



Guide for New Landlords



Lettings - 0118 950 88 99

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Sales & Lettings, Free Valuations, Tenant Finding,
Property Maintenance, Property Management,
Commercial and Residential



Notes For Landlords Wishing To Let A Home With Reading Estate Agent Ltd

Letting your property can often be a very difficult and stressful experience and legal requirements must be complied with or landlords risk prosecution.

The decision to let your property is a major one and not something to be taken lightly. It is therefore important that you engage the services of a professional property company.

Our aim at Reading Estate Agent Ltd is to provide you with a service tailor made to suit your requirements. The letting market is growing steadily but some of the basics relating to a successful rental remain the same.

We have produced this guide to assist you in making that important decision.

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Presentation of Your Property

Presentation is extremely important when letting a property. It can affect the level of rent and the speed at which the property is let this may appear to be obvious but it's amazing how some landlords ignore the basics.

Even more importantly, it can affect how the tenant will look after your property. If someone moves into a well presented home, they are very likely to keep it that way. If it starts off looking scruffy and unloved, it can give the wrong impression to your tenant all rooms should be freshly decorated in neutral colours.

Floorings and carpets should be clean and damage free.

If there is a garage for the tenant's use it should be empty and tidy. Lighting is essential; there should be good quality light fittings that are in working order. If you are thinking of letting the property furnished or unfurnished we have prepared this guide as a helping hand.

What Legal Obligations Apply To Furniture And Fittings?

The Furniture and Furnishings (Fire) (Safety) Regulations 1988, as amended place a legal obligation on residential landlords to ensure that upholstered articles meet fire resistance regulations.

1. Regulations apply to beds, mattresses, sofas and other soft furniture
2. All affected furniture must carry the fire resistant label

Non-compliant furniture must be removed from a property prior to letting



Furnished Or Unfurnished, That Is The Question?

Un-Furnished

For many reasons this is much less complicated than with a furnished property.

A cooker and other white goods such as a washing machine and fridge/freezer are usually required. Tenants almost always expect to have carpets and curtains as it is impractical for a tenant to transfer them from their previous home. We would also recommend for the property to be cleaned prior to the commencement of the tenancy including the carpets, curtains and linen.

Please note:

The items listed are for guidance purposes only as some properties may require more or less items. Please contact one of our staff members to give you accurate advice and guidance.

You should leave full instructions for all appliances and equipment especially heating systems and copies of guarantees or insurances for any items. It is also helpful to leave details of stopcock location, fuse boxes and anything else which may be needed – please ask for advice.

Furnished

In order for you to achieve the full rental potential of your property, it is important to blend the furnishings with the premises so that they are of equal quality as the property.

It is very difficult to advise on what items would be required to furnish the property. A good method is to put yourself in the tenant's shoes and imagine that you have no furnishings, ask yourself what you would expect. Please, see the indicative list of items for *furnished accommodations* to help you. Alternatively, you can always ask one of our members of staff to assist you and visit the property to advise you.

Indicative List of items for Furnished Accommodations

Lounge

Television aerial point
One side table / table lamp
One coffee table
One settee Depending on the size of the dwelling may include matching arm chairs

Dining Room

One dining table
Matching dining chairs

Master Bedroom

Double bed
Dressing Table
Double/Fitted wardrobes
Side table/ Table lamps
One chest of drawers

Secondary Bedroom

Single/ Double bed
Wardrobe Chest of drawers
One bedside table

Bathroom

Shower curtain (where applicable)
Mirror
Medicine cabinet (if available)

Additional items

Electric vacuum cleaner
Instructions for electric appliances

Garden

Lawn Mower
Rake
Fork
Spade

Presentation Of Gardens

The garden should be left tidy and well tended. If you have a very large garden or special plants, shrubs that need attention you could consider providing a gardener, this cost should be factored into the rental. Fencing and boundaries should also be in a good secure state. We would also prefer if you would notify us of the responsibilities of your property.



Utilities

You should inform all utilities and service providers that you are letting the property and request closing accounts.

Services should not be disconnected as this can cause future delays and problems.

This applies to the following services:

Council tax, Gas, Electricity and Water supply (whether metered or not)

Telephone / Internet

Tenants are responsible for telephone arrangements, council tax and accounts for oil or calor gas supply. You will also need to make arrangements with the Post Office to forward your mail (we cannot forward mail without passing on the Post Office charges).

Notify banks, credit card companies, publications to which you subscribe and any other organisations connected with you. If we manage the property we will contact utility and service providers and check the tenant in and we will also close the accounts on check out.



Permissions You Will Require

Mortgage Lenders

If the property is your usual residence and the mortgage is not a BTL (Buy To Let), you must advise your lender and seek their permission before making arrangements to let. If you do not do so, they may be entitled to repossess the property and evict your tenants. It is rare for lenders to refuse permission, but you must ask them first.



Leaseholder

If the property is leasehold you should seek permission from the freeholders or Management Company and inform them of your intentions.



Insurance

A landlord is responsible for arranging insurance on the buildings and any possessions left within the property or outbuildings. This insurance should also include personal liability insurance to cover you, for example, if a flat that you let has a washing machine that floods and damages the flat downstairs. It is preferable for this insurance to be a specialist letting policy, as standard policies may exclude certain situations such as damage by tenants – even where the damage was unintentional. Specialist policies can also cover for theft by tenant, malicious damage and accidental damage to your goods by the tenant.



The tenant is responsible for arranging insurance for their own furnishings and possessions and will not be able to claim on your policy for loss or damage.

At Reading Estate Agent Ltd we can arrange all appropriate insurances at a competitive rate

What About Tax?

When a Landlord is living abroad it is your responsibility to appoint a suitably qualified person such as an accountant or solicitor to act on your behalf in respect of taxation matters. If this is not arranged by you we as your rent collecting agents are required under UK Taxes Management Act 1970 section 78 to deduct income tax (currently 20%) at the basic rate from gross rent received. Overseas clients may be entitled to reclaim from the Inland Revenue the whole or part of any tax deducted in this manner dependant upon their individual circumstances.

Please contact your local tax office to obtain a NRL (non resident landlord) number to avoid this deduction. It should be noted however that items such as 'Agents and Management Fees' are tax deductible from rents received from the property letting. Your accountant or tax office will be able to advise more fully. Please refer to our Terms & Conditions in respect of the self assessment landlord tax liabilities



Safety Regulations

All landlords have a duty of care to their tenants. This duty is covered by a number of laws and regulations but the simplest way of viewing your responsibility is to say that you must do everything reasonably possible to ensure your tenants' safety in the rented property.

Furniture and Furnishings

You must ensure that any furniture and furnishings you supply meet the fire resistance requirements in the Furniture and Furnishings (Fire) (Safety) Regulations 1988 (as amended 1993) .

The regulations set levels of fire resistance for domestic upholstered furniture. All new and second-hand furniture provided in accommodation that is let must meet the fire resistance requirements, unless it was made before 1950. Most furniture will have a manufacturer's label on it saying if it meets the requirements.

Gas safety

By law a Landlord must:

Ensure installation pipework, appliances and flues are maintained in a safe condition.

Ensure an annual safety check is carried out on each appliance and/or flue.

Ensure maintenance and annual safety checks are carried out by Gas Safe registered Engineer.

Keep a record of each safety check for 2 years.

Issue a copy of the safety check to each existing tenant within 28 days of the check being completed and to any new tenant before they move in.

Ensure all gas equipment (including any appliance left by a previous tenant) is safe or otherwise removed before reletting.

If a managing agent is used, make sure that the management contract clearly specifies who is to make arrangements for maintenance and safety checks to be carried out and for keeping records. However, the landlord maintains overall responsibilities for ensuring duties are met, irrespective of whether a managing agent is employed.

NB. We advise the use of a carbon monoxide detector in a let property.

Electrical Safety

You must ensure that the electrical system and any electrical appliances that you supply such as cookers, kettles, washing machines and immersion heaters are safe to use. Instruction booklets should be provided for each appliance. Plugs and sockets must comply with current legislation.



Smoke Detectors

You have a duty to ensure that the tenants' environment is safe and, in this connection, Reading Estate Agent ask that properties are supplied with smoke detectors. Where they are not fitted, we can arrange this on behalf of clients. New properties, built since 1992, must have mains interlinking detectors on each floor.

Information on safety legislation can be found at www.open.gov.uk/hse

Although safety is ultimately your responsibility, Reading Estate Agent can help to ensure that all these regulations are met before letting a property.

Valuation

Our experienced property consultants would be pleased to meet with you to advise on all aspects of letting and discuss the achievable rental value

Marketing methods

When we have received your instruction to find a tenant our creative marketing approach includes all forms of modern media, our eye catching boards, regular advertising ,marketing campaigns and hourly updated website as well as Rightmove and many other portals.

Tenants & Referencing

Potential tenants wishing to view the property are accompanied by a negotiator. Once an applicant has expressed their interest, the next stage is referencing. Our aim is to take every precaution to introduce the right tenant to a property to ensure a trouble free let. To this end we use our own Tenant Assessment Service for referencing, which includes a comprehensive Credit Check using Rent4Sure. As well as landlord and employment references.

This service is provided at no extra cost to the Landlord and is the best way to harness all of the information available

in today's complex lettings market place. This ensures that when the tenant enters the property, they have been thoroughly and independently assessed and verified, for financial strength and suitability for the tenancy.



Our Service To You

Documentation

Our tenancy agreement is carefully constructed to protect both you and the tenant without the inclusion of any 'unfair terms' – no easy task! Problems with tenancy agreements are one of the most common causes of court action between a landlord and tenant – ours has been created through years of experience.

Most tenancies are Assured Shorthold Tenancies but we also arrange Company Lets (which are used when a company takes a tenancy on behalf of an employee) and other Non-Housing Act tenancies to suit the situation.

Other documentation includes the Inventory, a vital record of what is in the property and its condition at the beginning of the tenancy. This is agreed with the tenant at the beginning of the tenancy and used again at the end of the term, to give a clear report on any problems. Wear and tear is expected and accepted in a tenancy, damage or removal of items by a tenant is not and must be rectified at the tenant's cost.

During the Tenancy

Landlords sometimes consider that their family or a friendly neighbour will be able to manage their property during their absence, using a local known contractor for any maintenance. However there is more to property management than this. Property Management can be demanding and involves collection of rent on a regular basis and ensuring that rent continues to be paid for the period of the tenancy, making visits to see that tenants are taking care of the property, checking for any general maintenance and arranging contractors (and that their costs are fair and the work is done properly), our maintenance department, liaising with our Property coordinators, will deal with any emergencies such as storm damage, leaking or burst pipes.

Our experience means that we have seen most disasters before and we know how to approach them, who to contact and most important of all how to get claims settled to cover loss of rent and damage if a problem does occur.

With our property management service your home is in safe hands!

Our Personal Service



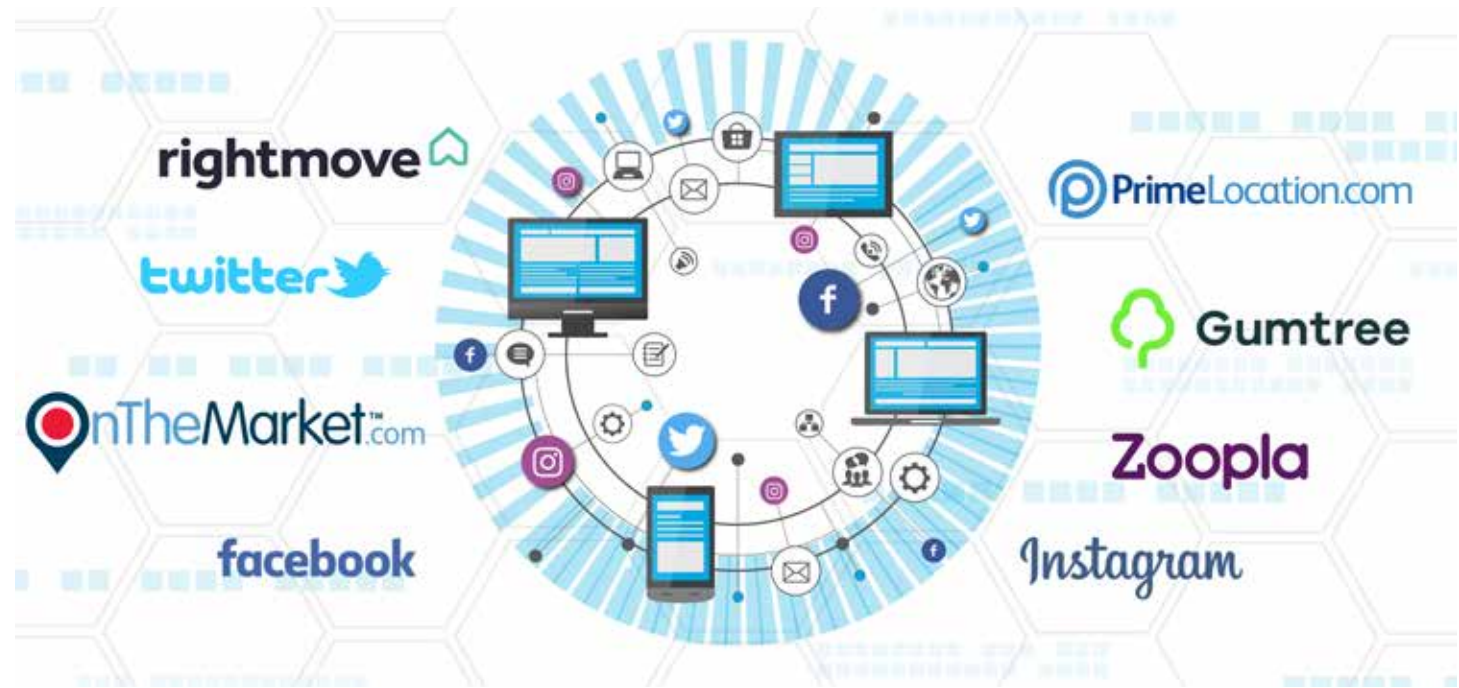
After years in letting industry we know that efficient, personal service is the most important aspect of our business. Landlords like to speak to someone they know and to be able to rely on that person carrying out the task in hand.

Many landlords have, like many of our staff, been with us for years. We have helped them with their first letting, advised on buying further properties and kept them updated on legal and tax issues that affect them.

Property Maintenance

We have a maintenance team which takes care of all property maintenance, refurbishment and development, and many of our contractors have worked with us since we were established.

They understand the need for efficient, economic and professional work. We can however use you own preferred contractors or have an agreed limit set in place at the beginning of a tenancy for essential repairs.



Communication

Communication is one of the most important issues to landlords during and between tenancies. Email is sometimes the preferred method of communication for many landlords and is priceless especially if a landlord is abroad, we still actually telephone people and write to them as well! We believe that modern methods work as well as the traditional methods.

Information & Technology

Know how is one thing, management and implementation of that know how is another. We have invested in specialised software which helps us to ensure that rental payments are passed on accurately, timely and efficiently. Property Management matters are diarised and expedited when due. Our range is further extended by not only our own website but most of the popular property portals this is becoming one of our most important marketing methods.

New people looking to rent in our area for the first time can instantly see homes available to rent. As soon as a new property is registered with us that all potential applicants are notified by either letter, text (SMS) or email instantly.

Interested parties can (and often do!) make appointments to view by e-mail, phone or by replying to one of our property bulletins.

The Choice Of Service To Suit You

Generally, our landlords choose one of three main service levels available: **Let Only**, **Rent Collection**, **Full Management**. However, our services can be packaged to suit individual requirements, our negotiators can advise you of the options and how each service can be appropriate.

Let Only

Reading Estate Agent will give advice and guidance on preparing the property for letting and we will source a suitable tenant by using the numerous marketing methods we employ.

References are then taken and legal documentation drawn up. Finally the initial rent and deposit monies are collected in cleared funds and after we have advised the tenants of their obligations and signed the tenancy agreement we allow them to take possession.

The tenancy is then 'handed over' to you or your representative to collect rents and provide a management service to the tenants. At the end of the tenancy we will be happy to prepare renewal agreements or find a new tenant for you.





Rent Collection

This service follows the same procedure as with the *LET ONLY* service. However, Reading Estate Agent will alleviate the responsibility of rent collection. Rental payments will be collected by Reading Estate Agent on a monthly basis and paid over to the landlord along with a monthly statement.

As the landlord, you will still provide a management service to the tenants.

Full Management

This service also follows the same procedures as with the *LET ONLY* and *RENT COLLECTION* service. However, Reading Estate Agent will offer you a complete package including the aforementioned along with:

-  We will provide you with a property inspection and report on a biannual basis.
-  We will organise repairs and maintenance upon the Landlords authority. (Landlords may prefer to nominate a contractor or allow us to appoint contractors on their behalf.)
-  Liaise and organise with both Landlords and Tenants for the renewal of tenancy agreements.
-  At the end of the tenancy, we will serve all necessary notices. Check out procedures will be followed and the deposit monies will be apportioned as necessary.

Our Rates

Our rates will be agreed in writing on our contract at the time of instruction. All our rates are agreed to suit the landlord's individual requirements. We are very flexible to all our landlords and will be able to provide you with a competitive rate that will be among the best in the market place. If you have any questions or require any further information about any of the above then please pick up the phone and speak to one of the team.

Please, view our Service Comparison Table.

Service Comparison Table

Service	Let Only	Rent Collection	Full Management
Rental Valuation <i>Evaluate the rental value of your property</i>	✓	✓	✓
Commission and provision for an EPC, Pat Test, Gas Safety Certificate (additional charges apply) <i>We can arrange/organise the EPC, EICR, Pat Test and Gas Safety Certificate (additional charges apply)</i>			✓
Marketing and Find Tenant <ul style="list-style-type: none"> • We will advertise and market your property on our website www.readingestateagent.com and window display. • We will advertise and market your property in all the major internet portals including: Rightmove, Zoopla & Primelocation 	✓	✓	✓
Accompanied Viewings <i>We will always accompany prospective tenants on viewings</i>	✓	✓	✓
Negotiating terms <i>We will always update you on viewings and offers.</i>	✓	✓	✓
Obtain credit and reference checks <ul style="list-style-type: none"> • Credit and reference checks will be carried out on all applicants over the age of 18 years that will be residing at the property. These checks are carried out by an independent company. • Government Right-To-Rent checks carried out. 	✓	✓	✓
Draw up Tenancy Agreements <ul style="list-style-type: none"> • We will arrange tenancy agreements in accordance with legislation. • All tenancy contracts are prepared as per the regulations and Housing acts to you the Landlord. 	✓	✓	✓
Deposit and initial rent collection <ul style="list-style-type: none"> • We collect the initial months' rent in cleared funds prior to releasing the keys to the property. • We will collect the deposit and arrange to protect funds with a Government Recognised Deposit Protection Scheme (for Rent Collection and Full Management). Will transfer the deposit to the Landlord for you to protect for let only properties. 	✓	✓	✓

Service Comparison Table - continued

Service	Let Only	Rent Collection	Full Management
Deposit Management <i>We will provide the tenants with prescribed information in relation to where their deposit is protected.</i>		✓	✓
Registering Deposit <i>We will protect the deposit with a Government Recognised Deposit Protection Scheme, which will be protected until the end of the tenancy agreement.</i>		✓	✓
Collection of Rentals <i>We will collect the monthly rentals via bank transfer.</i>		✓	✓
Chase late rent payments <i>We will chase Tenants rent payments by telephone and letter</i>		✓	✓
Monthly Statements <i>We will email you a monthly rental statement the same day we transfer the rental funds to you, less deductions of monthly fees and any expenses occurred.</i>		✓	✓
Tenancy renewal and negotiation of rental increase towards the end of the tenancy <ul style="list-style-type: none"> <i>We will contact you the Landlord 3 months prior to the end of a tenancy to discuss renewing the tenants tenancy and rental increase if applicable, in line with market value.</i> <i>Tenants are contacted 2 months prior to the end of a tenancy to discuss the renewal and any proposed rental increase if applicable.</i> <i>The new tenancy is drawn up as per regulations, we will renew the deposit protection and the tenancy will be signed by all relevant parties.</i> 		✓	✓
Inventory <i>We can arrange for an independent inventory clerk to compile an inventory detailing the conditions of the property to include furnishings if furnished. This report will include photographs of all rooms and furnishings if applicable (additional charges apply).</i>			✓

Service	Let Only	Rent Collection	Full Management
Tenant check in <ul style="list-style-type: none"> The inventory will be used to check the tenant in to confirm that everything is correct with the property. Meter readings will be obtained and noted on the tenants account. Audible smoke alarm and carbon monoxide tests will be carried out as part of the check in. A copy of the signed inventory and audible alarm test will be held on file. 			✓
Transferring Utilities All respective utility companies will be advised of the meter readings taken during the check-in, where applicable.			✓
Ensure all properties remain compliant with gas safety, electric safety and EPC We can arrange for all relevant certificates/tests to be carried out to ensure your property remains compliant via one of our recommended contractors (additional charges apply).			✓
Repair liaison with all parties <ul style="list-style-type: none"> We will arrange quotations for works required for your property. We will advise the tenants of any works to be carried out and of when contractors are attending the property. We will forward all quotations onto you the Landlord for your authorisation. 			✓
Property Inspections			✓
24/7 tenant on call service			✓
Arrange for fire and CO alarm safety installations (additional charges apply)			✓
Advise and finalise utilities on check out			✓
Informing of annual gas safety certificate			✓
Tenant checkout			✓

Fees

Reading Estate Agent are not members of a client money protection scheme. Reading Estate Agent Are members of The Property Ombudsman independent redress scheme.

The landlord fees set out below are our standard rates. However we are happy to discuss these figures on an individual basis tailored to suit your needs.

Description	Fee
Letting Service Fee including Marketing, using portals and newspaper advertising , accompanied viewings and offer negotiations	4 weeks rent
Discounted Lettings Fee	2 weeks rent
Tenancy Set Up including producing the tenancy agreement,(fee shared with tenant), completion of paperwork, tenant referencing, registration of tenant's deposit and arranging pre-let works	£150.00
Rent Collection including rent collection, arrears collection, accounting and renewal negotiation	12% of rent payable
Full Management including property maintenance, property visit, service of notices, deposit negotiation together with all services applicable under rent collection	15 % of rent payable
Extension Set Up (fee shared with tenant) production of extension tenancy agreement	£100.00
Instruction of another agent during sole agency period with Reading Estate Agent-Administration Fee	£360.00
Withdrawal from entering into a tenancy having instructed Reading Estate Agent to proceed – Administration Fee	£350.00
Paper copies of statements of account	£3.00 per month
Tax retention and completion of documentation for HMRC	£81 per quarter
Administration fee for the provision of NRL gross annual income and expenditure statement to HMRC	£36.00
Provision of a statement showing gross income and expenditure for the year	£75.00 (Free when we fully manage your property)
Negotiations of deductions from Deposit(not Fully Managed)	£300.00
Attendance at Court/Tribunal	£175.00 day/part thereof
Service of Notices Administration Fee(including Section 8 or 21) where Full Management service is not taken	£175.00
Extra property visit	£68.00
Wait at property for landlord appointed Contractor following an arrange appointment	£60.00 per hour/part thereof
Undertaken partial or total furnishings for the property –Administration Fee	12% total value
Key Cutting administration Fee + cost of cutting keys	£30.00 + cost of cutting keys
Gas Safety Administration Fee – Arrangement of Gas Safety Certificate where one is not provided at the commencement of the tenancy –Administration Fee.	£95.00

End of table.

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