



Letting your property
a step by step guide



If you are letting your property....



WE OFFER A FREE RENT INSURANCE POLICY IF YOU INSTRUCT US TO LET AND MANAGE YOUR PROPERTY.

Subject to Terms & Conditions
Call for more details



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...there are a few things ABC can help you with

Whether you are relocating and holding on to your home, or embarking on a buy-to-let project, letting has become an increasingly popular way of generating income from your property. Most notably, there's been a surge in buy-to-let in recent years: buy a property, choose a neutral colour scheme, maybe furnish it, then let it out.

However, it's not quite so simple, as many landlords have found. From the moment you decide to let your property to the time your tenant is comfortably settled in, there are lots of things to think about and lots of opportunity for the unexpected to happen.

For starters, you have to get the property ready to let, then you need to find the right tenants - this involves viewings, checking references, negotiations and a fair amount of paperwork and legislation to comply with such as Gas Safety Certificates, registering tenants' deposits and ensuring all furniture complies with current fire safety regulations.

Next, there's the ongoing management of the property, which can be a huge headache, especially as most landlords have jobs, families and more interesting things to be getting on with. And, just when things seem to have settled down, your tenants give notice and the whole process starts again. That's why many landlords choose the services of a letting agent.

Here's a brief summary of the stages involved in letting your property:

- ▲ Preparing your property to let, including decorating, furnishing and safety checks and commission an EPC (Energy Performance Certificate) as required by law.
- ▲ Inviting local agents to value your rental property.
- ▲ Choosing an agent and deciding the level of service you need.
- ▲ Marketing the property and conducting viewings and negotiations.
- ▲ Obtaining references and a security deposit.
- ▲ Preparing the tenancy agreement.
- ▲ Placing the deposit in a tenancy deposit scheme, as required by law.
- ▲ Doing an inventory and check-in.
- ▲ Managing the property.
- ▲ Collecting rent.
- ▲ Organising the check-out and releasing the deposit.

At each stage, you as a landlord have various obligations, as do your tenants.

Read on for more detail...



Getting prepared

When preparing your property to let, your standards need to be high if you want to attract the right tenant. Slapdash work and a poorly maintained interior will probably lead to a tenant with a similar attitude - not a good start.

Preparing your property to let isn't complicated, but it does take time and money to get it right.

Before you or your agent may commence marketing your property in any way whatsoever it is a legal requirement to have an Energy Performance Certificate (EPC). We can usually arrange one for you within 24 hours and the certificate is valid for 10 years. The landlord can be fined up to £5,000 if they market or let their property without a valid EPC. From 1st April 2018 any properties with a EPC rating below Band E will no longer be allowed to be rented and the landlord will need to undertake improvements in order to comply with the new law.

Safety First

The safety of your tenant is paramount. Accidents from faulty equipment or services in your property will be costly to resolve and could even result in legal action if somebody is badly hurt.

Here are the main safety considerations:

- ▲ **Gas safety** - under the Gas Safety (Installation and Use) regulations 1998, landlords must arrange to have all gas fittings, appliances and pipe work in your property pass all the tests, you will receive a certificate. You must give a copy to your agent and a copy to any new tenant before they move in.
- ▲ **Electrical Equipment** - It is the landlords responsibility to ensure that all electrical installations and appliances are safe and maintained, we therefore strongly recommend that an NICEIC contractor be instructed to conduct an electrical installation condition report (EICR) before the tenants move in. It's good practice to arrange for a Portable Appliance Test (PAT) for all the electrical appliances in your property before you let it. ABC will be able to recommend qualified local tradespeople for gas and electricity tests.
- ▲ **Furniture and furnishings** - to minimize the risk of fire spreading, the Furniture and Furnishings (Fire Safety) Regulations 1988 set out requirements for soft furnishings such as cushions, beds, sofas and pillows to be compliant with. It is illegal to provide furnishings that don't comply.
- ▲ **Smoke alarms** - all properties built after 1st June 1992 must be fitted with mains-powered smoke alarms. From 1st October 2015 it became a legal requirement that every property which is let must be fitted with at least one smoke detector on each floor of the property. We can arrange this for you to ensure that your property is compliant.
- ▲ **Carbon monoxide detector** - From 1st October 2015 it became a legal requirement to provide a carbon monoxide detector in any room which contains a solid fuel burning appliance such as a log burning stove or open fire. However as gas appliances can emit carbon monoxide we recommend that you have one installed in your property as a precaution

Presentation

One person's taste in colour schemes and furnishings will not necessarily be shared by others, so try not to impose a highly personal style on a property you want to let. Keep the decor simple; neutral colour schemes and furnishings are unlikely to offend other peoples taste and will help you let your property quickly.

Really think about the property you're trying to let, the likely rental value and the type of tenant you think you will be interested in. There's no point installing hi-spec fixtures and fittings in a one-bedroom property in an area likely to attract a graduate coming to London for their first job. Likewise, a flat decked out in budget furniture from a certain well-known store probably won't go down well with a top city lawyer looking for a central-London pad to entertain friends. If you are in doubt, speak to us at ABC and we will give you good advice on the best way to decorate and furnish your property.



In your haste to let the property, don't neglect the garden or balcony, if there is one. Few things are more off-putting to a prospective tenant than outside space that has become a dumping ground. Good, usable outside space comes at a premium, especially in major towns and cities, and can greatly increase your rental yield. Don't go over the top though - your tenant is unlikely to want to spend too much time maintaining the garden, so simple lawns, decked areas, patios and potted plants are good options. If ongoing maintenance is an issue, it might be an idea to include the services of a gardener in the rent.

Other things to think about

The list of things you could do before you let your property is endless. As well as the essential points we've already mentioned, here's a reminder of other things to consider:

- ▲ If the property is to be let furnished you must ensure that it is of reasonable quality and the tenant has everything they need from the outset.
- ▲ There's little difference in rental value for furnished or unfurnished property, so try to be flexible, to get as many potential tenants through the door as possible. We can help you obtain furniture if required.
- ▲ If you're letting the property unfurnished, you must ensure the property has working, safety-checked appliances, including a fridge, freezer, washing machine, oven and hob. We recommend fitting curtains or blinds and light shades to create a welcoming and homely feel.
- ▲ Get enough sets of keys cut for the agent and future tenants.
- ▲ Ensure all minor DIY jobs are finished, such as affixing a bathroom vanity cabinet, changing light bulbs and filling any holes.
- ▲ Supply important day-to-day items such as a vacuum cleaner, mop and bucket, dust pan and brush, so the tenant can keep your property clean and tidy.
- ▲ Hire a professional cleaner before your tenant moves in. We can arrange this for you.
- ▲ Remove any items you care about and wouldn't want damaged or broken.
- ▲ Preferably dispose of any junk and rubbish in the property and outside space however if you require the use of the loft or an outbuilding as your personal storage space ensure this is reflected in the tenancy agreement.
- ▲ Defrost the fridge and freezer.
- ▲ Bleed the radiators.
- ▲ Leave instruction manuals for all the appliances and take copies for yourself and the managing agent (if you have one).

ABC may recommend other things when we assess your property. Don't be offended or resent the extra work – we're looking out for you and we want you to get the best rental yield possible.



Putting your property on the market

Choosing an agent

Choosing the right agent will probably be the most important decision you make when letting your property. A good agent will ensure you get the best tenant, manage all negotiations, arrange the legal stuff like contracts and, if required, manage your property throughout the tenancy, leaving you to get on with your life.

Word of mouth is the best possible recommendation for an agent. Don't forget to do some internet research to find out more about your local letting agents and the services they offer. The quality of the agent's website is often a good indicator too.

It's also important to choose an agent whose office has a good location, with large and well-presented window displays. This will ensure your property is seen by lots of prospective tenants, who are often short of time and looking to move quickly.

Finally, look for agents who are letting properties of a style and type similar to yours.

Aldermartin Baines & Cuthbert

ABC operates to the highest standards. Our corporate guidelines are regularly checked and approved by independent legal and property experts. Plus, all our offices are members of the Property Redress Scheme, National Association of Estate Agents (NAEA), Association of Residential Letting Agents (ARLA) and the National Approved Letting Scheme (NALS) and adhere to their practice standards. This shows how confident we are in the quality of our service. You should think hard before using an agent who doesn't belong to these regulatory bodies.

Your ABC agent will tailor a marketing package to target the right tenants for your property. The standard package will include a dedicated page on our website, including full details and a series of quality photographs showcasing your property's main selling points. All properties are usually live on our website within 24 hours of the photography. We'll also ensure that your property is uploaded to the main property-search websites, such as, PrimeLocation, Rightmove, Zoopla and OnTheMarket.

We'll also arrange for a series of high quality brochures to be produced. We'll send these to all appropriate applicants in our database and give them to any suitable candidates who drop in to the office.

Our trained lettings negotiators will immediately contact everyone in their database who might be interested in your property. We'll also liaise with our neighbouring ABC offices to share leads and ensure you get suitable tenants as quickly as possible. Other local independent agents do not have access to such a vast combined database of serious prospective tenants, so finding the right tenant can take longer. We, as a truly independent agency with multiple offices do, thereby incentivising all our negotiators to co-operate and work as a team to let your property. Your property may also feature in our office window display, often the first stop for people looking for a new home to buy or rent. Speak to your agent about advertising your property in the local press too.

An ABC agent will conduct all the viewings at your property as standard practice, unless you request otherwise.

Market appraisals

A market appraisal is an assessment of the current rental value of your property. When you ask us to give you a market appraisal we'll base our figures on our extensive knowledge of the local market. We'll analyse all recently achieved rentals and assess your property in detail, recommending the best asking price. We may also recommend ways you could increase your rental yield.

Every ABC office is independently owned and operated, with each office run by a team of local experts. Some offices have existed in their local areas for many years, giving you access to valuable local knowledge and expertise.

All our market appraisals are free and you are under no obligation to use us as your agent. You should aim to choose your agent and get your property on the market at least four weeks before you would like your new tenant to move in, this should be enough time to find the right tenant and get everything prepared for the tenancy.

What you need from your agent

When you have chosen your agent, you need to decide on the level of service you want, if you haven't already. There are three options:

Let-only; rent-collection; or fully managed.

Let-only includes:

- ▲ Marketing your property, including property details, web listing and any other agreed services such as featured advertising and listing on property-search websites.
- ▲ Accompanied viewings.
- ▲ Liaising between you and your prospective tenant/s and managing any negotiations.
- ▲ Checking references of prospective tenants.
- ▲ Drawing up the tenancy agreement.
- ▲ Placing the dilapidations deposit in a tenancy deposit scheme.
- ▲ Organising the required certificates.

Rent-collection includes all the services listed in the let-only service, plus:

- ▲ Monthly rent collection.
- ▲ Transferring the rent to you less our agreed fees.
- ▲ Sending you monthly landlord rental statement.

Full management includes all the above, plus:

- ▲ Arranging all repairs and maintenance when necessary.
- ▲ Visiting your property periodically, as agreed in the terms and conditions, and drafting a full inspection report.
- ▲ Recording and preparing the gas safety renewal date amongst other periodic events.
- ▲ Arranging payment of all outgoings such as service charges and Ground Rent.
- ▲ In most cases we will provide a *FREE* rent protection policy on the tenants protecting your monthly income if the tenant fails to pay the rent, the policy includes legal protection meaning eviction costs will be covered and a team of dedicated Solicitors will handle the process for you – ask a member of our team for further details.
- ▲ Arranging the return or handling deductions of the dilapidations deposit, at the end of the tenancy.

Tenancy agreements

You need to think about the length of the tenancy agreement. Most last for at least 12 months, often with a six-month break clause. However, this can be negotiated with your tenant, which is something your letting agent can do for you.

There are two main types of tenancy agreement. The 'ins and outs' of each can be complex, but your ABC agent will go through your specially drafted agreement with you and answer any questions. Here's a brief summary of both types of agreement.

Assured shorthold tenancy

This is the most common form of agreement:

- ▲ This type of agreement applies to all tenancies created after 15 January 1989 where the annual rent is not more than £100,000 and the tenants are individuals, not companies.
- ▲ The tenant has the right to live in the property for the agreed period, or until you as the landlord serve notice.
- ▲ You have the right to end the tenancy by using a 'Section 21' or 'Section 8' notice. There are various regulations on these notices and time scales to serve them differ depending on the circumstances.
- ▲ A section 21 notice cannot permit you possession in the first six months of the tenancy. However, you can issue a section 21 notice after the first four months, which allows for the required two-month notice period.
- ▲ A section 8 notice can allow you to obtain possession before the six-month fixed term ends if your tenant breaches terms of the contract such as:
 - *Hasn't paid rent for at least eight weeks.**
 - *Is causing a nuisance to the neighbours.**
 - *Has damaged your property (beyond usual wear and tear).**

** Subject to obtaining a court order.*

Non-Housing Act 1988 tenancy

This type of agreement is less common and only applies:

- ▲ To tenancies created before 15 January 1989, or
- ▲ where the annual rent exceeds £100,000, or
- ▲ To company (corporate) lets.

Non-Housing Act tenancies should be specially tailored to each case, so it's important to use a solicitor.



Agent's fees and other costs

Fees differ from agent to agent and they also depend on the level of service you require. At ABC, every local office tailors its fees to ensure they are highly competitive, while ensuring a service of the highest standard.

Choosing the agent that offers the lowest fees isn't necessarily the best option, as you're more likely to receive a sub-standard service. Your ABC agent will discuss fees with you in detail; the fee will depend on whether you want the let-only, rent collection or full management service.

Renewal fees

If you and your tenant choose to renew the tenancy towards the end of the existing term a renewal fee will apply. The fee will have been agreed in your original terms and conditions.

Your agent will typically negotiate the terms of the renewal on your behalf and prepare all the paperwork. We will do this as soon as we have your instructions, which will allow enough time to market the property again if the tenant decides not to renew.

Other costs to think about

As well as agent's fees, there are other costs for you to think about. There are the initial costs of preparing the property for let, the ongoing costs of repair and maintenance, and the cost of any emergencies, for which we advise you to have a contingency fund.

Before letting your property:

- ▲ Redecoration.
- ▲ Furniture and furnishings.
- ▲ Gas safety check and certificate (remember this will be an annual cost).
- ▲ Portable appliance test (PAT).
- ▲ Professional cleaning.
- ▲ EPC (Energy Performance Certificate).
- ▲ Install smoke and carbon monoxide detectors.

From the start and during the tenancy:

- ▲ Agent's fees, depending on the level of service.
- ▲ Any 'extras' negotiated by the tenants, such as furniture or equipment for the property.
- ▲ Check-in and inventory.
- ▲ Contingency fund for maintenance and repairs.
- ▲ Contingency fund for times when the property is empty - the mortgage still needs to be paid!
- ▲ Building insurance and contents insurance for any fixtures, fittings and furnishings you own.
- ▲ Tax on your gross rental income (contact your nearest Tax Enquiry Office for more information).

Offers and deposits

Receiving and accepting an offer

As soon as a prospective tenant makes an offer on your property, we will invite them back to the office to start the application process. We will note all the relevant details and any special conditions they ask for.

We will then call you immediately to tell you about the offer and confirm it in writing later. This will include details of any other special requests and conditions the prospective tenant has made. Your ABC agent will manage any further negotiations. If you accept the offer, we'll inform the applicant and assist them in completing the necessary paperwork.

Initially, we'll take a holding deposit of two week's rent; this shows that the tenant is serious. If you decide to reject the offer, or the rental falls through and this isn't the prospective tenants fault, they'll get their deposit back in full. If the deal goes through, the amount of the holding deposit will be deducted from the total the tenant is liable to pay before moving into your property.

Dotting the i's and crossing the t's

We'll do the necessary checks on the applicant and gather all their references. Provided this information is all in order, we'll invite you and the tenant to check through the agreement and sign and date it. In most cases the Landlord authorises us to sign on their behalf.

At this stage, we'll take the tenants security deposit. This deposit will be held throughout the tenancy and returned at the end, less any agreed deductions. The deposit is usually six weeks rent.

The tenant will also have to pay one months' rent in advance. We must have the advance rent and the security deposit in cleared funds before the tenant moves in.

Tenancy deposit protection

Tenancy deposit schemes came in to law in 2007. They aim to protect tenants' deposits from dishonest landlords and agents and to offer independent arbitration in any dispute about returning all or part of the deposit at the end of a tenancy. Tenants are more likely to look after the property if they know their money is being held as part of an official scheme.

The landlord or agent must register the tenants deposit with a deposit scheme within 30 days of receiving the deposit and provide documentation such as a certificate, prescribed information and a leaflet explaining the scheme. If the tenants deposit is not registered or if the supplementary documents are not correctly served to the tenant then the landlord can be fined up to 3 month's rent and Notice cannot be served to the tenant. We therefore recommend sending these documents to the tenant along with the safety certificates in writing and obtaining a signature of receipt so that you comply with regulation.

ABC offices are members of the insurance-based (TDS) scheme. Ask your ABC letting agent about the scheme they use.

At the beginning and end of the tenancy, an inventory and check-out will be carried out by an independent inventory clerk. You and your tenant must agree on any deductions to be taken from the deposit. If you can't agree, the case will go to the independent arbitration process of the deposit scheme that you or your tenant belongs to. When any deductions have been reviewed and decided by the independent arbitrator they will distribute the funds accordingly. Any undisputed amount of the deposit must be released to the ex-tenant within 10 days of the end of the tenancy.



Before move-in and afterwards

As a landlord you can now breathe a big sigh of relief. You have your tenant and the paperwork is signed and sealed. There are just a couple of things left to arrange before your tenant moves in. Thankfully, your ABC agent can arrange all this for you too.

Arranging an inventory and check-in

Before your tenant moves in, a detailed inventory and schedule of condition for the property must be taken. We recommend that this is done as soon as possible after the property has been professionally cleaned. Ideally, you and your tenant should be there during the inventory. However, this isn't essential, as both parties will receive a copy of the inventory report. By signing the inventory, the tenant is agreeing with the check-in clerk's observations on the state of the property and its contents. Usually, the landlord is liable for the cost of the check-in inventory and the tenant for the check-out, at the end of the tenancy. Once the inventory has been completed and documented, the tenant is free to move in.

Afterwards

If you chose the let-only route, this is where we take a step back. If your tenant has any more queries about your property, they will contact you directly. We'll invoice you for our services and you are then responsible for collecting the rent and handling anything to do with managing, repairing and maintaining your property. We'll be back in touch towards the end of the tenancy to arrange the renewal documentation, if required. If you instruct us to collect your rent, you'll be relieved of the hassle that often comes with this monthly task and we'll be on hand to chase any money the tenant owes and put it in your chosen account.

If, however, you choose the full-management service, we'll effectively take care of everything. There'll be no late-night calls from tenants if there's an emergency or for anything else - tenants can call for the strangest reasons! We'll get quotes and arrange for any necessary building and maintenance work. We'll also keep a schedule of important dates and arrange planned safety checks and payments for service charges - these are just some of the many services that come with our full-management service.



Summary of landlord and tenant responsibilities

To ensure a smooth tenancy, landlords and tenants have certain duties and responsibilities. Some are legally required, while others are a little more obvious and are more about good old fashioned respect and consideration!

The tenant agrees the following:

- ▲ Pay the agreed rent on the agreed date without fail (otherwise they are liable to pay interest and fee's from the due date).
- ▲ Pay the council tax.
- ▲ Pay all utility bills and the TV licence, unless otherwise agreed with the landlord and stated in the agreement.
- ▲ Use the property as a home and not a commercial business.
- ▲ Take good care of the property and its fixtures and fittings.
- ▲ Make sure the property is clean (professional cleaning at the end of the tenancy is often required by the tenancy agreement) and that all contents are left intact.
- ▲ Replace light bulbs and smoke alarms batteries and carry out general maintenance such as looking after the garden or other outside space.
- ▲ Keep the property secure at all times.
- ▲ Let the landlord or managing agent know of any repairs or maintenance needed on the property, as soon as it arises.
- ▲ Not to alter the property or garden/outside space in any way.
- ▲ Not to create unnecessary noise or disturbance to the neighbours.
- ▲ Pay compensation for any damage done to the property during the tenancy (apart from general wear and tear). Damage could include breakages or leaving the property in an unclean condition at the end of the tenancy.

You as landlord agree the following:

- ▲ Allow the tenant to live in the property without being disturbed. Give at least 24 hours' notice if you want to access the property in any situation except an emergency.
- ▲ Maintain the property at all times.
- ▲ Ensure all gas, electricity and water supplies are installed and working.
- ▲ Ensure that all equipment is safe and in working order and supply proof where necessary.
- ▲ Provide all operating and safety instructions for all appliances and equipment.
- ▲ Insure the property and all the contents, fixtures and fittings belonging to you. The tenant is responsible for insuring their personal belongings.
- ▲ Charge a fair market rent.

Other Services

Block Management

Block management is a very skilled area and in order to be able to provide the service that landlords and proprietors deserve, a great deal of expertise and knowhow is required. That is why we have a specially trained block management team who are specialists in the field. The high levels of service and professionalism you will receive from ABC Estates is unrivalled, as our experts understand the challenges you will be facing and they know how to overcome them. ABC are ARMA Q accredited to give you peace of mind.

We cover both large and small blocks and will offer the same proficient service to you no matter the size of your block or development. Our service is fully transparent and we have built a reputation of being one of the most trusted names in the industry.

We are able to apply our extensive knowledge, industry knowhow and experience to all areas across Greater London and the Home Counties. We currently have circa 200 Blocks under management. Contact us today for further information.

Commercial Property

At Aldermartin Baines & Cuthbert our property expertise extends beyond the residential market to cover the commercial sector. If you are looking to sell or let, alternatively buy or rent office, retail, land or warehouse space, Aldermartin Baines & Cuthbert can advise on suitable sites and market value for all commercial properties. Contact us today to speak to one of commercial property professionals.

Sales

Selling a property in London is no easy feat, but with over 25 years of experience in the property industry, ABC Estates knows what it takes to sell a property for a wide variety of purposes.

We cover all areas of Greater London and the surrounding areas and have been doing so for over quarter of a century. Our team comprises some of the property industry's finest property valuation specialists, sales executives, legal experts, surveyors and much more.

Contact us via phone, email or by filling out one of our convenient online enquiry forms and we will start you on the way to selling your property for the best possible price in the quickest possible time.

For information about ABC letting offices, please refer to
www.abcestates.co.uk





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