

A **Landlord's**
Guide to
Letting

Why 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 Andover Offices, and 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 the Salisbury office with support from surveyors and accounts staff. As members of, and regulated by, the Royal Institution of Chartered Surveyors (RICS) and ARLA Propertymark, we keep fully up to date on regulatory changes and market conditions and ensure that our clients have access to the best advice in an ever-changing industry.

We are specialists in the letting and management of good quality properties of all size, style and type, and through our two offices we handle properties in locations ranging from Salisbury's Cathedral Close, Salisbury and Andover's town centres or their suburbs, and to the surrounding villages and rural areas of south-east Wiltshire and north-west Hampshire.

Meet the team

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



Alastair Brain
Partner



Harriet West
Senior Property
Manager & Lettings
Negotiator



Sarah MacDougall
Property Manager &
Lettings Negotiator



Siobhan Macfadyen
Property Manager &
Lettings Negotiator



Charlotte Ponting
Lettings Administrator



Lorraine Babey
Accounts Administrator



Miranda Graham
Accounts Administrator



**For advice on letting your property,
please talk to any of our experienced staff.
Tel: 01722 337579**

Our Lettings & Management Services

Myddelton & Major offer **Full Management**, **Rent Collection** and **Letting Only** options. We also undertake **Block Management** for selected developments:

Full Management

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 a Holding Deposit from a prospective tenant and taking up references, using a specialist referencing company and checking an applicant's Right to Rent.
- 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 month's 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.
- 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.
- Issuing Notices including for Rent Increases, Section 8 & 21 (to end the tenancy).
- At the end of the tenancy, carry out the Check Out of the property and return of the deposit.

Rent Collection

In addition to the Letting Only Service below, we would:

- Collect the rent and account to the Landlord through out the tenancy.
- Follow up with the Tenant should there be rent arrears.



PROPERTY MANAGEMENT

1. Leasing

2. SECURITY DEPOSITS

3. Inspections of Property

4. Rent collection

5. Repair & Maintenance-
Service

6. Mortgage & utility-
payment

7. Accounting services

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 a Holding Deposit from a prospective tenant and taking up references, using a specialist referencing company and checking an applicant's Right to Rent.
- 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.

Block Management

Providing services on behalf of the Freeholder or Management Company including:

- 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

Myddelton & Major provide advice on rent and marketing based on our experience of letting and managing good quality properties of all size and types in the Salisbury area. We provide these Market Appraisals free of charge or commitment. We will 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 valuation and 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

Proof of Ownership

The legal ownership of a property to be let must be established before marketing commences. Therefore, Myddelton & Major will require a copy of the Land Registry Title Register and Plan, and proof of ID and address for all Landlords.

Mortgaged/Leasehold Flats or 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 Landlord must ensure the following before a tenancy can begin:

- (a) that sub-letting is permitted by the lease.
- (b) that the sub-letting is for a period expiring prior to the termination of the lease.
- (c) 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?

Unfurnished

In our experience tenants prefer unfurnished properties, as 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 below about PAT testing).

Furnished

Some potential tenants will be 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. We can advise on meeting these requirements.



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 any carpets and curtains. Usable chimneys/fireplaces should be swept and their safety checked. 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.



**For advice on letting your property,
please talk to any of our experienced staff.
Tel: 01722 337579**

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 included 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. Utility meter readings will be taken by Myddelton & Major before the Check-In appointment, and noted on the Inventory. Oil or Gas tanks should be left with an adequate quantity of fuel and the level should be readily determinable. Private drainage facilities (septic tanks or cesspits) should be emptied and cleaned prior to letting.

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.

Regulations

Electrical Installation Condition Report (EICR)

The Landlord is required to ensure that the electrical installation is safe and complies with current regulations. An inspection and test of the fixed wiring of the property must be carried out every five years by a qualified electrician, and a 'Satisfactory' EICR must be given to the tenant prior to the tenancy starting and when renewed. If the EICR is 'Unsatisfactory', the necessary remedial work must be completed within 28 days and appropriate proof of the works provided to the tenant.

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.

We will be happy to arrange the EICR and PAT Testing (if relevant) on the Landlord's behalf.

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." 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 these inspections on the Landlord's behalf.

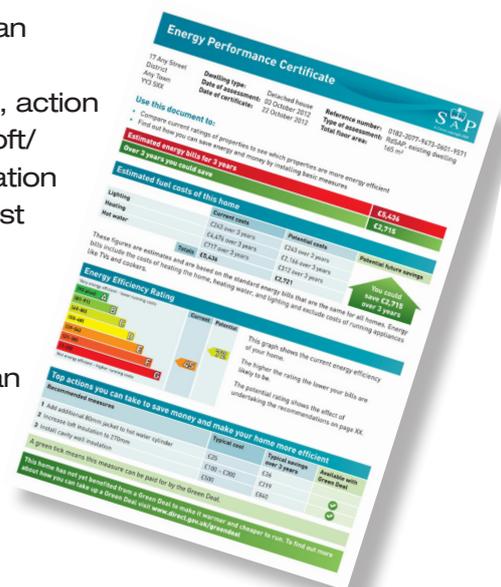
Energy Performance Certificate (EPC)

It is a legal requirement to have an EPC for any rented property (including Listed properties) available to show any potential tenant from the start of marketing, and which is displayed on all marketing material. The EPC shows the energy efficiency rating (relating to running costs) and the Environmental Impact rating (relating to CO2 emissions) of the property, which are shown on an A-G rating scale. The certificate is accompanied by a recommendation report on how to improve the building's energy efficiency.

In order to be let, all domestic rented properties must either achieve an E rating or better, or be eligible for exemption (temporary and in only exceptional circumstances). Therefore, if the rating is currently F or G, action will need to be taken to improve it e.g. installation of double glazing, loft/cavity insulation etc or improvement of the heating and lighting installation prior to marketing the property. Myddelton & Major work with specialist contractors who can assess and advise on the measures required to achieve the required rating and carry out the necessary work.

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 will arrange this for you.



Smoke & carbon monoxide (CO) alarms

Under Section 3(2) of the Health and Safety at Work Act 1974 and subsequent legislation, Landlords have a legal duty to ensure that the risk of exposure of tenants to legionella bacteria from their property's water system is properly assessed and controlled. This requires that a simple risk assessment is carried out by an appropriate person (which may be the Landlord) and any necessary action taken to reduce the risk. before the property can be let. We can arrange this with an appropriately qualified contractor.

Legionella Risk Assessments

Under Section 3(2) of the Health and Safety at Work Act 1974 and subsequent legislation, Landlords have a legal duty to ensure that the risk of exposure of tenants to legionella bacteria from their property's water system is properly assessed and controlled. This requires that a simple risk assessment is carried out by an appropriate person (which may be the Landlord) and any necessary action taken to reduce the risk. before the property can be let. We can arrange this with an appropriately qualified contractor.



N.B. Myddelton & Major will only be able to undertake the letting of a property once all these regulatory requirements have been completed and relevant certificates 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:

- professional photographs
- full description of the accommodation (including room sizes)
- floorplans
- fixtures, fittings and appliances
- location map
- description of the location and surrounding area
- utility services
- council tax charges
- any restrictions the Landlord has applied
- Energy Performance Certificate graphs.



Websites

All our available properties are constantly advertised on the following websites:

myddeltonmajor.co.uk rightmove.co.uk onthemarket.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), floorplans (where appropriate) 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 constantly displayed in our prominent offices' windows – on the High Street next to the main entrance to the Cathedral Close in Salisbury and on London Street in Andover.

Social Media

In addition to the entries on the various property websites, where appropriate we use several popular social media platforms to market available properties, including Facebook, Twitter and Instagram.

Printed Media

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.

Holding Deposits

The Tenant Fee Act 2019 changed the practises of tenants being charged fees for the administration of new tenancies and obtaining references, so that any such costs must now be paid by the Landlord. However, in order to secure commitment from prospective tenants, they are now required to pay a Holding Deposit (equivalent to one week's rent) on application, which would be forfeited if they provide misleading information or withdraw their application through no fault of the Landlord. Once a tenancy agreement is signed, the Holding Deposit must be refunded or offset against the first rent payment.

References

On application by a tenant or tenants to rent a property we will take up references and credit checks on your behalf, as well as ensuring their legal Right to Rent. 'Homelet', a specialist referencing company will check each applicant's identity and background (i.e. credit history, employment status, CCJ's, previous landlord references and immigration status if appropriate) and that they can afford the rent payable.

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 & Arrangements

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.

(N.B. 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 in advance of taking possession of the property. The level of the deposit is usually equivalent to five weeks' rent. All deposits are held by the Deposit Protection Service (DPS) for the duration of the tenancy. Further details can be found on their website (www.depositprotection.com).

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 this will 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

An 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). Utility meter readings will be taken (and oil tank levels if applicable) 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.

Rent collection

On completion of a tenancy we will set up rent payment arrangements with the tenant, who are required to pay their rent by standing order. The funds must have cleared into our client account before we can transfer them 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, wherever possible within 2 working days. The transfer is by BACS (Bankers Automated Clearing Service), which standardly takes 3 working days to clear. Statements detailing all such deductions will be sent to clients monthly either by post or email as requested.

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 **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 20% 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

The property will be inspected on a regular basis. The first inspection will usually happen after the first 3 months of each tenancy, and then usually 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. (N.B. 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. We will obtain competitive quotations for you from tradesmen who provide a reliable service at competitive prices. Unless otherwise agreed, we would deal with all such repairs (up to a maximum cost of £100) 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. Unless otherwise specified by the Landlord, we would intend to use local contractors known to us who we will ensure are entirely reputable, appropriately qualified competitive on their pricing.

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 can oversee such works including liaising with relevant trades, planning departments and professional advisers e.g. architects and surveyors where necessary.

Any work carried out costing in excess of £2,500 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 (Form 6a) at least four months in advance. The earliest point at which the Landlord (or their agent) can give notice is four months after the start of the tenancy, and four months prior to the end of the initial fixed term of the 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 or a third party Inventory Clerk 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 consent of both parties.

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, i.e. 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 above in more detail. If we can be of any further assistance please contact us.



Estate Agents & Chartered Surveyors

49 High Street, Salisbury, Wiltshire, SP1 2PD

Email: lettings@myddeltonmajor.co.uk

Tel: **01722 337579**

www.myddeltonmajor.co.uk

