

MAIDSTONE & MEDWAY

Property Management

GUIDANCE FOR LANDLORDS

RESIDENTIAL LETTING AND MANAGEMENT

INITIAL VISIT	We suggest an appropriate rental figure and discuss the particular circumstances of the property and the special requirements of the client.
MINIMUM LETTING PERIOD	We undertake management for a minimum period of twelve months. Shorter periods may be arranged but a higher rate of commission will be charged.
LOCATING A TENANT	We would normally include a property on our lettings register for 4 - 6 weeks prior to it being available for occupation. We have a regular flow of applicants, all of whom are required to provide personal details before specific details of properties are given to them. Applicants who are potentially suitable are then shown the properties of interest to them. If they wish to apply for the tenancy we take up references from bank, employer and where applicable previous landlord or accountant. In some circumstances we may also access a computerised credit referencing system to ensure that the applicant does not have a history of bad debt. If these prove satisfactory a tenancy will be granted.
TENANCY AGREEMENT	<p>The Housing Act 1988 came into force in January 1989. It did not replace existing tenancy agreements, which remain in force, but it did create a new form of agreement designed to offer the Landlord greater protection than that provided under existing legislation. This new form of agreement is called the Assured Shorthold Tenancy. It is not within the scope of this brochure to present all the conditions relating to the new form of tenancy. However, the major conditions are:</p> <ol style="list-style-type: none">1. There is no minimum period, but a tenant will have security of tenure for a minimum period of six months. We therefore normally recommend that a six month tenancy be granted. It may then be renewed at the end of the fixed term by mutual consent.

2. The tenant has the right to appeal to the Rent Assessment committee to evaluate the rental at the beginning of a tenancy. If the tenant does appeal then the rental for the property must be determined by market forces and the criteria for assessment of market rents is made by comparison with current conditions applying to the local rental market. The Landlord has a mandatory right to repossession if the tenant falls into arrears of rent provided that the correct procedure is followed.
3. The Landlord has an absolute right to repossession providing that he gives two full months notice. However, he cannot reduce the tenancy period to less than six months. If a further fixed term period is granted to the tenant, the Landlord cannot reduce the fixed term period by giving notice. He may however give two full months notice to take effect at the end of the fixed term. An alternative is to allow the tenant's first fixed term of six months to roll over, without a further fixed term being granted. The Landlord may thereafter give the Tenant two full months notice at any time. ("full months" implies that the notice should expire on the last day of a rental month).

RENTAL ASSESSMENT
HOUSE and CONTENTS

The level of rent which can be justified for a furnished property will be determined not only by the size of the accommodation but also by the standard and extent of furnishings and equipment. The rent potential cannot be assessed from the sales market value of the property. With furnished accommodation it is usual to provide the complete range of kitchen appliances and utensils. Similarly, furniture in the living rooms and bedrooms should be commensurate with the accommodation available. Tenants are normally expected to provide their own bedding. It is advisable to remove duplicate sets of any household items and all delicate, personal, or irreplaceable items. It is usual for televisions, hi-fi etc. to be removed.

Important Note: With effect from 1st January 1997 all furniture in rented accommodation must, by law, meet the 1988 Fire Regulations. The following items should either have a label confirming compliance or a sales receipt showing that they were purchased new after 1988. (Items manufactured pre-1950 are exempt). Items implicated are: Chairs, sofas, three piece suites, beds, headboards, sofa beds, nursery furniture, garden furniture, scatter cushions, pillows and loose covers.



INVENTORY AND SCHEDULE OF CONDITION

The inventory is checked with the tenant at the commencement and termination of the tenancy. At termination a notional charge may be made as a contribution towards the cost of damage or for missing items. This charge will be assessed taking into consideration the age and condition of the items concerned. Landlords should not expect the tenants to pay the full replacement cost of items which were in use before the commencement of the tenancy. The cost of the inventory is included in our full management service. Whilst every care is taken when compiling the inventory, we cannot accept liability for errors or omissions. It is helpful if a Landlord will give a full description of any items of particular value and to include a note of any known defects in the property or its contents. During the course of the tenancy our full management service includes investigation of defects which come to our attention or are brought to our attention by the tenant. We visit the property on a regular basis. Such visits are for the purpose of checking that the tenant is caring properly for the property. With regard to the structure of the property, the inspection can only extend to apparent or obvious defects and we cannot accept responsibility for hidden or latent defects.

REPAIR AND CONDITION

A condition of the lease granted is that the Landlord keeps in good repair the structure and exterior of the premises and installations for the supply of water, gas, electricity, central heating and sanitation. Appliances such as washing machines, freezers, refrigerators left in furnished lettings are therefore the responsibility of the Landlord to repair in the event of breakdown. Similarly, defective plumbing and central heating systems must be repaired without delay at the Landlord's expense. When a tenant informs us of a defect we first inspect to ensure that the defect is valid and comes under the Landlord's obligations. We then obtain a competitive quotation from one of our approved contractors. In exceptional cases where damage might ensue we would carry out basic emergency repairs without first referring to the Landlord. Wherever possible Landlords may have any repairs or maintenance carried out by their own contractors. Where we appoint our approved contractors we cannot accept liability for faulty workmanship. However, our contractors respond willingly to our request to re-examine any repair not completed to our satisfaction.

UTILITIES

We will instruct Gas, Electricity, and Water services as well as Local Council Authorities to transfer all accounts to the tenants name. On the day the tenancy commences the meters will be read and closing accounts will be sent to the Landlord for settlement. Landlords and tenants must make their own arrangements with British Telecom.

COLLECTION OF RENT

On the first day of the tenancy we collect the first month's rent which is payable to us by the tenant; thereafter monthly in advance. We also collect a deposit against dilapidation which will be deposited with the Government authorised **DEPOSIT PROTECTION SERVICE**. *Please read the additional section on TENANTS DEPOSITS which explains the new rules that came into effect in April 2007.*

ACCOUNTING

Properties are normally let at a rental inclusive of ground rent, insurance premium and services charges, the tenant being responsible for the Council Tax, water rates, electricity, gas and telephone.

We account to you monthly paying direct to the Landlord by cheque or direct into the Client's Bank or Building Society. It is recommended that the Landlord pay any insurance policies, or service agreements covering central heating systems and other appliances by standing order.

GARDENS

It is the tenant's obligation, unless specified otherwise in the tenancy agreement, to maintain the gardens. It is however absolutely necessary that the Landlord must hand over the garden at the commencement of the tenancy in the condition in which he wishes the tenant to maintain it. If this is not possible, we can provide gardening services to restore the garden to that condition. Where a property includes a particularly large or specialised garden, we recommend that the Landlord includes gardening services in the rental paid by the tenant. The rental will of course be assessed with this benefit in mind.

FORWARDING MAIL

We recommend that clients make their own arrangements with the post-office for the re-direction of their mail. We cannot accept this responsibility.

LEGAL PROTECTION

We do not accept tenants until the authenticity of their financial status, employer's reference and credit worthiness have been established. Whilst we make every endeavour to check references thoroughly, it is regrettably not possible to offer guarantees as to the absolute bona fides of applicants. If it is necessary to use the services of your solicitor in respect of the letting, the Landlord will be responsible for instructing and for all fees incurred. **We can offer a Rent Guarantee Scheme and Legal Protection Insurance Policy to cover costs in disputes with tenants or unauthorised occupants.** Please ask for further details.

PERMISSION TO LET

Your Mortgagee must normally give formal consent to a letting. You should therefore apply to your lender for consent as soon as possible. An administrative fee may be charged. Banks and Building Societies are required to notify Inland Revenue.

INLAND REVENUE

It is the responsibility of the Landlord who lives abroad to appoint a qualified Accountant to act on his behalf in respect of taxation. In April 1996 the Inland Revenue implemented changes in the administrative rules applying on rents paid to overseas landlords. Provided that the landlord has obtained from the Inland Revenue a tax clearance certificate, the agent will be able to pay gross rents. In order to obtain a tax clearance certificate the overseas landlord must agree to comply with the self-assessment regime, i.e. file annual tax returns/rental accounts and pay taxes on the due and payable dates. If an exemption certificate is not obtained, the agent will be obliged to deduct tax at the standard rate from the rent, net of any expenses specified in the regulations, and pay the tax to the Inland Revenue quarterly. The landlord will then need to file rental accounts to the Inland Revenue and pursue any under or over payments that may have arisen. We will charge for this service if it becomes necessary.

Landlords should ensure that any outstanding Tax Returns and rental accounts are submitted to the Inland Revenue as soon as practicable.

An application form to receive a tax clearance certificate should be completed and submitted to the Inland Revenue as soon as possible. We recommend strongly that professional advice be taken before submitting the form. We will be able to supply you with the relevant form (NRL 1)

INSURANCE

It is the Landlord's responsibility to maintain adequate insurance cover for both the structure and contents of property. He must therefore inform his insurance company of his intention to let the property. We are able to arrange contents insurance specifically designed for Landlords if your own company is unable to help. Please ask for further details.

A FINAL NOTE

Maidstone & Medway Property Management aim to offer the highest standard of care for your property. We regularly update our knowledge of the ever-changing rental regulations by attendance of professional courses given by A.R.L.A. (Association of Residential Letting Agents, the regulatory body of the Letting and Management industry). We are rewarded by many recommendations from existing clients and our ever-increasing property base has been built up from such referrals. We are always happy to provide references from our satisfied clients. Please ask.

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