also, there will be far fewer electrical items to maintain (see notes overleaf about PAT testing).

Presentation

Before a property is let, we would strongly recommend that it is cleared of any personal possessions (not to be included as part of the tenancy), and professionally cleaned throughout, including carpets and curtains. Equally, the garden and any outbuildings should be cleared and the lawns, hedges and flowerbeds be presented in a tidy condition.

These measures will help to ensure that the property is most appealing to prospective tenants, and that it will be well looked after and returned in an equally clean and tidy condition at the end of each tenancy.

Insurance, Utilities & Services

Landlords are responsible for ensuring that their property and contents are adequately insured and that the policy covers lettings as some policies do not do so.

If the property is subject to a Ground Rent or any Management Charges, these are paid by the Landlord and are therefore inclusive in the rent. As part of our full management service, we can deal with regular payments in the Landlord's absence in respect of such items as insurance premiums, ground rent, service charges etc., and include them on monthly rental statements.

Accounts and bills for all the relevant utility services (gas, electricity, water, sewerage rates, council tax, heating oil and telephone charges) are the tenant's responsibility. The relevant utility meter readings will be taken by Myddelton & Major before the Check-In appointment, and noted on the Inventory.

On moving in to the property, tenants will be provided with a list of the relevant companies and their contact details. Tenants are permitted to change utility suppliers if desired, but must ensure that the service supply remains continuous and that the agent is informed of the new supplier's details at the end of the tenancy. At the end of the tenancy, tenants are required to finalise their accounts directly with the utility companies.

Energy Performance Certificate (EPC)

Since 1st October 2008, it has been a legal requirement to have an EPC available to show any potential tenant from the start of marketing.

The purpose of the EPC is to show prospective tenants the energy performance of the building they are planning to occupy. The EPC shows the energy efficiency rating (relating to running costs) and the Environmental Impact rating (relating to CO2 emissions rating) of the property. They are shown on an A-G rating scale similar to those used for fridges and other electrical appliances.

The certificate will be accompanied by a recommendation report on how to improve the building's energy efficiency. However, there is no statutory requirement to carry out any of the recommended measures.

The certificate remains valid for 10 years (as long as there are no significant alterations made to the property during that period) and can be used for an unlimited number of tenancies or sales. If your property does not have an EPC we can arrange this for you.

Energy Performance Certificate

Client: Dove Cottage
East Chesham
SA15 3JH
GPS 355

Dwelling type: Detached house
Date of assessment: 03-Sep-2010
Date of certificate: 10-Sep-2010
Reference number: 0118-203-6231-7700-7064
Type of assessment: RESID, existing dwelling
Total floor area: 66 m²

This home's performance is rated in terms of the energy use and carbon made of floor area, energy efficiency based on fuel costs and environmental impact based on carbon dioxide (CO₂) emissions.

Energy Efficiency Rating		Environmental Impact (CO ₂) Rating	
Current	Potential	Current	Potential
B	A	B	A

England & Wales EU Directive 2002/91/EC

The energy efficiency rating is a measure of the overall efficiency of a home. The higher the rating, the more energy efficient the home is and the lower the fuel bills are likely to be.

The environmental impact rating is a measure of a home's impact on the environment in terms of carbon dioxide (CO₂) emissions. The higher the rating, the less impact it has on the environment.

Estimated energy use, carbon dioxide (CO ₂) emissions and fuel costs of this home		
	Current	Potential
Energy use	188 kWh/m ² per year	182 kWh/m ² per year
Carbon dioxide emissions	3.3 tonnes per year	2.8 tonnes per year
Lighting	£25 per year	£24 per year
Heating	£400 per year	£417 per year
Hot water	£152 per year	£152 per year

The figures in the table above have been provided to enable prospective buyers and tenants to compare the fuel costs and carbon emissions of one home with another. To enable this comparison the figures have been calculated using standardised saving conditions (heating periods, room temperature, etc.) that are the same for all homes, consequently they are unlikely to match the occupier's actual fuel bills and carbon emissions in practice. The figures do not include the impacts of the fuels used for cooking or running appliances, such as TV, fridge etc; nor do they reflect the costs associated with servicing, maintenance or safety inspections. Always check the certificate date because fuel prices can change over time and energy saving recommendations will evolve.

To see how this home can achieve its potential rating please see the recommended measures.

Remember to look for the energy saving recommended signs when buying energy efficient products. It's a quick and easy way to identify the most energy efficient products on the market.

This EPC and recommendations report may be given to the Energy Saving Trust to provide you with information on improving your dwelling's energy performance.

Electrical and Gas Safety Regulations



Electrical

A Landlord should ensure that all electrical installations and appliances are tested by a qualified electrician before letting your property. We strongly recommend that a periodic inspection report is carried out by an NIC EIC approved contractor.

Personal Appliance Testing (PAT Testing)

The Electrical Equipment (Safety) Regulations 1994 requires that all mains electrical equipment (cookers, washing machines, kettles, etc), new or second-hand, supplied with rented accommodation must be safe. Landlords are responsible for regularly maintaining the electrical equipment they supply.

It is essential that the property is checked prior to a tenancy starting to ensure that all goods supplied are in a safe condition. A record should be made of the goods supplied and of the checks made on them. The record should indicate who carried out the checks and when they did it, and reports detailing the equipment, the tests carried out and their results should be retained.



Gas

The Landlord is required to ensure that all gas appliances are maintained in good order. Before a tenancy begins, all appliances must be tested and certified compliant by a qualified engineer, under Regulation 3 of the “Gas Safety (Installation and Use) Regulations 1998.”

In addition, an annual service must be carried out by a Gas Safe Registered Engineer on all gas appliances and a Gas Safety Certificate issued. All appliances must have instructions books left at the property. Failure to comply with the Regulations can result in prosecution.

It is the Landlord’s responsibility to carry out such tests at his own expense. However, we would be delighted to arrange and oversee any or all of these inspections on the Landlord’s behalf.

NB. Myddelton & Major will only be able to undertake the letting of a property once all the relevant certificates for these safety checks have been obtained or permission is given to have these inspections carried out at the landlord’s expense.

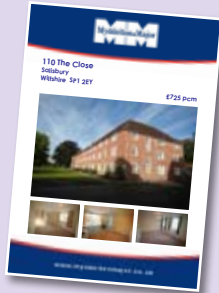
Tenant Finding

Marketing

Brochures

Particulars are produced for all properties, which include:

- full description of the accommodation (including room sizes)
- fixtures, fittings and appliances
- description of the location and surrounding area
- utility services
- council tax charges
- any restrictions the Landlord has applied



Mailing

We maintain a mailing list of tenants actively seeking residential letting properties in the area. The property's brochure will be sent to all applicants.

Websites

All our available properties are constantly advertised on three websites:

myddeltonmajor.co.uk
rightmove.co.uk
primelocation.com

These websites will feature several internal and external photographs of each property, as well as a full description of the accommodation (including room sizes) and the property's Energy Performance Certificate. The full brochure for each property is also available to download.

Window Display

All our available properties are displayed in our prominent High Street office window next to the main entrance to the Cathedral Close.

Newspapers / Magazines

Your property will be advertised in the Lettings section of the Salisbury Journal newspaper in full colour with large photos and full description. Where appropriate, press releases and editorial features will be submitted to relevant newspapers, which are printed at the Editor's discretion. If we recommend additional national or magazine advertising these costs would be discussed and agreed with you in advance.

Viewings

All viewings will be accompanied by an experienced and permanent member of our staff, who will know the property first hand and be able to explain all aspects of the lettings process to prospective tenants. A log of all viewings will be kept, and feedback provided to the Landlord after all viewings, including any unsuccessful ones.

References

On application by a tenant to rent a property we will take up references and credit checks on your behalf. 'Homelet', a specialist national referencing company will check each applicant's background (ie. credit history, employment status, CCJ's, previous landlord references) and that they can afford the rent payable. If a prospective tenant is deemed unacceptable, we will recommend to you their application be refused.



HomeLet offer Landlords the option to take out Rental Warranty Cover and Legal Protection. In order to obtain this cover the tenant must first be referenced through HomeLet and meet their criteria. They also offer buildings and contents insurance cover specifically for the rental market. Further information is available upon request.

Tenancy Agreements

Assured Shorthold Tenancies

Unless we are instructed otherwise, we will use our standard form of Assured Shorthold Tenancy (AST) Agreement in respect of all lettings.

NB. Landlords instructing their own Solicitors to prepare an agreement must be responsible for their legal fees in addition to our own.

An AST commits both the Landlord and the Tenant to a fixed initial term, which is usually six months, but can be for a longer period if agreed by both parties. At the end of the initial term, if neither party has given prior notice to end the tenancy, the tenancy would automatically continue as a statutory periodic tenancy, on a month by month basis on the same terms as the preceding fixed term, until either side gives notice.

The Landlord is required to give at least two months notice to vacate the property.

The Tenant must give one month's notice of their intention to end the tenancy. If you would like to look through the full terms of our standard AST we are happy to provide a copy.

Company Tenancies

If a Company or an Employee who has their accommodation provided by their employer, successfully applies to rent a property, the tenancy will be a standard Company Tenancy (CT).

A CT is for a fixed term, usually twelve months, but can be for an alternative period if agreed by both parties. The tenancy will automatically end after the fixed term and can be renewed on the same terms for another fixed period. Under a CT, the tenant is the Company, and the occupant is the Licensee. Both must abide by the full terms of the agreement. If you would like to look through the full terms of our standard CT we are happy to provide a copy.



Dilapidation Deposits

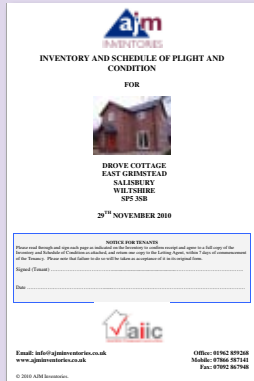
All tenants will be required to pay a Dilapidation Deposit to Myddelton & Major in advance of taking possession of the property. The level of the deposit is usually equivalent to one and a half months' rent. Under the Housing Act (2004), all deposits must be held in an approved Tenancy Deposit Scheme, which consists of third party government regulated companies. We use the Deposit Protection Service (DPS) to hold the deposit for the duration of the tenancy. Where there is no dispute at the end of the tenancy, the balance of the deposit will be returned to the tenant.

In the event of there being a dispute over the entitlement of the deposit, it is to be understood that the dispute is between the Landlord and Tenant only. Any dispute is to be resolved in accordance with the DPS terms and conditions and the Alternative Dispute Resolution Service rules. Further information is available at www.depositprotection.com



Inventory & Schedule of Condition

A professional Inventory and Schedule of Condition will be prepared for the property in advance of the start of the tenancy. This will detail the full contents and condition of the property, both internally and externally (where appropriate). The up to date readings for all utility meters (and oil tank levels if applicable) will be included, as well as a list of all keys supplied to the tenants.



At the Check-In appointment, tenants will be required to sign two copies, one for their information and one to be retained by Myddelton & Major. Tenants are asked to check the Inventory carefully and report any discrepancies to us within seven days. At the end of the tenancy, the property must be returned in the same condition as it was received, as detailed in the Inventory. The cost of preparing the Inventory is paid by the Landlord, and will be taken out of rental income where appropriate. If the Landlord requires a copy of the finalised Inventory for information, we are happy to provide one.

Rent Collection

On completion of a tenancy we will set up rent payment arrangements with the tenant. Cheques, Direct Debits etc must have cleared into our client account before we can transfer monies to the Landlord.

On receipt of the rent, any outstanding costs (e.g. our fees, maintenance costs etc) will be settled from the funds, and the balance transferred to the Landlord. Statements detailing all such deductions will be sent to clients monthly. Bank clearance takes up to 5 working days.

Taxation

All rental income received is taxable and must be declared to HM Revenue & Customs (HMRC). If the Landlord does not already complete a Self-Assessment Tax Return then they will need to notify HMRC that a tax return will be required, and they will be sent a form. **N.B. It is the Landlord's responsibility to do this.**



Non-Resident Landlords Scheme – Landlords Living Abroad

If the Landlord lives abroad, Myddelton & Major is required to deduct tax from all rental income before passing it on to a client. However, HMRC operate the Non-Resident Landlords Scheme, which allows persons whose 'usual place of abode is outside the UK' (which includes anyone who leaves the UK for more than 6 months) to have their rent paid to them without tax being deducted. The rent is still chargeable to UK tax, and HMRC may send the Landlord a Self-Assessment Tax Return to work out whether they have any tax to pay.

Landlords can apply to receive rent gross by completing a form and sending it to HMRC. For further information please contact **Inland Revenue Centre for Non-Residents on 0151 472 6208/9**. Myddelton & Major can also provide information on the Scheme and do hold copies of the Application Form (NRL1).

Property Maintenance

Myddelton & Major take the duty of care to our clients particularly seriously, and this includes paying close attention to the general maintenance of their managed properties.

Inspections

Under the terms of the tenancy agreement, the property will be inspected on a regular basis. The first inspection will happen after the first 3 months of each tenancy, and then every 6 months thereafter throughout the full duration of the tenancy.

We will write to the Landlord after each visit to report on the property's condition and highlight any issues that are noted by us, or reported by the tenant. If we are unhappy with the condition of the property at any visit, we will arrange for interim visits until the property is in a satisfactory condition.

NB. any such inspection can extend only to apparent and obvious defects, and would not amount in any way to a structural survey of the property. We cannot accept responsibility for hidden or latent defects.



Repairs/Maintenance

If we note (or receive reports) of any defects, essential repairs or replacements, they will be dealt with promptly and efficiently. This will involve, where appropriate, an inspection of the issue by us and then the instruction of the appropriate tradesmen to carry out the work. All companies employed by us are tried and tested, fully qualified local firms who provide a reliable service at competitive prices. Unless otherwise agreed, we would deal with all such repairs (up to a maximum cost of £250) without consulting the Landlord in advance. Except in an emergency, estimates will be obtained and submitted for the Landlord's approval for works in excess of this amount.

Refurbishment/Improvements

Beyond essential repairs, Myddelton & Major are experienced in advising owners on desirable and sensible improvements that will add capital value and increase the rental value of the property. Such projects range from the installation of replacement windows to full refurbishment and extensions. We would oversee such works including liaising with relevant trades, planning departments and professional advisers, eg. architects and surveyors where necessary.

Any work carried out costing in excess of £500 will incur a standard administration fee. If maintenance or improvement work is planned which cannot be paid for from monthly rent, then we ask that the Landlord either provides funds in advance or undertakes to pay the contractor direct. It is worth noting that the cost of many such 'repairs' and 'improvements' to a rented property can be tax deductible, and we would recommend seeking further advice from a Chartered Accountant.



End of Tenancy Arrangements

Giving Notice

If the landlord wishes to end the tenancy, under Section 21 of the Housing Act (1988) they (or their agent) must provide the tenant with a Notice Requiring Possession at least two months in advance. The earliest point at which the Landlord (or their agent) can give notice is at the end of the 4th month (6 month tenancy).

Should the tenant decide to leave the property they must give one month's written notice of their intention to the landlord via the Agent for properties that we manage or directly to the landlord for all non-managed properties. Such notice must expire at the end of the monthly rental period, being the day before the rent is normally due.

Check Out Inspection

When notice is received from a tenant (or the Landlord's notice is served), we will confirm in writing the date that the tenancy will end. By this date all tenants will be required to have fully vacated the property (including removal of all items not included in the Inventory) and to return all the keys to the property. It is a condition of the Tenancy Agreement that the property is returned in the same state of cleanliness, decorative order and garden maintenance that it was received, as detailed in the Inventory. Usually this will mean that the property will need to be cleaned to a professional standard throughout, including carpets.



Once the tenancy has ended, Myddelton & Major will carry out a final Check Out inspection of the property before the Dilapidation Deposit can be returned. We will read all utility meters ensure all fixtures and fittings are present and correct, and that the property is presented appropriately. If there are aspects of the property's condition or contents that require further work or replacement, these will be discussed with the both the Landlord and the tenant, so that agreement can be reached, and the cost for these will be deducted from the deposit. No deduction can be made from the Deposit without the mutual consent of both parties.



Myddelton & Major Lettings – Your Key to Success

Can We Help Further?

This guide is intended to provide Landlords with a general overview of the practical aspects of owning rented properties.

Hopefully, it also explains the many ways in which Myddelton & Major can assist Landlords with ensuring that the two principle aims of owning such an investment are achieved, ie. to maximise the potential financial return on the property, and to ensure that the property itself is well maintained and remains a valuable asset.

Although we hope that this guide is comprehensive, we would be delighted to discuss any of the areas described in more detail.

If we can be of any further assistance please contact us.



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