

Landlord InformationPack

MAURICE KILBRIDE'S

Landlord Information Pack

Maurice Kilbride Residential Sales Limited
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INTRODUCTION

Maximise your income – Minimise the risk

PROFESSIONAL LETTING AND PROPERTY MANAGEMENT

Letting your property is a big step! When taking this step you need to know that you have appointed the right company to protect your property. We are specialists in Letting and Property Management and you can benefit from our experience.

His is what we can offer you:

- A computerised letting and allocation system.
- Expert advice on the right rental and the most suitable type of tenant.
- The right approach to marketing your property. We operate accompanied viewings and a broad base advertising strategy.
- We operate a thorough selection process operated by experts in this field.
- Computerised rent accounting enables us to supervise the payments of rentals efficiently.
- We account our landlords monthly.
- Organising routine repairs and maintenance.
- We organise statutory agencies.

The service we provide is tailored to the individual needs of the landlord. In essence we seek to provide you with a complete service which allows the owner of a rented property to go about their business without having to concern themselves about the day to day management of a tenancy.

Terms and Conditions and Fees

Full Management Service

This service includes:

- a. Securing a suitable tenant through contact with a large number of companies registered with us, and advertising in local national and specialist publications where relevant. The property will be included in our regular property list and circulated. We will arrange for viewings on your property, accompanied where appropriate.
- b. Obtaining appropriate references and credit check.
- c. Collection of the deposit and first instalment of rent.
- d. Preparing a Tenancy Agreement and any relevant notices.
- e. Arranging and preparation of an Inventory of your property and contents, as a mutual Landlord/Tenant safeguard where required.
- f. Monthly rent collection.
- g. Payment of the proceeds into your bank account where required.
- h. Submitting accounts to you and your accountant where required.
- i. Where possible, make arrangements for meter readings and telephone accounts at commencement and termination of the Tenancy. Where possible, try to ensure that accounts are transferred into the Tenant's name for the duration of the Tenancy.
- j. Arranging for the Tenant to be checked in and out of the property as required.
- k. Our Maintenance Manager will carry out a routine inspection of the property, if no serious defect requiring an inspection has been reported to us in the meantime. It should

be appreciated that any such inspection and assessment of defects which are brought to our notice, will be of a cursory nature and embrace only apparent or obvious defects; it will not amount in any way to a structural or complete survey.

Management Agreement

Signature by both parties to the Agency Agreement establishes an Agreement only. It does not create a contract.

Void Periods

Our management facilities do not come into effect until a tenant has taken up occupancy.

Rental

We will agree with you a rent to be quoted to potential Tenants. Unless specifically agreed otherwise, this will include all payments for which you are responsible, such as water rates, ground rents, etc.

Insurance

You should make certain that your property and contents are adequately insured and that your policy covers lettings whether furnished or unfurnished. Maurice Kilbride will be happy to provide information on specialist insurance via Homelet or UK Tenant data.

Presentation

To maximise the letting potential of your property and to minimise the periods when the property is empty, we strongly recommend that professional cleaners are contracted to thoroughly clean the property once it is vacated.

Tenancy Agreement and Charges

A standard form of Tenancy Agreement is used. A charge for this is incorporated in the letting fee unless otherwise stated. We reserve the right to charge this fee. We would point out that we are not Solicitors and cannot offer you formal legal advice. We recommend that you consult your solicitor should you require further information on your legal position as a landlord. We are also able to offer free Landlord Legal advice through Uk Tenant data.

Current Stamp Duty in the case of a Tenancy agreement, granting a Tenancy for a fixed period of less than one year, is fifty pence on the Counterpart payable by the Landlord and one pound payable by the Tenant.

Community Charge

The Landlord is liable for Standard Community Charge for a property which is not his principle residence and is not let, or is let for less than six months.

The occupant is liable for personal Community Charge if it is their principal residence and he/she is in the property for a minimum of six months.

Rentals quoted by ourselves will be exclusive of the personal or Standard Community Charge.

Deposits

It is now law that all deposits taken are placed in a secure government backed Tenancy Deposit Scheme (TDS). This provides added protection and peace of mind to both Landlord and Tenant. Please ask us for further information on this scheme and how it works or visit www.depositprotection.com

Rent Remittances

It is important to realise that once rent is received by us it then takes a minimum of five working days for the Bank to clear the cheque, after which the balance (less any deduction) is forwarded to you within ten days or earlier if possible.

Leaseholders/Mortgagors

If your property is leasehold, please ensure that:

- a. Any intended furnished letting is permitted by the terms of your lease.
- b. Any Tenancy is for a period expiring prior to the termination of your lease.
- c. The written permission of the Landlord, if necessary, is obtained for sub-letting.

If the property to be let is subject to a mortgage, please ensure that:

- a. Permission is obtained from the mortgagee to sub-let the property (it is advisable to obtain such permission at an early date prior to any sub-letting).
- b. Any joint owner's permission has been received and that their name(s) appear on the Tenancy Agreement.

Changes of Tenancy

If, during our Management, there is a change of Tenancy, we will arrange any cleaning and minor repairs of the property required for new tenants, as instructed by the owner of the property. The costs will be met by the Landlord.

Instruction of Solicitors

Should any rent arrears or breaches of covenant be brought to our attention you will be informed. Thereafter, should legal action be thought necessary, you will be responsible for instructing your own solicitor and any fees or charges pertaining thereto or we can offer free initial legal advice through UK tenant data to our Landlord clients.

Schedule of Dilapidations

At the termination of a Tenancy, a Schedule of Dilapidations should be prepared. Any damage or dilapidation which may have occurred during the Tenancy is recorded on the schedule, copies of which are sent to both the Landlord and Tenant who mutually agree what amount is to be

deducted from the Dilapidations Deposit, before application to the tenancy deposit scheme for the return of any deposit monies.

Purchase

In the event that a sale of the property should be agreed with the Tenant or any other associated party after the commencement of the Tenancy leading to an exchange of contract, Maurice Kilbride's fee will be 1% of the sale price of the property (to include all furniture, fixture and fittings). This commission will become payable once the sale is completed.

Sale

In the event that you sell a property which we have let for you, and the Tenancy is to continue, then in your own interest you must ensure that the purchaser agrees to pay the commission due to Maurice Kilbride in respect of the remainder of the Tenancy (and any extension) after completion of the sale. If this is not done you will be liable to pay it yourself even though you no longer receive the rent.

VAT

Where stated our fees and any other charges will be subject to VAT at the appropriate rate, or any other tax which may be imposed.

Income Tax and Management Act 1970

Income from UK property is subject to UK Income Tax even if the Landlord is resident abroad, or a Company registered overseas. In these circumstances, the Inland Revenue holds the agent liable for tax on the Landlord's letting income (or the Tenant, if the rent is being paid directly to the Landlord). If it appears that we will be so assessed, we will set aside monies from the rent to meet our potential liability to the Inland Revenue. We cannot undertake to meet any tax claims or returns, or negotiate with the Inland Revenue on your behalf.

Indemnities

The Landlord agrees to indemnify us as agents against any costs, expenses or liabilities incurred or imposed on us provided that they were incurred on his behalf in pursuit of our normal duties. We therefore recommend a landlord should prudently arrange insurance cover in respect of such matters for the term of the tenancy.

Every endeavour will be made to ensure the Landlord has the protection allowed in law to enable him to obtain possession of his property. In addition, every effort is made to provide a satisfactory Tenant but no responsibility/liability can be accepted by the Agent for damage caused to property or rental loss.

Signature

A client's signature on the Agency Agreement Statement signifies recognition and acceptance of the aforementioned conditions.

Withdrawal

Either party may withdraw from this Agreement by giving three months notice.

RENTING PROPERTY

Things you need to know

- 1) You will be the Landlord, not the agent.
- 2) You should obtain the permission of your Building Society.
- 3) You should retain responsibility for maintaining all Insurances.
- 4) It is possible to insure against rental loss.
- 5) You will be responsible for all repairs.
- 6) Expenditure on maintenance agreements/repairs are tax deductible.
- 7) You will need to pay your ground rent.
- 8) Decoration should be clean and presentable.
- 9) Furniture should be clean and presentable.
- 10) Operating instructions should be provided for all equipment supplied.
- 11) In furnished accommodation adequate crockery, cutlery and cooking utensils should be provided.
- 12) No sheets, towels etc., are necessary.
- 13) In vacant property the refrigerator/freezer should be left off with the door open.
- 14) All carpets should be left clean.
- 15) If the garden is to be maintained by the tenants they should be left well cared for with secure fencing and serviceable garden tools should be provided.
- 16) Gas and electricity meter readings will be taken from the property prior to the tenant signing up.
- 17) You will be responsible for the Community Charge/Council Tax due when the property is not occupied by tenants.

- 18) You may be responsible for the payment of water rates unless a water meter is fitted.
- 19) If you require us to refer to Specialist Suppliers in order to complete repairs we can do so if supplied with the necessary details.
- 20) You should be aware of the Fire and Furnishings (Fire) (Safety) Regulations 1988 (amended 1989 & 1993) and the provisions it contains.
- 21) You should be aware of the provisions and comply with the terms contained within the Electrical Equipment (Safety) Regulations Act 1994.
- 22) You should be aware of the provisions and comply with the terms contained within the Gas Safety (Installation and Use) Regulations Act 1994.

MANAGEMENT FEES / COMMISSIONS

Full Residential Letting and Property Management

Initial Finders Fee	£350.00
Commission on monthly rents collected	10%
Commission for multiple landlords (minimum 5 properties)	7.5%

Letting Only

Initial Finders Fee	£450.00
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ADDITIONAL SERVICES

Subsequent costs of agreements for change of Tenancy	£ 25.00
Preparation of inventory	£ 75.00
Energy Performance Certificates (EPC)	£ 60.00

All fees subject to vat @ 20%

Maurice Kilbride reserve the right to alter and amend these prices without prior notice. We are also happy to discuss individual fee packages with landlords for larger portfolio's.

We hope that you are now convinced that we are the company for you. We care about your property and your interests. Should you have any queries please contact us at:

69 High Street, Cheadle, Cheshire SE8 1AA, telephone **0161 428 3663** or e-mail **mk@mkiea.co.uk**

We would be pleased to offer our help and advice.

Advice Relating to Legislation Affecting Landlords and their Properties

The Regulations have been phased in as follows:-

In accommodation first let AFTER 1st March, 1993 furniture has to comply with the regulations immediately.

In accommodation first let BEFORE 1st March, 1993 furniture did not need to comply until 1st January 1997.

From 1st January, 1997 non complying furniture can only remain in the accommodation until the first new agreement is made with a new tenant. This new let counts as a new supply of the furniture and consequently all non-complying furniture must be replaced otherwise you will be breaking the law.

Any furniture owned and provided by the tenant is not covered by the Regulations.

How to buy safe furniture

If you purchase furniture from persons selling in the course of a business then that furniture should already comply fully with the regulated requirements. However, experience has shown that much of the furniture sold by second-hand dealers may not comply – so extra care is needed. You should also remember that furniture sold by “private individuals” may or may not comply – so again extra care is needed.

It is not easy to determine by external examination only, whether or not furniture does comply with the Regulations. However, any furniture that does comply would have originally been sold with a permanent label stitched in (usually on the base of the furniture or on the underside of a cushion). The label is headed “Carelessness Causes Fire”. Consequently, an easy check is to look for the label. Any upholstered furniture that does not bear such a permanent label should be regarded as suspect.

Mattresses and Bed Bases (Further information – Trading Standards Service)

Mattress and bed bases should bear a blue label indicating compliance with BS7177:1991.

Mains Electrical Equipment (Further information – Trading Standards Service)

If electrical equipment is supplied with let accommodation then it must be safe. This applies to such items as kettles, televisions, electric cookers etc.

The law does not stipulate that you have to have each item of electrical equipment tested. However, it is strongly recommended that you should consider having items tested to protect your tenant from danger and yourself from possible prosecution and/or civil litigation. Any tests should be carried out at reasonable intervals, bearing in mind the likely rate of usage of the appliance. Make sure any test identifies clearly the equipment tested and keep such test reports for your own reference and to produce the enforcement personnel, if required.

Any plug on an electrical appliance must be a 'standard plug' ie., of an approved type, with live and neutral pins sleeved and having the correct fuse rating for the appliance to which it is connected. Mains appliances must by law be supplied fitted with a plug.

Gas Appliances

1. Supply (further information – Trading Standards Service)

All new and second-hand gas appliances as part of a let must be safe and have clear instructions and warnings appropriate to their safe use.

2. Installation and Use (further information – Private Sector Housing and Health & Safety Executive)

Landlords must ensure that all gas appliances and flues (this includes bottled gas (LPG) cabinet heaters) are maintained and checked for safety at least every 12 months. You must also keep records of maintenance and safety checks and make this information available to tenants, on request.

3. Advisory

An LPG heater presents a health and safety risk due to it being a portable source of heat. In addition it creates severe condensation and this may contribute to the dwelling being unfit for human habitation. Landlords are strongly advised not to provide LPG heaters to their tenants.

OTHER APPLIANCES AND GOODS (further information – Trading Standards Standards)

The above requirements relate to some categories of high risk goods/appliances. Other goods/appliances not otherwise covered in these guidance notes, which are supplied for the use of tenants, must be reasonably safe. Where instructions/warnings are necessary for the safe use of goods/appliances, these should be supplied in writing, together with the goods/appliances.

SECURITY

Having a burglar alarm is not compulsory but it may be a facility which a prospective client would look for.

We would advise that all external doors be fitted with five lever mortice locks. It is also advisable to ensure that all windows capable of being opened are fitted with window locks. This is often a requirement of household insurance.

A booklet is available upon request.

HOUSING BENEFIT

Housing benefit is a benefit paid to individuals who wish to rent a property but who do not have sufficient income to support the contractual rent. Housing Benefit is means tested and is subject to a number of Regulations limiting its scope. It is administered by the Local Authority but the "Market Rent" ie., the rent used to establish the appropriate benefit level is set by the Rent Officer Service. We advise Landlords to accept as the contractual rent the market rent set by the Rent Officer.

You are advised that Housing Benefit pay in arrears regardless of the contract conditions. There may be an initial delay before payments are received whilst the initial assessment is made.

Housing Benefit is mostly paid direct to the Landlord but this arrangement can be changed upon request by the Tenant. There is no guarantee of payment. It should also be noted that the Local authority has substantial powers to "claw back" payments from a Landlord who is in receipt of direct payments.

The Agency Agreement requires you to specify whether a Housing Benefit claimant would be acceptable to you. Our representative will advise where appropriate. The ultimate choice however is the Landlord's.

SAFETY OF GOODS & EQUIPMENT SUPPLIED WITH LET ACCOMMODATION

What does the law require?

Current consumer safety legislation requires goods, including such items as gas cookers/heaters, electric toasters, televisions, furniture, etc., supplied in the course of a business to be reasonably safe. Practically all goods are covered, both new and second-hand. All goods have to satisfy general safety provisions. Certain 'high risk' goods, including electrical equipment, upholstered furniture, gas cooking appliances, etc., are covered by requirements contained in specific safety regulations.

The supply of such goods in rented accommodation, in the course of a business, is considered to be a hire transaction and as such is covered by consumer safety legislation. The following notes are intended as a guide to the law.

Who is covered?

Those letting accommodation in the course of a business, where the supply of the accommodation includes the supply of goods, etc., furniture and domestic appliances, must

comply with the law. Those acting as accommodation agents would appear to be liable where they enter into a contract with a tenant, under which an agreement is made to let a furnished property on behalf of a landlord, or where they purport to act as the landlord for the purposes of such an agreement.

Furniture (for further information – Trading Standards Service)

Upholstered furniture must comply with Regulations covering flammability. These Regulations were brought into force to try to reduce the number of deaths resulting from toxic fumes given off up upholstered furniture in fires. Furniture that does not have a permanent label attached claiming compliance with the Furniture & Fittings (Fire)(Safety) Regulations should be regarded as suspect. Furniture made before 1950 is exempt.

The definition of furniture covered by the Regulations is wide. A DTI booklet, available from the Trading Standards Service, gives detailed guidance on the scope of the Regulations.

The Regulations control the supply of furniture in accommodation let in the course of a business. Providers of such furnished accommodation, including Estate Agents, Letting Agencies and Landlords acting in the course of a business, have to ensure that furniture in properties governed by the Regulations complies.

CONTRAVENTION OF ANY OF THE REGULATIONS, AS DETAILED IN THESE GUIDENCE NOTES, IS A CRIMINAL OFFENCE AND COULD RENDER YOU LIABLE TO PROSECUTION. MAXIMUM PENALTIES ARE A FINE UPTO £5,000 PER OFFENCE OR IMPRISONMENT FOR UP TO SIX MONTHS, OR BOTH.