



GUIDE FOR LANDLORDS – Some of the important points

There are several issues which need to be considered before the commencement of a Tenancy. The following is a summary of some of the points which will need addressing.

Mortgage Consent

If applicable it is the Landlord's responsibility to ensure that your mortgagee has agreed to the letting of your property.

Leaseholds

If your property is leasehold, you should check the terms of your lease, and obtain the necessary written consent from the Freeholder before letting.

Insurance

The Landlord must ensure that the property is suitably insured for letting for both buildings and contents. Failure to inform your insurers that the property is to be let may result in your policy being invalidated. Consult a specialist insurance broker if in any doubt.

The following safety requirements are the responsibility of the Landlord:

Gas Appliances & Equipment

The Gas Safety (Installation and Use) Regulations 1988 place a legal obligation on Landlords to maintain all gas appliances in the property through annual inspections and safety checks which must be carried out by a registered CORGI engineer. A full gas safety record must be in place prior to the commencement of, and during, any Tenancy.

Electrical Appliances & Equipment

The Electrical Equipment (Safety) Regulations 1994 applies to electrical apparatus and requires the Landlord to ensure all items of electrical equipment are safe. We would recommend that the property has a full wiring inspection prior to the commencement of the Tenancy. All electrical mains wiring testing should be carried out by an NICEIC registered electrician

Furniture & Furnishings

The Furniture and Furnishings (Fire) (Safety) Regulations 1988 places a legal obligation on Landlords to ensure that all furnishings in the property complies with the standards contained in Regulation 14 of the 1988 regulations.



COST OF LETTING

The following is a summary of some of the possible costs which are the responsibility of the Landlord. Not all will be applicable and some may be optional and may vary from property to property and should be used as a guide only. We would recommend that in addition to the potential one off and on going costs of letting a property you should budget for periods of unoccupation.

Council tax

Council tax is the responsibility of the occupier. If the property is unfurnished and vacant there is no charge for the first six months and thereafter only 50% of the normal charge will apply. If the property is unoccupied but furnished, the charge is 50% of the normal rate from the first date of unoccupation. Charges are banded according to the value of the property as determined by the Local Authority

Insurance

As outlined earlier the Landlord must ensure that the property and contents therein are adequately covered for insurance purposes. Premiums may vary greatly depending on the level of cover required.

Maintenance and Repairs

Charges will vary dependant on the requirement of work.

Service Charges

This again is the responsibility of the Landlord and is generally applicable to leasehold properties. Service charges generally include, buildings insurance, maintenance of common areas and common area services. Charges will vary depending on the level of facilities available.

Water and Sewerage rates

These charges will be the responsibility of the Landlord during periods of unoccupation. If the property is empty and unfurnished, there is no charge on the property.

Income Tax

There are two taxes that Landlords must be aware of when letting property, Income Tax and Capital Gains Tax. Income tax must be paid on the net income generated from letting out property irrespective of your residency. If you are a non-resident and live abroad permanently then rental income will still be subject to UK income tax. When considering selling the property any increase in value will be subject to Capital Gains Tax. Professional tax advice from a suitably qualified adviser should always be taken.



Letting Agency Fees

JW Wood offer competitive fees which vary depending on the service you require. Please contact us to discuss your individual requirements.

General Product Safety

The General Product Safety Regulations 1994 specify that products supplied by the Landlord for use in the property must be safe. In the case of letting this would include both the structure of the building and its contents. To ensure the safety of the electrical appliances on the property (if any) you will require a Portable Appliance Test on each item. You should ensure that the property and its contents is in a suitable condition prior to the commencement of the tenancy.

Condition

The property should be in good condition and be clean and tidy prior to the commencement of the tenancy. Tenants will be expected to return the property in a similar condition when they leave. All electrical, gas, plumbing systems must be safe and in good working order. Repairs and maintenance are the landlord's responsibility unless tenant misuse can be proved. It is also the Landlord's responsibility to ensure the gardens (if any) are left in a suitable condition, commensurate for the time of year, prior to the tenancy.

NB : These notes are prepared in order to offer Landlords practical advice for letting property, they are not intended to provide a fully comprehensive lettings reference. For further information or advice please contact us.