

crook & blight

Guidance notes for landlords

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Guidance Notes for Prospective Landlords

Further to our recent discussions we have pleasure in setting out some information, which we feel may be of some benefit to you when considering the responsibilities of a Landlord.

Type of Tenancy

The Welsh Government's Renting Homes (Wales) Act 2016 came into force on 1st December 2022 after an initial postponement from July. Not only does the legislation overhaul the current model of tenancy agreement but also conveys new obligations on landlords. All private rented sector tenancies will be replaced by 'occupation contracts', where tenants become 'contract-holders'.

A property will be deemed unfit for human habitation if it is without a valid electrical safety certificate, a mains-wired interlinked smoke alarm system, and a carbon monoxide alarm in every room with a gas, oil or solid fuel burning appliance (including gas boilers).

There will be new minimum housing standards, which are covered by the 29 points in the new Fitness of Homes for Human Habitation (FFHH).

Tenants will be guaranteed a minimum 12-month tenure and a six-month notice period to regain possession.

Any change in landlord's circumstance e.g. change of address, contact number, email address will result in a written statement needing to be sent to the contract holder. Landlords therefore need to ensure they are informing us of any changes so we can notify the contract holder.

Rent

Rent is payable per calendar month, in advance, preferably by Standing Order. It may be necessary for the contract holder to pay an adjusted amount of rent initially to bring the rent due date to the first of each month. Rent can only be increased once per year.

Income Tax

The rent that you receive is taxable. Once a year the Inland Revenue Collector of Taxes will request that we send them details of all Landlords and all gross rental income received. Subject to Tax Office approval, you can claim for 10% of the rent collected against 'wear and tear', the interest you have paid on a mortgage (but not the repayment element), maintenance invoices, gas safety checks, new double glazing, service charges and management fees.

Deposit

A deposit will be taken from the contract holder equivalent to one month's rent, required in advance, and held against damage and non-payment of rent and is returnable, less any deductions, after vacation at the end of the occupational contract. When acting as Management Agents, the deposit will be held by the Deposit Protection Service (DPS).

Application Form

An application form must be completed by each adult contract holder who will be living at the property. All adults will be named on the Occupation Contract and will therefore be severally and jointly responsible for the property and the terms of the contract. We will require references from all applicants.

Consumer Protection Act

The Consumer Protection Act of 1987 states the Fire & Safety Regulations for upholstered furniture. It is an offence to provide rented accommodation with such furniture and therefore all upholstered furniture must be tagged as being compliant with the relevant ignitability tests (BS7177). There are severe penalties for landlords who do not comply.

Gas & Electric Regulations

You must also ensure that all gas appliances are serviced at least once every twelve months by a Gas Safe Registered Installer. We can arrange for the servicing with your permission and will then maintain a copy of the Gas Safety Record on our file. A copy of the Gas Safety Record must be provided to tenants from the commencement of any tenancy.

In January 2022, the Welsh Government announced the introduction of EICR tests, alongside other changes in the Renting Homes (Wales) Act. From 1 December 2022, landlords need an electrical safety certificate in place for each property in Wales they own. This needs to be carried out every five years.

Legionnaires Disease

The landlord is responsible for the following:

- Flushing out the water system by running all outlets for at least two minutes where premises have not been used e.g. before letting the property or if the property has stood empty for a time.
- Avoiding debris getting into the system e.g. making sure cold water tanks, if installed, have a tight fitting lid.
- Setting controls so that the hot water is heated to and stored at 60 degrees centigrade.
- The removal of any redundant pipework.
- Advising tenants to regularly clean, descale and disinfect shower heads.

If you are unable to access the Risk Assessment Form, please contact us .

Energy Performance Certificate

From 1st October, 2008, an Energy Performance Certificate is required for a rented property. We can arrange for the EPC to be obtained on your behalf, at a cost of £90 inclusive of VAT. If the EPC has expired, renewal is required, even if the property is not being readvertised.

Glazing

All glazing at a rented property must be compliant as per Trading Standards Regulations.

Property Inspections

Property inspections are charged at £70 + VAT (£84 inc.VAT) and will be undertaken on your behalf. Prior arrangements will be made with the contract holder.

Buildings & Contents Insurance

Your normal Buildings & Contents Insurance may not provide you with adequate cover whilst the property is being let to contract holders. Many insurance companies specifically stipulate that you must obtain their permission before proceeding with the letting and also they may need to alter the policy. I would therefore suggest that you immediately contact your broker or insurance company and ascertain the abilities of your present policy to offer you suitable cover.

Services

Unless specifically agreed otherwise in writing, the contract holders are responsible for payment of all utility and service charges at the property and this includes gas, electricity, oil, water and sewage charges, council tax, telephone charges, television licence any charges associated with the usage of cable or satellite television or internet access.

During the Term

During the term of the occupational contract, the contract holder will be responsible for keeping the property and its contents in clean condition, included in the upkeep will be the gardens and any outside buildings. The contract holder will be responsible for replacing 'everyday' consumables, such as light bulbs, fluorescent tubes and starters, vacuum cleaner bags, batteries for doorbells or smoke detectors or remote handsets etc.

The contract holder **must not** carry out any redecoration to the property or put nails in walls etc, without specific written permission and must not carry out any unauthorised repairs, except in an emergency. The property and contents must be thoroughly cleaned at the end of the occupational contract.

Early Vacation

Contract holders will be held severally and jointly legally responsible for all obligations and costs under the contract up and until the end of the agreed contract, even if the property is vacated. Advice will obviously be given as to the way to give correct notice to end a occupational contract.

Confirmation

Confirmation of a contract will not be given until satisfactory references have been obtained, we have your final consent, all legal documents have been signed and all monies due have been paid over and cleared. An application may be rejected at any time and no correspondence regarding the reasons for a rejection need to be given.

Services we can offer you.

Full Management - our fees are 12% + VAT (14.4% inc VAT) of the gross monthly rent. This fee will be charged for the period that the contract holder legally occupies the property irrespective of the length of the original contract term. We will undertake an initial appraisal and inspection of the rental property and report to you accordingly. We will advertise your property in our showroom, rental lists, on our website www.crookandblight.com and www.rightmove.co.uk and accompany viewings made by prospective contract holder. An administration set-up fee of £349 plus VAT (£418.80 inc. VAT) is payable at the start of each new occupational contract. This will cover the cost of inventory reports, contract holder referencing and the drawing up of contract, the initial handover and the monthly collection of rent. Included in your fee will be one free property inspection a year, followed by three further inspections at the cost of £70 plus VAT (£84 inc. VAT) each, unless you decide to opt out. We will organise the set-up payments of services and utility payments with the contract holder. At the end of the contract we will check the property, deal with any dilapidations and prepare the property for re-letting. We will collect the first month's rent and bond and the bond will be transferred to the Deposit Protection Service. We will collect all future rents and account to the Landlord on a monthly basis.

(b) If you prefer to manage your property yourself, we are able to offer you our

Setting-up Service. We charge the first month's rent inclusive of VAT. We will advertise your property on our rental lists and on our website www.crookandblight.com and www.rightmove.co.uk. We will find a suitable contract holder and undertake all necessary checks and prepare a Occupational Contract, Included in this service will be advice on the rent achievable, legal requirements of being a Landlord and a written inventory, with up to ten photographs of the property and contents. We will collect the first month's rent and the bond. After the initial set-up the bond will be deposited with the Deposit Protection Service and the Landlord will arrange to collect all future rents.

(c) We can also offer an **Advertise and Enquires** service. We will advertise your property in our showroom, rental lists and on our website www.crookandblight.com and www.rightmove.co.uk. When a client registers interest in your property, we will take details and pass these onto the Landlord allowing them to carry out viewings and all responsibilities following i.e. references. Our charge for this service is £200 plus VAT (£166.69 +VAT) payable in advance.

Should you have any further queries, please do not hesitate to contact us.

We can undertake a FREE VALUATION and RENTAL APPRAISAL

Telephone 01633 222333 to make an appointment.