

GUIDE TO BEING A LANDLORD

This page provides simple and straight forward guidance for the millions of landlords who let accommodation in the Private Rented Sector (PRS) in England and Wales. It was compiled for professional and accidental landlords among other things, and responds to requests from people who are known in the lettings business. These are people who did not set out with the intention of becoming landlords. They may have inherited a property which they have been unable to sell. In addition, there are people who have moved house but have been unable to sell their old address.

Landlords clearly need to know what they are doing, have a clear understanding of which legislation they need to comply with and just as importantly, how to get professional help when needed. At the last count, there are over a hundred different pieces of legislation which relate to letting properties.

Landlords need to be aware of such legislation. Failure to comply with all the legislation relating to letting accommodation may lead to heavy financial penalties or, in very rare cases, even a prison sentence. The next piece of legislation to affect landlords is the Government's intention within the Immigration Bill (on our home page) to make landlords legally responsible for checking the immigrant status of tenants and their right to be in the UK.

Letting a property is by no means an easy matter and landlords should appreciate and understand that the legislation around letting in England and Wales is very heavily favouring tenants rather than landlords. We hope to outline to the basics which PRS landlords need to be aware of both before and during the letting of a property. This guide is in no way exhaustive and a landlord should always seek professional help and advice on any particular problem.

Listed below is just a selection of factors that need to be considered.

GAS SAFE

All private landlords have to have a valid gas safety certificate for all the gas equipment in the accommodation they rent out. Gas safety certificates can only be given by registered gas engineers and are valid for 12 months.

ENERGY PERFORMANCE CERTIFICATE

All private landlords have to produce an EPC for the purpose of the effectiveness of the energy rating.

DEPOSIT SCHEME

It is now required that if you taking a deposit from a tenant, then it must be placed in one of 3 schemes.

- 1) DPS – Deposit Protection Scheme
- 2) My Deposits
- 3) TDS - The Tenancy Deposit Scheme. Any deposit must be placed in a scheme within 14 days. You and the tenant will receive separate letters confirming “a deposit has been lodged”. You are not required to take a deposit; it’s for you to decide. Location of the property may be factor.

ELECTRICIAL TEST

This is “Good Practise”, but not always a requirement in all districts. However, by instructing a quailed contractor this will ensure that all the appliances, fittings and useable are “fit for purpose” and you will receive a certificate. This certificate can be produced to any applicants. SMOKE and CARBON MONOXIDE ALARMS: Smoke alarms are required on levels of the property to ensure that in the event of a fire on any level, this will be the first warning, particularly if the fire is on a separate floor. It is also good practise to ensure that the property has Carbon monoxide alarms too; this is often referred to as “the silent killer”. All new buildings and properties that are being extended or improved are instructed to fit hard alarms, that interconnect and setting alarms off though the building, giving even greater notice.

TENACY AGREEMENT

There are several types of rent agreement, due this depends on the type of property you are renting out. An Assured Short hold Tenancy agreement is the most common type to use. This type of tenancy is for a minimum term of 6 months and normally during the first six months you cannot take possession of the property. There are expectations to this rule. Have you thought of how long you want to rent the property to the tenant for?

TENANTS

For obvious reasons this the most important part of “Being a landlord”, most horror stories start by the landlord not following basic guidelines. The main grounds for finding a most suitable tenant are to pay attention to detail and seek a professional agent to assist. You must consider, where are you going to advertise the property? How much rent can I hope to achieve in this area? Am I looking for working tenants only? Do I need to take a deposit? Have I had the mail redirected?

By choosing a Professional agent they can assist you through every step of the way. Ask the agent to carry out Checks and references and be sure to ask any questions to both the Agent and the Tenant before a tenancy agreement is signed

MORTGAGE

It is common place for mortgage companies to request to be informed, if the property is to be rented out, particularly if you purchased the property as your main residence.

MOVING DAY

On the day of the “Big Day”, it is vital to ensure that the tenancy agreement has been completed by both parties and that any questions and answers have been answered, i.e. what day the rent is paid, correct payment method, bin day and who supplies utilities at the property. At this point we would recommend that you collect any mail and the meters are read and the tenant has a copy of the readings too. If an inventory needs to be carried out then it's also completed before the tenant(s) arrive and you can go through it and agree.

All the documents, spare keys and certificates should be kept in a safe place by you or your agent.

Your agent should be willing to discuss any concerns you have about the property and the tenants.