



USEFUL INFORMATION FOR LANDLORDS:

1. What is Rent Protection?

Rent protection covers the landlord against non payment of rent by his tenant. It ensures that the landlord can continue to receive rent should the tenant fail to pay (subject to a maximum number of payments). We include rent protection for the first tenancy term (subject to terms and conditions). The cover we offer via Endsleigh will also provide the landlord with legal protection should the tenant need to be evicted due to non payment of rent. We reserve the right to withdraw the offer of free rent protection at any time. We also reserve the right to change the provider of the rent protection product from Endsleigh to an alternative company.

2. Why do I need Rent Protection?

Although we take great care to ensure that the tenants we find for you are thoroughly vetted before a tenancy is agreed, events can occur in the future that can alter their circumstances, for example: redundancy, divorce or separation, ill health etc...

Unforeseen circumstances can affect a tenant's ability to pay their rent. Without rent guarantee insurance a landlord would be liable to pay all costs involved in regaining possession of their property, plus sustain a loss of rent in the mean time. Considering in this area it can take over four months to go through this legal process, the financial cost to a landlord could be several thousand pounds.

3. What reference checks are carried out?

Endsleigh referencing includes the following searches and checks:

Credit History Check – Endsleigh use Callcredit to check your applicants history and to ensure that no detrimental information has been registered against them.

Bankruptcy CCJ – via information provided by Callcredit.

Undisclosed addresses

Search of electoral register – if the applicant isn't located then proof of residency is required.

Previous landlord / Managing agent reference

Income verification – 6 full month employment/self employment history is required. If the applicant can not provide this information then alternative means of income can be considered.

Endsleigh tenants database check – used to identify if a tenant has been in rent arrears in the past (due to data protection this check is only against Endsleigh own data base of tenants)

- Please note that Endsleigh are unable to carry out a credit history check on overseas addresses – proof of residency is always requested from applicants coming from overseas.
- Callcredit uses all reasonable skill in the provision of their services but because information is supplied to Callcredit by third parties, over whom Callcredit has no control, and since that information is transferred over the internet and may be subject to interference by third parties, it is not possible for Callcredit to guarantee the accuracy of the information they provide or the suitability of the information for any particular purpose.

4. What cover is provided?

For all Landlords we will provide you with Endsleigh 'smart rental protection', providing the tenant meets the criteria for this product. If the tenant doesn't meet the criteria we will discuss this with you and it will be at our own discretion if you choose to proceed with the tenancy.

We will reference all tenants through Endsleigh according to the guidelines set by Endsleigh. Once Endsleigh have passed your tenant(s) as being suitable they will issue a rent guarantee certificate which will insure your tenants for the first term of their tenancy (6 or 12 months depending on what had been negotiated with you and your tenants at the time).

For all landlords (regardless of the service you have opted for) The policy offers you the following:

Covers loss of rent should a tenant fall into arrears (max rent £3000.00 per month)

Covers loss of rent for up to 5 months on a 12 month tenancy and 4 months on a 6 month tenancy (the first months rent should be paid in advance so will not be covered and there is a one month exclusion period)

Covers legal expenses authorised/incurred by Endsleigh including court costs to obtain vacant possession after non payment of rent (up to a Maximum of £15,000)

Cover is available on both a 6 month and 12 month period and should run in line with the tenancy agreement.

Renewable (subject to terms) after the initial period.

5.What are the limitations on the cover provided?

Endsleigh pay the rent in arrears, so you will not receive the rent at the same time that you would have done had your tenant been paying.

Endsleigh will only make a maximum number of payments and the policy carries a one month excess (see previous answer)

Endsleigh will pay you rent until the tenants have been evicted (subject to the maximum number of payments – as above – and that a policy has been paid for to cover the period up until the tenant is evicted).

For all landlords: Endsleigh will send an advocate to court to represent you (although they do insist on a representative also attending as a witness), plus they will instruct the court bailiff to attend the property. All of this legal work is covered under the policy – so they will obtain possession at no cost to you.

Our charges for carrying out all of the additional work including our court attendance and attending the property with the court bailiff is £200.00 plus vat, this fee is taken from the final Endsleigh payment. Please note we cannot attend court or complete claim forms if you have opted for the Introduction Only Service, or if you have the Rent Management Service and the tenant is claiming disrepair.

6.What can I do if I want more cover than this?

** We are happy to provide further information on other policies available through Endsleigh; including a rent protection policy that carries no excess, or a policy that pays rent on a set date every month, regardless if the tenant has paid any rent:

** Extra policies or additional cover are subject to charges.

7.What happens if the tenant fails Endsleigh criteria and does not qualify for Rent Protection?

If the tenant fails the referencing then we will place your property back on the market and find you an alternative tenant. In some circumstances the tenant may be in a position to pay the full rent in advance, or offer the landlord alternative security and / or guarantor. Ultimately it is the landlord's decision if he decides to accept a tenant without rent protection. If a landlord does accept a tenant without this cover then none of the features relating to Rent Protection will apply. As a company there would be very few situations where we would recommend a tenant to you who does not have the benefit of Rent protection.

8.What other Insurance cover do I need?

Are you adequately insured? Statistics show that 53% of landlords are not insured for the risks that they are exposed to. It is imperative that landlords have adequate insurance to cover their needs. A specialist landlord household insurance policy is vital, not only for its provision of buildings insurance, but also for its liability protection. Should one of your tenants or employees be injured at your property by any of your contents (electric shock from a faulty oven, roof tile falling and hitting a tenant) you need an insurance policy that will cover you.

In extreme circumstances repair bills for property damage caused by tenants can be very costly. Everyone has seen on the news rental properties that have been 'converted' into cannabis factories. Repair costs for these landlords will be in excess of £20,000. Although, thankfully, as a company we haven't experienced this kind of destruction, some other local agencies have and it is worth considering having adequate insurance to protect you against these eventualities.

There are a range of policies available to landlords – from various companies with different benefits such as ‘add ons’ for accidental and malicious damage. We can provide leaflets by Endsleigh, or ask one of their advisors to call you. We can not advise you or comment on different insurance products as we are not regulated by the FCA and therefore not authorised to do this.

If you still think you do not require extra insurance cover consider this:

Following flash floods experienced during June 2009, 7 flats in Upper Belvedere were rendered as uninhabitable due to water damage. The block buildings insurance will cover these landlords for damage to the structure of the property. It has not covered them for replacing carpets, curtains and appliances within the properties. For the landlords that did not have separate cover for this the cost to them will be in the region of £3000.00 per property. These landlords will also suffer loss of rent for the next 4 to 5 months while the properties are being rectified.

Another landlord also found that her buildings insurance did not cover her for replacement carpets when a tank burst from the flat above into her own. The cost to this landlord was just over £1000.00.

Most landlords will not be insured as a matter of course for damage or theft to carpets, wooden flooring, blinds, curtains, appliances etc. Most landlords will also not be covered for malicious damage.

9. What happens if the tenant damages my property?

The housing Act 2004 has changed the way a tenant’s deposit is held and has brought in a set of rules and regulations regarding the way the deposit is dealt with at the end of the tenancy. As an individual landlord it is now illegal for you to hold a tenants deposit. The deposit must be safeguarded in one of the 3 schemes approved by the government (please scroll down to the end of this section for more details). At the commencement of the tenancy the tenant will pay a deposit usually equivalent to one months rent. The landlord must provide a detailed inventory/schedule of condition. (We provide an inventory service either via this company or using a separate specialist inventory company, please call us for full details, charges apply)

If at the end of the tenancy there is any damage that is not consistent with normal ‘wear and tear’ the tenant should be liable for this. Under the new law, if the tenant disputes the amount to be deducted, and both landlord and tenant cannot agree a settlement, the dispute must be referred to an independent arbitrator/ case examiner for a determination. The dispute will be dealt with by a ‘paper trail’ of evidence. It is therefore imperative that landlords provide a good inventory/schedule of condition, plus submit estimates relating to any deposit claims they would like to make.

The advice from The Association of Residential Letting Agents is that if a landlord does not provide a detailed inventory/schedule of condition he will lose any deposit disputes that may arise.

10. What are the main differences between the Introduction, Rent Management and the Full Management Services?

With the Introduction service, once the tenancy has commenced the tenant will deal direct with the landlord on a day-to-day basis. Any maintenance or repair issues the tenant has he will contact the landlord direct with. The landlord must also carefully monitor all rental payments to ensure that the rent is always paid in full and on time. Landlords must be aware that Endsleigh have to be notified within a specified time scale about any non-payments of rent. Tenants and guarantors have to be sent a 7 day and a 14 day demand letter and a claim must be submitted to and received by Endsleigh within 30 days of the rent not being received. Failure to do this will result in the rent guarantee policy that we have provided being invalidated. We would recommend that only the experienced landlord with time on their hands should choose to manage the property themselves.

With the Rent Management service we will monitor the rental payments using our sophisticated software package. If the rent is not paid on time we will contact the tenant and the landlord to try to resolve the problem. If the rent remains unpaid we will notify Endsleigh and complete all of the necessary Endsleigh claim forms.

With Full Management we will deal with all aspects of the let from the commencement of the tenancy through to the end. Summaries of the services for management are:

Advice on the letting of your property

Tenant referencing and free, insurance backed, rent guarantee

Draw up the Assured Shorthold Tenancy agreement and (at your instruction) the section 21 notices.

Collecting the rent and safeguarding the tenants deposit

Chase any late payments of rent and completing the rent guarantee claim forms if necessary.
Property inspections (at your instruction)
Maintenance issues, instructing contractors and organising estimates
Renewal agreements (at your instruction)
Arrange gas safety and electrical safety checks (at your instruction)
All day-to-day dealings with the tenants.

11. Who pays for repairs and maintenance?

The costs for everyday repairs and maintenance remain the responsibility of the landlord. If we manage the property we will arrange repairs etc on your behalf and pay the contractor out of the tenants rent. We are able to organise quotes for your approval on any major repair that becomes apparent. Under the landlord and tenant act 1985 landlords are responsible for the repair of the structure and exterior of the property together with the installations for supply of gas, electricity, water and sanitation. If the property is not in a good state of repair at the commencement of the tenancy the tenant will immediately be able to insist that repairs are carried out. If the premises were in a serious state of disrepair, the tenant would be entitled to treat the letting as being at an end because of the landlords breach of his obligation.

12. Is it better to let furnished or unfurnished?

We only let to professional tenants and have found that they have a far greater preference for unfurnished accommodation. A landlord will therefore be limiting his market if he chooses to furnish his property. A tenant will usually respect a property more if it is full of his or her own possessions. Moreover the difference in rent between a furnished let and an unfurnished let is negligible. If the property is let furnished the landlord remains completely responsible for repairing and replacing anything that becomes worn or broken (unless of course this is a deliberate act by the tenant) To this end we will no longer market a property that is furnished.

13. What about white goods?

White goods refer to large kitchen appliances. In general all properties should be let with a cooker, but anything over and above this is down to the landlords discretion. The landlord must always remember that anything that he supplies remains his responsibility and should it break down he will have to repair or replace it

14. What about bills, council tax and water rates?

The tenants are responsible for all bills, council tax and water rates. It is the tenants' responsibility to notify all of these relevant bodies before the commencement of their tenancy. The tenant is also responsible for providing meter readings and departure dates at the end of the tenancy.

15. Who do I need to notify that I am letting my property?

To avoid any problems or misconceptions you should notify the following of your intention to let your property:

Mortgage provider (Bank or Building Society)
Head landlord or Freeholder (if your property is leasehold)
Insurance Company (your insurance could be invalidated if you do not notify them that the property is being let)
Accountant or tax office
Post Office (for mail redirection - do not rely on your tenants to re-direct your mail)
Utility companies and Council - you will only need to do this if you have been living at the property yourself.

16. What about the safety regulations?

As a landlord you should be aware of the law and what the current safety regulations are:

Fire Regulations:

Under the Fire and Furnishings (Safety) (Amendment) Regulations 1993 the landlord has the obligation to ensure that all furniture in properties being rented for the first time, or any new or additional furniture being put into a property already rented out, must comply with the fire regulations by displaying a label stating that they are fire resistant. If items of furniture do not comply with the fire regulations, the landlord must either change the items before any tenancy commences or remove them from the

property. Instructions to let a property available for rental will only be accepted if all furniture complies with the regulations. Failure to do so can result in prosecution.

Gas Appliances Regulations

Under the Gas Safety (Installation and Use) Regulations 1994 and 1996, all gas appliances must be checked by a Corgi registered tradesman. The landlord must carry out such tests annually. As part of our management service we can arrange these inspections on your behalf at the landlords expense prior to the rental of the property and on an annual basis thereafter, the cost being deducted from the rent

The Electrical equipment safety regulations 1994

These regulations cover all mains voltage household electrical goods. If you let property you must ensure that the electrical system and all appliances supplied are safe - failure to comply with the regulations is a criminal offence and may result in:

A fine of £5,000 per item not complying

Six month's imprisonment

Possible manslaughter charges in the event of deaths

The Tenant may also sue you for civil damages

Your property insurance may be invalidated.

The Health & Safety Executive enforces these regulations.

Landlords and letting agents have a legal obligation and a duty of care to tenants to ensure that the electrical installation and equipment supplied in a property is safe. To this end we will not move a tenant into a property unless there is a valid electrical safety certificate on file. If we do not have a certificate on file at least 72 hours prior to the appointed move in we will organise the certificate for you. The charge of this will be made to the Landlord.

Smoke detectors

The law requires that all houses built after 1992 have electronically linked mains operated smoke detectors installed on each floor. Although older properties are exempt we would strongly recommend that smoke detectors be fitted in all rented properties at a minimum of one per floor. We can arrange to hand your tenant a smoke detector and/or carbon monoxide detector. Smoke detectors are charged at £10.00 each, carbon monoxide detectors are charged at £25.00 each.

17.What should I do before I let my property?

There has been a dramatic increase in the number of properties available for rent. The market is therefore much more competitive than it used to be. Before putting a property on the market for rent a landlord should make sure his property is in good decorative order and looks clean and tidy throughout. If you visit the property between lets and feel that your property is looking dated or tired it will become more difficult to let and /or will affect the level of rent achievable. Remember, everything that you leave in the property remains your responsibility. We advise that all properties should be let with a cooker.

18.What is the tax position?

We strongly advise you seek the advice of an accountant to discuss your tax position. We can recommend an accountant to you if required. In short, you are liable to pay tax on income from a rented property. However there are many allowable expenses that can be deducted from the rental income that an accountant will be in a position to advise you on.

19.What about overseas landlords?

We manage a large portfolio of property for overseas clients. The tax position is different. Rules on tax state that the letting agent MUST deduct tax at source. The only exception to this would be where we hold an exemption certificate with your approval number on it issued by the Inland Revenue. Copies of the relevant forms that you need to complete are available from this office.

20.Changes in legislation under the housing act 2004?

Do I need a property licence?

Mandatory HMO (Houses in multiple occupation) licensing started on 6th April 2006. From 3rd July 2006 all liable HMO landlords who haven't applied for a licence will face enforcement measures including fines of up to £20,000. Landlords that require a property licence are those who let a unit in a property that has three or more storeys and let to five or more tenants from two or more households and the tenants share facilities. If a landlord requires a property license he must obtain this himself before we will let the property.

Landlords must be aware that other than the legislation surrounding 'mandatory licensing' there is also legislation in place regarding HMO's that do not require to be licensed. This legislation will apply to some self contained flats. The definition of a HMO in these circumstances is quite broad – more information can be found about which properties are defined as being HMO's on our web site or within the Communities and local Government booklet entitled 'Licensing of Houses in Multiple Occupation in England'. Management Regulations apply to all HMO's (whether they need to be licensed or not) and impose certain duties on managers and occupiers of the building which include: provide suitable facilities for the disposal of rubbish, carrying out safety checks on electrics at a minimum of 5 yearly intervals, keep means of escape from fire free from obstruction and maintain any shared gardens.

Tenants Deposit

The Housing Act 2004 affects the way tenants deposits are held. Basically an individual landlord can NOT hold a tenants deposit for any tenancies created after 6th April 2007 INCLUDING any tenancies that commenced before this date but are renewed for a further fixed term after this date. As a company, for the landlords that have opted for our full management or rent collection services, we will automatically ensure that the tenants deposit has been safeguarded. (For our rent collection service this is chargeable) We will be using The Deposit Protection Service (custodial Scheme). For landlords opting for our Introduction service we will pay the deposit to the landlord by way of a cheque. Unless specifically agreed otherwise we will make the cheque payable to The Deposit Protection Service. The landlord will then need to pay this into The Deposit Protection Service's Scheme. (For a fee we will offer these landlords the option for us to administer the deposit for them). Landlords who opt for our Introduction Service must pay our balance of fees on or before the tenancy commencement date.

The Custodial Scheme – More Information:

The tenant pays the deposit to the agent or Landlord who will then pay the whole amount into the scheme. Within 14 days the landlord/agent must notify the tenant of the scheme being used and issue the tenant with 'Prescribed information' as defined within the Housing Act. At the end of the tenancy the scheme must return the deposit to the landlord/tenant as agreed. If there is a dispute this will be referred to the Alternative Resolution Dispute Service to resolve.

Requirements relating to tenancy deposits

A landlord or a letting agent will not be able to take a deposit in respect of an Assured Shorthold Tenancy unless the deposit is safeguarded.

A landlord/agent will have to:

- deal with a deposit in accordance with an authorised scheme,
- comply with the initial requirements of a scheme within 14 days and
- give the tenant the appropriate information relating to the deposit within 14 days of receiving the deposit.

Until this is done, the landlord will be unable to regain possession of the property using the usual 'notice only grounds' for possession, which are by way of a Section 21 Notice. Under Section 21 of the Housing Act 1988 a landlord can obtain an order for possession of an Assured Shorthold Tenancy at any point after the first six months of the tenancy providing any fixed term has expired and they give the tenant at least two months written notice.

Preventing a landlord from being able to use this ground will provide the tenant with a much greater security of tenure and will act as an incentive for landlords to ensure deposits are safeguarded by a Tenancy Deposit Protection Scheme.

Court proceedings

Tenants can apply for a court order requiring the deposit to be safeguarded, or the prescribed information to be given to him about the scheme in which the deposit is safeguarded. Where the court

believes the landlord has failed to comply with these requirements, or the deposit is not being held in an authorised scheme, the court must either order the landlord (within 14 days of making the order) to repay the deposit, or order the landlord to pay the deposit to the custodial scheme administrator. The court **must** also order the landlord to pay to the tenant a fine of three times the deposit amount within 14 days of making the order.

Do I need an inventory?

Inventories have not been made compulsory under the new legislation. However the advice we are being told to pass on to all landlords is that if you do not provide a detailed inventory/schedule of condition at the start of the tenancy you will lose any deposit dispute that may arise at the end of the tenancy.

Housing Health and Safety Rating System

The Housing Health and Safety Rating System applies to all properties, not just houses in multiple occupation. The HHSRS is intended to replace previous regimes for judging the fitness of housing stock. The system uses statistical analysis to produce an accurate and objective assessment of the potential hazards in a property. Local authorities can be called in by tenants to assess individual properties. Landlords should be aware that the environmental health officer will assess the whole property and not just the issues that the tenant have reported to them. It is a landlords responsibility to ensure that properties are offered and kept in good/safe/ hazard free conditions.

Energy performance certificates

From 1st October 2008 all rental properties with a new tenancy in England and Wales must have an Energy Performance Certificate (EPC).

An EPC will be carried out by a Domestic Energy Assessor. They will visit the property to ascertain the age, construction and location, as well as its current fittings such as heating systems, insulation, double glazing etc.

The Government have introduced this legislation so that all tenants are able to see instantly how energy efficient and environmentally friendly properties are. A tenant will be able to compare energy ratings on similar properties and work out which property will be more cost efficient when it comes to paying heating bills etc.

The EPC will be valid for 10 years, although some landlords may decide to commission a more up to date certificate if they carry out improvements within their properties such as double glazing or central heating.

A rental property can not be marketed without an EPC.

All information is provided in good faith. It does not replace the advice of a qualified legal advisor. We will accept no responsibility for any inaccuracies.

21.Consumer Protection From Unfair Trading Regulations 2008 and The Business Protection From Misleading Marketing Regulations 2008

We must provide accurate information to tenants who show an interest in your rental property. We have a duty to disclose anything to the tenant that may be relevant to them making a decision about proceeding with viewing the property and / or applying to rent the property.

With this in mind landlords must provide us with correct information and disclose to us anything that may be deemed as being relevant.

We must not supply false or misleading information.

22.Right to Rent

From 01/02/16 Under Section 22 of The Immigration Act 2014 a landlord must not authorise an adult to occupy property as their only or main home under a residential tenancy agreement unless the adult is a British citizen, or European Economic Area (EEA) or Swiss national, or has a Right to Rent in the UK.

Right to Rent checks for new tenancies have to be carried out to determine whether occupiers aged 18 and over have the right to live in the UK legally.

We will carry out checks on all tenants that we move into our properties by way of asking for an authorised form of proof of their right to rent. This may include seeing the tenants passports, permanent residence cards or travel documents showing indefinite leave to remain in the UK. If a persons permission to stay in the UK is time limited then follow up checks have to be carried out. If the tenancy is part of our fully managed or rent collection service then the follow up checks will be carried out by us. If you have opted for our Introduction Only Service then follow up checks will become the responsibility of the landlord.

If a tenancy is granted to a tenant who does not have a right to rent in the UK then fines can be imposed of up to £3000.00 per occupier. Fines can also be imposed for not carrying out any follow up checks which may be necessary.

And under tenants FAQ – what identification do I need? please add

All tenants over 18 must prove they have a legal right to rent in the UK. Therefore you must provide:

- A Passport showing the holder is a British Citizen or a Citizen of the UK and Colonies having the right of abode in the UK
- A Passport or National identity card showing that the holder is a national of the European Economic Area of Switzerland
- A current immigration document issued by the Home Office containing a photograph with an endorsement indicating that the holder is permitted to stay indefinitely in the UK.

For a full list of what we can accept please refer to the Gov.uk web site

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/489675/2016-01-5_Document_Guidance_For_Landlords_V1_1.pdf

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