



ROBERT IRVING BURNS
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LANDLORD GUIDE FOR LETTING RESIDENTIAL PROPERTY

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Below is an advice guide for Landlords on renting out residential property. As always, these guides are subject to alteration at any time and should be used as a frame of reference only. If you need specialist advice on any aspect of this guide, please contact us and we will talk you through everything you need to know.

GETTING STARTED

Property Condition

If a property is provided in good condition from the outset, you are more likely to attract a tenant who will want to maintain the property and start the tenancy on a positive footing. The property should be presented to the highest standard possible and in full working order. Most tenants will be looking for neutral and fresh decoration throughout with high quality furnishings, fittings and flooring. Kitchens should be equipped with contemporary appliances including oven, hob, extractor hood, dishwasher, washing machine and dryer and a good sized refrigerator/freezer. Bathrooms should also be contemporary with good quality fittings and adequate water pressure, ventilation and heating.

Exterior

Where applicable, the exterior of the property should be in good decorative order, garages clear and gardens in good seasonal condition.

Cleaning

It is essential that the property is professionally cleaned before the tenancy commences. If we are managing the property for you, we will organise this on your behalf.

Appliances/Manuals

You will need to ensure that all appliances are serviced and in good working order. Manufacturers operating and instruction manuals for all appliances and electrical equipment must be left in the property. If there are any maintenance contracts in place, these should be provided and both the agent and tenant informed.

Keys

You will need to provide the tenant with sufficient sets of keys and security fobs. If we are managing the property we will need to hold a full set of keys throughout the full term of the tenancy.

Telephone Line and TV Aerials

You will need to ensure that there is a working telephone line and TV aerial socket at the property before the start of the tenancy. You will also need to confirm whether satellite or cable is or can be installed.

Post

You will need to ensure that you re-direct your mail if applicable.

Inventory

It is strongly advisable that a detailed and independent inventory is carried out to protect all parties. We will be able to recommend an independent company to do this. The tenancy agreement requires that the tenant returns the property and contents at the termination of the tenancy in the same condition, save for fair wear and tear, as recorded in the inventory. An inventory will also be required as evidence should there be any dispute regarding deductions claimed from the tenants deposit at the end of the tenancy. Unless the tenancy falls outside the Housing Act 1988, the landlord will need to pay the cost for both the entry and exit inventory.

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Insurance

It is recommended that you have insurance for buildings, contents and public liability and advise your insurance company that you will be renting out the property. The tenant will be responsible for ensuring their own personal belongings.

Mortgages

In most cases when a property is subject to a bank loan or mortgage, written permission is normally required by the lender to let the property. The landlord must obtain the necessary consent and we would ask that this is applied for at the earliest possible time prior to making your plans for letting. Tenants may require proof of consent or official documentation to confirm that permission has been granted.

Leasehold/Superior Landlord/Consents

If the property is leasehold you will need to check the head lease to ascertain if there are any necessary consents need to let your property and any restrictions. For example, there may be a clause which prevents tenants from having pets.

Houses with Multiple Occupancy (HMO)

Under the Housing Act 2004 an HMO is where three or more people share accommodation and amenities and form two or more separate households. Large HMOs consisting of three or more floors and occupied by five or more people living in two or more single households where the occupiers share basic amenities are subject to mandatory licensing. Each local authority has the power to introduce additional licensing schemes which apply to certain HMOs that fall outside the scope of mandatory licensing.

It is the Landlord's responsibility to obtain licensing where applicable. If we are managing the property we will be able to assist with applying for the license for a cost of £300 including VAT. This charge is payable in addition to the cost of the license. If we are not managing the property, we may be able to assist for a cost of £420 including VAT in addition to the cost of the license.

Managing issues during the tenancy

Even with new properties, there can be issues during the tenancy such as problems with noise from neighbours or your tenant not maintaining the property well enough. You can help identify problems early by having a detailed inventory and carrying out regular checks on the property. If we are managing the property for you, we will carry out property visits and assist with all issues that may arise during the tenancy including any disputes.

LEGAL OBLIGATIONS

Gas safety (Installation and use) regulations 1998

It is a criminal offence to let a property with gas appliances, installations and pipe work that have not been checked by a Gas Safe registered engineer. You will need to provide a copy of a Gas Safety Certificate (GSC) carried out no more than 12 months previously. The GSC will need to be renewed annually and copies left in the property.

Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022

It is the Landlord's responsibility to ensure that the property is equipped with at least one functioning smoke alarm on each floor of the premises where there is a room used wholly or partly as living accommodation. It is also a requirement that a functioning carbon monoxide alarm is located in any part of the accommodation that contains a fixed combustible appliance, such as a gas boiler (excludes gas cookers) and that checks have been made to ensure that every alarm is in proper working order on the first day of a new tenancy.

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The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020

It is the Landlord's responsibility to have the electrical installations inspected and tested by a person who is qualified and competent, at least every 5 years. A copy of the Electrical Installation Condition Report (EICR) must be provided to all tenants at the start of the tenancy. If the result of the Inspection is 'Unsatisfactory' you will have 28 days (or less if noted on the report) to have the remedial works carried out and obtain written confirmation the works have been completed. This written confirmation must be kept with the original 'Unsatisfactory' report to ensure compliance and both must be sent to the tenant within 28 days of completion of the remedial works.

Energy Performance Certificate (EPC)

By law, we are prohibited from marketing a property until an EPC is available or has been commissioned. We will be able to help you arrange this if required.

Flood and Water Management Act 2010 (Section 45)

The landlord has an obligation to provide the tenant's contact details to the relevant water company at the end of the tenancy or they will become jointly and severally liable for any unpaid water charges during the tenancy.

The Fire and Furnishings (Fire) (Safety) Regulations 1988. The Fire and Furnishings (Fire) (Safety) (Amendment) Regulations 1993

It is a criminal offence to let property with upholstered furniture or soft furnishings containing foams that cannot be proven to comply with the regulations. Specific items must be match resistant, cigarette resistant and carry a permanent label.

How to Rent Guide

From October 2015, a landlord must provide a current copy of the government publication along with the EPC and GSC. If these documents are not provided to the tenant at the start of the tenancy this may invalidate any Section 21 notice for possession served during the tenancy.

Legionnaires Disease

In order to comply with the Health and Safety Executive Code of Practice, landlords are advised to carry out a risk assessment to their premises prior to letting.

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

From 1st January 2005, the above regulations came into force requiring qualified personnel to carry out certain electrical work at premises. To ensure compliance with the regulations we will only use a competent person to carry out any electrical work at the property.

Safety standards for internal blinds and curtains

It is a legal requirement that all blinds and curtains which include a cord or chain must comply with the recent published safety standards. Blinds and curtains that are already fitted in a property must be made safe or replaced.

Tax and Overseas Landlords

You will be liable for tax on income arising from letting the property and you must inform Her Majesty's Revenue and Customs (HMRC) that you are letting out the property. You must also keep all your invoices for six years for tax purposes. You should be aware that we are required to forward a form to HMRC annually detailing all landlords whose premises we have let and the rental income they have received, regardless of the country of residence of that landlord.

HMRC has special rules regarding the collection of tax on rental income if you are a landlord who is resident overseas for a period of more than 6 months in any tax year, or you subsequently move abroad. If you fall in to this category, it is your responsibility to obtain a tax approval number from HMRC. The relevant form and guidance notes can be downloaded from www.gov.uk/tax-uk-income-live-abroad/rent. Until that approval number is provided to us by HMRC directly, we are legally obliged to deduct tax from your rental income at the prevailing rate (currently 20%). This money is forwarded to HMRC on a quarterly basis. If the tenant pays the rent directly

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to you and you are non-resident in this country and an approval number has not been provided to the tenant by HMRC, the tenant must deduct tax from the rent and forward to HMRC on your behalf.

Right to Rent Checks

For all tenancies starting on and after the 1st February 2016, all occupants have to undergo 'Right to Rent' checks. As the landlord, you are required to establish who will live in the property, check and copy one or more original documents that demonstrate to the Right to Rent in the UK for all adult occupiers, in the presence of the holder. We will carry out the Right to Rent checks as part of our referencing process.

Types of Tenancy Agreements

In many cases the type of tenancy created is an Assured Shorthold Tenancy in accordance with the Housing Act 1988. Where the tenancy does not fall within the scope of the 1988 Housing Act, a Company or Contractual/Common Law Tenancy will normally be arranged. Generally properties are rented on an annual basis, but the tenancy can be for any term agreed between the Landlord and Tenant. However under the provisions of the Housing Act 1988 repossession cannot be granted by the courts from a Tenant unwilling to vacate a property in the first six months of a tenancy, therefore we prefer wherever possible to arrange tenancies with a minimum term of six months. If required, a release clause to end the tenancy before the expiry of the agreed fixed term, or an option to renew for a further term can be inserted into the contract, subject to negotiation. Once the tenancy has commenced the Tenant has security of tenure for the fixed period, provided they are not in breach of the terms of the Tenancy Agreement.

At the expiry of a fixed term tenancy the Landlord can take possession of the property. In the case of an Assured Shorthold Tenancy the Landlord must first serve a minimum of two months notice of his intention to do so.

Stamp Duty

Under the Finance Act 2003, the Landlord no longer has any liability for Stamp Duty on any lease created for a residential letting after that date. Where applicable, the sole responsibility for the payment of the Stamp Duty Land Tax is placed on the Tenant.

Rent

Unless otherwise stated, rent is exclusive of telephone, water, gas, electricity and Council Tax.

Utilities & Council Tax

It is the tenant's responsibility to contact the electricity, gas, water services and telephone companies to notify them of the change of user at the commencement and termination of the tenancy. The landlord and tenant must sign for the supplies with the utility companies. It is the tenant's responsibility to write to the local Council Tax office and notify them of the change of occupier at the commencement and termination of the tenancy. If we manage the property, we will be able to notify utility providers where we have been furnished with the appropriate information to do so. The tenant is also responsible for paying the TV licence fee in respect of the use of any television in the property during the tenancy.

Deposit

At the commencement of the tenancy, the tenant is required to lodge an amount usually equivalent to five weeks of the agreed rent, as security against any damage or loss at the property not reasonably considered to be due to fair wear and tear. Unless otherwise agreed, the deposit will be held by RIB as stakeholder and registered with the government approved deposit scheme, TDS. At the end of the tenancy the deposit will be returned to the tenant, less any agreed deductions. We will require all parties to confirm in writing before we can release the deposit.

RIB is a member of the Propertymark Client Money Protection scheme and The Property Ombudsmen redress scheme.

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PRE-TENANCY CHECKLIST

- 01 EPC arranged
- 02 Gas safety completed
- 03 Smoke alarm tested/carbon monoxide alarm installed
- 04 EICR completed
- 05 Furniture labels checked
- 06 Blinds/curtains checked
- 07 Legionnaires disease risk assessment
- 08 Appliance manuals obtained and left in the property
- 09 Working telephone line/TV aerial installed
- 10 Keys arranged
- 11 Head lease checked/building management informed
- 12 Professional clean booked
- 13 Inventory booked
- 14 Mortgage company informed
- 15 Insurance company informed
- 16 24 hour emergency contact details in place
- 17 HMRC approval obtained if applicable
- 18 Utilities notified
- 19 Post re-directed



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