



PROPERTY MANAGEMENT

Guide for landlords



An introduction to Swan Property Management

Welcome to Swan Property Managements' guide for Landlords. Swan Property Management has been successfully letting properties in the Crawley area for over 15 years and has the advantage of an unrivalled reputation within the town.

We are proud to be members of the National Approved Lettings Scheme which means Swan Property Management is fully bonded for Lettings and Management and we are also members of the Government backed tenancy deposit scheme.



Landlords benefit from our links with corporate relocation Companies, personnel departments and major Gatwick based firms together with the most extensive marketing available, which means we let your property quickly achieving the highest rents with the least possible void periods given you the best return.

We offer professional unbiased advice on rental values, demand and any other property related matters, so with our attention to detail and tenant selection process Swan Property Management should be your only choice.

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Inspecting and valuing your home

We will visit your home at a convenient time to suit you and undertake an initial consultation to establish your wishes and needs. It is essential that an accurate appraisal is obtained and location, style, number of rooms, and furnishings will all be taken in to consideration.

Marketing your property

As much as 80% of all property searches start online*, so we will make sure your property gets seen by as many of the right tenants as possible.

Your property will be placed on our hugely successful web site www.swanproperty.co.uk which receives over 1000 clicks a day, we will also arrange for your property to be listed on primelocation.com, findaproperty.co.uk and rightmove.co.uk (the leading property portal with up to 14 million hits per month)*

*source-www.home.co.uk

Details of your property will be emailed to our list of selected applicants who are awaiting accommodation; we will also contact the personnel departments of local Companies and Corporate Relocation Agencies.

We are big advertisers so your property will advertised each week, which will appear in the Crawley News, Crawley Observer and Weekend Herald property publications until a suitable tenant is found.



Viewings

We always recommend that we hold a spare set of keys to your property, tenants who need to move quickly or who have little time to look at accommodation may be lost if we cannot contact landlords to arrange viewings. If you are in residence we will always contact you prior to meeting with prospective tenants and all viewings will be accompanied by a member of staff.

Decoration

Properties that look their best always rent more quickly and achieve higher rents, whether the property you are letting is your own or a rental investment it always pays to make sure the décor is chosen to suit your target market.

Please contact a member of staff should you require further guidance and advice.

Furnishing

Certain properties rent more quickly if furnished while with others it makes little difference and while furnishing your property will not necessarily affect the rental price the quality of furnishings certainly will so we will be happy to advise you on the best approach.

References

We use a specialist agency to assess the suitability of prospective tenants. They will obtain a full credit report together with employment and previous landlord references if applicable.

Company tenants / company let

We deal with a number of Companies that take on property for staff member(s) and their families. In this situation, the company itself would become the 'tenant' and would be held responsible for the monthly rental and the condition of the property. We use the same credit search agency for company references that will obtain bank information and ensure that the company is reputable and financially secure.

Insurance

As Landlord, you are responsible for maintaining adequate buildings and contents Insurance. The tenants are only responsible for covering their personal belongings and any accidental damage they may cause to your property.

We would offer that you notify your Insurance Company of your proposed letting to ensure that your policies are not affected in any way, i.e. the company refusing to pay out in the event of any claim due to the fact that the property has been let.

Swan Property Management offer HomeLet insurance products that are designed specifically for landlords and thus take into account all risks involved and will reduce the possibility of any dispute in the event of a claim.

Homelet can provide buildings; contents (which includes landlord liability) also rent guarantee and legal protection cover. Please contact a member of staff for further information or visit www.swanproperty.co.uk for an online quote and instant cover.

Letting a property with an existing mortgage

You must advise your lender if you have a mortgage on the property to be let and consent should be given in writing before the start of any tenancy.

Letting a leasehold property

If the property is owned on a leasehold or share of freehold basis, you must check the head lease and/or Management Company permit lettings and ensure that the terms of any superior lease are adhered to.

Tax

Tax is payable on the profits from letting a property. However, there are various allowances that may be set against the rental income, e.g. Managing Agents commission, mortgage interest and other expenditure relating to the letting of the property.

Swan Property Management recommends that all potential landlords seek advice from their accountant prior to letting their property. Should require further information, please contact a member of staff.

Overseas landlords

Income from letting UK property is subject to UK income tax, even if you live abroad. As your agent, we must retain tax on rents received unless you have been approved by HM Revenue and Customs (HMRC) to receive rent without tax deducted. In order to receive your rent gross you must complete the relevant paperwork and submit it to the HMRC before the start of the tenancy.

Forms are available from http://www.hmrc.gov.uk/cnr/nr_landlords.htm

Tenancy agreements



An Assured Shorthold Tenancy Agreement is used under the Housing Act 1988 as amended 1996. The usual period is for six months, after which point a further fixed term can be agreed or the Tenancy runs onto a Statutory Periodic Tenancy, this is after consultation with both you as the Landlord and the Tenant.

Our fee for preparing the Tenancy Agreement, serving of notices and all related administration is £85.00 plus VAT. This fee is payable every time a new Contract is signed including renewals.

Security deposits

A security deposit will be taken from the tenant which is equivalent to six weeks rent. This will be held by us as approved members of the tenancy deposit scheme and used, if necessary, to cover any damage or non-payment of rent.

Under the provisions of the Housing Act 2004 it is illegal for you as a landlord to hold the deposit unless you have individual membership of an approved scheme, should we be instructed on a Let Only basis then we will forward the deposit to you with instructions on your obligations.

Inventories

A comprehensive inventory provides an independent record of the condition of your property at the start and end of the tenancy. It forms the basis of any claim you may need to make on your tenant's deposit. The absence of an appropriately produced inventory may prejudice your claim or result in it being rejected completely.

If you instruct Swan Property Management we will arrange to have the inventory compiled, meet the tenants on the move day, check them in and then check the condition of your property at the termination of lease.

Our charges for this Inventory Service are detailed below they are one off so as long as you continue to use Swan Property Management you will not have to pay for a check in, check out or remake fee, however this is subject to you using our tenancy agreement and letting services.

Property Size	Compilation
Studio/One Bedroom	£ 85.00 + VAT
Two Bedroom	£110.00 + VAT
Three Bedroom	£150.00 + VAT
Four Bedroom	£175.00 + VAT
Five Bedroom	£200.00 + VAT

Energy performance certificates

From the 1st of October 2008 all rental properties in the UK will require an Energy Performance Certificate to be conducted prior to a new tenancy agreement commencing. This is an EU Directive and is being supported by the government.

What does the report entail?

A qualified Domestic Energy Assessor (DEA) will visit the property and assess the overall efficiency of the property. The fuel consumption and the Carbon footprint (ingoing and outgoing energy) are assessed and the property receives an efficiency rating as a result.

All areas of the property will need to be accessed including basements and loft areas. The structure of the house will be established as well as the construction age. Items such as heating controls, light fittings, heat emitters, windows and loft insulation levels are considered, the DEA will then produce the report based upon these factors.

The report is in a format commonly used to show the efficiency rating on modern white goods with a coloured graph depicting the band in which your property falls. This is decided by a nationally used software package which the DEA has access to. The specific details of your property are entered and the report is then produced.

When do you need a report produced?

Whilst the new regulation is a mandatory requirement from 1st October the report only needs to be conducted when new tenants move into the property. A report will not be required for a property whose tenants are already in situ on 1st October. When that tenant moves out and a new tenant is found then the EPC will be required. Renewing tenancy agreements does not constitute a new tenancy, only when tenants move out and new tenants move in does the regulation come into effect.

Our charges for this Service are detailed below;

Property Size

One Bedroom	£85.00 + VAT
Two Bedroom	£90.00 + VAT
Three Bedroom	£95.00 + VAT
Four Bedroom	£100.00 + VAT
Five Bedroom	£105.00 + VAT
Six Bedroom	will be quoted on a case by case basis

Should you have any further questions regarding these new regulations or you would like us to carry out a report on your behalf then please contact our office.



Gas safety & annual boiler servicing

Landlords must arrange maintenance by a Gas Safe Registered engineer for all pipework, appliances and flues, which they own and have provided for their tenants use. Landlords must arrange for an annual gas safety check to be carried out every 12 months by a Gas Safe Registered engineer.

Landlords must keep a record of the safety check for 2 years and issue a copy to each existing tenant within 28 days of the check being completed and issue a copy to any new tenants before they move in.

We can instruct our Health and Safety Executive approved Gas Engineer to carry out this service if you require (for further information please visit www.hse.gov.uk/pubns/indg285.pdf).

FAILURE TO COMPLY WITH THESE REGULATIONS MAY LEAD TO A PROSECUTION WITH PENALTIES OF IMPRISONMENT AND/OR FINES UP TO £5000.00.

Fire regulations

Since 1988 it has been an offence to make furniture that does not comply with the Fire Resistance Requirements laid down in Regulation 14 in the 1988 Regulations. Subsequently, as from March 1993 it has been an offence to supply furniture that does not comply with these regulations.

Therefore if you are considering letting your property FURNISHED then you will be responsible for ensuring that all upholstery and soft furnishings carry the necessary permanent labels which detail the fire safety tests that the furniture has passed, this must include both the cigarette and match resistant tests. Penalty for non-compliance is a fine of up to £5,000 or six months imprisonment, or both.

Swan Property Management will require you to sign a form stating that you have read and understood these regulations and have done all you can to comply. If any furniture in your property requires replacing prior to commencement of tenancy, we can assist you with this service (please ask for full details).

Set out below is a very brief guide to furniture compliance, if you have any queries please do not hesitate to ask advice from any member of our staff.

If you bought your furniture "brand new" after 1988 then it should comply.

If you bought your furniture second hand after 1993 then it should comply. (This does not apply if you purchased from a private person).

If your furniture was made prior to 1st January 1950 is not covered by the regulations, as defective inflammable materials were not used prior to this date.

Obviously these are only rough guidelines, as you have to rely on the proper conduct of the shop you purchased from. The only way to be completely sure that your furniture complies is to check for the required labels.

These regulations apply to all soft furnishings and covers and the only exclusions are: Sleeping bags, Duvets and Bedclothes, Loose Covers for Mattresses, Pillowcases, Curtains and Carpets.

For further information you can contact West Sussex Trading Standards on (01293) 895124 or ask a member of our staff.

FAILURE TO COMPLY WITH THESE REGULATIONS MAY LEAD TO A PROSECUTION WITH PENALTIES OF IMPRISONMENT AND/OR FINES UP TO £5000.00.

Electrical equipment (safety) regulations 1994

The above regulations impose an obligation on the landlord to ensure that all electrical appliances left as part of the property are tested for earthing, insulation and leakages. Cabling, fuses and plugs should also be inspected and replaced where necessary to the correct rating for that particular appliance.

Other legislation covering electrical installations is currently in force and in order to avoid prosecution, we recommend that all electrical appliances in let properties are regularly checked and serviced.

FAILURE TO COMPLY WITH THESE REGULATIONS MAY LEAD TO A PROSECUTION WITH PENALTIES OF IMPRISONMENT AND/OR FINES UP TO £5000.00.

Houses of multiple occupation

Is my property an HMO?

Type of dwelling	Occupancy Description	Is this a HMO?	Is a Property Licence required?
2 storey	Single family	No	No
	2 persons who are unrelated	No	No
	3 or more persons who are not related forming two or more households	Yes	No
3 storey	Single family	No	No
	2 persons who are unrelated	No	No
	3 or 4 who are not related forming two or more households	Yes	No
	5 or more persons who are not related and form two or more households	Yes	Yes

Note: Includes loft conversions of two story properties

Utility boards and services

The tenants are responsible for all the utilities supplied to the property for the term of the tenancy. This includes council tax, gas, electricity, water, sewerage and phone services. If you are using our inventory service then we will arrange for all the relevant readings to be taken and checked at the start and end of the tenancy.

Proof of this payment of these utilities is required before any deposit monies are refunded at the end of their lease. Landlords are then responsible for these utilities if any void periods occur.

Repairs and maintenance

Landlords letting their property for the first time should ensure that all the appliances are in good working order. It is helpful to have instructions and handbooks that relate to the household appliances including the central heating. In addition, if there have been any recurring maintenance issues, or a specific "knack" to operating any appliance, please make a note of this and any other useful information which you feel may be of assistance to the tenant.

If your property is being fully managed please make us aware of any service contracts you have in place for the heating, plumbing or appliances otherwise we will arrange for any repairs or maintenance through one of our approved contractors.



Swan property management commission structure

Lettings only

Swan Property Management will advertise your property and accompany viewings until a suitable tenant is found. We will then obtain references from each of the applicants, advise on a suitable Tenancy Agreement, and collect the first months rent and the security deposit.

Our fee for this service is 10% + VAT of the first six months rent subject to a minimum fee of £350.00 +VAT. This is a one off fee with no further charges for renewals.

This Letting only fee is deducted from the first months rent.

Lettings only with rent collection

Swan Property Management will advertise your property and accompany viewings until a suitable tenant is found. We will then obtain references from each of the applicants, advise on a suitable Tenancy Agreement, and collect the first months rent and the security deposit and any rent due thereafter.

We will deal with the transfer of utilities, hold keys, insure the deposit and arrange payment of any outgoings.

Our fee for this service is 10% + VAT of the rent for the complete term of the tenancy, including any renewals thereafter. This charge is deducted monthly from the rent as it is collected and the balance paid to an account nominated by the landlord.

Two months written notice is required from any landlord who wishes to terminate this service; minimum contract period is six months, however fees remain due on any tenancy for which Swan Property Management has found tenants until the tenant vacates the property

Full management

Swan Property Management will provide in addition to the above Lettings Service with Rent Collection the following:

- **Liaise with the tenants on a day to day basis**
- **Arrange for any necessary maintenance / repairs**
- **Settle all property maintenance costs, insurance renewals, etc.**
- **Carry out periodic visits to your property and provide reports**
- **Administer the security deposit, deal with any dilapidations and advise on deductions**
- **Serve the relevant notices upon the tenant and landlord**
- **Provide Tax Advice**

Our Full Management service endeavours to remove all of the day to day property management stress from the landlord.

Continued »

Rent is normally collected monthly and in advance and whenever possible we will arrange for it to be paid by Standing Order.

Swan Property Management will also prepare a statement detailing the gross rent received, less our commission and any rates, maintenance repairs or other payments made within the period. The balance will be paid directly into an account of your choice.

Inspections will be carried out on your property initially six weeks after occupation of the tenant and periodically thereafter. This is done to provide a snapshot view of the condition of the property also ensuring that the tenants observe all the covenants of the tenancy.

Our Fee for Full Management is 12.5%+ VAT of the rent received for the complete term of the tenancy. This charge is deducted monthly from the rent as it is collected and the balance paid to an account nominated by the landlord.

Two months written notice is required from any landlord who wishes to terminate this service; minimum contract period is six months, however fees remain due on any tenancy for which Swan Property Management has found tenants until the tenant vacates the property

Rental Guarantee and Legal Protection Cover

Even the best tenants fall on hard times. In fact, most rent defaults are due to an inability to pay when circumstances change, rather than a refusal. Reasons can include unavoidable situations like loss of job, relationship breakdown, or long-term sickness. While you may be sympathetic to your tenants' situation you still need the money to pay the mortgage.

Rental Guarantee and Legal Protection offers you the peace of mind that your rent will be paid.

The charge for this cover is 2.5%+vat of the rent for the complete term of the tenancy.

Administration fee

Whichever letting service you choose there is an administration charge of £85.00+ VAT. This fee is to cover the costs of legal agreements, notices and tenant referencing. This fee is also payable for renewals of tenancies.

We trust that this information has answered most of your questions, if you have any queries please do not hesitate to contact a member of staff.



Landlords checklist

Landlords Authority. We will require a signed Landlords Authority form, giving us permission to act on your behalf as agent so we can commence marketing.

Consent to Let. Obtain written permission from your Mortgage Company, superior Landlord if a leasehold property and insurance company. Failure to do this may result in the tenancy being deemed unlawful.

Insurance. Please ensure you have adequate building and contents insurance, not all insurance policies cover let properties, Homelet provide specialist insurance for Landlords including liability insurance & legal expenses cover. Should you require further information then please contact a member of staff or visit www.swanproperty.co.uk for an online quote and instant cover.

Energy Performance Certificate (EPC). From the 1st October 2008 all rental properties in the UK require an Energy Performance Certificate to be conducted prior to a new tenancy agreement commencing.

Gas Safety Regulations. Remember Under the Gas Safety (Installation and Use) Regulations 1998 to arrange maintenance by a Gas Safe Registered engineer for all pipe work, appliances and flues, which you own and have provided for your tenants use. You must also arrange for an annual gas safety check to be carried out every 12 months by a Gas Safe Registered engineer

Fire Safety Regulations. You must ensure all furniture and soft furnishings comply with the Fire and Safety Regulations 1988 (amended 1993). Any furniture or furnishings that do not comply must be removed from the property.

Electrical Safety Regulations. You must ensure that the electrical equipment is safe and will not cause danger and that it satisfies the safety requirements of the 1994 Regulations.

Inventory. It is essential to have an inventory which gives an accurate record of the properties contents and condition.

Keys. We will require an initial set of keys for viewings and then additional sets will be required prior to the start of the tenancy.

Utilities. You will need to notify the necessary utility companies of your moving date and address for final bills.

Post. It may be worth considering postal re-direction as we can not guarantee that your post will be forwarded to our office

Non Resident Landlords Approval (NRL). All Landlords who reside abroad for 6 months or more will need to complete a (NRL) form in order to apply for approval from the Inland Revenue for us to pay you the rent without making any tax deductions. (All forms are available from our office or www.swanproperty.co.uk)

Rent Payments. We will require your bank details to arrange rent payments to you by BACS transfer. If we are collecting the rent on you behalf you will also receive a monthly statement via email. (All rents are paid monthly in advance).

Deposits. If we are holding the deposit it will be held as stakeholder in a separate client account and will be registered under The Dispute Service (TDS), all client funds are also fully bonded under our (NALS) client money protection scheme. If you are holding the deposit you must either forward the deposit to the custodial scheme or use one of the insurance based schemes to insure the deposit.

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This guide has been designed to offer practical advice. It is not intended as a comprehensive lettings reference.

If you need any clarification of the information in this guide, please do not hesitate to contact a member of staff who will be pleased to help with any of your questions.



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