



## Essential Tips for Landlords



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# Essential Tips For Landlords

REA have created a free essential tips for Landlords which alleviates many pressures that can materialise when you are looking to rent out your property.

## **18 Tips for you**

- 1) Ensure your property is let legally
- 2) Inform your mortgage lender and leasehold company
- 3) Minimise your tax bill by working with a property tax specialist
- 4) Insurance cover
- 5) Ensure your Agent has Professional Indemnity Insurance
- 6) Non Resident Landlords
- 7) Signing the tenancy agreement
- 8) What is a break clause?
- 9) Security Deposits
- 10) Utilities
- 11) Gas Safety Requirements
- 12) Contact details for your tenants
- 13) What is the difference between a Section 8 and Section 21?
- 14) Visiting your property and your tenants
- 15) You have a right to reasonable access for inspections or repair
- 16) Information Packs
- 17) Build a good relationship with your Tenants
- 18) Create an Emergency Fund

## 1 Ensure your property is let legally

The legalities of property rental are becoming more and more convoluted, thus it is imperative that you are fully aware of all regulations and laws which apply. For example, you will need an Energy Performance Certificate to be able to market your property and tenant deposits need to be protected in a Tenancy Deposit Protection Scheme.

## 2 Inform your mortgage lender and leasehold company

The expert lettings team at REA will be on hand to show people around your property and answer any questions they may have.

There is no need for you to be present at viewings. As long as you have given us a set of keys, we will complete viewings at times to suit any current tenants, and provide you with feedback afterwards.

## 3 Minimise your tax bill by working with a property tax specialist

Tax advice is essential when deciding on such important decisions. You may have a number of options available to you which will allow you to legitimately

reduce your tax bill. All costs associated with the buy to let should be noted and recorded so you can file your tax returns and easily benefit from lower tax bills.

## 4 Insurance cover

Insurance cover is important; it must be noted that general household insurance will normally not suffice. There are a number of policies that are available to landlords. REA will be more than happy to discuss your insurance options and we have a select panel of insurance providers who may be able to assist.

## 5 Ensure your Agent has Professional Indemnity Insurance

Check that the agent has professional indemnity insurance which will cover them against the chance of being sued.

## 6 Non Resident Landlords

Income tax will be payable on income received from your rental property until the agent is provided with an approval for exemption. An application can be made to the HM Revenue & Customs for an exemption certificate; this would exempt your Managing/Letting Agent from deducting tax.



## 7 Signing the tenancy agreement

**Don't sign the tenancy agreement until move-in day unless your property is already vacant.** If you sign a new agreement and the old tenants change their mind at the last minute and don't leave, you will be in breach of contract with the new tenants, and would have to pay for alternative accommodation for them.

## 8 What is a break clause?

A break clause is a provision in a lease which enables either the landlord or the tenant (or both) to end the lease early. It may arise on one or more specified dates or be exercisable during any time during the term (often after a specified period of time has elapsed) on a "rolling" basis.

## 9 Security Deposits

By law, if you take a deposit from your tenant on an Assured Shorthold Tenancy agreement in England and Wales, you must protect that deposit with a government-authorized tenancy deposit protection scheme, within 30 days of receiving it.

## 10 Utilities

Landlords are required to give information about their Tenants to the relevant water company. Failure to do so will leave the Landlord jointly and severally liable for the water bill alongside the Tenants.

## 11 Gas Safety Requirements

Under the Gas Safety Regulations 1998 it is a statutory requirement that all gas appliances and flues in rented accommodation are checked for safety within 12 months of installation and thereafter every 12 months by a competent engineer. A copy of the safety certificate issued by the engineer must be given to each new Tenant before their new tenancy commences or to each existing Tenant with 28 days of the check being carried out.

## 12 Contact details for your tenants

At some point in the process, your tenant will wish to serve notice and they will need your address details to serve notice in writing. If you do not provide an address, the tenants are not legally required to pay you any rent.

## 13 What is the difference between a Section 8 and Section 21?

Simply, a section 8 notice should be served when a tenant is in breach of contract (i.e. the landlord has grounds for possession). The most common ground for eviction is rent arrears. As long as the landlord has a legitimate ground for possession, he/she can serve the notice at any point during a tenancy. Here's a more detailed look at Section 8- Eviction Notice.

A section 21, also known as a 'Notice of Possession', should be served to end an assured shorthold Tenancy Agreement so the landlord can regain possession on the last day of the fixed term of the tenancy or afterwards during a periodic tenancy.

Unlike when serving a section 8, a landlord does not any reason for serving the notice to regain possession of the property, other than he/she simply wants the tenant to vacate. Here's a more detailed look at Section 21 – Notice of Possession Order Form.

Essentially, Section 8 should be served when a tenant has done something wrong e.g. fallen into rent arrears.

Section 21 should be served when the landlord simply wants the tenant to vacate the property at the end of the tenancy or during a periodic tenancy.

#### **14** Visiting your property and your tenants

If you wish to visit your property, you must give your tenants 24 hours' notice and they must agree to your visit.

#### **15** You have a right to reasonable access for inspections or repair

Reasonable access is wholly dependent on what you may need access for. Unless you have a court order, or there's an emergency (e.g. fire) you may not enter the property without the tenant's consent. If you enter without their permission, this will constitute as trespassing.

#### **16** Information Packs

Leave a pack with user manuals for all your appliances in the property. This could potentially avoid any call out charges for engineers.

#### **17** Build a good relationship with your Tenants

It is essential that you form a good relationship with your tenants as this will create an environment where your tenants will treat your property with care and respect.

#### **18** Create an Emergency Fund

This is always good practice; it will help you cover for any eventuality. There is a never set amount for this kind of fund but as you ascertain the running of your property and any potential discrepancies, you will be able to gauge what kind of emergency fund you may need.



## Other useful information

Responsibilities Reference Table

Maintenance Issue	Landlord	Tenant	Comments
Replacing taps	✓	✓	
Replacing tap washers	✓		
Replacing light bulbs		✓	Including those in appliances and outside lighting
Replacing consumables		✓	Filters, batteries etc.
Tightening screws		✓	Curtain poles, door handles, kitchen cupboards etc.
Mowing lawn, weeding, clearing leaves & general gardening		✓	
Light pruning		✓	Do not cut down or undertake severe pruning of mature plants, shrubs etc., without the landlord's permission
Cleaning of patio/paving		✓	To avoid slip hazards
Removal of moss & leaves from gutters	✓		It is your responsibility to notify the landlord if the gutters need cleaning, clearing or repairing
Bleeding radiators		✓	
Radiator leaks	✓		If caused by erosion or wear, however it is you have caused the damage*
Re-igniting pilot light/boiler (initial troubleshooting)		✓	As long as you have been provided with a manual/instructions you should undertake initial troubleshooting before reporting it to the landlord
Boiler maintenance & servicing	✓		

Maintenance Issue	Landlord	Tenant	Comments
Replacing fuses		✓	
Appliance repairs	✓		Unless the damage is caused by you*
Appliance upkeep		✓	Includes filter & general cleaning, checking pipes, adding chemicals as required etc.
House alarm servicing	✓		If the system is used by you, any security company charge should be paid by you
Electrical repairs/checks	✓		Unless the damage is caused by you*
Unblocking drains			Please refer to your tenancy agreement for full details
Replacing shower heads, clasps, hoses	✓		Unless the damage is caused by you*
Repairs to bath & shower seals	✓		
Preserving bath & shower seals		✓	
Damp – external	✓		Unless this is caused by you (e.g. poor installation of satellite cabling)*
Damp – internal	✓	✓	If the damp is a result of your lifestyle, it is your responsibility
Locks	✓	✓	Depending on the cause of the problem*
Chimneys	✓	✓	The landlord is responsible for having the chimneys swept prior to your tenancy; it is your responsibility to arrange this during and at the end of the tenancy*
* Work to be undertaken by a suitably qualified contractor			

Please note that if we or the landlord arrange for maintenance work to be undertaken and the fault is found to be caused by you, you will be responsible for the cost. Normally you do not need to be at home when maintenance work is being undertaken; we can liaise with the contractor for access.

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