



33 Main Street, Stretton, Burton on Trent  
Staffs, DE13 0EA

# Guide to Property Management & Letting



Telephone: 01283 534818

Fax: 01283 512455

[lettings@sjproperty.com](mailto:lettings@sjproperty.com)

[www.sjproperty.com](http://www.sjproperty.com)



## Introduction

---

Welcome to S J Property Services. We are a local property management company based in Stretton, who have been trading in the estate agent and property management industry for 10 years.

We offer a local friendly, professional service and our knowledge of the local residential market is second to none.

If you are thinking of renting out your property it is vital that you are aware of your legal rights and obligations.

We are carefully trained to put your needs first. We can give you advice on every aspect of letting your home: for example what you will have to pay for, the likely order of events, the type of tenancy agreement you should use, interviewing your tenants and current laws about letting properties. We give you practical and understandable advice. Our service has been designed to help you let your property without stress or worry.

## Valuation

---

We will value your property and give you our professional advice free of charge. Our valuation will be based on our extensive local knowledge, current market conditions and similar properties that we have recently let. Our valuation will be realistic and honest.

## Our charges

---

As with most agents, in return for our service you will pay us a percentage of the rent you receive. We offer two levels of service and the percentage you pay us depends on the level you choose.

**Standard Service** - You will pay an administration fee of £150 and a service charge of 10% of the rent we collect. The service we provide includes management of your tenancy from the moment you place your property in our hands until the moment you take it back. You will be responsible for the maintenance and property inspections.

**Premium Service** - You will pay an administration fee of £150 and a service charge of 12% of the rent we collect. The service is the same as the standard service but we will carry out detailed quarterly inspections and organise all maintenance including quotations. The only other charges you will have to pay are the costs of repairs

Our charges are all subject to VAT at the current rate.

# Managing your property

---

When we receive your instructions we will do the following.

- Advertise for tenants, in the local free newspaper and on the internet via our own website, Rightmove.co.uk & fish4homes.co.uk.
- Find a tenant you would choose yourself. All of our tenants will be investigated by an independent agency that will find out how suitable they are.
- Keep you up-to-date with what is going on while we are finding a tenant.
- Make sure that when somebody views your property they are shown around by us, pointing all of the benefits of your property and find the viewer's opinion.
- Hold a deposit equal to at least one and a half months rent.
- Write a tenancy agreement and any notices that are needed under the Housing Act 1988.
- Write an inventory (a list of the contents, fixtures and fittings in your property) which will be agreed on and signed by the tenant.
- When we let the tenant into the property we will read the meters. We will also tell the service companies and local authority the name of your tenant so he or she can be billed for the Council Tax and pay for the gas, electricity and water.
- Explain to the tenant how the equipment in the property works (if you have given us the instructions).

During the tenancy we will do the following.

- Collect the rent when it is due, pay it to you each month and give you a full and accurate statement of the rent account each month.
- Check your property every 3 months and sort out any problems for you, after getting your permission if necessary – full management only.
- Arrange for any repairs, renewals and refurbishment you ask for.
- Make sure that at the end of the tenancy, the tenant leaves the property in a good clean condition and the gardens neat and tidy.



## Letting your property

---

Almost any property can be let, whether it is furnished or unfurnished. How quickly a property is let depends on three main factors:

- its location;
- its condition; and
- the rent you are charging.

We have experience in letting and managing all types of accommodation from single bedroom flats to the largest homes. We let homes to individuals, families, and business people.

Before you let your home you must consider:

- what sort of people you want living in your property;
- how long you want them to stay;
- whether letting is allowed under the conditions of your mortgage;
- whether you will pay income tax on the rent;
- what regulations you have to meet before you can let your property; and
- how well your property will be managed.

We will be pleased to answer any questions you have. You, the owner, are our client. Our reputation and our business depend on the quality of service we give to you.



# The tenancy agreement

---

## Introduction

A tenancy agreement is a legally binding contract between you, us (the Agent) and the tenant of a property. The agreement contains the conditions and responsibilities of you and the tenant, including the term of the tenancy and the conditions that will apply if you want to take the property back.

All our tenancy agreements are written to meet the needs of each owner, after taking account of the Housing Act 1988. We will ask you what you would like in the tenancy agreement before we let the property for you. Our tenancy agreements are regularly updated to include changes in the law and to take account of our own experiences. The rights and responsibilities of you and the tenant are written clearly so that you both understand them.

If you or the tenant do not follow the terms of the agreement the other person has the right to take legal action.

## The Housing Act

The Housing Act introduced two types of tenancy, the assured tenancy and the assured shorthold tenancy. There are also two types of tenancy agreement, which are not covered by the Housing Act. These are agreements covering the letting of a house to a limited company and the letting of a home for holidays.

The most common tenancy agreement we use is the assured shorthold tenancy. This agreement provides the maximum security for you and is recommended by most building societies. This agreement must be for at least six months. After six months, the agreement continues until you or the tenant gives the necessary notice.



## Laws which apply to letting

---

### The Furniture and Furnishings (Fire)(Safety) Regulations 1988 (Amended 1989 and 1993)

These regulations set new standards of fire resistance for soft furnishings in your home. A lot of house fires start because soft furnishings catch fire and the poisonous fumes, which they give off, have caused many deaths. Most furniture bought as new after 1 March 1990 will already meet the standard of these regulations.

All the furnishings you leave in your house must meet the standards. In brief, the standards are as follows.

- Upholstered items (for example beds, sofas, armchairs and so on) must be filled with fire-resistant material.
- Upholstered items must have passed a match resistance test or, if made from certain types of fabric (such as cotton or silk), must have a fire-resistant second lining.
- The cover, fabric and filling material must have passed a cigarette resistance test.
- All furnishings, which meet the standards, will have a label to say this.

### Gas Appliances (Installation and Use) Regulations 1998 (See Appendix1 Gas Safety The Law)

There are gas appliance regulations because of the large number of cases of carbon monoxide poisoning, which occur every year. The poisoning is caused by faulty gas appliances or flues, which are not installed correctly. The regulations have been introduced to improve the design of gas appliances and to make sure that flue gases are removed from the property in a safe way. Landlords and letting agents must make sure that all gas appliances in rented property are checked for safety at least once a year and they must keep a record of the checks, dates of inspection and any problems that are found. A copy of the safety certificate must be given to the Tenant.

You can meet these regulations by having a service contract with the Gas Company or another CORGI approved firm, or by letting us arrange the inspection. If you already have a contract you should send us a copy so that we can make sure the inspection takes place and the safety certificate is obtained.

# Financial matters

---

## The rent

- We realise that you have to trust us and so we take the following steps to protect your money.
- All the rent we receive is paid into a separate client account.
- We do not take any money for our services or pay out any money on your behalf without your permission.
- The money of one client is never used to pay the debts of another.

## Mortgage conditions

If you let a property which you have a mortgage for you usually have to get permission from the mortgage lender. If you can show that the property will be professionally managed and let within the terms of the Housing Act 1988, you will usually get permission. You may have to pay the mortgage lender an administration fee. We will give mortgage lenders letting details and an example of our agreements if you ask us to.

## Building and contents insurance

You must insure your building and, if you let your home furnished, the contents. This is not the tenant's responsibility. Tenants do have to insure their own possessions in the property. If you have any problems arranging insurance we will be happy to arrange and renew your insurance for you.

## Inland Revenue

You have to pay tax on the money you get from letting your property. The amount you pay will depend on several points. We can produce an annual account for your property but you may need to get an accountant to do the tax return. The accountant will know what relief and allowances you can have. We can recommend the service of a qualified accountant and tax adviser.

The 1994 Finance Act introduced new rules for people who do not live in the United Kingdom while there your home is let. Normally, we as your agent would have to take basic rate income tax from the rent we collect and pay it to the Inland Revenue. But you can now ask the Inland Revenue to receive your rent with no tax deducted.

To get approval you will need to fill in an Inland Revenue Form NRL 1, which we will provide.

If you will not be living in the United Kingdom and you get approval, you may still have to pay tax so you must get professional advice on what you will pay.

## Gas safety - The Law

The current legislation controlling the installation and use of gas is the Gas Safety (Installation and Use) Regulations 1998 which came into force on 31 October 1998 and place duties mainly on installers, landlords and some gas suppliers.

These Regulations aim to prevent injury to consumers and the public from either carbon monoxide (CO) poisoning or fire and explosion.

In particular the Regulations require gas installation businesses

- to be registered with **Corgi**, which is approved by HSE to maintain a register of gas installation businesses
- monitor the competency of those businesses and their operatives to undertake gas work safely and to investigate complaints against registered installers

All gas fitting operatives are also required to be able to demonstrate they are competent to undertake gas work safely normally by being assessed against nationally accepted standards.

Landlords have duties to ensure that the gas appliances and flues they provide for tenants' use are maintained in a safe condition at all times and checked for safety each year by a **Corgi** registered installer, and a copy of the check record is provided to the tenant.

Unlike landlords there is no duty on owner/occupiers of private domestic property to have their gas appliances either maintained or regularly checked for safety.

For this reason HSE, other government departments and **Corgi** have over the past few years, spent a considerable amount of money on publicity campaigns advising owner occupiers to take such action. Below are the main responsibilities for landlords, tenants, letting agents and owner occupiers.

### Landlords - responsibilities

#### By Law you must:

- Ensure installation pipe work, appliances and flues provided for tenants are maintained in a safe condition
- Ensure an annual safety check is carried out on each appliance and/or flue that you provide for tenants use
- Ensure maintenance and annual safety checks are carried out by a **Corgi** registered installer
- Keep a record of each safety check for 2 years
- Issue a copy of the safety check to each existing tenant within 28 days of check being completed and to any new tenant before they move in

- Ensure all gas equipment (including any appliance left by a previous tenant) is safe or otherwise removed before re-letting
- If a managing agent is used to help the landlord in meeting their duties, make sure that the management contract clearly specifies who is to make arrangements for maintenance and safety checks to be carried out and for keeping records. However, the landlord maintains overall responsibility for ensuring duties are met, irrespective of whether a managing agent is employed
- Ensure that anyone carrying out work on gas appliances/fittings and/or flues provided for tenants use has the required competence and that only **Corgi** registered installers are used

## **Tenant - responsibilities**

### **HSE advises:**

- You should allow your landlord access to the property to carry out maintenance or safety checks on appliances and/or flues that they provide for your use
- That gas appliances and/or flues you own should be regularly maintained and a safety check carried out at least once every 12 months by a Corgi registered installer
- That, if there is any doubt about the safety of gas equipment it should be turned off and not touched until checked by a competent installer, and remedial action taken as necessary

## **Letting Agents - responsibilities**

### **By law you must:**

- Ensure that the management contract clearly specifies who is to make arrangements for maintenance and safety checks on gas equipment and for keeping associated records
- Where specified by the management contract ensure gas appliances and/or flues are serviced at least once every 12 months or at any other time if there is a safety doubt
- Ensure that maintenance and safety checks on gas appliances/fittings and/or flues provided for tenants use are only carried out by a **Corgi** registered installer

## **Owner Occupier - responsibilities**

### **HSE Advises:**

- That all gas appliances and/or flues should be regularly maintained and a safety check carried out annually or at any other time if there is a safety doubt by a **Corgi** registered installer.