



CLARENDONS

What you need to know before letting your property

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Letting out a property for the first time can be a daunting thing; and you're likely to have many questions regarding the responsibilities you have to take on; any legal obligations, and of course how to get the money you want for your property.

You may think it's just a case of using an estate agent, them finding a tenant and you receiving a nice monthly earner. Now this may well be the case in the long run, but to start with there are a few things you need to know and the team at Clarendon's has put together a few of their top tips to make it an easy process.



1. THE FIRST STEPS TO LETTING YOUR PROPERTY

If you choose to use an estate agent to let your property, you will first need to ascertain a rental marketing price, this is the price you will advertise for renting your property, it is usually set per calendar month. You may need to consider undertaking some work or upgrades on the property for it to gain the maximum rental income. It's worth speaking to three agents to get opinions on the price and any suggestions they make. Plus, this will also give a good feel of the agents in the area.



2. WHAT ARE MY KEY RESPONSIBILITIES AS A LANDLORD?

Legally there are a number of things a landlord must do before a tenant moves in.

- **Gas safety certificate:** A certificate is needed if you have any gas appliances in your property, which the majority of homes do. A Corgi registered gas engineer can carry out the checks and provide you with a gas certificate every 12 months. You can ask your agent to organise this for you as they should work with a reputable engineer or, if you prefer, you can find somebody yourself online, just be sure to check they are Corgi registered.
- **Smoke alarm/carbon monoxide detector:** Placing a smoke alarm/carbon monoxide detector in the home is a relatively new law, having only come into force in October 2015, so it may not be something you are aware that you need. The combined detectors can be bought from any hardware or DIY stores.

One thing to note is that the alarm has to be hard wired or a sealed unit, not a battery accessible operated one. The detectors usually come with a five or ten year warranty, so once it's done, you won't have to think about it for a while.

Importantly, the detectors need to be tested on the day your tenancy starts to ensure they are working – so be sure to do this or ask your agent and they will happily oblige.

- **Energy Performance Certificate (EPC):** If you purchased your house after August 2007, then you will have an EPC, which can be found on the national EPC register. It's basically an energy rating so the tenant can estimate what their bills will be. The EPC lasts for 10 years and will need to be renewed on expiry.

This is all you need to do to your property to make it legally available to rent.

3. HOW DO I GET THE MOST RENTAL INCOME FROM MY PROPERTY?

An estate agent will be able to give you some pointers on this, but it's really about making the property as attractive as possible and removing anything that could down value it, such as kitchens and bathrooms being in a poor state, poor decoration, worn carpets, poorly working appliances. You may need to spend a little bit of money on the house, but it will be well worth it in the long run. It's always advisable to have it deep cleaned throughout including carpets and oven. Depending on the condition of the décor, a coat of paint throughout goes a long way too! The general rule of thumb is that it should be decorated every five years, so the ideal would be to do it before your tenancy starts.

According to Clarendons, around 75% of tenants prefer a property unfurnished and it really doesn't affect the income you get per month. But if you do choose to rent it furnished, it can cost you if items are broken and need replacing as you are responsible.

4. WHAT WILL THE AGENT DO FOR ME AND WHAT SORT OF AN AGREEMENT SHOULD I HAVE?

A reputable agency will have a legally backed tenancy agreement ready for you to use – taking away any hassle of drawing one up yourself. If you are renting a residential property in the UK an Assured Shorthold Tenancy Agreement should always be used. It is an agreement drawn up under the terms of the Housing Act 2004 and is designed to protect you as a landlord and your property as well as the tenants' interest. Any other agreement wouldn't be protected under the terms of the law should anything go wrong.

Most agents will offer the following levels of letting services:

- **Let only/introduction only:** The simplest service offered by an agent, and therefore commanding the lowest fee is a let/introduction only. The rental price will be set by the agent and the property will be advertised on national rental portals such as Rightmove and Zoopla. Viewings will be accompanied by the agent and when a tenant is found they will also administer the move in, then it will be over to the landlord to deal with them from that point onwards. If you are looking to keep the control yourself, then this is probably the option for you.
- **Letting and rent collection:** All of the above, plus the rent will be collected on a monthly basis and forwarded to the landlord along with a monthly rental statement by email or post. It's worth mentioning that the agent will be responsible for pursuing the rent should it be late or not paid and they will act upon this on your behalf.
- **Fully managed:** The most comprehensive service, so this naturally commands a higher fee than the other two levels of service. When a property is fully managed the landlord and tenant won't have any direct contact and the agent will carry out management and any issues which may arise such as boiler or appliance break downs and general maintenance (leaks for example). Any work will of course be pre-agreed with the landlord. The agent will also carry out three to six monthly inspections throughout the tenancy to ensure it is being well looked after. If you're looking to hand over the property and take away the worry of managing it yourself, then this is definitely the recommended option.



5. WHAT DO I PAY AND WHAT DO TENANTS PAY?

This is one of the most common questions asked. The simple answer is the tenant is responsible for all utility bills including council tax, water, electricity, gas and any extras such as TV licence, internet/phone and satellite/cable services. These will all be in their name and their job to set up and pay.

As a landlord you will continue to pay your building insurance, just be sure to update the policy so it reflects a landlord insurance. You shouldn't need to keep a contents insurance in place if the property is unfurnished. Fitted items should be included in the building policy. Mortgage payments are the landlord's responsibility and if you are renting a leasehold property the grounds/maintenance fees need to be continued to be paid by the landlord. Also to fall in line with tax obligations, be sure to consult an accountant.



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