

Landlord's Guide...





Introduction

Welcome to Hackett Property Residential Lettings and Property Management Department. We are specifically geared to offering an individually tailored, personalised service to each and every one of our properties, be it on a tenant find or fully managed basis. Based in the City Centre, we are able to offer a wide spectrum of properties including first homes, cottages, luxury family houses, contemporary City based apartments and penthouses. Hackett Property is committed to offering a personal and professional service offering informed advice throughout the lettings process. Whether you are letting one of fifty properties, you will receive a fully rounded service from a personalised marketing strategy to rent collection and property maintenance. Our dedicated lettings team is available six days a week taking our clients through each step of letting your property.

Is there a good demand for rental property?

As Sunderland's regeneration continues, the demand for rental property continues to expand with an ever-expanding choice of property style - be it a City Centre penthouse, cottage or residential family home. The lettings market is considered buoyant on all levels. Tenants require a streamlined service enabling them to move in to the specific property without delay. Hackett Property has excellent links with blue chip corporate clients and continues to strengthen these links thus enabling an ever-expanding number of short tenancies to blue chip companies. Tenants are located via a range of individual reasons be it company relocation, pre-first time buyer or merely opting to step out of the sales marketplace for a certain amount of time. It is expected that with Sunderland's fast improving desirability, the lettings market will continue to strengthen with over supply seen in other cities not relevant. Sunderland remains a healthy letting marketplace.



How will my property be marketed?



From the initial consultation a price will be agreed and we will advise you on furnishings thus enabling Hackett Property to identify a tenant within the shortest possible time frame. Hackett Property prides itself on offering a comprehensive marketing strategy to each of our properties with comprehensive colour photograph advertising in regional publications and individual brochures featuring internal and external photography. Each property is individually marketed on a number of web portals including: hackettproperty.com, rightmove.co.uk and fish4homes.co.uk. These once again feature a full compliment of internal and external photography with expansive details and measurements. hackettproperty.com is updated daily. The office is based in the heart of Sunderland City Centre and has expansive window space enabling specific details to be displayed rather than the more standardised property rental list.

Do I need permission from my mortgage lender before I let out my property?

Unless you have a buy to let mortgage, you must inform your mortgage lender in writing that you intend to let your property. They will then send you confirmation of permission which can in some cases be subject to certain conditions that both you and your letting agent need to know before you enter into a tenancy agreement. A copy of your permission letter should be passed to your agent.

Do I require buildings and contents insurance?

You must maintain an appropriate Landlords Buildings Insurance policy. This is a specialist insurance policy designed especially for landlords, with particular provisions to cover rented property at competitive premiums. You may be able to change your current policy - alternatively, we can provide details of brokers who can provide competitive quotes. It is at your discretion if you want to take out a contents insurance policy. We request that all tenants have tenants contents insurance which covers their personal items and landlords fixtures and fittings, however, some landlords - especially when properties are furnished, like to retain their own policy.



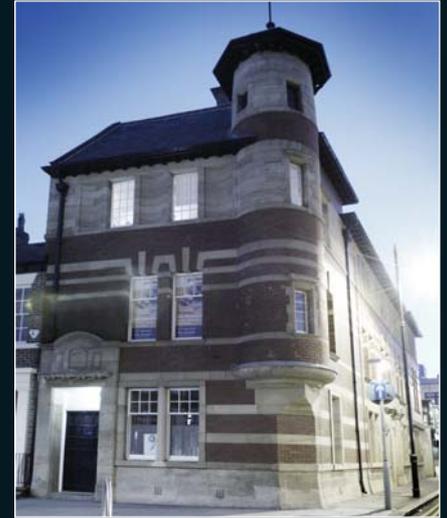
Why use an agent?

Tenants can be very demanding - landlords often struggle to keep up with their needs, especially if they work full time themselves. Government legislation is constantly changing, even landlords who regularly manage their own properties are not always aware of changes. If documentation is not prepared has a designated lettings department with experienced staff to ensure that legislation is adhered to.

What is the income tax position on the rent I receive?

You should always discuss any concerns you have regarding tax with a professional adviser. However, you should note the following: if you continue to live in the UK whilst your property is let, you should declare your rental income in the normal way on your tax return. If you are considered to be a non-resident landlord living abroad, any managing agent is required by law to deduct and without tax at the current basic rate which is then passed over to the Inland Revenue.

If appropriate, this may be claimed back by the landlord. As a non-resident landlord you can apply to the Inland Revenue for an Exemption Certificate. Once your letting agent holds one of these supplied to him by the Inland Revenue, he is allowed to pay your rental income to you with no tax deducted. The appropriate NRL1 form would need to be completed by the landlord and returned to the tax office.



How long will it take to find a tenant?

Statistically, the average letting time from instruction to move in is 6-8 weeks. However, we pride ourselves on finding tenants quickly and we secure tenants on 60% of our properties within the first two weeks. If a property has not generated the expected interest we will assess the feedback and discuss with the landlord what the best course of action would be. New build or converted properties in large developments where several investors are present often take several months before they are fully let. Landlords need to be realistic, however we have ensured that landlords in these situations achieve the quickest lets by using the best promotional material available and giving tenants attractive incentives.

What procedure do you have when selecting a prospective tenant?

We will make every effort possible to establish the suitability of a prospective tenant. We use a reputable referencing company who take up a selection of references including a landlords reference, employers reference and a credit status check. They will advise us of their recommendations, if they do not receive satisfactory information we will discuss the results directly with you.



Do I need an inventory?

Yes. An inventory is a carefully prepared document detailing fixtures and fittings including an itemised list of the contents, describing their appearance and general condition. This will be given to the tenants when they move into the property for them to check and sign to say that they agree with the document. At the end of each tenancy, a check out inspection should be conducted using the inventory. If there is no inventory or the inventory does not clearly state the condition, you will be unable to prove any discrepancies. With the introduction of The Tenants Deposit Scheme, the inventory will be key when dealing with disputes.



Do you take a deposit/bond from the tenant?

Unless you specify otherwise we will take a dilapidations deposit (bond) equivalent to one months rent. Any deposit taken after 6th April 2007 has to be registered and protected with a relevant deposit scheme.

What is the Tenants Deposit Scheme and what are the implications?



Any deposit taken after 6th April 2007 must be registered and protected with a relevant deposit scheme.

If we are managing your property, we will ensure that the deposit is protected with the relevant scheme. At the end of the tenancy we will conduct a check out inspection against the inventory. If the property is found to be in an acceptable condition and there are no monies owed, we will return the deposit to the tenant. If there are any dilapidations and the tenants agree, that money

can be deducted from the bond, we will arrange for works to be carried out and deduct any monies as agreed. If the tenant does not agree to money being deducted, we will be unable to enforce the decision and the dispute will be referred to the relevant Tenants Deposit Scheme who will appoint an arbitrator to resolve the matter.

I have heard about safety regulations for rented property

Failure by any landlord or agent to observe safety regulations could lead to a criminal prosecution which, if proved, could lead to a fine or a prison sentence. There are specific regulations relating to rented property, these cover the safety of gas and electrical appliances and furniture and furnishings. If you are in any doubt please contact our office for advice.



What type of tenancy is used and how long is it usually for?

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Who is responsible to pay the Council Tax, gas, electric, water bills etc?

Unless you agree otherwise, the tenant will be responsible for all the utility bills. The landlord is responsible for all bills when the property is vacant. Landlords remain liable for any communal or block management charges throughout the tenancy and cannot make these the responsibility of the tenant.

Who is liable for any maintenance at the property?

The landlord is responsible for the maintenance of the property. Where required, we will arrange for any repairs to be carried out on your behalf by a reliable local contractor. Fair wear and tear will occur. We recommend that it is good practice to review the property annually. This maintains its good condition and appeal. This is especially relevant to those properties which might have light coloured walls and floor coverings.

When and how will I receive payments?

Payments will be paid to the landlord within 5 days of Hackett Property receiving the rent. Payments will be paid directly into your nominated bank or building society account. If you do not have a UK bank account or do not provide bank details, a cheque will be sent by post. We will send you regular rent statements showing rental income and expenditure.

What happens if the tenant does not pay their rent?

If we manage the property we will endeavour to obtain your rent on time. We have a strict procedure when dealing with arrears and employ an external rent collector as part of our service. If we foresee any problems with your rent payment we will advise you immediately and keep you informed of progress.

Our terms of business give further information regarding rent collection.

Do you inspect the property?

If we manage the property we will carry out periodic inspections to check the general condition. If we are not satisfied with the condition we will inform you in writing of our concerns and take necessary action.

