



# Antony Richards Property Services

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**[www.rightmove.co.uk](http://www.rightmove.co.uk)**

## A Landlord's Guide

## To

## Letting Your Property



**Antony Richards MRICS FAAV**

**Chartered Surveyors, Agricultural Valuers, Auctioneers & Letting Agents**

## THE MANAGEMENT TEAM

We are a family firm with strong roots in West Cornwall. We have a wealth of local knowledge and contacts and, where possible, use local trustworthy contractors for repairs and maintenance works who provide an excellent service. Our aim is to provide you with a professional service in a friendly and approachable style.



Antony Richards MRICS FAAV  
Company Director  
Chartered Surveyor & Agricultural Valuer



Jennie Richards  
Property Manager



Alan Richards  
Property Manager



Matt Richards  
Trainee Property Manager



Michele Cliff  
Property Administrator



Sylvia Care  
Property Administrator

## **Your Options**

We can provide you with a choice of two different options.

### **Option 1 – Full Management**

This relieves the landlord from dealing with the tenant as Antony Richards Property Services will be the tenant's only point of contact. If there are any problems with the property or rental payment, a representative from this office will deal with the matter and report accordingly.

### **Option 2 – Finders Only**

We will provide the exact same service as the Full Management package up to the tenant signing contracts and taking possession of the property. At this point, the tenant will be informed of your details and instructed to deal directly with yourself. A copy of the signed contract, inventory and DVD will be forwarded to you. The deposit will continue to be held in our clients' account under the protection of The Dispute Service.

Whether you are intending to take advantage of our 'Full Management' service or just looking to utilise our 'Finders Only' service, this guide will emphasize our commitment to providing a professional letting service and to making your role as a landlord easier.

## **Why Use Antony Richards Property Services?**

Please read this guide which gives an indication of how we work. Some of the requirements are legal necessities, others are our office policies designed to protect you as the landlord.

The world of residential lettings has now become a legal minefield which is why we invest in training at every possible opportunity. Our tenancy agreements are supplied by industry specialists and tailored to individual landlord needs.

Collectively, we can boast more than 50 years of experience in our industry and began to specialise in property management in 2001. Since then, our portfolio has increased year on year, and we now manage approximately 300 properties.

Naturally we hold professionally indemnity insurance and are regulated by the following:-

The Royal Institution of Chartered Surveyors (RICS)

The National Approved Letting Scheme (NALS)

The Dispute Service (TDS) (*See item relating to deposits.*)

The Central Association of Agricultural Valuers (CAAV – a rural based professional organisation)

This should give you peace of mind that you are dealing with a well regulated and professional firm. Our aim is to let decent homes to decent people.

Are we the best? We do not know. All we can say is that we continue to strive to improve.

## **Your Property**

Gone are the days when tenants should be "grateful for a roof over their heads".

Tenants now pay good rents and expect a safe, warm, dry home in good condition. Your property should be presented in a good condition, well decorated, well heated, well ventilated and clean.

## The Service

### **Valuation**



A free valuation can be arranged whereby one of our staff will call to evaluate your property and provide a rental valuation based upon its location, condition, heating, and current market demands. We will be able to offer advice on current legislature and be able to answer any queries you may have with the rental procedure. At this point, we can discuss potential tenants and whether you wish to accept pets, children, smokers, etc.

### **Advertising/Marketing**



Recent experience has shown that our own website, [www.antonyrichards.co.uk](http://www.antonyrichards.co.uk), is our main source of potential tenants. It is not unusual to receive enquiries within an hour of properties being uploaded. We also advertise on the national property website, [www.rightmove.co.uk](http://www.rightmove.co.uk). We also advertise regularly in the Cornwall Property Paper, and keep a selective list of suitable potential tenants.

### **Tenant Selection**



We use an external referencing company to perform credit checks and other references such as employer and previous landlord. If the tenants are deemed acceptable, we will usually offer them a tenancy. Rent protection insurance is available to be purchased through the referencing company if required.

### **Record of Condition and Inventory**



Before your tenant moves in, we will prepare a record of condition and inventory of fixtures/fittings within your property. In addition a DVD recording of the property is undertaken. This record is vital to both you and your tenant, and is essential in settling any differences of opinion that may occur at the beginning, during or at the end of the tenancy.

### **Tenancy Agreements**



Once a tenant has been selected, an appropriate tenancy agreement will be drawn up. This will incorporate any necessary legal documentation and we are able to personalise the contract to suit your property if you have specific clauses that you wish to be included. Our tenancy agreements are reviewed regularly and approved by the Office of Fair Trading.

### **Collection of Deposits**



We will take a monetary bond from the tenant (usually one and a half times the monthly rent). This will be retained and used in case of arrears, non-payment of services and any losses or damage caused to the property by the tenant at the end of the tenancy. The deposit belongs to the tenant. The deposit has to be protected under a Government approved scheme. We are regulated by The Dispute Service and therefore allowed to hold deposits. At the end of the tenancy, any deductions must be agreed with the tenant. In the event that no agreement is reached, the matter is referred to an Independent Case Examiner (ICE) employed by The Dispute Service. The ICE will not attend the property and so evidence and records are essential. Whilst yet to be tested, we believe our extensive record of condition and DVD will provide conclusive evidence.

### **Collection of Rent**



Rent monies are monitored closely and a tenant will be contacted immediately if any arrears arise. Normally, a friendly telephone call or a more specific letter can easily rectify this.



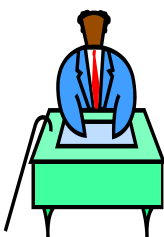
### **Inspections**

During a tenancy, we will periodically inspect the property internally (approximately every five to six months). Following these inspections, a written report will be forwarded to you. These can prove essential in monitoring the tenant and they can also prove to be an ideal opportunity for the tenant to bring any maintenance problems to our attention.

**Note:** Due to safety measures, we do not inspect attics or lofts.

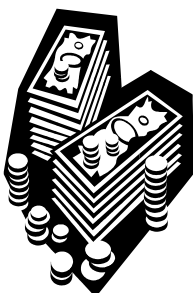
## **The Rental Process**

There are several factors that you need to bear in mind before renting out your property. There are several legal obligations now on the landlord that have been introduced over the last few years. There are also the implications of your mortgage company's permission to let and your tax liability.



**The Mortgage Company:** If you have a mortgage on your property, you are obliged to inform your building society/bank of your intention to rent and request their permission. At present, it is quite rare for a mortgage company to refuse permission but the requirements of payments may increase. It is always our advice to contact your mortgage company/bank and make an initial enquiry before you make the decision to rent.

*(Please note: The permission to let also applies to leasehold properties. We would recommend that a leaseholder confirms the approval of their lessor before proceeding.)*



**Tax Liabilities:** Any income received from a rental property is deemed to be a taxable one. Payment of income tax for a UK resident is the landlord's responsibility and it will be up to you to file any tax returns or claims. Legislation provides for a range of landlord's expenses that can be offset against the rental income. Some examples of these expenses are listed below, but this list is not exhaustive and professional advice should always be sought to guarantee that the full potential of the expenses are realised.

- Insurance premiums still paid on the property, e.g. buildings/contents policies
- Maintenance and repair costs of works carried out during a tenancy
- Mortgage interest payments
- Agents' fees
- Utility bills (if still paid by the landlord)

**If you are to reside outside the UK** then your tax liabilities differ. Under the Taxes Management Act 1970 and the relevant 1996 amendments, where a landlord resides abroad and receives income from a rented property, the tax liability can be made to rest upon the party responsible for collection of the rent. Under the FICO regulations, we as collectors of your rent must deduct tax from your rent each month and pay this to the Inland Revenue each quarter. Unfortunately this has to be carried out regardless of whether or not you are actually taxable on the income. However, you are able to apply for an 'exemption certificate' from the Inland Revenue which waives us, as the rent collectors, from any liability. If this exemption is granted, we will pay any appropriate rent payments to you without any tax deductions.

*To assist you in completing your tax returns, we will obviously provide you with regular rental statements detailing all deductions made and all payments made to you.*



### Television Aerials

It is not obligatory to provide a television aerial in your property. HOWEVER, most tenants will require an aerial. Most properties have television aerials and if you as landlord supply an aerial, you will be expected to maintain it and, if necessary, upgrade it.



### Utilities

A tenant will normally be responsible for all utility bills, i.e. council tax, water rates, gas and electric. We will take meter readings and advise the utilities upon each change of tenant.



### Telephone

Upon vacating the property, you should request a 'closing account' from your telephone company and have the line disconnected. The onus is therefore upon the tenant to re-connect the line in their name if they then wish to use the telephone.



### Rental Payments

Rent is collected normally per calendar month and is forwarded to you less our fees. We must allow seven days to allow cheques to clear before making payment. This can be via electronic transfer direct to your bank account (our preferred method) or by cheque. All money collected on your behalf is paid into a clients' account. Please note that we cannot be held responsible for any charges incurred due to late payment of rental monies. Any minimal interest accrued is retained.



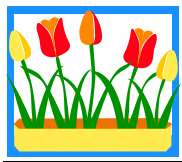
### Insurance

Many standard house insurance policies do not cover letting so you should always make sure that your property and any contents are adequately insured and fully covered. We cannot be held responsible for any difficulties arising as a result of failure to do this. There are 'rent protection' insurance policies also available.



### Keys

You will be required to provide us with **three** full sets of keys for your property. One set of keys to be held by Antony Richards Property Services.



### Gardens

Tenants are expected to maintain lawned areas but we are unable to enforce maintenance of shrubs or flowerbeds to the high standard some landlords require.



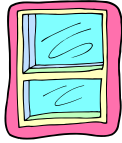
### Appliances

We will only manage unfurnished properties and so all furniture and white goods must be removed. Occasionally these are 'built-in' and it may be appropriate to leave in situ. If this is the case, each appliance should be 'hard-wired' or subject to a 'portable appliance test' (PAT). You will be expected to maintain and/or replace any 'integral' appliance. If the appliance fails the test, it must be removed. **INSTRUCTION BOOKS MUST BE SUPPLIED** prior to occupancy.



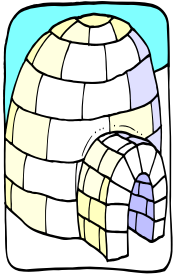
### **Smoke Alarms**

It is now becoming increasingly important to provide smoke alarms in rented property. We require all properties to be fitted with smoke alarms which should preferably be wired to the mains. You should also consider installing carbon monoxide alarms in properties with gas, open fires or oil heating.



### **Ventilation**

Condensation is another of our major causes of tenants' complaints. Please ensure all windows can be opened and closed to allow your property to be ventilated and therefore reduce the likelihood of condensation.



### **Heating/Hot Water**

The landlord is legally required to ensure that the heating and hot water system is maintained. Tenants are becoming increasingly discerning with regard to heating and even the type of heating. It is now very difficult to let a property without heating. It is strongly recommended that the property does have some source of heat (preferably economic to run). Maintenance of hot water and heating is the single most cause of complaints/referrals from tenants. Often this is 'out of hours' leading to an increased call-out charge from plumbers/heating engineers.

A service of the boilers or heating system prior to the commencement of the tenancy and then annually (preferably in the autumn) should help to alleviate these problems.

**It is essential that the instruction books are made available to the engineers.**



### **Maintenance**

Problems can occur during a tenancy which may not necessarily be the fault of the tenant but due to general wear and tear. We recommend that provision be made regarding maintenance. When a maintenance problem is reported to us, if the cost of the repair is below £150 we will authorise the repairs. If the cost is going to exceed this amount, we will report it to you so that you can choose whether you wish us to arrange the repair (with any costs being deducted from your next month's rent) or to arrange it yourself. Such repairs must be carried out without undue delay.



### **Investment/Selling**

We can advise on the best way to offer a property for sale and refer you to independent financial advice. We have a good relationship with most of the estate agents in Penwith and would be happy to work with any agent you choose. If a sale is agreed to an existing tenant, our fee will be a 1% commission (+ VAT) of the sale price.

## **LEGISLATIVE REQUIREMENTS**



### **Furniture and Furnishings (Fire Safety) Regulations 1988**

Following amendments made to this act in March 1993, any furniture included in accommodation must meet all fire resistance requirements. Due to the liability and regulations involved, we **DO NOT** manage furnished properties.



### **Electrical Equipment (Safety Regulations) 1994**

This regulation came into force in January 1995 and makes it an offence to supply electrical equipment that is not safe. From January 1997, there is a further requirement upon manufacturers to mark equipment or the packaging with the 'CE' symbol to confirm that technical safety standards have been met.

To comply with the above regulations, a certificate is required stating that the electrical supply, equipment and appliances in the property are safe. This needs to be carried out by an electrician who is NICEIC approved (or equivalent) and inspected regularly thereafter. We require a current certificate **prior to a tenant taking occupation**. See also the paragraph relating to appliances.

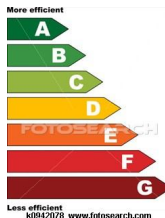


### **Gas Safety (Installation & Use) Regulation 1994**

The law states that any gas appliances in rented properties must be serviced and tested **annually**. These are usually undertaken simultaneously. A GAS SAFE registered fitter must carry out this service and inspection and a certificate must be issued to the tenant prior to the commencement of the tenancy. We require a current certificate **prior to a tenant taking occupation**. **INSTRUCTION BOOKS MUST BE SUPPLIED.**



**The penalty for non-compliance of the above regulations is a maximum fine of £5,000 and/or 6 months imprisonment!**



### **Energy Performance Certificate (EPC)**

BEFORE a property can be made available to view, an Energy Performance Certificate is required to be available to prospective tenants. An EPC lasts for 10 years (unless significant alterations are made to the property). You are free to employ any approved assessor. We recommend 'ATT Testing' who have agreed a fee to our landlords of £85 (inc VAT) to inspect and provide an EPC.

### **Fee Structure**

#### Option 1 – Full Management Service

This service is offered at a charge of 12½% + VAT of any rent received (subject to a minimum monthly fee of £60). An additional administration charge is payable at the start of each new tenancy equivalent to one week's rent. VAT is applicable.

#### Option 2 – Finders Only Service

This service is offered at a charge equivalent to one month's rent. Due to the complexities of deposits, we recommend the full management service.



## **IMPORTANT**

Due to the complexities of the tenancy deposit protection and the legal safety requirements, we will not draft a tenancy agreement to commence until five days after receipt of all the required paperwork and keys. This includes:-

- Landlords Gas Safety Record – and confirmation that all repairs have been undertaken
- Periodic Electrical Inspection Report (including any PAT testing) – and confirmation that all repairs have been undertaken
- Confirmation of Instructions
- Relevant Instruction Manuals

The five days then allow us to prepare for the tenancy properly and avoid future problems which should benefit you as the landlord to have a trouble free tenancy.

### **Antony Richards Property Services Management Rental Checklist**

1. Have you informed your lender?
2. Have you checked your lease?
3. Have you arranged sufficient insurance cover?
4. Have you made arrangements for your mail to be forwarded to you?
5. If you are going overseas, have you completed a 'NRL1' form obtainable from the Inland Revenue?
6. Have you notified the council tax, gas, electric, water and telephone companies of your departure?
7. Have you left the house clean and tidy including a thorough clean of kitchen units and ovens?
8. Have you left the garden in an easily manageable state?
9. Have you left three sets of keys?
10. Have you left all necessary instructions and manuals/instruction books for the appliances remaining?
11. Have you left adequate details with Antony Richards Property Services for you to be contacted?
12. Have you forwarded the relevant gas and electrical certificates, and also chimney sweeping certificate as applicable?
13. Have you completed the management instructions form with your property's details?