



# Landlord Guide

## INTRODUCTION

Easilet is now in its 9th year of business and we are proud to have grown into the professional letting agency we are today, with over 700 properties in our portfolio.

Our objective to provide our tenants and landlords with superior services at affordable prices has been clear, as we offer the most competitive prices in the market today.

Our unique boutique style office and great location in Jesmond together with our personal service set us apart from the rest.

With properties available for rent across Newcastle City Centre, Jesmond, Gosforth, Heaton, Quayside, Gateshead and surrounding areas, Easilet offers a range of stylish accommodation for professionals, families and students.

Whether you have property in the city or the suburbs, a flat or a mansion, we will help you find the ideal tenants for your property.

Our lettings experts can advise Landlords and Property Investors on all aspects of renting out their properties.

We guarantee our properties will receive the maximum exposure to potential tenants through email marketing, SMS, advertising in key publications and an online marketing strategy which uses the top property portals.

With our skills, experience and expertise we will negotiate a tenancy from the start through to completion.

Our specialist services help us maintain our reputation as one of the best agencies in town.

## MARKETING

Our online marketing strategy ensures that your property will receive the most exposure to potential tenants. Through our website we can highlight your property's best features, through internal and external photographs, star points, a property description, mapping and directions with the added feature of being available in an easily printable format. With thousands of unique visitors every month and direct leads, your property will let, in the shortest time. In connection with the UK's leading web portals and online directories we upload the newest properties ensuring they reach the target market:



Modern marketing now includes using social networking sites, by adding the newest properties and latest news, we are taking advantage of this latest genre of advertising.



As part of our regular advertising campaigns, we run weekly adverts in the following local publications:

- Househunter
- Homemaker
- Accent
- Lifestyle
- Cityliving

## FINDING THE PERFECT TENANT ASSURED SHORTHOLD TENANCY AGREEMENT

Finding a tenant for your property will be easy but finding the right tenant for your property is fundamental.

We will vet and put every tenant through a screening programme to ensure they meet our standards, by making an assessment based on the following:

- Identity verification
- Income verification
- In-depth credit checks
- Current and previous address checks
- Current and previous employer references
- Previous landlord references

Our Assured Shorthold Agreement states that the Tenant is responsible for purchasing contents insurance.

We can recommend an Insurance policy that also includes Landlords possessions and damage to furnishings.

All new tenancies commence with a minimum six-month Assured Shorthold Agreement. Once this contract has been in force for just over three months the tenancy is reviewed.

After contacting yourself we will then contact the tenants, they can opt to leave the property at the end of the lease or request permission to stay on.

If the tenants wish to stay in the property you can decline in which case the notice to quit must be served. This gives the tenants two months to vacate the property.

Alternatively you can allow the tenancy to continue, here you can choose to renew for a period from six month upwards. A significant number of tenants do request a twelve-month contract.

If you do not wish to commit yourself to a definite period, the contract can become a *periodic*, whereby the tenant remains in the property (under the terms of the original contract) on a month by month basis. Should they wish to leave, however, they only need to give one months notice.

## RENTAL VALUE AND INCOME

Our lettings knowledge and expertise will allow us to give you a professional rental valuation for your property. We can advise you on how to maximise your rental income through making improvements to your property, including interior decor and furnishings. Based on the current local market, Easilet, are well placed to give you sound practical advice.

We collect rent from the tenants on each month by standing order, which is then transferred to the landlord by BACS, together with a monthly statement. Rent collection is included in our Full Management service, but for those landlords who want to manage their own properties without the hassle of chasing rent arrears, if they incur, a Rent Collection only service is available.

As part of our **Rent Collection** service, we will chase late rents as they occur and deal with any late rents in a swift and firm manner. We appreciate how important this issue is to our Landlords.

As an extra assurance for our landlords it is possible to purchase **Income Protection**

**Warranted References** against a tenant in case their circumstance change and are no longer able to meet their monthly rental commitments. A Warranted Reference helps protect your rental income and provides a safeguard in meeting your own monthly expenses.

## TENANCY DEPOSIT PROTECTION

We request a deposit on all tenancies, for private tenants the deposit is equal to one months rent. Deposits are held to help ensure that the tenant looks after the property and as a safeguard against unpaid rent. It is refundable at the end of a tenancy only after the tenant has vacated the property and providing the house and their account is in order.

If the tenancy started on or after 6 April 2007, the Tenant's **deposit** must be protected in one of the government-approved schemes. If a deposit is not protected, the **Landlord/Agent** will be breaking the law. The deposit must be registered with an approved government scheme within 10 days of the deposit being paid. Non-compliance can lead to penalties which include an amount equivalent to

three times the deposit amount being paid to the tenant in compensation.

When the tenant vacates the property, a 'Check Out' Inspection will be carried out; photographs will be taken for comparison with the Inventory images.

Any remedial work to be carried out and deducted from the Deposit must be compiled, estimates obtained and finalised within 10 days, in order for the deposit to be agreed, and returned to the tenant.

## INVENTORIES

We can provide an inventory service prior to the tenant moving in with a full description of its condition along with a CD of images, the tenant will be given a copy of the Inventory on the commencement of their tenancy.

The inventory will point out the condition of the walls, curtains, carpets, bathroom, kitchen appliances, garden and the property as it stands.

The purpose of having an inventory is, at the end of tenancy:

- to highlight missing items
- to identify substitute items

- to identify damage caused by the current tenant
- to identify items which do not belong in the property.

When damage is identified at the end of a tenancy, it may be difficult to prove whether it was sustained in this tenancy or whether it was there beforehand.

In order to avoid this difficulty, all existing damage to items should be recorded at the start of a tenancy. Any further damage, therefore, has to be accepted as being caused by the current tenant.

Photographing the contents is a good back-up for recording the condition of furnishings at the start of a tenancy.

Any amendments or modifications to the property will be made as necessary throughout the course of the tenancy.

## FULL MANAGEMENT SERVICES

Easilet's Full Management Service takes the hassle out of being a landlord. This includes:

- **Tenant Referencing/Guarantors**
- **Deposit Protection** (*Collection, Retention and Registration -Subject to provision of current inventory*)
- A **'Check In'** procedure we will take the meter readings, these readings are then passed on to the appropriate utility companies, and at the same time we also inform the council of the change of tenancy.
- **Rent collection** and bank transfers - financial processing direct to landlord account, correspondence & chasing rent arrears.
- **Routine inspection** - We conduct regular inspections of all tenanted properties. We check for signs that something may be wrong with the property, if something needs attention we can then inform you as

soon as is practical, helping to reduce the risk of the problem becoming worse and the cost escalating.

- A full **'Check Out'** procedure includes correspondence regarding key handovers, property inspection, meter readings and providing a report with photograph CD.
- **Deposit return** - return of the deposit including correspondence and unprotection of the scheme.
- **Call Handling**
- **Maintenance Co-ordination**
- **Improvement**
- **Health & Safety**
- **Legislation Recommendations**

## MAINTENANCE & REPAIRS

Every property at some point will need some remedial work carried out, in the majority of cases the problem can be resolved quickly.

Once a property is tenanted you do have an obligation to ensure it is well maintained. Carrying out repairs quickly is often as important for you as it is for the tenant; after-all repairs caught early enough can save you a lot of money.

Our In-House Maintenance team will ensure that any repairs that need to be carried out, be completed in an efficient, professional and economical manner. Minor work carried out at our managed properties will be resolved without inconveniencing the Landlord. If we are called to a property to carry out a repair and it is established that the Tenant is at fault, then the tenant will be charged for the repair and not the landlord.

Remember tenants do have rights; tenants can contact the Environmental Health because repairs are not being attended to quickly, and the ensuing 'enforcement order' could include extra repairs and a significantly higher final bill.

## GAS SAFETY

Gas installation and remedial repairs can be dangerous to your property and to your tenants if not conducted with professional care. For this reason, the Gas Safety (Installation and Use) Regulations 1998 enforce a legal responsibility on landlords, to use a qualified Gas Safe Register approved engineer for gas maintenance work, and to obtain an annual service, proving safety compliance.

The Regulations state the landlord's responsibilities are to:

- Ensure installation pipe work, appliances and flues provided for tenants are maintained in a safe condition
- Ensure maintenance and annual gas safety check, called a CP12 Inspection, are carried out specifically by a Gas Safe Register approved engineer
- Keep a record of each safety check for 2 years
- Issue a copy of the safety check to the property within 28 days of the check being completed, and to any new tenant before they move in.

## ELECTRIC SAFETY CHECKS

The Electrical Equipment (Safety) Regulations 1994 requires that all mains electrical equipment (cookers, washing machines, kettles, etc), new or second-hand, supplied with the accommodation must be safe and include instruction manuals. Landlords therefore need to regularly maintain the electrical equipment they supply, to ensure it is safe.

All equipment that needs a plug MUST be tested, inspected and labelled, which is clearly identifiable. This is usually achieved by labelling the equipment with a PAT Testing label.

Internal fixed-wire checks should be carried out every 4/5 years to ensure that the landlord has shown 'due diligence' in their responsibility i.e 'duty of care' towards the tenants.

## HOMES IN MULTIPLE OCCUPANCY

The Housing Act 2004 has introduced a new definition of a 'house in multiple occupation (HMO)'.

This can briefly be summed up as a building or part of a building consisting of one or more units of living accommodation, or a self-contained flat; occupied by persons who do not form a single household and where there is some sharing of the basic amenities (washing facilities, toilets, and kitchens).

The Government intended that only high risk HMOs be subject to licensing. They are identified as those properties which comprise three storeys or more, and house five or more persons who form two or more households i.e a property comprises of unrelated persons. A household can be a single person.

The Local Authority must grant a licence if it is satisfied that:

- The house is reasonably suitable for occupation by the number of persons, by the provision of suitable amenities and facilities.
- The proposed licence holder or manager is a fit and proper person and is the most appropriate person to hold the licence.
- The arrangements for managing the house are satisfactory.

## ALARMS

Unless the rented accommodation is a House in Multiple Occupation (HMO) there are no specific **fire regulations for residential tenanted properties** in England and Wales, for properties built before 1992.

Easilet strongly recommend that all properties should be fitted with at least two **smoke alarms**.

Once installed these devices must be checked on a regular basis. If your property has gas appliances, then you may wish to consider the installation of **carbon monoxide alarms** (these detect the build up of dangerous gasses).

Many landlords are having **burglar alarms** fitted that have a master code as well as a user code, this must be kept secret. A master code means that changing the alarm number is only possible with this number.

Alarms (like any piece of electrical equipment) can malfunction, therefore we would recommend that the alarm is checked on a regular basis.

## FURNISHINGS

If any furniture is left in a property, then you as landlord have a duty to ensure it is maintained and repaired should it become faulty, provided of course this is not as a result of negligence or malicious damage by the tenant.

Any soft furnishings (Chairs & beds etc.) that are left in the property must comply to fire regulations, and a label clearly stating so, should be attached. If not, then the furnishings must be removed from the property; they cannot be stored at the rented address.

Furniture and Furnishings (Fire/Safety) Regulations 1988 (as amended in 1989 and 1993) applies to domestic items of furniture only.

Regulations cover the following items which contain upholstery: beds, headboards, mattresses, sofa-beds, nursery furniture, garden furniture which can be used indoors, scatter cushions, seat pads and pillows and loose and stretch covers for furniture. The Regulations do not apply to sleeping bags, bed-clothes (including duvets), loose covers for mattresses, pillowcases, curtains and carpets.

## MORTGAGES

If the property you wish to rent is subject to a mortgage then the mortgage lender should be informed that you intend to let the property.

Some lenders do ask to see a copy of the lease, which the tenant will be asked to sign, we will happily provide them with this.

The lender may make a small charge to cover administration costs.

## INSURANCE

As a landlord you are still responsible for the building and accordingly the buildings insurance.

Please note buildings insurance will not cover the costs of replacing or repairing carpets if they become damaged, it does however cover permanent fixtures and fittings.

If the property is furnished or part-furnished you may also wish to consider contents insurance.

## TAX

Income received from renting any property is subject to tax.

All income collected from renting your property should be added to any other taxable income you have. However, please ensure that you keep a separate record of your 'ins' and 'outs'.

Should your taxable income exceed your tax allowance, then you will have to pay tax. Expenses incurred can be set against this liability as can the interest paid on the mortgage (if MIRAS is dropped or does not apply to the property).

There are tax allowances and incentives, especially if you rent a room in the property you live, such as expenses, wear and tear, insurance, maintenance and repairs, water and rates, loans and lastly, Agents Fees - these can be deducted as can any management fees you pay.

A Brief Guide to Lettings & Tax is available from our office in association with Robson Laidler.

## OVERSEAS LANDLORDS

From 6 April 1996, if a landlord usually lives outside the UK, their letting agent or tenant normally has to deduct tax from property income.

However, landlords can apply to Charities Assets and Residency (CAR), to receive the income of their rental business with no tax deducted.

A landlord can apply for an exemption certificate from the Inland Revenue; Easilet can supply the application forms.

If you are awarded exemption we can send all the rent money to yourself (a copy of the exemption certificate must be held by ourselves), without a deduction for tax.

There is further information on the non-resident landlord scheme on the HMRC web site at: [http://www.hmrc.gov.uk/cnr/nr\\_landlords.htm](http://www.hmrc.gov.uk/cnr/nr_landlords.htm)

## KEYS

Easilet recommend for landlords who have more than one property, invest in a Master Key System, where each front door and bedroom door has its own individual key which cannot operate any other locks in the property, but where all locks can be operated by one master key.

Under our management, we would normally require two sets of keys to the property, one will be handed to the tenant on occupation, and the other will be retained in our office for emergencies.

Easilet operate a strict key management system, in which accountability is paramount. If you wish to use or collect these keys at any time - you must bring proof of identification as a security measure.

## AND FINALLY...

If you have any questions regarding any of the points raised in this guide, please consult one of our advisors for further information.

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