

Global Developments Letting Agents

Landlords Brochure



Landlords Information to Letting Your Property With Global Developments

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An Introduction to Letting your property

Renting your property may be a necessity or an attractive commercial proposition. Either way professional advice is always essential. To most people their home is probably the largest single investment that they have made. In many cases it has been acquired by years of hard work, expense and sacrifice. So naturally the decision about what to do needs careful consideration.

Letting is a viable option that could cover mortgage repayments, general out goings and possibly return a net profit as well. If considering letting for investment purposes many benefits exist under the current Rent Act Legislation. One of the main ones is to enable landlords to charge open market rates free of any rent control. Furthermore, in the form of the Assured Shorthold contract, those landlords unable to commit themselves long term have an exit when and if they need it.

Globals specialise in the Letting and Management of residential property and can offer all the sound professional advice you need. You will receive the time and attention that you require. We take pride in our careful selection of tenants and the majority of the people we deal with any professionals.

The First Step

Once you have actually decided to let your property you should book an appointment for one of our experienced negotiators to view the property and give you an accurate market appraisal (the valuation by us is exclusive of domestic services for which you are not responsible. i.e. telephone, electric gas etc).

All our staff have a wealth of local knowledge in the property rental market. It is up to you to decide on any conditions, which may be put on prospective tenants. i.e. no pets, no children etc. And we will endeavour to ensure the same.

Once we have visited your property we will put our valuation in writing to you the very next day and any suggestions that would help rent your property.

Your property will be advertised from all four global offices and several websites including Rightmoves and Hot Property. All prospective tenants are accompanied by a member of staff.

Tenants

Once a tenant has put a deposit to show commitment, we will then take up full references. Each individual tenant will have to provide at least three references. Depending on the situation of the tenant these will consist of the following :-

Employer Work reference
Letter from you accountant if self employed
Landlord reference
Character reference
Photo ID
Three months wage slips
Three months bank statements

All tenants are credit checked. A meeting between the landlord and tenant can be arranged if so desired to ensure you are completely satisfied with the proposed occupants. Please remember that we act for the landlord and not the tenant. It is your property you will have the final say.

Services

Only you, the landlord, may sign off for gas, electricity and telephone prior to the tenants taking occupation, however we will usually assist in going tenants with the transfer of Services.

Deposits and Rent

Prior to the tenants taking up occupation we will collect one Months rent in advance and one months rent as deposit. Unless other wise agreed with the landlord, the deposit is held by Global Lettings and management on all managed properties.

Unmanaged properties from 6th April 2008 all deposits have to be bonded with the Tenancy deposit Scheme. (Tenancy deposit solutions) of which we are a member. Further information can be found at www.mydeposits.co.uk.

Capital Gains Tax

The sale of the property has been let potentially gives rise to capital gains tax in respect of the increased value since it was purchased. However there are various exemptions e.g. the property has been your main residence throughout ownership and we would again refer you to a professional tax advisor for further clarification.

Insurance

Your property and its contents should be insured and the cover index linked to keep up with inflation. Many household insurance company and arrange for the relevant amendments and endorsements to be made to your policy.

Global Developments are in partnership with FCC Paragon. We can provide property Insurance rental Protection and Legal expenses warranty. Further information is enclosed.

Management Service

Global Developments & Management has a fully computerised system which enables us, amongst other things to check that rental payments are on time giving you the security of regular monthly payments you require.

All relevant notices will be served to ensure possession of your property for when you require it returned we will also handle all maintenance problems and act as a go between screening you from any additional problems. I must stress that the management of the property is highly complex especially when any problems occur.

Please note that unless you are completely familiar with the Housing Act 1988 and various other Acts that will effect the letting of your property, we strongly stress that you take our management service.

Why use Global Developments.

Deciding to let your property is a big decision to make and one that requires a great deal of thought and advance planning. The property management team offers the best service possible and we pride ourselves on the thorough knowledge of the rental market and go to great lengths to ensure that every landlord receives a personal and dedicated service. So please telephone us now for any free advice or to book an appointment at your property. Put your trust in the team at Global Developments. If you would like any other information please don't hesitate to ring us on:- 01702-316304 or fax 01702-619991.

Mail

Landlords should make arrangements with the Post Office for redirection of their mail. We regret we cannot accept responsibility for collecting mail from vacant premises of redirecting mail to landlords.

Overseas Landlords

Global Developments do not manage unattended properties and therefore if the property is not let before leaving the country you should arrange for someone close to the property to visit on a regular basis. You should also arrange for standing order payments of any bills likely to arise before the property is let.

Types of Tenancy Agreement

Housing Act 1988: This act came into force on the 15th January 1989 and created two types of tenancies.

The Assured Shorthold Tenancy (AST) Properties let on an AST do not allow the tenant security of tenure and the landlord is guaranteed possession on the termination of the tenancy provides of course that the conditions for an AST are satisfied and the prescribed notices are served prior to and during the tenancy.

An AST has to be granted for a fixed term of not less than six months.

The tenant can apply to the Rent Assessment Committee (RAC) to have the rent reduced. The RAC's role is to determine a reasonable market rent based on comparability other AST's in the area. They will only re-assess the rent if they have sufficient comparable evidence and if as a result they find the rent the tenant is paying is satisfactory during a tenancy.

No later than two months prior to the end of the tenancy the landlord or his agent must serve notice on the tenant stating that vacant possession is required on the expiry of the agreement. (this notice must be in the correct legal formal format).

If this notice is given at a later date the landlord must wait for two months from the serving of the notice providing that the notice is served correctly then if the tenant does not vacate the court must grant the landlord and order for possession.

Important Note

In all cases when seeking to recover possession a landlord must take legal advice from a solicitor. A landlord must not take the law into his/own hands and evict the tenant himself. Every tenant in all cases has protection from eviction in the eviction act 1977 which provides that a court is necessary should the tenant refuse to vacate.

Company lets

Granting a tenancy to a Limited Company outside of the Housing Act and therefore the tenant does not have security of tenure nor can it approach the RAC for reduction in rent. However it must be a bonafide company let, to accompany for its employee and under no circumstances should a landlord agree to let a company specifically be set up for this purpose.

High rents and Statutory Instrument 434/1990

Properties let in excess of certain rent limits (currently £25,000 per annum i.e. £480.00 per week) are excluded from the Act and therefore the tenant does not have security of tenure and the landlord can obtain possession upon expiry of the tenancy has no fixed term by giving the tenant four weeks notice.

Leasehold Property

Prior to letting a lease hold premises one should ensure that the lease permits a sublet and that written consent or a license is necessary. We assume that this has been done and the landlord indemnifies Global Developments against any problems that may occur.

Mortgages

If the property is subject to a mortgage we advise you obtain permission from the Mortgages.

Management Service.

Our service costs just 10% of the monthly rental plus a finder's fee. The finders fee differs depending on the size of the property.

The Fire & Furnishing (Fire) Safety Regulations 1988 & The Fire & Furnishings (Ammendment) Regulations 1993

Generally with effect from March 1st 1993 it is an offence to supply furniture which does not comply with the fire resistance requirements contained in regulation 14 of the 1988 regulations if that furniture has been first provided or required since March 1st 1988.

Landlords may or may not be aware of this recent legislation which make it an offence for them to supply furniture bought new since March 1st 1993 or brought into the property for the first time since that date that does not meet what is known as the match test cigarette test and ignitability.

These regulations apply to all upholstery and upholstered furniture loose fittings permanent or loose covers etc which we shall refer to as furniture for this purpose of this note.

The regulations do not apply to furniture manufactured before January 1st 1950. This therefore exempts period or antique furniture.

After January 1st 1997 ALL furniture supplied whether new or old and whether or not previously included in a letting must comply with 1988 regulations.

The supply referred to in the Regulations is in the course of business and section 46 Makes it quite clear that the supply can act as both principal and Agent. Therefore as your letting Agent we clearly carry on a business and it will be an offence by us as your Agent if we do not comply with these regulations.

You will appreciate that we have to ensure that your furniture complies with these regulations and your written confirmation of this required upon taking instructions of your property together with a warranty indemnifying us against any costs arising against us in the even of us indirectly committing an offence having relied upon the information given to you by you.

Gas Safety Regulations For Landlords

From October 31st 1994 it became law for gas equipment in rented properties to be checked annually by a registered installer and to keep accurate records of work carried out on all appliances in their control.

Regulations 35

1. It shall be the duty of every employer or self employed person to ensure that any gas appliance or installation pipe work installed at any place of work under his control is maintained in a safe condition so as to prevent risk of injury to any persons.
2. It shall be the duty of any person who owns a gas appliance or any installation pipework installed in premise or any part of premises let by him to ensure that such an appliance or installation pipe work is maintained in a safe condition so as to prevent risk of injury to any person.
3. Without prejudice to the generality of paragraph (2) above a person subject to a duty imposed by that paragraph shall:
 - (A) Ensure that such appliance to which that duty extends is checked for Safety at intervals of not more than 12 months by or by an employee of persons approved for the time being by the Health and Safety Executive for the purposes of regulation 3 (3) of these regulations.
 - (B) Keep a record in respect of the appliance to which that duty extends of the defects identified and any remedial action taken.
4. The record referred to in the paragraph 3 (b) above shall be made available upon the request and upon responsible notice for the inspection of any tenant who may be effected by the use or operation of any appliance to which the records relate.

The regulation applies to landlords of domestic property who should maintain a record of when each gas appliance was checked the defects found (if any) and the remedial action taken.

Landlords who ask Agent to manage their properties should ensure that the management contract specifies who is responsible for the maintenance of gas appliances and for keeping records to indicate when such maintenance has been carried out.

Allowable Deductions – these includes the following :-

- A) Water rates ground rent service maintenance charges payable under the head lease.
- B) House hold and building insurance premiums.
- C) Cost of maintenance.
- D) The cost of renewing furniture carpet and curtains alternatively an allowance of 10% depreciation may be claimed per annum.
- E) Agents letting management fees and inventory fees.
- F) Mortgage/loan interest (as long as you are not already claiming on them i.e. MIRAS). Accountants fees and legal fees.

The above is for a guide only and is by no means a complete list. We are not tax specialists and you should therefore seek professional advice.

ASSURED TENANCY (AT) An AT can be for any length of time and contain whatever provision for early termination that may be agreed between the parties. Whilst the landlord can charge a market rent and tenants cannot apply to the RAC (see point 6) the tenant is afforded more security of tenure than the AST. The landlord repossess the property for limited reason:

Rent Arrears 3 months if the rent is paid monthly.

Redevelopment by the landlord It is not practical for the tenant to remain in the property if the landlord intends to construct or demolish the property. However the landlord will have to meet the tenant costs for removal.

Owner/occupier if the landlord has occupied the property as his main residence prior to the tenancy.

The notices as with the AST must have been served prior and during tenancy.

If the tenant fails to vacate the property at the end of an AST the landlord will need to obtain an order for possession from the court.

The only reason a tenant may apply to the RAC is if the landlord should choose to increase the rent during the AT and there has been no provision for an increase in the original agreement.

Maintenance

Please ensure that at the commencement of the Tenancy your property is in good decorative order equipped and in condition fit for letting. The property should be thoroughly cleaned including skirting boards cupboards curtains upholstery and windows inside and out. If you need your carpets cleaned or any other maintenance please contact :-

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EMAIL: www.globalestateagents.co.uk

We offer very competitive rates and the quality of our workmanship is excellent.

Gardens should be left in a tidy and cared for condition and if the Tenancy is required To maintain the garden then appropriate tools must be provided.

Where there is a shower or shower attachment proper precautions must be taken to avoid possible leaks. Baths should be sealed and the shower curtains screen fixed.

Appliances.

All appliances should be in full working order and instructions booklets left for the tenants. We recommend maintenance contracts on any major electrical appliances.

Central Heating

The boiler for central heating and hot water should be serviced annually and a Safety Certificate should be obtained which we can arrange. The price for a full service survey and Safety certificate is £65.00 plus VAT. (see gas Safety Regulations for Landlords). Detailed notes on how to ignite the boiler and operate the system should be left clearly in display. If details are not left it may result in a contractor being called out to show the tenant how to use it and the cost for such a visit will be born by the landlord.

Global Developments hope that this brochure has answered more questions than it has raised. If you need any other information please don't hesitate to ring us or pop in and see us at the above address.