

# Guide for Landlords 2023



## **DIY or outsource: a guide to successful property management**

When we thought about this subject, we discussed the most time-consuming aspects of being a landlord. DIY management mostly means a lot of commuting between properties, and addressing all the ongoing issues, such as dripping taps, blocked pipes, and cracked walls... indeed, a landlord's life can be less than glamorous.

However, if you decide to spend time on it, you will probably deal with those minor daily issues successfully. The legal side seems to be the hardest and potentially most expensive side of managing a buy-to-let empire. So this is the aspect that we'd like to focus on here.

## **170... and counting**

About 170 pieces of legislation are dedicated to private rentals in the UK, and a landlord needs to know them in detail.

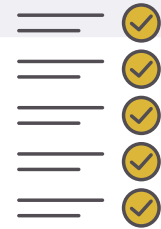
That's a lot to read (we know, been there done that!), plus the language is not the most user-friendly, trust us. But these are the rules that govern our industry; we must know them, obey them and keep an eye on all the updates.

Here's a starter list of what you need to do to stay on the safe side (read: fine-free side) of the law as a landlord.

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# Property legal compliance



## EICR and PAT testing

Fixed appliances and electrical installations must be safe. Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 require that you have your property's electrics checked every five years by a qualified person.

It will apply to new tenancies starting on 1 July 2020 as well as existing tenancies starting on 1 April 2021. It is your responsibility to ensure that the electrics are safe and to provide proof of this to your tenant.

In addition, you should conduct portable appliance testing (PAT) on any electrical appliances you provide and provide the tenant with a record of any electrical inspections.

## Energy Performance Certificate rating

Since 1 April 2020, landlords can no longer let or continue to let properties covered by the MEES Regulations if they have an EPC rating below E unless they have a valid exemption in place." In other words, you cannot start renting a property or, if you already have tenants, cannot renew a lease if your Energy Performance Certificate is classified as lower than 'E'.

As it stands, if a property does not achieve the minimum EPC standard and is not covered by a valid exemption then the landlord can be fined up to £5,000.

The consultation in 2020 proposed properties would need to reach a minimum of Band C for new tenancies by 2025 and then Band B for all privately rented tenancies by 2028. The government is yet to announce the outcome of the consultation.

## Gas Safety rules

Gas appliances and flues must be inspected annually for safety and a record must be kept of each inspection. You will then be given a Landlord Gas Safety Record or Gas Safety Certificate, which you must provide to current tenants within 28 days of the date of this inspection or to new tenants at the time of their tenancy start date.

It is possible that you will not be able to take possession of your property if you do not comply with this requirement.

## Smoke and CO alarms

Working smoke alarms must be installed on every story of living accommodation. Fixed carbon monoxide alarms are also mandatory in all rooms with a fixed combustion appliance i.e., boiler, gas

fires, open fires, and log burners (excluding gas cookers & hobs) in both private and social rented homes.

You must carry out a check on the first day of a new tenancy to ensure that smoke and carbon monoxide alarms are in good working order.

## Water

Landlords of residential accommodations have the responsibility to ensure the health and safety of their tenants is followed by keeping the property safe and free from health hazards such as Legionella.

Health and safety legislation requires that landlords carry out risk assessments for the Legionella bacteria for example by flushing out the system prior to letting the property and/or ensuring water is stored at 60°C in hot water tanks.

## Furniture

Your property can be let fully furnished, part furnished, or non-furnished, this will be entirely up to you. We can advise you at the time on whether to furnish or not and to what level. You must however ensure that any furniture supplied has the fire safety labels and is fire resistant.

## Homes (Fitness for Human Habitation) Act 2018

The Act came into force on 20 March 2019. It is designed to ensure that all rented accommodation is fit for human habitation. All landlords – private or social – need to ensure that their properties, including any common parts of the building, are safe for everyone living or visiting the property.



# Landlord compliance

## Consent to Let

### Do you have a mortgage on the property?

If you have a mortgage on the property that you intend to let then you will need written permission from your mortgage lender. Depending on who your lender is will determine whether they want to include extra clauses within the tenancy agreement.

### Is your property held on a Lease?

If you are the leaseholder of the property then you will need to check the terms of the lease and prior to letting obtain any necessary permissions.

## Council Tax & Utility Services

Arranging for transfer of the council tax and utility services into the correct tenant name is part of our services. We can assist in taking meter readings for each of the services connected to the property.

## Selective Licensing

Some of the local authorities have the power to introduce selective licensing of privately rented homes please check with your local authority for further details.

## Tax implications

If you are currently residing in the UK, it is your responsibility to inform Revenue and Customs of any rental income that you receive and to pay any taxes due. Different rules apply to NONE-UK-based landlords.

# Insurance

## Building Insurance

A landlord is not legally required to carry a dedicated building insurance policy. It's very likely that your lender will require you to take out insurance before you take on tenants if you have a mortgage on your property.

Conventional home insurance policies will not cover rental activities. Before you let your property, you usually need written permission from your lender, and failing to obtain this could mean you're breaking the terms of your mortgage.

Almost always, buildings insurance is a must if you are the freeholder of a rented property. Generally, the freeholder is responsible for buildings insurance if the property is a leasehold.

However, you should check the contract to make sure this is the case.

## Rent Protection

Even the most reliable tenant can experience financial issues at any point in their life which can result in them being unable to pay their rent on time. This can be a real inconvenience for the landlord.

Rent protection helps not only the landlord and tenant with their financial situation, but it additionally keeps a stable relationship between the two parties.

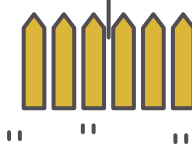
**Worried about keeping up with landlord legislations?**

**Leave it to us!**

**Check all the management services that we offer our landlords.**



TO LET



# Preparing your property

## Property preparation - Exterior

First impressions matter, so the exterior of the property should be in good decorative condition. You should clear your pathways and driveways of weeds and keep them clean and tidy. Make sure the fence is trimmed, the lawn is mowed, any cracks, holes or walls are repaired, and the house number is clearly visible.

## Property preparation - Interior

In order to maximize the letting potential of your property, you'll need to address the condition, presentation quality, and attention to detail. The highest rents are often earned by properties that are in better condition and attract better tenants.

# Searching for the ideal tenant

## Marketing Package

For best tenant attraction, we recommend preparing a comprehensive marketing package to include professional photos, a 3D scan for virtual tours, and an accurate and attractive property description. We will take care of this process on your behalf and create a marketing pack ready for approval within 24h of instruction. As soon as we get your thumb up, we begin comprehensive marketing to find you the best and most suitable tenant.

## Inquiries and Viewings

We would encourage you to filter all incoming inquiries and follow the below steps:

**Step one** – Before taking the first phone call or email, pre-screen every applicant before viewing. Ask for their source of income, credit history, pets, and always double-check the number of applicants wishing to live in the property.

**Step two** – book all your viewings for the same day allowing 30 minutes per viewing and 10-15 minutes between viewings. Conduct your viewings and ask your potential tenants the above questions once more. It will reassure you that answers during the initial screening were correct and confirmed.

**Step three** – employ a third-party company to complete referencing. It is crucial to get this right and using professionals can only help. We recommend companies such as Rent4Sure for full tenant referencing.

## Vetting

### DATA PROTECTION

In processing a tenancy application, the landlord or authorised agent is required to process and store personal information according to Information Commissioner's Office (ICO) rules. Landlords shall make every effort to keep such information safe and secure.

## IMMIGRATION CHECKS

The Agent or Landlord is required by law to carry out immigration checks on any occupiers at the Property. In these circumstances, all occupiers who are authorised to live at the Property, whether or not they are named on the tenancy agreement, will be required to provide the Landlord with documentation to support their right to reside in the UK prior to the tenancy being granted. Where an occupier has a limited right to live in the UK the Landlord or Agent is required by law to carry out a follow-up check on the occupier. Where the occupier cannot produce evidence that they have a right to remain in the UK the Landlord or Agent must make a report to the Home Office. Where the Landlord or Agent has received notice from the Home Office stating that one or more of the occupier(s) do not have a right to rent the Property the Landlord or Agent may end the tenancy in accordance with the provisions of the Immigration Act 2014 (as amended).

There are two types of right-to-rent checks; a manual document-based check or a check via the Home Office online checking service. You cannot insist on which service your prospective tenant chooses to use.

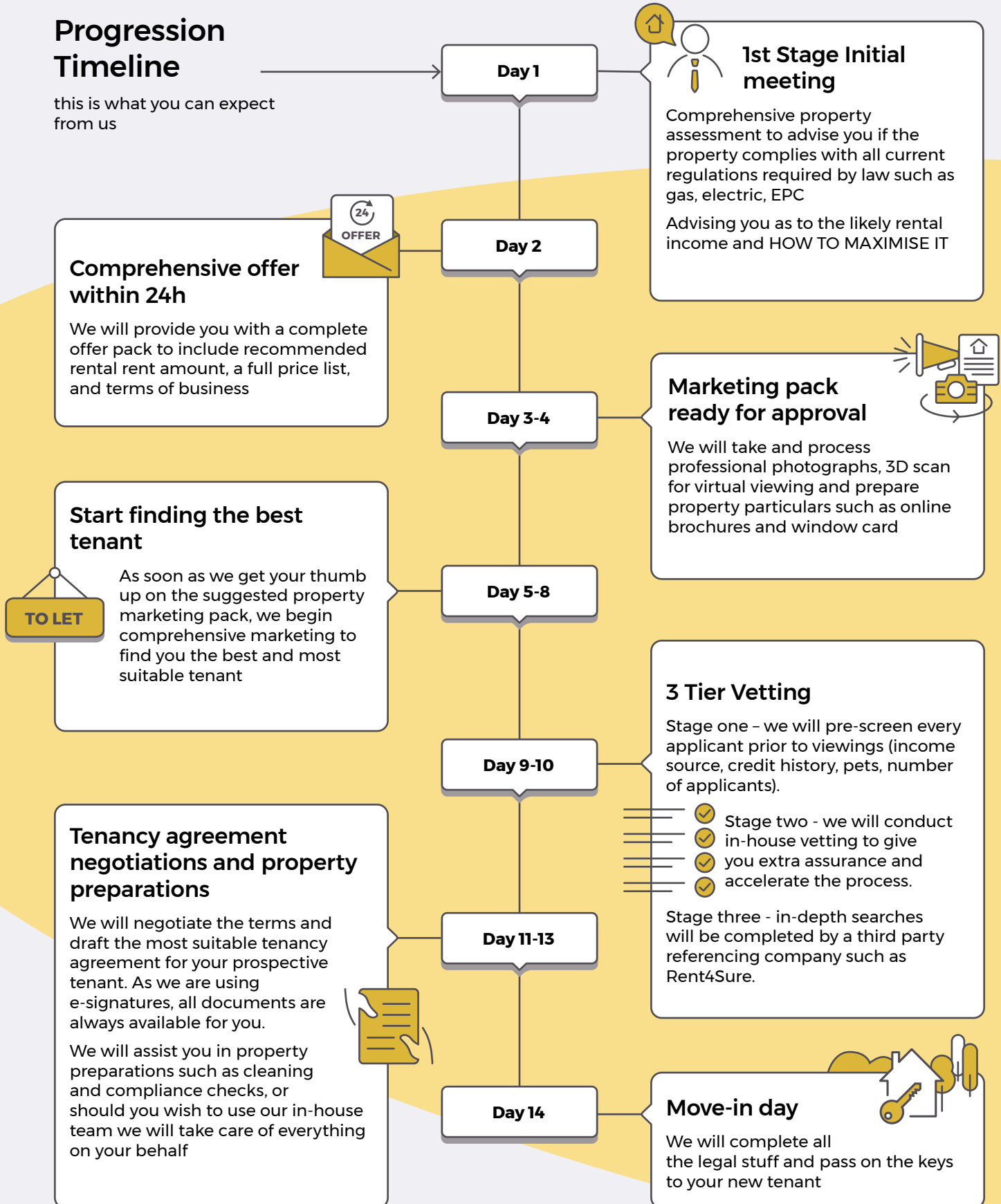
## Guarantors

For an individual tenant who is unable to provide a satisfactory bank reference or has been employed for less than one year a guarantor might be required. The guarantor is usually a member of the individual's family who is of sufficient means to provide a suitable bank reference. This person will be required to sign a legally binding document, which would make him/her liable for the rent for the term of occupancy if the tenant defaults on their obligations.



# Progression Timeline

this is what you can expect from us



Should you have any questions, please don't hesitate to contact us - we are here to help.

call Mariola or Lukas ..... **01386 443 597**  
or email us ..... **office@galleryproperties.uk**

The Gallery Properties, Dresden House, 51 High Street Evesham WR11 4DA





# Before tenancy commencement

## Holding deposit

This is normally payable upon request to rent a property and cannot exceed one week of rent. If either satisfactory vetting replies are not received or the prospective tenant changes his mind, a portion of the holding deposit might be retained to cover your reasonable costs and to compensate for any lost rent.

## Payments - Rent and security deposit

The initial payment should be received before the occupation of the property. This payment includes the first month's rent, and tenancy deposit (less any monies paid in advance). We strongly recommend taking all payments by direct bank transfer for traceability and clarity in case of a potential future dispute over missed or late rent payments.

## Issue tenancy agreement

The letting agreement must be signed by all tenants and, until this has taken place, no contractual agreement, offer or obligation is deemed to exist. The tenancy offer is provisional and given 'subject to contract' - meaning that there will be no binding agreement until the tenancy agreement has been signed by both parties.

## Security deposit

You need to protect your tenant's deposit. That does not mean keeping it safely in your account - you must do it with a protection scheme acceptable to the UK government. Check Deposit protection schemes on GOV.UK.

## Property Inventory

We strongly encourage you to have the property cleaned to a professional standard and prepare a detailed photographic inventory evidencing the contents and condition of each room in the property. The inventory is an important record that is used to assess any damage or dilapidations during the tenancy.

## Important documents - Prescribed Information, How to Rent, EPC, EICR, Gas Safe, Legionella

As a landlord, you must provide your tenant(s) an up-to-date copy of the How to rent guide, Energy Performance Certificate, copy of the gas safety certificate, and electrical installation condition report before the commencement of a tenancy.

# During a tenancy



## Rent collection

The rent payment is normally made in advance on the same day of every month. It's always best to make sure that the rent payments are set up and made at least 5 working days before your mortgage payment comes out. It is also a good practice to appoint a lead tenant to set up a standing order facility for the total amount of the rent to avoid misunderstandings between tenants.

## Inspections

If you manage the property yourself, we recommend carrying out quarterly inspections. You should of course inform your tenant(s) (normally 1 week in advance should be enough) prior to these inspections. A photographic report is a good practice to keep a record of any potential damage.

## Dealing with maintenance issues

Tenants are required to bring any disrepair, damage, or defect in the premises to the property owner or appointed managing agent. On the other hand, the landlord has a legal responsibility to maintain the fabric and services of the building and keep the property fit for habitation at the outset and for the duration of the tenancy, as required by the Homes (Fitness for Human Habitation) Act 2018.

## Communication

As soon as you become aware that repairs are needed, carry out the work within a reasonable period of time. 'Reasonable time' will depend on the nature of the problem and the tenant's experience. The urgency of some repairs will differ from that of others. It is crucial that you provide your tenant with the correct contact information, including a telephone number they can call in case of an emergency.

# Rent arrears and tenancy termination

## Rent arrears procedure

Sometimes, you may need to take action when a tenant does not comply with the terms of their tenancy agreement when it comes to rent payments.

### Step 1

The landlord or their appointed managing agent may need to chase rent arrears or ask tenants to rectify breaches of the terms of the tenancy agreement. Since 1st October 2017 the Pre-Action Protocol for Debt Claims must be followed prior to issuing court proceedings. A letter of claim must be sent to the tenant setting out specific information about the debt and giving the tenant 30 days to reply. The aim of the protocol is to encourage early engagement and communication between parties to try and resolve the matter without the need to start court proceedings.

### Step 2

Landlords cannot evict residential Tenants unless they have obtained a court order for possession. Prior to applying to the court, the Landlord must

serve a notice on the Tenant advising the Tenant that the Landlord wishes to bring the tenancy to an end.

## Eviction procedure

In the event of escalation to this stage, it's best to make sure that everything is done correctly and legally, that's why we would recommend instructing a third-party company to do it on your behalf. The correct strict procedures must be followed if you want your tenant to leave your property. In any case, you may be charged with evicting or harassing your tenant illegally if you fail to do so.

When a court issues a possession order, the renter is required to vacate the property by the specified date. The possession date is usually 14 days after the court issues the order.

If the tenant still refuses to leave by that date, the landlord must file Form N325 with the court to get a warrant of possession, and the court will dispatch a bailiff to evict the tenant.



# End of Tenancy

## Written notice from your tenant

If your tenant wishes to end the tenancy, the tenancy agreement should specify how much notice to give. We recommend asking for a written notice to clarify the final day of occupancy.

Ending fixed term agreement. Both parties can agree to end a tenancy agreement if they are still within the fixed term or wish to leave sooner than the notice period allows. Until a suitable replacement tenant is found, the tenant will be liable for rent till the end of the fixed-term agreement or, in the case of a rolling periodic tenancy, until the required notice period has expired.

## Final check and photographic report

An end-of-tenancy inspection should be conducted, ideally with the tenant present, and with the inventory agreed upon at the beginning of the tenancy available.

Take notes and photographic evidence of anything you consider to be missing, damaged, or insufficiently clean. We would always recommend trying to reach an agreement with the tenant.

## Deposit refund and disputes

The tenancy deposit should be returned to the tenant as soon as possible. A deposit protected by an insurance-backed scheme must be returned within 10 days of you and the tenant agreeing on how much you'll retain. To enable the custodial scheme to manage the deposit appropriately, you must respond promptly to any request received from the scheme.

Your deposit protection schemes might provide you and your tenant with mediation services to help resolve potential deposit claims, it is a good practice to use them before making an official claim.