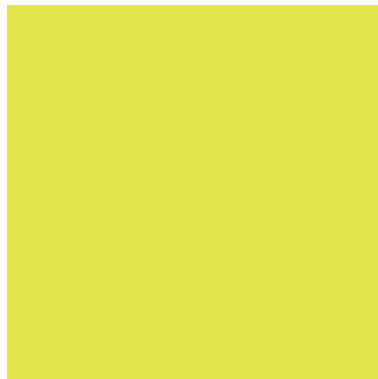




# LANDLORD HANDBOOK



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# INTRODUCTION



A history  
of success



Welcome, thank you for contacting Hughes and Hughes. We are an award winning local, independent run business with a major share of the local lettings market. We have a strong solid reputation, supported by a professional but very personal service.

We have specialist experience, expert knowledge, and the commitment to find landlords good quality tenants. We understand the residential lettings and property management industry inside out and we are here to work on your behalf to make sure that you get the very best out of your investment, with the minimum input from you the Landlord.

Our long-standing team of experts work closely with landlords and tenants ensuring each property is perfectly matched and that tenants meet our stringent referencing and financial checks. As part of our personal service we regularly communicate with our landlords keeping you up to date with changing regulations and, depending on the service you choose with us, we will arrange for inspections and all legal certificates required, all this is designed to make the letting process as simple as possible for you. Our full management service delivers peace of mind throughout the tenancy.

We offer full marketing exposure in the most effective way and our eye-catching 'TO LET' boards make it easier to let your property. We also have a unique interactive touch screen window present in our high street office.

We are professionally qualified ARLA (Association of Residential Lettings Agents) members and members of the Property Ombudsman. We offer various levels of property management with extremely competitive fees along with the best service you could wish for.

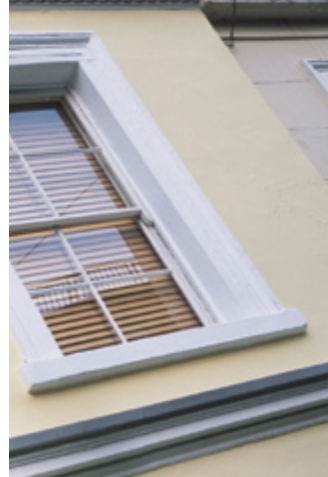
This Landlord handbook will provide a little help from us to get you started and help you through the rental process. It has all the information that you need to know about letting your property, from our management packages and fees, to the important legal regulations that you need to be aware of.

**Please notes:** *The guide is intended to be read alongside our Residential Lettings and Management 'Terms and Conditions' also available on our website. It aims to provide you with advice for successfully letting residential property. It should also be read alongside the supporting information 'Safety requirements', 'relevant law and regulations', 'Income tax' and 'Tenant deposits' which form part of this guide. If there is anything that you are unsure about, please do not hesitate to contact us for further information.*

# WHY CHOOSE US

## We understand what is important to you

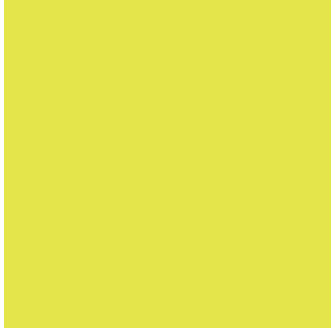
- As a landlord, we understand that having someone local and accessible to speak to about your property needs is essential to you.
- Service is at the very heart of everything we do, we believe that estate agency, lettings and property management is a people business, it's good to talk and that is why we have experienced team ready to help you.
- Our strong people skills ensure we make it a personal experience. Our highly skilled and friendly team have the drive, expertise and commitment to find a tenant for your property. We will match your property to prospective tenants on our extensive database, carry out viewings and assist in the full cycle of services to ensure the process runs smoothly for tenant and landlord.
- Our highly trained staff are on hand to offer our Landlords and tenants advice whenever they need it, tenants and landlords are of equal importance, we pride ourselves in offering both a friendly and professional service. We always strive to deal with any issues that may arise swiftly, following things up and getting back to everyone promptly.
- We firmly believe that having this local and personal service, sets us apart from other agents.
- We appreciate that having experienced people looking after the management of your property is key to you. We have a dedicated lettings management team, who have over 40 years combined experience looking after the needs of our landlords and tenants, from property inspections to inventories, and much, much more....
- Finding the 'right tenant' is vital to landlords, therefore we use referencing specialist to carry out all referencing and Right to Rent checks in-house so you know you can trust the information we provide.
- We recognise that achieving the best rental price in a timely manner is important to landlords. Our aim is to market your property to more people using the most effective websites, which includes Rightmove and OnTheMarket, as well as our own website.
- We have a Fully responsive website, across all devices, 91% of people now own a mobile device and over 51% access websites primarily via this. It is very important that we give all property searchers the information the way they want it. Our own responsive website allows access from mobile, tablet, desktop, whichever device a prospective tenant may choose.
- We help you understand legislation. Being a responsible Landlord requires you to adhere to a number of regulations. We are happy to help you fulfil your legal responsibilities by advising you of these legislations and how you can meet your obligations.
- We can help you buy property too! As we offer both a residential letting and sales service, we can help you start and expand your rental property portfolio. Our experienced team can help you find the best properties to maximise rental returns.



## Value for money



# TESTIMONIALS



Proud of our swift & professional service

## Real Reviews.....

"Everything from finding excellent tenants, to arranging the contract documents, collection of rent etc has been carried out smoothly and professionally from start to finish. The skilled staff are very courteous and efficient, and I am always happy to recommend them. My tenant has also expressed their satisfaction to me with the service they received from Hughes & Hughes."

"I've let my property through Hughes & Hughes for the last 6 years. The staff have been excellent, very attentive, and extremely professional throughout that time. My property has been let continuously during that period, so I've never had to worry"

"I was a new rental customer and Hughes & Hughes instilled me with confidence. They were very approachable with fantastic customer skills, polite & professional"

"As a landlord, my property has been with Hughes & Hughes for the last 2½ years, I can thoroughly recommend them to anyone in the Chippenham area who are looking for a property manager. All of my queries are responded to swiftly. Their advice, guidance and help has been invaluable throughout.

The property was put on the market very promptly at each tenant changeover. Prospective tenants are checked for suitability. Viewings are arranged very quickly. Once suitable tenants are ready to sign up, the progress is swift. Issues and repairs are dealt with very professionally and promptly. Rent is received on time. Many thanks Hughes and Hughes"

"Very professional, polite friendly staff, customer service skills impeccable, quick responses, would recommend in a heartbeat. Fantastic company"

"Excellent customer service relaxed yet professional and always happy to help. I have been a tenant for more than 4 years and have never had a problem. I would recommend Hughes & Hughes to anyone looking for a local, friendly team of Estate Agents and a five-star service!"

"I never usually leave reviews, but the service that I received from Hughes and Hughes was exemplary! All the staff really went the extra mile to help me with renting my property. It was an absolute pleasure to work with Hughes & Hughes and I would highly recommend them to anyone looking to rent their property!"

# SAFETY REQUIREMENTS

We will also mention elsewhere in the handbook some instances where the law imposes obligations and constraints upon landlords. The following information is intended to offer you a summary on how the law affects your responsibility to take care of your property and its contents in order to ensure the safety of all who might happen to be there whether tenants or visitors. This information on safety is for your guidance but is not exhaustive and should not be relied upon as legal advice. It does not limit your responsibility to your tenant. Please note that you should speak to your insurer to make sure you have adequate cover in relation to the occupier or anyone else who might be in the vicinity of your property.

**The Furniture & Furnishing (fire) (safety) Regulations 1988 (as amended in 1989, 1993 & 2010)**

These regulations apply to upholstered soft furnishing such as mattresses, padded headboards, bed bases, sofas, sofa-beds, armchairs, cushions, pillows, furniture with loose or fitted covers, children's furniture, garden furniture which may be used indoors, etc. All such items are required to meet certain minimum fire safety standards and to display approved labels. exemptions: furniture/furnishings manufactured before 1950 and after 1989. When you instruct us to market your property to let, you give us authority to remove, at your expense, any item that does not comply or does not have an approved fire label attached.

**Gas Safety (Installation and Use) Regulations 1998**

It is a criminal offence to let a property with gas appliances, installations and pipework that have not been checked by a properly qualified and registered engineer. You will need to provide us with a copy of a current Gas Safety Record before the tenancy commences or we can arrange this for you. The tenant must be given a copy of the report within 28 days of

the inspection being carried out and in the case of a new tenancy the tenant must be given a copy of the report at the time they take occupation. If you are found guilty of non-compliance, you will have a criminal record and also face a fine or imprisonment, or both. It is important that you check the report when receiving it from the contractor to ensure that all gas appliances are listed on the report and that they have been passed as safe. Any recommended remedial works should be carried out before the start of the tenancy. We cannot put a tenancy in place unless you have provided us with a current safety check, or you have instructed us to arrange this on your behalf. If you do not provide us with a new check before the last one expires we will instruct a test on your behalf with one of our recommended contractors without further reference to you and make any necessary deduction from your account. As from 6th April 2018, landlords can obtain a Gas Safety Record up to two months before the current certificate expires and keep the same expiry date, so not losing the unexpired balance of the previous Gas Safety Record.



Always  
happy to help



# SAFETY REQUIREMENTS



Qualified  
Knowledge and  
sound experience

## Portable Appliance Testing

All electrical appliances should be Portable Appliance Tested (PAT) before the commencement of a tenancy and regularly thereafter as directed by the electrical engineer.

## The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 and EICR report

Under the above regulations, as from 1st July 2020 all let property in England must have a fixed wiring test and any remedial works undertaken. Tests must be carried out every 5 years and the regulations state that properties must meet the 2019 edition of the IET Wiring Regulations (BS 7671:2018). This is being phased in and will apply as from 1st July 2020 to all new tenancies, any tenancy renewal or where a tenancy turns periodic after that date. Thereafter all existing tenanted property will have to have a fixed wiring test in place by 1st April 2021. No new tenancy can start without the test undertaken and remedial work completed. The electrical safety check report known as the EICR (**Electrical Installation Condition Report**) must be provided to the tenant before the new tenancy starts.

We advise commissioning an electrical check as soon as the decision is made to market the property. For clarity urgent remedial works are classified under the Regulations as “urgent remedial action” means such action identified in a report under regulation 3(3) as “is immediately necessary in order to remove the danger present and risk of injury”. We understand that anything on an EICR which is deemed either C1 “danger present” or C2 “potentially dangerous”, must be dealt with, with regards to C3 “Improvement recommended”, this may depend whether that part of the installation meets 2018 regulations or not, if it does not then remedial work may be required. In cases where remedial works are required, these must be carried out within 28 days of the inspection. Once carried out the remedial works need to be certified and this confirmation certification must be provided to each tenant and to the Local authority within 28 days of completion. A local Authority can request a copy of a report and this must be provided to the local housing authority within 7 days. Failure to comply could result in the Local Authority issuing a Civil Penalty notice against the landlord of up to £30,000. We will ask you whether you will be arranging for fixed wiring and PAT yourself or if you require us to arrange these on your behalf. The cost of any safety tests will be charged to you and we must be in receipt of cleared funds to carry these out.

## Energy Performance Certificates (EPC) 1st April 2020

On 1st April 2018, it became a legal requirement for residential landlords to ensure their Energy Performance Certificates (EPCs) have a minimum rating of E. The regulations initially only applied for a new tenancy to a new tenant and a new tenancy to an existing tenant. Now, this law has been extended. An EPC is needed whenever a property is built, sold or rented. All landlords must order an Energy Performance Certificate for potential buyers or tenants before marketing their properties to sell or let.

## Building Regulations Part P (Electrical Safety in Dwellings)

Works, repairs, maintenance, etc. on ‘electrical installations’ in certain areas of a property are known as ‘notifiable works’ and as such must only be completed by a ‘competent person’. Failure to comply with these regulations is a criminal offence, which could result in a fine and/or imprisonment.

# SAFETY REQUIREMENTS



## Building Regulations (Smoke Alarm) 1991

It is mandatory to fit mains-powered smoke alarms in new residential buildings constructed after June 1992 - one on each floor. A mains-powered alarm is not a requirement in older properties, but since October 2015 it is mandatory to have at least one alarm installed on each storey where there is a room wholly or partially used as living accommodation, which must be tested at the start of every tenancy. If the smoke alarm is battery operated, you should make sure the batteries are working and the alarm is fully functional at the start of the tenancy. By signing our *'Terms and Conditions'* you acknowledge that you are aware of your responsibility for providing smoke alarms.

## Wood and Solid Fuel burning appliances

Landlords are advised that any fuel burning appliance installed after October 2010 must comply with appropriate Building Regulations. This means that any such appliance must either have been installed by a HETAS approved engineer, who can then self-certificate, or specific Building Regulation Consent should have been obtained. Under these regulations a carbon monoxide detector will also have to be installed in the room where the stove is located. The landlord will then be responsible for the ongoing maintenance and repair of the stove and the detector whilst it is in the property. You should ensure the chimneys are swept at least once in every twelve-month period. For appliances installed before October 2010 there is no specific requirement for certification, however landlords must check that they are safe before and during each letting, and as part of this we strongly advise that the chimneys are swept every year. Since October 2015 there is a legal requirement that carbon monoxide detectors must be installed in any room where there is a solid fuel heater and tested at the start of each tenancy. By signing our *'Terms and Conditions'* you acknowledge that you are aware of your responsibility for the safety of any solid burning appliance and confirm that any such appliance installed in the property is safe.

## Legionella Disease

The Health and Safety Executives have issued a new Code of Practice for assessing the risks of Legionella in residential property. We recommend that as a landlord you should carry out a risk assessment of your property prior to any letting especially if there are open water tanks, redundant pipes, cooling systems or a swimming pool. We request that a copy of any written risk assessment is provided upon instruction. By signing our *'Terms and Conditions'* you acknowledge that you are aware of your responsibility for the safety of the tenant at the property and confirm that you have considered all risks regarding Legionnaires Disease. Further information is available at <http://www.hse.gov.uk/legionnaires/symptoms.htm>

## Oil and or solid fuel Heating

Hughes and Hughes will require any oil-fired central heating boilers to be checked and serviced annually by an OFTEC registered engineer. Oil and solid fuel, like gas are fossil fuels which when burned can give off carbon monoxide.

You should have your oil boiler or any solid fuel appliances (whether stand-alone or linked to your heating and hot water system) checked and serviced by an OFTEC or HEATAS engineer before any tenancy starts and then at least annually.

## Bio ethanol fuelled fires

Bio ethanol fuel (both liquid and gel forms) is highly flammable. You should always choose a fireplace with an integral spill tray which will reduce the risk of spillages when the fires are being refuelled. You must leave the manufacturers' instructions for the tenant, so they are clear on the process to follow for refuelling and know how to do so in a safe manner. You should make sure there is a carbon monoxide detector placed in the room where the fire is located.





# SAFETY REQUIREMENTS

## Making any asbestos checks

Asbestos is known to be dangerous when it is broken down or damaged. But, due to its age, we are finding cases where asbestos is starting to deteriorate. It is important to know if your property or outbuildings have any asbestos. Where you know, or suspect there might be any asbestos, you will need to arrange for an asbestos survey. If the survey says you need any work done, or asbestos is found, you will need a management plan. This must be in place before the tenancy starts. If you already have an asbestos management plan or have to get one, we will need to see a copy of the report and let the tenants know.

## Preventing scalding risk from cold-water storage tanks

Although rare, there have been a number of reported incidents of scalding from overheating cold-water storage tanks. Is there an electric immersion heater and a connected cold-water tank with the tank located above a bedroom in your property? If so, whilst particular attention should be given to systems over 10 years old, there are a number of steps you must take to reduce the overheating risk:

- Make occupants aware of warning signs such as excessive noise from the cold-water tank which indicate possible thermostat failure and overheating of the water
- Make sure any cold-water storage tanks are installed on an adequate storage base. Issues have arisen when tanks were not supported across their entire area
- Have a safety cut-out feature fitted to limit the temperature of the stored water in case the thermostat fails.
- Prevention would be not to have tanks connected to such systems above bedrooms in the first place.



**Please note:** Whilst we have covered the most common health and safety considerations, there may be further legislation and guidance you need to know and follow for your property. The government health and safety executive website will give you full details [www.hse.gov.uk/index.htm](http://www.hse.gov.uk/index.htm)

## We understand landlords



## General Safety

It is your responsibility to ensure that the property you are offering for let is safe and meets the requirements of the Housing Health and Safety Rating System. You must provide a well maintained safe and healthy environment for the whole time your tenant stays in your property. You are responsible for keeping your property in good repair:

- The general good condition and maintenance of the property, contents, fixtures, and fittings
- The structure and exterior, for example, the walls, roof, foundations, drains, guttering and external pipes, windows, and external doors
- Basins, sinks, baths, toilets, and their pipework
- Water and gas pipes, electrical wiring, water tanks, boilers, radiators, gas fires, fitted electric fires or fitted heaters.

These requirements fall under sections 11 to 16 of the Landlord and Tenant Act 1985 (as amended by the Housing Act 1988) as well as the Homes (Fitness for Human Habitation) Act 2018. From March 2020 this act will also apply to all tenancies.



We value the custom of both tenants & landlords



## Resident landlords

Under current UK tax legislation, you have an obligation to declare all rental income received on any property in the UK to HM Revenue & Customs (HMRC). Under the Finance Act 2011, paragraph 18 of schedule 23, we have a legal obligation to inform HMRC of all rent collected on behalf of landlords by tax year.

## Registering for self-assessment

Please get in touch with HMRC if you are earning up to £2,500 on your property each year. If you are making more than £10,000 before expenses, you will need to fill in a tax return. You need to register by the 5th October of the tax year after you started to make money from property. You can register and fill in your form online. The deadline for submitting a tax return online is the 31st January, but it is always best to do it earlier. This gives you the chance to get things sorted if you have any issues accessing your account.

## Tax deductible costs

There are some costs associated with running a property that HMRC allow you to deduct from your profits, so that you pay less tax. These are known as 'allowable expenses.' Examples of some allowable expenses for landlords are:

- Letting agent fees
- Legal fees
- Accountant fees
- Buildings and contents insurance
- Maintenance and repair costs
- Utility bills
- Cleaning services
- Direct costs such as stationery, phone calls, and advertising
- Domestic items (such as beds) for the sole use of your tenants

## Capital Gains Tax

As a Landlord you need to be aware that there is a risk that you might be exposed to Capital Gains Tax when you decide to sell your property. Always take professional advice, however, the following are unlikely to incur this tax:

- Non-resident landlords.
- Those letting a former home for no more than three years.
- Those letting a former home when obliged to work elsewhere in the UK for no more than four years.



# TAXES



### Stamp duty changes

One of the biggest changes to landlord tax in recent years has been the increase in stamp duty land tax (SDLT) for second and subsequent homes.

### Non-resident landlords

A letting agent for a non-UK resident landlord (or the tenant where there is no letting agent and the rent is more than £100.00 a week) must deduct tax at the basic rate from the landlord's rental income unless HMRC permits payment without deduction.

### Online non-resident landlord forms (NRL)

Under the Non-Resident Landlords Scheme (NRL), landlords can apply directly to HMRC – Charity, Assets & Residence, Residency Dept for approval to receive the rent without tax being deducted, by completing an online NRL form. NRL1i for individuals, NRL2i for companies, and NRL3i for trustees. These online forms are available on the HMRC website: [www.hmrc.gov.uk/international/nr-landlords.htm](http://www.hmrc.gov.uk/international/nr-landlords.htm). Separate applications have to be made by each owner of a property, including husbands and wives. Applications can be made any time, including before you leave the UK, or before the tenancy has started. If HMRC grants an approval they will write directly to us and issue us with an approval number for you, this is the only way we can stop retaining tax. Where approval is granted, this does not mean that the income is exempt from UK tax, only that tax does not have to be deducted prior to payment. The approval is not transferable and must be in the name of the current letting agent handling the rent. Where we are processing the rent and are required to deduct tax, we will submit quarterly and annual returns on your behalf and prepare the final certificate. Although you may give a 'c/o address' for correspondence, we are required by HMRC to hold your actual residential address on file. Where HMRC has issued an Approval to a Non-Resident Landlord, we are required to submit an annual return to HMRC.

With Tax issues we always advice you talk to an account. The Government websites below will also help:

<https://www.gov.uk/guidance/income-tax-when-you-rent-out-a-property-working-out-your-rental-income>

<https://www.gov.uk/tax-uk-income-live-abroad>.



# LEGAL REGULATIONS

## Assured Shorthold Tenancy (AST)

This guide is focused on landlords letting to tenants on an assured shorthold tenancy. An AST is the main type of tenancy arrangement between landlords and tenants. By setting up an AST, you enter a contractual arrangement to let your property to a tenant. If your tenant is an individual(s), the agreement will be an Assured Shorthold Tenancy Agreement and will be in line with the Housing Act of 1988 which is acceptable to Building Societies and Banks. However, in the case of a company being the tenant, A Fixed Term Company Let Agreement is used.

## Deposits

You are required by law to hold your tenants deposit monies within a Government approved tenancy deposit protection scheme (TDP). A key part of the new legislation is that tenancy security deposits will now be capped at the equivalent of 5-weeks' rent for assured-shorthold tenancies with an annual rent of up to £50,000. If you have appointed us as agent for our fully managed or managed plus service, we will be able to register the deposit for you through the DPS (Deposit Protection Service). If you are managing the property yourself, please provide us with the following:

- The name of the scheme you are registered with
- Your membership numbers
- Supporting documents to confirm that you are a member of that scheme

Tenancies ending on or after the 1st June 2019  
Where the tenancy is renewed with a NEW FIXED TERM TENANCY

Insurance Scheme:

**Step 1** - You will need to return any deposit amount in excess of the 5 week cap to the tenant.

**Step 2** - As normal, where there is a renewed fixed term, you will be required to pay for a new deposit protection using the renewal option available to you on your online account. You will be asked to provide the following information:

1. The annual rent amount
2. The new deposit amount in line with the 5 week deposit cap
3. The renewed fixed term dates
4. Confirmation of the lead tenant email address

By using the renewal function you will also unprotect the previous protection when it comes to the fixed term end date.

Note: As you are holding the deposit, it is for you to ensure that you satisfy your obligation under the Act. We suggest you keep proof of your attempt to return the excess deposit balance to the tenant and obtain a receipt from them once the money has been returned.

The three approved schemes to protect Tenants' deposits are listed below. If any other scheme is used, deposits are not protected in law

- Deposit Protection Service ([www.depositprotection.co.uk](http://www.depositprotection.co.uk))
- My Deposits ([www.mydeposits.co.uk](http://www.mydeposits.co.uk))
- The Dispute Service ([www.tds.gb.com](http://www.tds.gb.com))

## Client Money Protection Scheme

It is a legal requirement for letting agents to join a Client Money Protection Scheme for the benefit of their clients, typically tenants and landlords, in order to safeguard money they hold on their clients' behalf. In the event that the owners of the business steal or misappropriate any of this money, there is a route of redress against the letting agent by contacting the Scheme and claiming against the Scheme. If a genuine claim is accepted by the Scheme, the Scheme will recompense the landlord or tenant and seek recovery from the letting agent or its owners. A Client Money Protection scheme does not act on behalf of the letting agent. It is an independent membership body that provides the protection of client money whilst held by its members and the Scheme insures its liability for the payment of any claims. For more information please visit: [www.clientmoneyprotect.co.uk/Resource/ConsumerResource](http://www.clientmoneyprotect.co.uk/Resource/ConsumerResource)

## Possession

In the event of you having to seek possession of your property prior to the end of the tenancy term due to breach of obligation by the tenant you will be required, if advised, to take legal advice from a solicitor to ascertain the options open to you at that time under Sections 8 and possibly Section 21 of the Housing Act.



## Literature

Landlords in England need to give tenants a copy of the government's 'How to Rent' guide. This outlines your tenants' rights and responsibilities, as well as what to expect from their landlord. You cannot serve a Section 21 eviction notice at the end of the tenancy if you have not provided a copy of the guide at the start. If we Fully Manage your property, we will send a current copy with the latest How to Rent Guide.

## Right to Rent

Right to Rent: You will need to check that all tenants aged 18 and over are legally allowed to live in Britain. You have to do this for every new tenant, even if you assume they are British. You will need to keep a photocopy of the documents that prove their rights, for example a birth certificate and council tax bill or their biometric residence permit. We will carry out a right to rent check when a new tenancy is put in place and referencing has taken place. If we Fully Manage the property we will carry out a further right to rent check if visa requirements stipulate this. If you manage the property this will be the responsibility of you as a landlord.

# HELPFUL INFORMATION

## Pets

With a growing number of families owning a pet, your property will appeal to a wider audience if you will let to tenants who have them. You should make sure your tenancy agreement specially negotiated clause defines the type of pet, age and breed you are agreeing to, and is clear about the tenant's responsibilities during their tenancy. If you have evidenced that either allergies or your head lease conditions state 'no pets', we must include this on the property brochure and make sure applicants are aware before they view the property. A standard tenancy agreement cannot include a clause saying, 'no pets' as this would be 'unfair', however when this is individually negotiated it can and it should be included in the tenancy agreement specially negotiated clauses. Pets do not have to be an issue as long as the ground rules are clear.

## Council Tax

This is the responsibility of the tenant and, as part of our managed services, we will advise the Local Authority of the new tenancy.

## Utility Services

As part of our managed service we will advise all services at the commencement and end of each tenancy. The payment of these bills i.e. water, electricity and gas are the responsibility of the tenant.

## Inventory

An inventory of the contents and schedule of condition of the property will be prepared by a member of an independent inventory agency or the letting agent.

## How to keep your tenants happy

If you have found yourself some good tenants, your goal should be keeping them happy so that they do not want to leave once their lease is up. Retaining them means you do not need to go through the advertising and screening process again. Some ways to keep your tenants happy can include:

- Responding to messages right away
- Being proactive with repairs
- Giving tenants an 'essentials' kit when they move in
- Offering some leeway if possible, like letting them repaint their room or adopt a pet
- Being friendly – even just wishing them happy birthday

## Legal cover and insurance

Your tenant will be advised to get contents insurance for their possessions, but you will need specialised rental insurance for the building and any contents you leave. We recommend that Landlords purchases the appropriate building and contents insurance. We can provide a quotation for landlords building and contents insurance via a chosen tenant Reference Company, on request. No matter how careful you are about background checks and risk assessment, things can still go wrong. It is your responsibility to insure the property against damage like fire and flood. While you could get a regular home insurance policy, it may not cover you if you rent your property out to tenants. A landlord insurance policy is a better option as it is more tailored to your needs.

Listed below are extra protection you get with a landlord insurance policy includes:

- Guaranteed rent policy
- Liability cover – in case a tenant becomes injured in your property and tries to sue you
- Alternative accommodation cover – if your property becomes damaged, a landlord insurance policy will pay for tenants' accommodation while repairs are carried out
- Cover for up to ten properties – perfect if you decide to become a property mogul, the policy should also include standard home insurance aspects such as buildings insurance, cable and underground pipe cover and cover against subsidence and ground slip. There are some optional extras you can add onto a landlord insurance policy, too:
- Accidental damage cover – this covers you if Bordeaux's accidentally spilt on your beige carpet
- Loss of rental income – in some instances you could claim back loss of rent if your property cannot be lived in as a result of fire or other damage
- Contents cover – this is a good idea if you are renting the property with furniture
- Employer's liability cover – covering any cleaners or other staff who may get injured in your property
- Terrorism cover

**Please note:** Landlord insurance policies are also tax deductible.

We work hard to look after your investment



# LANDLORD PACKAGES AND SERVICES

Our Services are designed to make being a landlord simple.

We pay attention to the detail so here is what we offer with each of our services so there are no surprises

<b>Our Landlord Services</b> along with what is included in the setup fee for each comprehensive package offered <small>(schedule 3 - contract)</small>	<b>Tenant Find</b> £250 + VAT Plus 50% of 1st Months' Rent inc VAT	<b>Rent Collection</b> £250 + VAT Plus 10% of Monthly Rent + VAT (Multiple Properties 8%)	<b>Fully Managed Plus</b> £250 + VAT Plus 14% of Monthly Rent + VAT (Multiple Properties 12%)
Visit Property and agree rental value	✓	✓	✓
Provide guidance on compliance with statutory provisions and letting consents	✓	✓	✓
Advice on refurbishment requirements	✓	✓	✓
Erect "to let" board outside property in accordance with Town and County Planning Ac 1990 (where possible)	✓	✓	✓
Market the property and advertise through the relevant portals	✓	✓	✓
Carry out accompanied viewings (as appropriate)	✓	✓	✓
Obtain acceptable reference, credit checks, and right to rent checks (where applicable)	£50 pp inc VAT	£50 pp inc VAT	£50 pp inc vat
Prepare all legal documentation – tenancy agreement, how to rent, prescribed info	✓	✓	✓
Arrange for the preparation of inventory and schedule of condition	✓	✓	✓
Advise on non-resident tax status and HMRC (if relevant)	✓	✓	✓
Prepare standing order mandate (rent payment)	✓	✓	✓
Hold tenants Deposit with Deposit Protection Scheme (DPS) unless otherwise instructed		✓	✓
Client Money Protections (for all money held by us)		✓	✓
Deduct any pre-tenancy invoices – for example gas certificate, EPC, EICR		✓	✓
Collect and remit the monthly rent, provide landlord with electronic statement		✓	✓
Make any HMRC deduction and provide tenant with NRL8 (if relevant)		✓	✓
Advise all relevant utility providers of any changes (utility Management)		✓	✓
Pursue non-payment of rent and provide advice on rent arrears action		✓	✓
Undertake 4 visits each year, notify the landlord of outcome, during COVID-19 this will be imaged based only		✓	✓
Arrange routine repairs and instruct approved contractors		✓	✓
Security Deposit dilapidation negotiations (please note fee will be charge if disputed)		✓	✓
Hold Key throughout the tenancy term		✓	✓
Arrange for tenant to be Checked out at the end of the tenancy		✓	✓
Guaranteed Rental Income (up to six months) - separate terms and conditions (Let Alliance)			✓
Legal eviction and expense cover up to £50,000 for lifetime of the tenancy - separate terms and conditions (Let Alliance)			✓

# ADDITIONAL OPTION FEES AND CHARGES

## Pre-Tenancy Fees (All Service Levels)

Arranging and facilitating statutory compliance (this is in addition to the costs of the item itself) if not provided on instruction or undertaken by the landlord:

Item	Fees include VAT where applicable
Energy Performance Certificate (EPC): a = 1-2 bedrooms, b = 3-4 bedrooms	a = £75 b = £90
Gas Safety Certificate (GSC): option a, option b includes service	a = £60 b = £90
Electrical Installation Condition Report (EICR) a = 1-2 bed b = 3 bed c = 4-5 bed	a = £190 b = £220 c = £260
Portable Appliance Testing (PAT): option a with EICR, option b without EICR	a = £3 an item b = £45 + £3 an item
Legionella Risk Assessment	£90
Installing Smoke alarms and Carbon Monoxide	Price on application
Testing Smoke alarms and Carbon Monoxide detectors 1st day of the tenancy	Price on application
Video Tour	£100

## Services As Required: Pre-Tenancy

Item	Fees (plus VAT)
Additional Tenant Referencing	£50 per person
Guarantor Fees: per guarantor. Covering credit referencing and preparing a Deed of Guarantee (or as part of the Tenancy Agreement).	£50
Permitted Occupier Fees: per permitted occupier. Explaining to any permitted occupier their rights and responsibilities towards the named tenant(s) and landlord.	£50
Landlord Withdrawal Fees (before move-in): To cover the costs associated with the marketing, advertising and tenancy set-up should the landlord withdraw from the tenancy before it has started.	50% of setup fee is landlord cancels prior to tenant moving in

## Services As Required: End Of Tenancy

Item	Fees (plus VAT)
Tenancy Dispute Fee: The costs associated with the preparation of all evidence and submitting the case to the Deposit Protection Scheme (DPS) as well as dealing with all correspondence relating to the dispute. This only applies where the agent has protected the deposit.	£60 per hour
Fees for the service of Legal Notices (Section 8 or Section 21):	£50
Court Attendance Fees:	£175 per hour

# ADDITIONAL OPTION FEES AND CHARGES

## Services As Required: During Tenancy

Item	Fees (plus VAT)
Additional Property Visits: Should the landlord request property visits in addition to those within their existing Terms of Business, this covers the costs of attending the property.	£25
Rent Review Fees: Review rent in accordance with current prevailing market conditions and advise the landlord, negotiate with the tenant(s), direct tenant(s) to make payment change as appropriate, update the tenancy agreement and serve a Section 13 Notice if the tenancy is on a periodic basis.	£50
Renewal Fees: Contract negotiation, amending and updating terms and arranging for the signing of a further tenancy agreement.	£100
Right-to-Rent Follow-Up Check: Undertaking a repeat check in person on a time-limited visa in accordance with the Immigration Acts 2014 and 2016. Notifying the Home Office should an illegal overstayer be identified. This does not apply to a Tenant-Find service.	£50

## Services As Required: Financial Charges

Item	Fees (plus VAT)
Submission of Non-Resident Landlords receipts to HMRC (quarterly). To remit and balance the financial Return to HMRC on both a quarterly and annual basis.	£60
Additional HMRC Reporting Fees: Responding to any specific queries relating to either the quarterly or annual Return from either the landlord or HMRC.	£60
Fees for providing an Annual Income and Expenditure Schedule:	£25

## Other Fees And Charges

Item	Fees (plus VAT)
Arrangement Fees for refurbishments: Arranging access and assessing the costs with any contractors, ensuring work has been carried out in accordance with the Specification of Works and retaining any resulting warranty or guarantee.	10% of total refurbishment Cost (minimum charge £100)
Vacant Property Management Fees: To cover the costs associated with visiting the property to undertake visual checks on the inside and outside at a frequency mutually agreed with the landlord.	£25
Management Take-over Fees: To cover the costs associated with taking over the management of an ongoing tenancy, ensuring all statutory compliance has been undertaken, confirming everything under "Set-up Fees" above, receiving and protecting the security deposit and providing all necessary legal documentation to the tenant.	£35 per hour
Deposit Transfer Fees: Should the landlord request any changes to a protected deposit during a tenancy, this covers the costs associated with legal compliance for said request.	£25





# USEFUL CHECK LISTS

Our recommendation is that you have the property professionally cleaned by specialist pre-tenancy cleaners to set the standard for the tenancy. The list below are the basic jobs that should be completed, it is a guide to the minimum standard and not a full list.

Before any cleaning action is started, all manufacturer instructions should be reviewed to ensure nothing is done to damage anything within your property.

## CLEANING LIST

KITCHEN CLEANING		✓	BATHROOM CLEANING		✓
Clean and polish all kitchen cupboards and drawers inside and outside			Wash shower cabinet/screen inside and out/de-scale and polish, clean and polish bath		
Clean internally and externally fridge and freezer			Clean and disinfect toilet inside and out		
Wipe down microwave inside and outside			Wash and de-scale basin/shine taps		
Clean inside and outside of washing machine, soap dispenser and filters			Wash down tiles and remove mould		
Clean dishwasher inside and outside			Clean mirrors and wipe clean towel rail		
Clean and degrease inside of oven, polish outside chrome			Wipe clean cupboards/shelving/surfaces		
Remove mould and grease from wall tiles, wash down and polish			Clean windows from inside, wipe down windowsills/window ledges		
Clean and polish hob/grill			Vacuum and sanitise floors		
Replace extractor hood filter			BEDROOM CLEANING		✓
Clean exterior of all kitchen appliances such as kettle, toaster, etc.			Remove cobwebs		
Wash down and polish all kitchen counter tops			Clean coving, picture rail, cornice/curtain rails		
Remove lime scale and polish sink/shine taps			Clean and polish mirrors, pictures		
Clean windows from the inside; wipe down windowsills/window ledges			Spot clean walls		
Wipe down all woodwork (doors, door frames, skirting boards)			Clean plugs, sockets, light switches, lamp shades, light fittings		
Wipe down radiators			Wipe down doors and tops of doors		
Clean plugs, light switches			Wipe down skirting boards and all wooden furniture carefully of dust		
Spot clean walls			Wash windows internally, windowsills, window ledges		
Dispose of all rubbish			Clean inside, outside and top of cupboards and wardrobes		
Clean and polish rubbish bins inside and outside			Clean behind and under furniture (if furnished accommodation)		
Vacuum and wash hard floors			Move mattresses and vacuum under		
			Vacuum and mop (if relevant) floors		

# USEFUL CHECK LISTS

## LIVING/DINING AREA CLEANING



Clean coving, picture rail, cornice/curtain rails	<input type="checkbox"/>
Remove cobwebs	<input type="checkbox"/>
Clean and polish mirrors, pictures	<input type="checkbox"/>
Clean and polish windows internally, windowsills, window ledges	<input type="checkbox"/>
Wipe down doors and top of doors	<input type="checkbox"/>
Wipe down skirting boards and all wood works of dust	<input type="checkbox"/>
Wipe down stairway, banister, and railings	<input type="checkbox"/>
Clean lights switch, plugs, sockets, light fittings, lamp shades	<input type="checkbox"/>
Clean inside, behind and top of cupboards and furnishings	<input type="checkbox"/>
Dust and polish all surfaces	<input type="checkbox"/>
Clean radiators/behind radiators	<input type="checkbox"/>
Vacuum and mop (if relevant) floors	<input type="checkbox"/>

## OTHER AREAS



Garage and parking space should be left clear of your possessions, cleaned, and swept.	<input type="checkbox"/>
Sheds, outbuildings should be cleaned, swept, and left clear of your possessions.	<input type="checkbox"/>
Garden, patio, terrace These should be cleaned, tidied, and left in good order.	<input type="checkbox"/>
Garden Leave as found, season dependent, jobs such as sweeping the leaves and clearing the paths should be done as a minimum.	<input type="checkbox"/>



Tenants want to rent from us

In preparing your property for letting, there may be steps you could take to improve the prospect of a successful letting and to increase the rent. Ideally, the property should appear in good order externally and inside be thoroughly cleaned and any necessary refurbishment and repairs carried out before prospective tenants are shown the property. We recommend neutral colour schemes and professional cleaning, as well as clearing the property of all personal effects. We can also advise on what furniture should be left in the property. The aim is to make it easier for tenants to imagine themselves living there and helps the property to appeal to the widest possible audience.

Any outside space and gardens should be left in a neat and tidy condition. Tenants are responsible for the day to day garden maintenance, their responsibilities for looking after the outside space will be outlined in their tenancy agreement.



# FULLY MANAGED CHECKLIST

If we manage your tenancy all you will need to do is listed below, we will handle the rest:

Fully managed Checklist	Tick Box
• Read the Terms of Business	<input type="checkbox"/>
• Complete, sign and return your Confirmation of Instruction (questionnaire and forms)	<input type="checkbox"/>
• Arrange your consents (for example mortgage consent)	<input type="checkbox"/>
• Contact HMRC for your non-resident landlord (NRL) approval if applicable	<input type="checkbox"/>
• Arrange specialist landlord buildings, contents insurance	<input type="checkbox"/>
• Consider rent guarantee and legal expense cover	<input type="checkbox"/>
• Put all appliance manuals in a box file	<input type="checkbox"/>
• Have keys cut for all locking doors (one per tenant and a master set for us)	<input type="checkbox"/>
• Review your utility accounts and cancel any relevant direct debits	<input type="checkbox"/>
• Liaise with your telecom providers	<input type="checkbox"/>

If you are planning on managing your property yourself, you will need to do all of the below:

Landlord Managing - Property Checklist	Tick Box
• Read the Terms of Business	<input type="checkbox"/>
• Complete, sign and return your Confirmation of Instruction (questionnaire and forms)	<input type="checkbox"/>
• Arrange your consents (for example mortgage consent)	<input type="checkbox"/>
• Contact HMRC for your non-resident landlord (NRL) approval if applicable	<input type="checkbox"/>
• Arrange specialist landlord buildings, contents insurance	<input type="checkbox"/>
• Consider rent guarantee and legal expense cover	<input type="checkbox"/>
• Arrange an Energy Performance Certificate (EPC) - we will need a copy before any viewings	<input type="checkbox"/>
• Arrange a Gas Safety Check, you will need to give a copy of the GSR to us and the tenant before they move in	<input type="checkbox"/>
• Arrange a Portable Appliance Test (PAT)	<input type="checkbox"/>
• Have any PAT or GSR identified works completed before the tenancy starts	<input type="checkbox"/>
• Arrange an Electrical Safety check and have any remedial works completed as required and give a copy of the Electrical Installation Condition	<input type="checkbox"/>
• Report (EICR) and written confirmation that works have taken place to the tenant, the local authority and us within the set timescales	<input type="checkbox"/>
• Arrange for any oil or solid fuel heating appliance to have an annual service and provide a copy of the report to the tenant before they move ins	<input type="checkbox"/>
• Put all appliance manuals in a box folder	<input type="checkbox"/>

# FULLY MANAGED CHECKLIST

Landlord Managing - Property Checklist	Tick Box
• Have keys cut for all locking doors (one per tenant and a master set for you)	
• Register with a deposit protection scheme, follow their legal process	
• Arrange for cleaning to a professional standard, as per your tenancy agreement, send us a copy of the receipt	
• Arrange any pre tenancy works by agreed deadlines	
• Arrange the inventory schedule of condition and check-in appointments, tell your tenant the dates and times	
• Send the above reports to all named tenants	
• Give your tenant your contact details as well as an out of hours contact name and number for weekends, bank holidays and when you are away	
• Tell all your utilities suppliers the date your tenants are moving in	
• Tell all your utility suppliers all meter readings on the day the tenants move in	
• Tell you gas / oil suppliers the tank levels on the day the tenants move in	
• Arrange the emptying of any cesspit, septic tank, or any sewerage treatment plant before the start of the tenancy	
• Liaise with your tenant throughout their tenancy	
• Organise maintenance or repairs giving your tenants a minimum of 24 hours advance notice	
• Get your contractors risk assessment and method statements (RAMS) before instructing them	
• Make sure any contractors you use are qualified and insured for the works they are doing	
• Organise to meet your contractors to give them access or keys to do the work	
• Know your contractors work guarantees and arrange payment	
• Arrange to visit the property at least once a year giving your tenants a minimum of 24 hours advance notice to gain their permission for access	
• Undertake any follow-up 'right to rent' checks	
• Give notice to or receive notice from your tenant	
• Arrange a check-out appointment on move-out day	
• Tell your utility providers the meter readings on the day your tenant moves out	
• Contact your utility providers to transfer all utilities back into your name or your new tenants name	
• Make sure you give the utility providers a forward address for your outgoing tenants for final bills	
• Calculate any dilapidation deposit deductions and liaise with your tenant on the deposit return	
• Replace missing or repair any damaged items before your new tenant moves in	
• Keep up to date with all new legislation and codes of practice to make sure you are compliant	
• Share anything you tell or give to the tenant with any guarantors	
• Find out from your local authority if your property needs a licence	
• Make the licence application (if applicable)	
• Make sure your property is compliant with the licence requirements	
• Give us a copy of the licence	

# COMMON QUESTIONS

## Should I tell my mortgage company?

Yes, your mortgage lender needs to give you permission before you can let your property. If you are buying a property with the intention of letting it out, you may be able to obtain a buy to let mortgage. Lenders may apply a wide range of parameters before agreeing a mortgage. In many cases:

- You may be charged a higher rate of interest
- You may have to pay an administration charge
- You may need to show references and tenancies before being granted permission
- Your mortgage company may also insist on the correct documentation to ensure reoccupation
- Lenders may also set the length of time the property can be let for, and permission will usually only be given if the mortgage account has been managed to the lender's satisfaction.

## What happens about insurance?

Insurers must be notified of the letting of your property so that the policy on the structure and contents may be endorsed. Insurance will be invalid if insurers are not correctly informed. We advise that insurance specific to contents cover is arranged to protect against possible damage by tenants. Rent protection comes as standard with our services (subject to policy conditions). We are pleased to be able to offer a full range of specialist, tailor-made insurance for landlords at competitive rates.

## What about tax?

It is necessary to prepare accounts each year on all properties let, whether they are furnished or unfurnished, your accounts should be presented to the Inland Revenue indicating what taxation liability might arise. Tax liability is assessed on the tax year running from 5th- 4th April. You are able to claim many allowances when letting your property that can be deducted from your profit. Such allowances included letting agents' fees, solicitors' fees, accountant fees, maintenance and repair work carried out during the letting or wear and tear allowance, lease hold, ground rent and service agreements on central heating and other appliances. The responsibility of payment of tax depends on whether you live in the UK or abroad. If you live in the UK,

the Inland Revenue will assess you for the appropriate tax. If you live abroad, we will be assessed for tax and will be responsible for paying it on your behalf, on a quarterly basis, direct to the Inland Revenue at the current rate of tax of the net rental

## Who is responsible for what?

As a rule of thumb, you are responsible for exterior and interior maintenance. You are also responsible for buildings and contents insurance and any other outgoings. The tenant has a responsibility to show a duty of care to the property and contents and is accountable for any council tax, gas, water, electric and telephone accounts.

## How do I receive my rental payments?

Rents are usually paid on a calendar monthly basis, in advance. An account is then raised, and our commission is deducted, along with any relevant charges applicable. Payments are then sent to your bank account and an itemised statement is sent electronically.

## Why should I use a managing agent?

Choosing a fully managed service allows you to completely relax. You never have to worry about your rental property. It creates a professional distance between you and the tenant and means you can avoid having to deal with all the bad bits like rent arrears and deposit disputes.

## Why should I have an inventory?

An inventory is a detailed list of the contents and condition of your property taken before the tenant moves in. It is important that if there is a dispute over damage at the end of the tenancy, you have proof of the original condition of the property and its contents.

## What is a routine visit?

The landlord or the letting agent gives the tenant notice that they will be visiting the property to check it is being looked after, and to check for any potential maintenance issues.

## What if the tenant damages the property?

Either the tenant pays to fix the damage, or the cost for fixing the damage is removed from the tenant's security deposit at the end of the tenancy. However, fair wear and tear should be allowed for.

## What is ARLA Propertymark?

The ARLA Propertymark is the leading professional and regulatory body for letting agents in the UK. ARLA Property mark is dedicated to protecting consumers by

improving standards and professionalism within the lettings industry. Letting agents are not require by law to be members. Hughes & Hughes have chosen to be members of this regulatory body.

## What is Client Money Protection?

The Client Money Protection (CMP) Scheme provides compensation for landlords, tenants, and other clients when agents misuse or misappropriate their rent, deposit, or any other client funds. Hughes and Hughes has CMP cover through ARLA: Propertymark.

## What is TPO?

The Property Ombudsman (TPO) is an independent body to which landlords can refer any complaint should the agent fail to address it to their satisfaction. Hughes & Hughes are TPO members.

## What is Right to Rent?

The Right to Rent scheme, which helps to make sure that people renting property in the UK have a legal right to be here, was rolled out across England in February 2016.

## Why do I need an EPC?

An Energy Performance Certificate, or EPC for short, is a report detailing the energy efficiency of a property. It gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years.

All landlords are required to purchase an EPC for a property before they let it and, from 1st April 2018, the property must have a minimum rating of E on its EPC. It will be unlawful to rent a property which breaches this requirement with a penalty of up to £4,000.

## What happens to my tenant's deposit?

Landlords and letting agents are required to register tenants' deposits with an approved Tenancy Deposit Scheme. At Hughes and Hughes we register deposits with the DPS. The deposit is then either held by the landlord, the agent, or the deposit scheme itself. The Tenancy Deposit Scheme is there to protect the tenant's money and help to resolve any disputes at the end of the tenancy.

## How do I know what rent to charge?

Ask a letting agent to value your home. Hughes & Hughes are experts in the market, so we can tell you how other rental properties are doing in the area, and what kind of yield you can hope to expect.

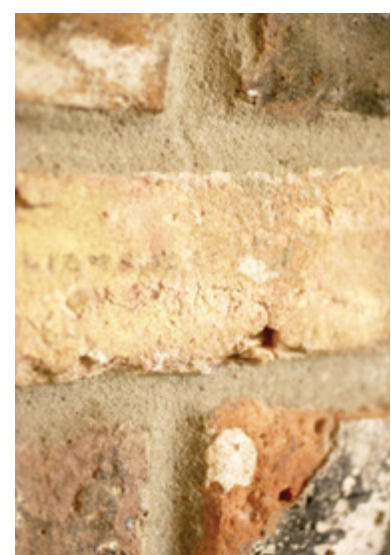
# OUR AWARDS



# NOTES



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