

# **AN INTRODUCTION TO CONNECT-UK**

## **LETTINGS**

Connect-Uk offers a comprehensive, efficient and personal service to all property owners wishing to let their property. We are an independent agent with vast experience in residential lettings throughout Crawley, Horley, Copthorne and all surrounding areas of Gatwick. We tailor our service to meet each property owner's individual needs and offer practical advice on a wide range of issues relating to your property.

This guide to letting your property has been put together to enable you to understand all aspects of letting your home in a language that can be fully comprehended. We trust that this information pack will answer many of your questions.

### **1. VALUATION**

It is essential that an accurate appraisal is obtained with regard to location, style of property, number of bedrooms, furnishings, fixtures and fittings in order to achieve a level of rental which will attract a number of applicants to the property and from which a good rental and a high quality tenant can be selected.

If rental figures are too high, this will not generate sufficient interest from applicants and consequently the property will remain Un-let until a more realistic figure can be negotiated and as time passes, valuable income will be lost. We do however strive to secure the highest level of rental that the current market will allow.

### **2. MARKETING YOUR PROPERTY**

Once we have inspected your property and a level of rental and length of lease has been established, letting particulars are then prepared.

Details of your property are sent to our list of selected applicants who are awaiting accommodation and to companies who have expressed an interest in similar properties. We will then arrange viewing for interested parties and accompany all prospective tenants.

Your property will be advertised each week whenever possible, in the local property press covering Sussex and Surrey, until a suitable tenant is found.

Previous experience has demonstrated the importance of speedy access to available properties, 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 viewing. We therefore recommend that we hold a spare set of keys to your property so that viewings are not lost, although we will always endeavour to contact you prior to meeting with prospective tenants.

### **3. DECORATION**

Over the past few years, we have witnessed a massive expansion in the Lettings Market, which has also increased the tenants demand for quality. Property owners are now in competition for the most reliable tenants, and if you are interested in the corporate tenant market, then the presentation will become even more vital. Money invested in your property will reduce void periods between tenancies, increase the rent and attract a higher quality tenant.

We are able to introduce you to contractors who specialise in refurbishment and property maintenance. Please ask for details.

## **4. FURNISHINGS**

We recommend that property owners leave in the property whatever they would expect to be provided with, should they wish to rent a property themselves. In general, a furnished property must contain all basic appliances that are considered for day-to-day living (e.g. refrigeration, washing and cooking appliances, basic furnishings, such as beds, chairs, wardrobes and kitchen utensils). An unfurnished property contains carpets, curtains, nightshades, and all kitchen appliances. This is at the discretion of the landlord, but advice should be taken regarding the furniture and furnishings. (Fire Safety Regulations 1988, see point 15).

## **5. REFERENCES**

Although our staff may recommend that tenants to be accepted, the final decision is the responsibility of the Landlord. Once suitable tenants have been selected, we take up the necessary references using an independent credit reference agency.

This company will research each occupant's credit history, current and previous address's and any relevant property owners or managing agents, employment history, personal references and request bank details. We are then provided with a written report, which details all responses and is suitable for insurance purposes.

### **Company Tenants / Company Let**

It is now quite common for companies to take on a property for staff member(s) and their families. In this situation, the company itself would become the 'tenant' and will be held responsible for the monthly rental and the condition of the property. We use the same credit search agency for company references and they will obtain bank information and ensure that the company is reputable and financially buoyant.

## **6. INSURANCE**

As the Landlord, you are responsible for maintaining adequate buildings and contents insurance on your property. The tenants are only responsible for covering any personal belongings, which they take into the property.

We would recommend 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 because the property has been let.

The buildings cover insurance is paid annually direct to the insurance company. We can arrange to have statements forwarded to us for payments and if necessary, we will claim on your behalf for any loss or damage.

## **7. LETTING A PROPERTY WITH AN EXISTING MORTGAGE**

If the property that you intend to let is subject to a mortgage, the mortgagee (usually the building society or bank) must be notified of the proposed letting.

It is normal procedure for the Building Society or banks to request a copy of the Tenancy Agreement and Housing Act Section 20 Notice of an Assured Shorthold Tenancy, which will be used for the letting of your property. Once received, approval prior to letting will usually be given.

In the majority of cases, there will be no administration charge made or increase in percentage of interest charged on the mortgage account by the mortgagee. However, a few Banks and Building Society's do charge a small fee to cover their costs, so we would advise that you make enquires at your local branch.

## **8. LETTING A LEASEHOLD PROPERTY**

If your property tenure is leasehold, i.e. a flat, you should check with your solicitor or the managing agent that the lease does not prevent you from letting the property. In any event, the head lesser should be informed of the proposed tenancy.

## **9. TAX**

Connect-UK recommends that all potential property owners seek advice from their accountants or bankers prior to letting their property. Tax is payable on the profits from letting a property. However, various allowances may be set against the rental income, e.g. Managing Agents commission and other expenditures relating to the property.

Expenses relating to the property but not to the letting, such as mortgage interest, repairs, depreciation of fittings can be set against the income but there could be a capital gains tax liability if this is done. If you need more information, please do not hesitate to contact the lettings manager, who will be able to discuss this matter with you in full.

### **Overseas Landlords**

As Managing Agents, under section 78 of the Taxes Management Act, we are required by law to retain a tax reserve at the current rate from the gross rental income received where the property owner is residing abroad.

Property owners who will reside abroad must inform us and seek the advice of an accountant prior to their departure. In many cases, an exemption certificate may be obtained which will allow us to pay your rent on a gross basis.

## **10. TENANCY AGREEMENTS**

It is essential to have the terms and conditions of the letting set within a properly prepared Tenancy Agreement. Our solicitors have approved the agreements that we have prepared and adequate provision for repossession of the property is in accordance with the Housing Act 1988.

All tenancy agreements and any subsequent endorsements can be signed by us as Managing Agents on your behalf if we have signed instruction to do so, thus saving time and expense mailing to an owner who is residing abroad. Connect-UK will ensure that all monies (security deposit and first months rent) are in the form of cleared funds before the tenant moves into a property.

## **11. SECURITY DEPOSITS**

A security deposit (one and a half months rent) is taken from the tenants and passed on to The Deposit Protection Agency and used if necessary, to cover any dilapidation's, loss or damage, and outstanding accounts at the end of the tenancy.

Upon termination of the tenancy agreement, an independent inventory clerk will check out the tenants and arrange for any necessary cleaning and/or repairs, replacements to bring the property up to the required standard.

## **12. INVENTORIES**

An inventory is an essential document when letting your property, and **MUST** be done before the tenant(s) move in. This must detail the contents, fixtures and fittings within the property and their condition. This document is then checked and signed by the tenants. A copy will be held in our office and we will forward a copy to you the property owner. An inventory is the only way to settle disputes at the end of a tenancy, and is legally binding to both landlord and tenant.

### **13. ANNUAL SERVICE OF THE BOILER**

Due to several cases of fatal Carbon Monoxide poisoning in rented accommodation throughout the country, it is now legally necessary for landlords to ensure that the boiler and any other gas appliances in their property are serviced on an annual basis. You will need to provide evidence that this has been done within the past year. You will also need to declare your intentions for the future servicing, so that we can note this on file and ensure this is carried out on a regular basis. We can instruct our approved Corgi Registered Engineer to carry out this service if required (Information available on request).

### **14. ELECTRICAL EQUIPMENT (SAFETY) REGULATIONS 1994**

All property owners are responsible to ensure that all equipment complies with these regulations (**if applicable**). The property owner undertakes to keep Connect-UK fully and effectively indemnified in respect of any claim demand liability cost expense or prosecution, which may arise because of the failure of the property owner to comply with these regulations.

### **15. FIRE REGULATIONS**

Since 1988 it has been an offence to make furniture that does not comply with the Fire Resistance Requirements laid down 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 the upholstery and soft furnishings carry out the necessary permanent labels which detail the fire safety tests, this must include both cigarette and match resistant tests. Penalty for non-compliance is a fine of up to £5000 / six months imprisonment, or both.

Connect-UK will require you to sign a form stating that you have read and understood these regulations and done all you can to comply.

Set out below is a very brief guide to furniture compliance, detailed information issued by the trading standards department is contained in the back of this information pack, if you have any queries please do not hesitate to ask for advice from a member of staff.

If you bought your furniture 'brand new' after 1988 then it should comply. If you bought furniture second hand after 1993 then it should comply. (This does not apply if you bought the furniture privately).

If your furniture was made prior to the 1st of January 1950 then it does comply. These are only guidelines, as you have to rely on the proper conduct of the shop you purchased the items. The only way to be completely sure that your furniture complies is to check for the required labels.

These regulations only apply to all soft furnishings and covers, the only exclusions are: Sleeping bags, Duvets and bedclothes, loose cover for mattresses, pillowcases, curtains, and carpets.

## **16. ENERGY PERFORMANCE CERTIFICATE**

From October 2008 landlords offering property for rent will be required by law to provide prospective tenants with an Energy Performance Certificate for their property.

The certificates ('EPCs') will have to be provided free either when (or before) any written information about the property is provided to prospective tenants or a viewing is conducted. A new certificate will not be required on each let since, in the case of rental property; EPCs will be valid for 10 years.

The requirement is being introduced to comply with the EU's Energy Performance of Buildings Directive (EPBD), which applies to all property, including rented property. This became law in 2003 and allowed until January 2009 for full implementation so as to provide time for sufficient numbers of energy assessor to be trained.

## **17. UTILITY BOARDS AND SERVICES**

We recommend that all arrangements concerning the final meter readings for the gas, electricity, water, and telephone charges are carried out by the landlord, The ingoing Tenants will then arrange for all the utility boards to be changed into their name.

All new accounts on the property are transferred into the name of the tenant(s) for payment during their tenancy. Proof of final payments is required before any deposit monies are refunded at the end if the tenancy agreement.

## **18. COUNCIL TAX**

Council tax is applicable to each property with the cost depending on specific bands, which they fall into. The tenants are responsible for this charge for the period of their tenancy. Once the property has been let, it is the new Tenants responsibility to contact the appropriate departments and notify them of the new details.

## **19. WATER RATES/SEWERAGE**

The tenants are also responsible for these charges, from the dates that they move in to the date that they move out. The Landlord is not responsible for any of these charges. It is the new Tenant(s) responsibility to contact the appropriate departments and notify them of the new details.

## **20. REDIRECTION OF MAIL**

We would recommend that Landlords arrange to have their mail redirected by Royal Mail using the relevant form, which can be obtained from your local post office. We would also recommend that you try to inform as may people as possible of the change of address i.e. Banks, Credit Cards Companies.

## **21. REPAIRS AND MAINTENANCE**

Property owners letting their property for the first time should ensure that all appliances are in good working order. It is very helpful to have all relevant information, instructions and manuals available, a good Landlord/tenant relationship can often be marred if a tenant move into a new house and has no idea how to operate the central heating. In addition, if there have been any recurring maintenance issues, or a specific 'knack' to operate any appliance, please note this and any other useful information which you feel may be of assistance to occupants (we are often asked by tenants about refuse collection days and other local information).

If your property is under full management and have service contracts for the heating, washing machine, etc. Then you must inform us of the company and the contact number.

If at any time a fault occurs at your property we will arrange for one of our contractors to visit the property and give you a quote, however if the quote is less than £150.00 + vat, we will authorise repairs immediately and deduct it from the following months rent. If the landlord agrees to indemnify us as agents all reasonable costs, expenses or liabilities incurred or imposed on us provided that they were incurred on his behalf in pursuit of our proper normal duties and while acting in the best interests of the landlord.

## **22. INSPECTIONS**

Checks will be carried out on properties every three months. This is done to provide a snapshot view of the condition of the property together with ensuring that the tenants observe all the covenants of the tenancy. It should be appreciated that any such inspection can extend only to the apparent and obvious defects and would not amount in any way to a structural survey of the property. We cannot accept responsibility for hidden or latent defects, or problems arising of which we have not been informed. This service is free of charge under Full Management.

## **PURCHASE BY PARTY INTRODUCED BY US**

In the event of a party introduced by us (or any person or body corporate associated with that party) subsequently purchasing the premises, whether before or after entering in to a Tenancy Agreement, commission shall be payable to Connect-UK on completion of the sale at the rate of 2.75% of the sale price, plus VAT at the standard rate.

The above services do not include the management or supervision of vacant properties unless by special arrangement. This applies whether the property is empty before or after the expiration of a Tenancy Agreement or during any periods between tenancies.

The Landlord must respond promptly, with instructions where necessary, to any correspondence from Connect-UK thus enabling us to carry out our duties as detailed above.

Rent will be passed to you within 10 days of receiving cleared funds. We do not guarantee rent payments, if the tenants refuse to pay their rent.

You will be informed of any rent arrears or breaches of covenant brought to our attention. However, in the unlikely event that it is necessary for a solicitor to take action, you will be responsible for instructing your own Lawyer and for all fees involved.

## **RECOMMENDED ITEMS TO LEAVE IF FURNISHED**

**KITCHEN:** Cooker, fridge, washing machine, kettle, 4 of following: cups, saucers, diner plates, knives, forks, dessertspoons, teaspoons, glasses. Rubbish bin, Hoover, Iron, Ironing board.

**LOUNGE :** Three-piece suite, dining table and four chairs

**BEDROOM:** Bed, Wardrobe, and Chest of drawers

**BATHROOM:** Toilet roll holder, Towel rail, Toilet brush and holder, Shower curtain, Bin.

The above is for information purposes only, we recommend these items as a minimum, Try to avoid leaving any Electrical goods not deemed as essential items.

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

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