

**Carter Shaw Estate Agents Incorporating Barton Property In House**

**Property Management**

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**Landlords**

**Information Pack**

Carter Shaw Estate Agents are a well established Sales and Lettings specialist Incorporating Barton Property In House Management. We have many properties within the Poole and Bournemouth areas which are currently under management. We have pleasure in setting out on the following pages a summary of our services and some of the areas you should as landlords should be aware.

Whether you are letting out your property for income, or starting a commercial venture, we can help. Nothing in this life is risk free but we can do the utmost to safeguard what is probably your greatest financial commitment – your property. We offer various levels of service to suit your individual requirements, as everyone is different.

The letting department believes in offering a quality service unmatched by other agents. Our services are designed to put the landlord first and to ensure the successful management of your property.

## WHICH SERVICE IS RIGHT FOR YOU

We offer you three levels of service and will discuss with you which suits your own particular circumstances. However, if you have a particular requirement, or wish us to deal with the letting of your property in a specific way, please do not hesitate to ask.

1. TENANT FINDING
2. RENT COLLECTION
3. FULL MANAGEMENT

### 1. TENANT FINDING (plus arrangement of the tenancy agreement)

This would include:

- a) Advertising for tenants. Using Rightmove, local portal sites and window displays, we also work with Tony Newman and gain further potential prospective tenants.
- b) Accompanied viewings to the property.
- c) Interviewing tenants.
- d) Taking up references.
- e) Arranging the tenancy agreement which is then passed to the landlord.
- f) Collecting the deposit and the first months rent, to be passed to the landlord less our fees.

For this service we would make a minimum one off charge of £349.00.

Further services such as preparing an inventory and checking tenants in and out of the properties are also available at an additional cost.

### 2. RENT COLLECTION

This would include services in 1. As above plus collection of the monthly rental in advance from the tenant and paid electronically, less our fees, direct to your bank account. We would also provide you with a monthly rental statement.

For this service we charge 6% of the monthly rental.

### 3. FULL MANAGEMENT (this service takes over the day to day running of your property) currently we doing a special offer at 7%

- a) No obligation rental valuation of your property.
- b) Extensive and professional advertising of your property.
- c) Accompanied viewings of the property.
- d) Tenants extensively referenced
- e) Preparation of the appropriate tenancy agreement (usually an assured short hold tenancy for 6 months)
- f) Preparation of an inventory this is carried out independently by our inventory clerk
- g) Advising utility companies of the change of occupancy.
- h) Checking tenants in and out of the property.
- i) Regular quarterly inspections of the property with reports for you and the tenant.
- j) Dealing with emergency repairs on your behalf up to an agreed limit.
- k) Managing the day to day queries and problems from tenants (we will however keep you informed of any problems of a serious nature)
- l) Collecting the rent and transmitting it to you electronically as soon as it has been cleared into our account.
- m) Detailed monthly statements.

Set up of deposit, we will only use the deposit protection service, unless you instruct otherwise.

## **RENTAL VALUATIONS**

We will always endeavour to give an accurate and realistic rental valuation. However, it should be noted that the condition of the property, both internal and external and its location will affect the valuation. We will be more than happy to advise you on this matter, and to discuss with you any work that may need to be done to increase the rental value of your property prior to letting.

## **TENANTS**

Finding the right tenant for a property is fundamental. We start by establishing the criteria for the sort of tenant you wish to occupy your property. We then match this to prospective tenants who must provide us with references. Only after checking these references and fully interviewing the prospective tenant will we then proceed with the tenancy.

## **REFERENCING**

We require 3 months bank statements from each party to check spending habits and to see if there are any additional payments made such as loans. Utility bills x two, council tax bill or gas/electric. We personally write to employers asking such questions as such absence/ sick leave many companies do not ask this question which is vital.

Proof of id, passport, driving license. Photo id a must

We personally credit check individuals, this tells us their credit score and any adverse history, it also shows us if any banks, telephone companies etc are looking for the individual /individuals currently, also if there are any County Court Judgments or bankruptcy.

## **DEPOSITS**

We take a deposit from the tenant on all tenancies equal to one months rent. Deposits are held to help ensure the tenant looks after the property and as a safeguard against unpaid rent. It is refundable to the tenant at the end of a tenancy, after the tenant has vacated the property and providing their accounts and the property are in order. As you are no doubt aware the rules have recently changed and Deposits must be either held by a government department or held in our Clients account and individually insured. We only use the Deposit Protection Service, please request more information if needed.

When the tenant vacates the property you will have an opportunity to inspect the property yourself prior to the deposit being refunded. Should you wish to view the property you must make arrangements to view the property within as few days as possible (no greater than 5) from the date the tenant vacates the property. Should there be a dispute we would hope to be able to come to an agreement with the tenants/tenants. If this is refused we would have to use the dispute resolution service provided by the Deposit protection Service.

## COMMENCEMENT OF TENANCY

The tenancy commences on the date shown in the lease. Prior to the tenant moving in we will produce an inventory of the property, with a detailed description of the property with photographic evidence. We will keep a copy of the inventory on our records and send a copy to the tenant to ensure agreement.

Whilst compiling the inventory we also take the meter readings and pass them to the relevant companies. At this time we will inform the council of the change of tenancy. We cannot inform phone/ internet providers such as Virgin of a change in tenancy. This must be done by the user of the service;

## TENANCIES

Most new tenancies commence with a maximum six-month assured short hold contract. Once this contract has been in force for just over three months the tenancy is reviewed and we will write to you asking if you wish the tenancy to continue. If you do not want to renew the tenancy you must inform us immediately, in order for us to make arrangements for the statutory notice to be served (where this notice has not already been served).

After liaising with you 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 either decline, in which case the notice to quit must be served, this then 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 months upwards (a significant number of tenants do request twelve month contracts).

If you do not want to commit yourself to a definite period the contract can become a *periodic tenancy*, whereby the tenant stays in the property (under the terms of the original contract). Should they wish to leave however they only need to give one months notice. If you require possession of the property, you can proceed with possession proceedings, i.e. issue a Section 21 Notice.

Please note that once a section 21 notice has been served on the tenants, enforcement of this notice can only be enforced through the courts. Serving the notice does not guarantee that the tenant will vacate the property on the agreed date.

## END OF TENANCY

Once the tenancy comes to an end we will arrange to meet the tenant at the property, conduct a full inspection and take meter readings as well as obtaining details of where the tenant is moving to. The deposit is refunded to the tenant once we are satisfied everything is in order. If you wish, you may have the opportunity to inspect the property yourself before the deposit is refunded. However, this must be done within as few a days, as the tenants are often eager for the refund of their money. We must act within 10/12 days with the terms and conditions of the Deposit Protection Service

Should there be any disputes with how the property has been left; the first course of action is to give the tenant the opportunity to rectify this. If the tenant does not rectify the situation we can then make a deduction from the deposit (valid estimates must be obtained indicating the exact cost of repair). Failing agreement between the landlord and the tenant, we will act as arbitrators. If an agreement still cannot be made the dispute resolution service must be involved and they would make the final judgment.

## INSPECTIONS

We conduct regular inspections of all tenanted properties. These inspections serve numerous purposes, they allow us to visit the tenant in the property and ensure they are looking after it. We also 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. These visits also help us to get to know the tenants better, so that when the lease is due for renewal we can be confident in the advice we give to you. If an inspection is not satisfactory we will write to the tenants with our concerns and re visit the property again within 7/14 days

## REPAIRS

Most properties, at some point, will need some remedial work carrying out. If things go wrong the tenant should contact us, and we will contact you. In the majority of cases the problem can be resolved quickly. However there are two important points to remember when it comes to repairs.

**Firstly:** if a serious fault does occur causing possible damage to your property (water burst/flood) and we cannot contact you immediately we will authorize a repair up to a cost equivalent of three times the agreed monthly rent and for minor repairs we would request £150 in any one month.

**Secondly:** Once a property is tenanted you do have an obligation to ensure it is well maintained. Carrying out repairs promptly is as important for you as it is for the tenants, after all repairs caught early can save money. Remember tenants do have rights and can contact Environmental Health if repairs are not being attended to quickly. The ensuing 'enforcement order' could incur extra repairs and an inflated final bill because they will carry out work not done by ourselves.

\*"In the Landlord & Tenants Act 1985 under section 11, it is implied as a covenant in the tenancy agreement that the landlord is:

(a) To keep in repair the structure and exterior of the dwelling (including its drains, gutters and external pipes).

(b) To keep in repair and proper working order the installations in the dwelling, for sanitation and for the supply of water, gas and electricity as well as for those for space heating and heating water"

\*(journal for residential property professionals – July 1996, issue 2, volume 4)

## FURNISHINGS

If any furniture is left in the property, then you as landlord have a duty to ensure it is maintained and (for electrical/mechanical equipment) repaired should it become faulty, unless this is a direct result of negligence or malicious damage by the tenant. Any soft furnishings (chairs and beds etc.) that are left in the property must comply to fire regulations and be marked as such. If they do not comply then they cannot be stored at the property.

## INVENTORIES

We consider that the inventory is one of the most important documents to assist in the smooth running of the tenancy. It provides written agreed confirmation of the internal condition of the property, fixtures, fittings and contents. The tenants are made aware of their maintenance commitments at the beginning of the tenancy and therefore, on your behalf, at the end of the tenancy we are able to categorically agree repairs which are the tenant's responsibility and arrange for the work to be carried out. We also include within our inventory, keys, safety instructions and manufacturers instructions, so that the tenant is responsible for their safe return. You may prepare your own inventory but we would recommend that this should be a substantial and accurate document with photographic evidence.

## GAS APPLIANCES

It is a legal requirement that every gas appliance and gas central heating system has to be inspected on an annual basis. They have to meet strict conditions and a safety certificate must be issued. This certificate or copy of it must be kept with our files. You can ask British Gas (who charge per item inspected) or a private gas engineer (some of whom have a flat rate, regardless of the number of appliances). Remember for an inspection to be complete the piping must also be inspected and the person conducting the inspection **MUST** be Gas Safe registered.

We can arrange for the safety inspection to be carried out for you by our local gas engineer. The subsequent safety certificate issued is kept on our files and a re inspection will be required every 12 months.

Central heating systems do break down; unfortunately it always seems to happen at the most inconvenient times such as Bank holidays or when you are away. The cost of repair can be substantial and there is often little option but to have the work done. For this reason we recommend a service contract. British Gas offer a policy which serves the majority of systems very well, they also allow you to spread the cost and pay monthly.

## **ALARMS**

It is our recommendation that all properties should be fitted with at least two smoke alarms. Whilst this is not a legal requirement, failure to take adequate precautions (such as fitting smoke alarms) could lead to a landlord being prosecuted should something happen. Smoke alarms are inexpensive and easily fitted. They can and do save lives. Once installed these devices must be checked on a regular basis.

If your property has gas appliances, you may wish to consider the installation of carbon monoxide alarms (these detect the build up of dangerous gases) and cost little more than a smoke alarm. Again they do serve a very useful purpose.

More and more 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, consequently whilst your tenants have the benefit of the alarm they cannot change its settings. Alarms like any electrical equipment can malfunction, this is not only annoying for yourself and neighbors but it is also leading to increased calls from police officers for a list of nuisance alarms (the implication being that if an alarm is frequently sounding for no valid reason the police refuse to respond). We would therefore recommend that the alarm is checked on a regular basis.

## **MORTGAGES**

If your property is subject to a mortgage, you should seek the approval of the lender prior to letting your property. Your lender will need to provide a formal consent to letting and may wish to see a copy of the tenancy agreement, which we will be more than happy to provide. Normally consent to let is readily given, as long as letting arrangements are not too far advanced and sometimes a small fee is payable to the lender.

## **INSURANCE**

As landlords you are still responsible for the building and accordingly the buildings insurance. We require that you have adequate insurance cover on your buildings, contents (where appropriate) and property owners liability. Please note buildings insurance will not cover the costs of replacing or repairing carpets if they become damaged, it does however cover fixtures and fittings.

## **TAX**

Income received from renting any property is subject to tax (we strongly recommend that you take advice from your accountant). If you require any help with these matters we would be pleased to recommend specialists in Rental Taxation Services. Expenses incurred can be set against this liability as can the interest paid on the mortgage. Up until April 1996 landlords who moved out of the United Kingdom had to have tax deducted by their agents. Now, however, a landlord can apply for an exemption certificate from the Inland Revenue. (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.

## **EMPTY PROPERTY**

The agreement you sign when the property is put on our books does not cover periods when the property is vacant. If you are concerned about the property and want us to manage it whilst it is empty, you must inform us of this and we can make arrangements to do so (there will be an extra cost for this service).

## **KEYS**

We would normally require three sets of keys to the property. Two will be handed to the tenant on occupation; the other will be retained in our office for emergencies. Note: if someone other than yourself needs to use or collect these keys at any time, they must bring proof of identification as a security measure or anyone on your behalf.

## **FINALLY**

If you do have any problems finding a suitable tenant, managing your property or maximizing the income, feel free to contact us – we are here to help.