



Landlord Introduction To Property Management

LET RIGHT

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Introduction

Thank you for considering Let Right Property Management for the renting out of your property.

The following information is designed to give you an indication of the type and quality of service we provide. If after reading these notes you should have any further queries please do not hesitate to contact this office where a member of staff will only be too pleased to assist you.

Our portfolio of managed properties has steadily been built up through our dedication to providing the highest standards of professional service to both landlord and tenant since June 2000.

You may be aware of some of the pitfalls owners face when renting out their property. The chances of problems occurring when letting out your property can be reduced to a minimum if all the possible risks have been identified and appropriate procedures are in place and implemented to minimize those risks. It is on these principles that Let Right Properties LTD finds the right tenants using a professional reference service which is reliable and depending on the tenants reaching relevant criteria.

Let Right Properties LTD is dedicated to managing your property as if it were our own, from the moment you place your property in our hands you can be assured of our ability to handle the day to day events and even major crises with total professionalism. Our staff are on call 24 hours a day to ensure the smooth running of a tenancy and the full protection of each property. We believe that our standards, practises, insurances and indemnities combine with our enthusiasm and dedication to provide you with the best package of Management Services currently available in South Wales.

To give you a more detailed insight into the renting process and to advise you of probable rental values we ask that a member of our staff visit you. This will be arranged at a mutually convenient time. There is obviously no obligation to use our services just because we have visited you. It is really to enable you to be in possession of as much information as possible before you decide whether or not letting out your property is the right move for you.

Let Right Properties LTD is a firm accredited by The National Approved Letting Scheme – a Government backed accreditation scheme which offers peace of mind to landlords and tenants through the knowledge that the firm they are dealing with offers clearly defined levels of customer service.



Rental Assessment

An experienced Sales Negotiator will visit your property to carry out a survey. From this he/she will make a professional rental assessment taking location, condition and current demand into account. Our negotiator will discuss potential tenants and whether you will allow pets, children smokers etc, as well as identifying our best marketing strategy.

Advertising & Marketing

Let Right will advertise your property extensively across South Wales. As enquires are received, our computerised system immediately shows our negotiators which properties are available in the area and category required. Details are sent to prospective tenants or discussed by telephone. Marketing procedures includes your property being advertised on Rightmove.co.uk, let-right.co.uk, Propertyfinder.com (Includes 15 Partner sites such as yahoo & msn), local press & office listings.

Tenant Selection

Let Right will try to locate suitable tenants based on your instructions. You may already have considered whether you are happy or not for your property to be let to, for instance, a family with young children, pets, smokers etc. We use a professional referencing service, which is swift, reliable and depending on the tenants reaching the criteria. At least three references are requested from the prospective tenant. These will normally include financial and employment enquiries and present landlord/agent if applicable.

Viewings

All prospective tenants are met outside your property or taken in our courtesy cars to view selected properties accompanied by an experienced negotiator. If the property is occupied all visits will be strictly appointed.

Tenancy Agreements

The Housing Act 1988 provides the legislative framework governing the creation of residential tenancies, the most common form being the Assured Shorthold Tenancy Agreement. This form of tenancy gives an owner a right of possession except within the first six months, subject to the service of certain notices at the prescribed times. We can tailor the agreements to suit clients particular requirements and there is no need to involve a solicitor.

Bonds

A bond or deposit is paid by every tenant at an amount equivalent to at least one months rent. Let Right Properties LTD will hold the tenants deposit in our clients account as your agent. If the property is found to be free of dilapidations at the end of the tenancy and no rent is owing, the bond is returned to the tenant in full. However the cost of making good damages or loss caused by a tenant will be met out of this bond. All bonds taken on or following the 6th April 2007 must be protected within government authorised Scheme. Let Right Properties LTD are members of Tenancy Deposit Solutions LTD & The Deposit Protection Service. Let Right Properties LTD will charge the landlord £33.00 + VAT to insure the bond within one of the above schemes.

Inventories & Schedules Of Condition.

Once it is known that a tenancy is to commence a thorough and detailed inventory is drawn up to provide an accurate description of contents and conditions at the property. This document provides the necessary point of reference to enable a proper check of the property to be carried out at the end of the tenancy for any dilapidations, damages etc. to be assessed. Whilst owners can reasonably expect to receive the property back in the condition in which it was rented, less fair wear and tear, owners must understand that they are not necessarily entitled to betterment i.e. new for old. The principle apportionment will be applied to allow for the benefit an owner has already received from an item of contents in relation to its life expectancy. This vital record avoids any differences of opinion occurring during or at the end of the tenancy. All personal and treasured possessions of either real or sentimental value should be removed. It is important that all floors, carpets, curtains, bedding and paintwork are cleaned before occupancy. All new electrical equipment should be serviced, plugs and wiring should be checked. It is in your best interest to take out service contracts for domestic appliances and particularly for Central Heating Systems. A list of useful information should be provided, preferably in a file or a drawer. This should incorporate domestic appliance instructions and manuals, service contracts, main stopcock and meter locations, useful hints regarding the property, refuse collections, etc...

Services

In all situations, Gas, Electricity, Telephone and Council Tax are the responsibility of the tenants (except installation charges). Water rates, though usually paid by the tenant, may be paid by the landlord with an adjustment to the rent. Gas, Electricity & Water (if applicable) readings are taken at the start of the tenancy and the services are transferred accordingly. As far as the telephone is concerned, instructions to terminate a service must be given directly to BT. The Council Tax is the responsibility of the tenants during occupation but the landlords responsibility when the property is vacant.

Inspections

During occupation, your property will be professionally inspected on a four monthly basis, including a written report. There will also be a through inspection at the end of each tenancy when the original Inventory will be checked. Our management function does not include supervision during any periods when your property is not let, although periodic visits may be made by our staff, particularly when showing prospective tenants around.

Property Repairs & Routine Maintenance.

We have a list of contractors who can deal effectively with all forms of property maintenance issues; whether your issue is general or specialised the maintenance team will be happy to help. Let Right Properties LTD does not employ a property maintenance team but will provide reliable & competitively priced contractor's numbers to the landlord without any extra charge other than the management fee. All repair works are payable by the landlord either directly to the contractor, or if instructed out of the rental received. Let Right Properties LTD will not be held responsible for any repairs carried out. Let Right Properties LTD will liaise between landlord, contractor & tenant regarding maintenance issues if requested, without any further charge.

Let Right Properties LTD will class the following issues as an emergency and if the landlord cannot be contacted they will automatically be instructed to ensure the smooth running of the tenancy. Let Right Properties LTD will not instruct any emergency issue over and above £150.00

Central heating breakdown, No Hot Water, Water leaks, No Electric, Sewage problems, Security Issues, Fire / Alarm detection systems

What to leave.

If you are considering renting out your property unfurnished then we recommend you leave just the fitted kitchen/bathroom units with carpets and curtains (or equivalent) throughout. If the property is to be let furnished then the following is a guide as to what may be left in a 2/3-bed property.

Lounge

2/3 Piece suite
Coffee table
TV table/cabinet

Dining Room

Dining table
Dining chairs

Kitchen

4/6 setting crockery set
4/6 setting cutlery set
Misc. utensils
Misc. saucepans and frying pan
Kettle
Mixing bowl
Chopping board
Iron and ironing board
Vacuum cleaner
4/6 Wine glasses
4/6 Tumblers
4/6 Coasters
4/6 Place mats
Storage containers
Cooker &/or microwave
Casserole dishes
Fridge-freezer
Dustpan & brush

Bedrooms

Bed(s)
Chest of drawers
Wardrobe

Miscellaneous

Toilet Brush
Clothes Line
Door Mats
Carpets & Curtains throughout
Gardening equipment

Appliances

It is essential to check that all electrical and gas appliances are clean, serviced and in good working order. Service contacts, particularly for central heating are strongly recommended. If the property is left vacant the fridge freezer should be defrosted and left with their doors open. As a rule, television, video and hi fi equipment should be left only in the knowledge that the landlord is responsible for all mechanical breakdowns. When a television licence expires, the tenant becomes responsible for the fee. Whether or not a TV is left, an aerial is essential.

Keys

You should supply one set of front door keys per occupant and one set for Let Right Properties LTD. All keys in our possession are coded for security, constantly checked and kept under strict supervision. All other household keys should be marked clearly and left in the kitchen. Please check any new keys you may have had cut as badly cut keys can cause considerable problems.

Permission to rent your property

Permission must be obtained from your lender **before** letting. Failure to do so may result in a breach of your agreement with them. If the property is leasehold the managing agent's freeholders must also be advised. Let Right Properties LTD cannot be held responsible for any claim a tenant may bring against you, should you not have gained the mortgage companies permission to let or if you face repossession through mortgage arrears.

Accounts Department.

Rent is collected monthly and transferred to you, once the tenant's payment is cleared a rental statement will be generated and forwarded onto the landlord. You will be paid monthly in advance either by cheque sent to your designated address or directly to your bank or building society account. Unless otherwise agreed, the rent quoted to your tenant will include all outgoings for which you are responsible, such as water rates, ground rent, service charges, maintenance, insurance etc. Let Right Properties LTD can undertake to make these payments on your behalf if instructed to do so. We would then pass on to you the monthly rental less disbursements.

Insurance

It is the responsibility of a landlord to insure the buildings and the contents that are to be left in a rented property. It is also imperative that you inform the insurers of your intention to rent the property out as a failure to do so could invalidate your insurance cover. Tenants should insure their own belongings.

Tax

Rental income is taxable unearned income. However, certain allowable items of expenditure can be deducted from the gross figure such as: agent's fees, water rates, building and contents insurance, 5% of the annual rental for wear and tear of furniture (furnished lets only), any repairs or maintenance done during the course of the tenancy, any service charges due to any maintenance contracts held. Personal allowances can be used if you are a non-UK taxpayer. Although we can advise in general terms, we would recommend that specific advice be sought from an accountant.

Taxes Management Act 1970, section 78.

Where the landlord of furnished properties reside abroad, the Inland Revenue will hold us, as your agents, responsible for the payment of any tax liability which arises on rents collected by us on your behalf. Income tax will be deducted at basic rate from the gross amount. The process of Tax deduction by the agent can be avoided by applying for a tax exemption certificate. Forms can be obtained either through Let Right Properties LTD or directly from Inland Revenue.

Gas Safety Regulation 35, 1994.

It is now law that all gas equipment in rented properties must be checked annually by a registered Corgi Installer, and that accurate records of all work carried out on all appliances, including dates of checking must be available on request. This certificate is the responsibility of the landlord to produce to the agent. However the landlord may request the agent to instruct a corgi registered engineer to attend the property and ensure all appliances are safe to use. This instruction must be in writing and produced to the agent at least 24 hours before the certificate is due to be undertaken. **It is also law that anyone carrying out gas work that is within the scope of the Regulations is on the Gas Safe Register from 1 April 2009.**

The Furniture & Furnishings (Fire) (Safety) Regulations 1988 Amended 1993.

All upholstery and upholstered furnishings, e.g. sofas, armchairs, mattresses, pillows, supplied as part of the tenancy must comply with current fire resistance standards. Items such as carpets, curtains and bedding are not included and any furniture manufactured prior to 1950 will be exempt providing that they have not been re-upholstered with an illegal filling. Such furnishings must carry the appropriate permanent labels to show that they comply. Any furnishings which do not comply with the regulations must be removed prior to the start of the tenancy. We require you to indemnify us from any action or consequence resulting from any breach of this regulation before we complete any contract.

Electricity

The basic concept is that a landlord has an obligation to ensure that any such item supplied as part of a property letting are “safe”, and not dangerous. This could be extended to include the mains supply. This is to minimise the risk of injury, death or of damage to property. Whilst there is not at present a specific statutory requirement placed upon a landlord to prove that such items are regularly checked or tested by a qualified electrical engineer, Let Right Properties LTD strongly recommend ongoing checks of such equipment should be scheduled and kept up to date. (Shared accommodation has different regulations; please consult the local council for advice)

Oil & Solid Fuel

Although there is no specific legislation applying to oil and solid fuel, we recommend that appliances are serviced regularly to ensure their safety.

Fire Extinguishers

There is no compulsory requirement to provide **fire extinguishers or fire blankets** in normal tenanted properties, but again, this may be a wise precaution, at least in the kitchen area.

Smoke Alarms

The building regulations require that all properties built after June 1992 must have mains operated inter-connected **smoke alarm** fitted on every level of the property.

Older properties do not have to comply but landlords are advised to provide at least one **battery operated smoke alarms** in the property.

HMO – Houses of Multiple Occupation

To decide if licensing applies to your property, it is important to understand what is an HMO. In general terms, an HMO can be a building or part of a building if:-

Persons who form more than one household occupy it. Examples of a ‘household’ are a single person, co-habiting couples or a family. Whether these householders share (or lack) one or more basis amenity, such as a toilet, bathroom or cooking facilities is also a relevant factor.

It is a converted building containing one or more units of accommodation that do not consist entirely of self-contained flats; or

It is a converted building consisting entirely of self-contained flats, where the work to convert the building did not comply with the 1991 building regulations and more than one third of the flats are occupied under short tenancies.

The HMO must be occupied by more than one household: As their only or main residence; or during term time by students.

If your property is not an HMO, it will not need a license. Please contact the housing team of the local council if you’re unsure if your property is an HMO. Please also note that Let Right Properties LTD will not be named as managers on any HMO applications as we do not have Full Control of the property in the way of monies.

Energy Performance Certificate

An EPC is a certificate that shows in detail the energy performance of a building. The certificate will give the properties an easy to understand rating of its energy efficiency using a scale of A-G (A being the most efficient and G being the least efficient) along with any recommendations to improve the properties efficiency and save money following an on site survey carried out by an accredited Domestic Energy Assessor (DEA). As a landlord, you'll need to make an EPC available to prospective tenants after 1 October 2008. An EPC is only required for a property which is self-contained, and is valid for 10 years. An EPC isn't required when a tenant rents a room and shares facilities. We at Let Right Properties LTD are able to assist you in getting an EPC through an accredited domestic energy assessor at a price of £65.00 (Payable directly to the assessor). Please note Let Right Properties LTD are unable to market a property without an EPC Certificate.

Investment Advice

Let Right Properties LTD are always pleased to give free confidential advice on the type of property to invest in which areas are best suited to your needs.

Fees & Charges

For Management of your property our fees are 10% plus VAT of the gross monthly rent. A setting up fee, equivalent to one weeks rent plus VAT, is payable at the start of each new tenancy. This is necessary to cover the cost of advertising, initial travelling expenses, inventory reports and the drawing up of legal tenancy agreements. There is no handling charge for organising payments of maintenance, insurance, water rates, ground rent, service charges or utility accounts. We also provide a Tenant Find Only service which our fees for this service are three weeks rent plus VAT.

Landlord Cancellation Charge – Prior to Letting

If for any reason the landlord withdraws their property from the rental market, after a tenant has been found and is in the referencing stage of letting a property. The landlord agrees to pay Let Right Properties LTD an administration fee of £150.00 (Inc VAT). The landlord reserves the right to withdraw their property from the rental market, if a prospective tenant is not found, free of charge.

We hope this booklet answers all of your queries about the letting of your property. If you require any further information, please do not hesitate to contact us.

We would value your custom



Client Contract & Terms of Business

This contract sets out the agreement between you as the landlord and us as your agent for whatever services are specified in this contract.

Obligations of the landlord:

1. Declare to us all joint owners and to confirm that you are entitled to enter into this contract and receive rent.
2. Obtain (and confirm that you have obtained) consent to sublet from any superior lessors and lenders and inform us of any of their special terms or requirements.
3. Inform your insurance companies that your property and contents (if applicable) are to be let and confirm with them that your cover remains adequate.
4. Agree with us the details of the property to be let and the contents to be included.
5. Supply a minimum of two sets of keys (If not copies will be cut and deducted from rental payments)
6. Ensure that the property is safe for letting in accordance with current legislation, is clean and in good decorative order so that it is available for immediate occupation by a tenant.
7. Ensure that you have given us as the agent all necessary information relevant to the service to be provided and that such information are factual and may be relied on by us.
8. Inform us during the period of this of any material changes that occur
9. Agree that should a property be sold to a tenant in occupation (or any tenant who has occupied the property in the six months prior to the sale being agreed) you will notify us within seven days of the exchange of contracts and pay a fee of 1.5% of the sale price on completion plus vat.
10. Indemnify us as the agent against all expense claims and liabilities reasonable incurred by us as agent in the proper performance of our obligations under this contract.
11. Agree that in the event of the property being sold or passed on with the benefit of a tenancy, our fees will remain due and payable by you for the duration of the tenancy and for any extensions or renewals thereof, regardless of whether or not negotiations have been carried by us
12. Pay the fees and charges specified for the services you require. For letting only service you will remain liable for the payment of fees and charges even if the tenant fails to pay rent
13. Agree that we as agents may deduct amounts due to us under this contract from monies otherwise due to you under this contract
14. Signing of Management Form or Tenant find service form (Signing of either one of these forms accepts the clients contract & Terms of Business)
15. Sign the tenancy agreement (Landlords agent will undertake this on behalf of the landlord)

16. Upon signing the attached management form or tenant find service form you as the landlord agree that you have never been convicted of money laundering, fraud or any other financial crime, refused membership of any tenancy deposit protection scheme whether insurance-based or custodial or refused a license to operate a private rented property as required under the Housing Act 2004.
17. Ensure the property has an EPC Certificate prior to letting. (Not applicable to shared accommodation)

Services we offer:

1. Advise of the types of tenancy available
2. Advise on the likely rent achievement
3. Take action to market your property – such action include appropriate advertising and the erection board where so permitted by law
4. Receive applications and arrange and conduct viewings
5. Obtain such references for applicants that seem to us to be necessary (for the avoidance of doubt as agent we shall not be held responsible in any way for default by a tenant introduced by us in good faith and selected by you)
6. If instructed we prepare Notices and Agreements (to be signed by you as landlord and by the tenant) and an inventory and Schedule of Condition (if required)
7. Ensure that a Gas Safety certificate is obtained before and during letting and given to the tenant. Any cost incurred in obtaining such a record will be borne by you, the landlord. If the agent is instructed to obtain this certificate, any charge will be met by you the landlord.
8. On your instructions execute the tenancy agreement
9. Collect from the tenant a deposit – minimum of one month's rent. We will hold the deposit as Stakeholder in our Client Account. NOTE it is our normal practise to obtain the agreement of both parties regarding the cost of dilapidation's, if any before apportionment of the deposit is made at the end of the tenancy. Please refer to 'Bonds' in the management Brochure.
10. Hold client money in our Client Account and shall be entitled to retain any interest or benefit earned.
11. Collect from the tenant the rent for the first period from which is deducted our fees and charges as agreed in this contract
12. Arrange for the tenant wherever possible to set up a standing order for the payment of future rents
13. Advise utilities of final readings and details of the new consumers
14. On your instructions and for additional agreed fees negotiate rent reviews, tenancy extensions and check outs & letters being sent out other than for those of letting purposes. I.e. selling the property or surveyors attending.
15. Assist in organising an EPC Certificate. All costs payable directly to the domestic energy assessor.

Letting and Full Management Service

All services are provided under Letting Only Service is applicable but in addition:

We will be responsible for all day-to-day management including liaising between landlord, contractor & tenant regarding maintenance issues.

1. Arranging general repairs and maintenance and, if so instructed, using nominated contractor. We reserve the right in an emergency to take whatever action we consider necessary (to the limit of £150.00). The cost of repairs will be deducted from rental income and shown on your statements. In the event that the costs exceed the rent monies held then you will be required to provide us with funds prior to instructing the contractor.
2. We will carry out visits to assess the general condition of tenanted property every four months. A written report will be sent to you if necessary.
3. We will arrange (If instructed) for the timely annual renewal of the gas safety record and give a copy to the tenant within 28 days of the date of the inspection. If you wish to make such arrangements yourself, you must instruct us in writing of this requirement and provide us with a copy of the record for onward transmission to the tenant within 28 days of the inspection.
4. We will carry out a final inspection and check the Inventory and Schedule of Condition at the end of the tenancy.

Warning to landlords

If it is necessary to serve notice on the tenant to obtain possession of your property (even when it is the end of fixed term contract), notice is usually a minimum of two months but in some circumstances can be longer. If the tenant does not vacate, time must be allowed for court proceedings, any court proceeding charges must be met by the landlord.

It is essential that when you require us to obtain possession you give us the maximum possible notice in writing so that the relevant procedures can be carried out in accordance with the timescale required by legislation.

Terminating this contract

- If we consider that you are at any time in breach of any regulations relating to rented property we reserve the right to give you seven days notice in writing for the termination of this contract.
- Otherwise, prior to the expiry of any tenancy executed under this contract

The Landlord may terminate this contract by giving Let Right Properties LTD three months notice in writing or by paying the appropriate fee due for this period, subject to a minimum cancellation charge of £300.00. The landlord may not terminate this contract within the first two months of any new tenancy agreement being created with a tenant.



TENANT FIND ONLY

We hereby instruct Let Right Properties LTD to:-

Advertise my furnished/unfurnished property to rent and to introduce suitable tenants via tried and tested vetting procedure.

We further instruct Let Right Properties LTD, To collect from the tenant(s) a sum of being one month's rental paid in advance.

And I agree that Let Right Properties LTD fee for these services, of (3 weeks rental plus vat) will be deducted from this first payment.

The remainder of the first month's payment is to be forwarded to the address below after which the property will be under my management and responsibility. Please be aware it is the landlord's responsibility to take a Bond / Deposit on all tenant find services not Let Right Properties LTD. If Let Right Properties LTD is instructed to obtain a bond / deposit this will be forwarded to the landlord, the landlord must protect the deposit within a government authorised scheme

INVENTORY SERVICES

A full detailed inventory and schedule of condition can be carried out prior to the tenancy commencement date at the following rates:-

Unfurnished Property	£50.00 plus vat
Furnished Property	£60.00 plus vat (1 bedroom)
	£80.00 plus vat (2 bedrooms)
	£100.00 plus vat (3 bedrooms)
	£120.00 plus vat (4 bedrooms)
	£150.00 plus vat (5 bedrooms +)

Do you require this service YES / NO

Please note that it is requirement of the contract that an inventory and schedule of condition be provided before the commencement of the tenancy.

At this time it will also be necessary for the landlord of the property to sign the legal document at our office.

Property address to be advertised -

Landlords Name: -

Landlords Address: -

Landlords Signature: -

Landlords Telephone No: -



Address of property to be managed

..... Tel no

Name Tel no

Address for all correspondence

.....

I/we agree that Let Right shall market my property at a rental of £..... Per calendar month on the understanding that all prospective tenants will be accompanied when viewing my property and only suitable tenants will be put forward to me for approval. I understand that both Bank and personal references will be obtained for me if so required.

Let Right shall arrange for the tenant to execute the appropriate tenancy agreements, legally drawn up. I understand that two months notice in writing must be given if I wish the tenants to vacate the property at the termination of the lease, and that otherwise the tenancy agreements may be automatically renewed on my behalf at a cost of £50.00 + vat.

Let Right undertakes to make a detailed inventory of the contents at the commencement and termination of the letting. Throughout the tenancy the rent will be collected and remitted to:-

Bank name & Address: -

.....

Account Number: - Sort Code: -

Account Name: -

Before the ingoing tenant takes possession Let Right shall obtain a returnable bond in the sum of £..... as security against any loss, repairs or non-payments of rent. I accept that Let Right cannot be held responsible for any costs, incurred from damage, repairs, cleaning or non-payments of rent over and above this staked bond amount.

I agree to Let Right charges of 10% + VAT of the monthly rental and setting up fee of one weeks rent +vat payable on the execution of the tenancy agreement by the tenant. I also agree for Let Right to deduct £33.00 + VAT to insure the bond / deposit with tenancy deposit solutions LTD.

In accordance with usual practice I understand that whilst every effort is made to avoid problems in the recovery of possession of my property, Let Right cannot be held responsible for any delay of difficulties, which may occur in the recovery of possession.

If, for any other reason except for the negligence of Let Right, I decide to terminate my instructions for Let Right to manage the letting, during the continuance of any particular tenants occupancy, I agree to pay Let Right forthwith a sum equivalent to Let Right's charges for six month period, calculated in accordance with the terms of this agreement.

This contract will run periodically after the initial first six months until three months written notice is given.

I confirm that I have read the attached brochure and that along with the above; it forms the terms of my instructions.

I confirm that Let Right Properties LTD have authority to sign tenancy agreements and collect rent on my behalf.

SIGNED **DATE**

(Must be signed by all owners of the property-)